

# A LIBERAL VIEW

## WAVES OF CHANGE



Friedrich Naumann  
STIFTUNG **FÜR DIE FREIHEIT**

N.3. 1/2016

“ **The Liberal Network for Latin America is the region’s largest association of liberal organisations. It brings together political parties and think tanks committed to progress and development in their countries in order to disseminate and implement liberal principles under the banner of defending democracy, respecting human rights, upholding the rule of law and promoting the market economy – values shared by individuals who are responsible towards themselves and their society.** ”

## A new trend in politics or a crisis of legitimacy for our politicians?

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Despite all the differences in a region that stretches all the way from Mexico to Tierra del Fuego, political movements across Latin America often follow similar trends. From the year 2000 on, the market economy, globalisation and free trade came under heavy fire from politicians and the public alike – there was in fact no longer a “consensus” among policymakers regarding the “Washington Consensus” criteria. Although liberalisation measures and the integration of Latin America’s nations into the global trading system resulted in higher growth and a reduction in poverty, stark inequalities still remained. Under the guise of “privatisation”, State monopolies were often simply converted into private monopolies, mostly to the advantage of people with close links to those in power. As a result, “liberalisation” became a byword for corruption and the privileged treatment of a tiny elite of powerful individuals who paid lip service to a “market economy” but actually only had their own private business interests at heart.

The 2008-2009 financial crisis was the final straw, forcing free-market thinking firmly onto the back foot. This was the hour of the populists, with their promises of government intervention to curb the “market’s wild excesses” and combat poverty. Especially in South America, a string of left-wing governments came to power with policies centred on State intervention in the economy, market foreclosure and social welfare subsidies. At first, the governments of Hugo Chávez, Evo Morales, Rafael Correa and Cristina Kirchner – and indeed the Brazilian administrations of Lula and Dilma Rousseff – were able to implement these policies thanks to high commodity prices on the global markets. But those days are long gone. Now that global commodity prices have fallen, they can no longer afford to subsidise their costly welfare programmes. These failed dirigiste economic policies have resulted in supply shortages and high inflation that have hit people on low incomes the hardest. The restrictions on market access have caused domestic businesses’ international competitiveness to decline still further. In addition, the region’s governments have been rocked by a wave of corruption scandals, while the law and order situation is also precarious in most countries.

The administrations in question are now paying the price at the ballot box. People have lost patience with their governments’ disastrous policies and the widespread corruption and nepotism. Moreover, their disillusionment is not confined to the left-wing populists – its force has also been felt by Guatemala’s former right-wing conservative president General Otto Pérez Molina. Following weeks of protests, a corruption scandal in which he and the vice-president were personally implicated alongside numerous MPs and cabinet members forced him to resign just a few days before the presidential elections in September 2015.

In 2015, the people of Argentina, Venezuela and Guatemala voted out governments that had lost all credibility. They voted for the hope of a better future, for the rule of law and for honest politicians who respect this principle. However, this doesn’t necessarily mean that they voted for a concrete political project. The new governments and elected representatives are now faced with the task of meeting these expectations. In this issue of “A Liberal View”, several articles outline the challenges and policy options for the incoming administrations.

## Argentina: a new opportunity in its bicentennial year

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The revolution of 1810 was spearheaded by merchants and landowners calling for free trade. The war with Spain culminated in Argentina declaring independence in 1816.

One hundred years on, at a time when the world was being plunged into the First World War, Argentina had achieved spectacular economic growth and attracted millions of immigrants. According to Hans Rosling, Argentina's per capita GDP had risen from just a third of the average income in the United Kingdom to 95%. Argentina didn't just grow wealthy – its leaders also took up the challenge of making their country the first to eradicate illiteracy. This was even reflected in popular sayings such as “my son, the doctor”, “in Argentina, a flower grows where you spit” and the French expression “riche comme un Argentin” (as rich as an Argentine).

It is a myth that farming was the only sector to undergo expansion. By 1932, Argentina's industrial sector was bigger than those of Brazil and Mexico combined, despite its population being just one fifth the size. The claim that this prosperity was not distributed is also a myth. The political scientist Carlos Escudé showed that wages in Argentina were among the top ten in the world before the advent of Peronism, while social mobility was also very high.



De Luis Argerich - Flickr: Puerto Madero Panorama, CC BY 2.0, <https://commons.wikimedia.org/w/index.php?curid=13598560>

Puerto Madero, Buenos Aires.

“By 1932, Argentina's industrial sector was bigger than those of Brazil and Mexico combined, despite its population being just one fifth the size.”

While the tide of populism seems to be receding in Latin America, it is now lapping at the shores of many Western industrialised nations. In the United States, Donald Trump has just won the Republican presidential nomination on the back of his pronouncements about Mexican immigrants who he accuses of bringing crime and insecurity to his country. But recent years have also seen the emergence of a surprisingly large number of right-wing populist movements and political parties in many European countries. France, the Netherlands, the UK, Austria and indeed Germany all now have right-wing populist parties that are gaining political clout and transforming the party political landscape with their nationalistic and xenophobic discourse. The sole interesting exception is found in Spain, where a moderate, centre-right liberal party (Ciudadanos) has emerged alongside the left-wing populists of Podemos. Three articles in this issue explore these developments in the industrialised nations.

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This new trend in the US and Europe might at first sight seem rather surprising. After all, one might expect the Western industrialised nations' “developed democracies” to engage in a more nuanced style of politics. The trend has certainly come as a surprise to the political establishment and public opinion leaders. But complex problems such as the eurozone crisis and the wave of refugees from the Middle East have triggered fears among many people. Simple explanations and clear definitions of who their friends and enemies are tend to appeal to people who feel insecure and fear losing what they have. The established parties in Europe and the US have clearly failed to take this

insecurity seriously enough. The resulting gap is now being filled by the new populist parties in Europe or, in the case of Donald Trump, a new style of politics. This has led to the polarisation and fragmentation of the political landscape, which will in turn make it harder to find badly needed, constructive solutions and build consensus in the future.


Why have these changes come about? The reason for these contrasting trends lies in the functions that political systems must perform for their citizens. If a government or political system fails to meet its citizens' basic expectations and perform the required basic functions for them over the medium to long term, then it will eventually be challenged and will lose its legitimacy. This applies equally to the governments of Latin America and the Western democracies of Europe and the United States. Accordingly, one of the perennial challenges facing any democracy is to constantly keep explaining, defending and developing its values in order to maintain voters' support. In this respect, advocating “equality” in society is also important from a liberal point of view. In addition to equal opportunities and equality before the law, this also means the participation of as many as possible of a country's citizens in its prosperity and the effective performance of the State's basic functions for the whole of society.

If this does not happen, then, as we are currently seeing in Europe, the fundamental social consensus needed for democracy can quickly come under threat. Once people's basic needs are being met, the extent to which an individual “benefits” under a given regime is highly subjective, as discussed in another article in this issue. Nevertheless, these mechanisms are extremely important for political stability. Without in any way advocating political arbitrariness or a brand of democracy where politicians are only interested in pleasing the electorate, it must nevertheless be recognised that the political changes in Europe and the Americas are sending out a clear message: if political systems fail to address voters' concerns, they run the risk of bringing about their own downfall.

However, following the coups d'état of Uriburu in 1930 and Ramírez, Farrel and Perón in 1943, the country came under the influence of nationalist ideologies. From that point on, Argentina would be dominated by protectionism, import substitution, an increasingly overblown State and economic mismanagement. Time and again, debt crises or high inflation would be followed by recovery plans that consistently fell short of what was actually required.

The populist government that came to power on the back of the 2002 crisis managed to remain in office for twelve consecutive years. Luckily for them, the global landscape had never been more favourable for Argentina – prices for our exports (mostly commodities) had never been higher and global interest rates had never been lower. But even so, they led the country to disaster. By the time the Kirchnerite government left office, Argentina had a fiscal deficit of 7.1% and the highest inflation rate of anywhere in the Americas apart from Venezuela. And this was in spite of the fact that taxes were higher than ever before. Over the past four years, the private sector has stagnated and the only growth has been in public sector jobs and welfare programmes. The number of public sector workers across



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*Mauricio Macri, current president of Argentina.*

“The government partially defaulted on its sovereign debt repayments throughout its 12 years in power.

all three levels of government has risen from 2.2 to 4.2 million. And despite the fact that the economy has been growing, welfare programmes have grown even faster, with 8.5 million people now claiming some form of benefit.

The government partially defaulted on its sovereign debt repayments throughout its 12 years in power. As a result, both the public and the private sector had to pay nominal interest rates three times higher than those of our Uruguayan and Chilean neighbours. Argentina also ceased to be self-sufficient in energy. The Central Bank's reserves were plundered and private pension funds were nationalised so that they too could

be raided for cash. The various public enterprises that were created either from scratch or through nationalisations are now racking up huge losses. Government was riddled with corruption, for example it was discovered that State welfare benefits for the elderly were being claimed for as many as 400,000 “zombies” who were in fact deceased. Moreover, government documents were stolen and the national statistical office was turned into a factory of lies. Worst of all, perhaps, Argentina's institutional quality ranking fell to 137th out of a total of 195 countries. As for the state education system, Argentina's PISA test ranking fell from 1st to 6th among the Latin American countries that were assessed (and to 59th out of the 65 countries that were assessed worldwide). Only one in four Argentinians understands what they read.

All of this resulted in the Kirchnerites losing the elections, which were won instead by a new coalition called “Cambiamos” (Let's Change) that promised “change” but without being very specific about what this meant. Their three stated goals are to achieve zero poverty, combat drug trafficking and unite the people of Argentina. But they failed to provide any details of how they planned to do this and did not even highlight the full scale of the problems during the campaign.

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Despite this, **the first 100 days in office of new president Mauricio Macri can be judged to have been a success.** The government has changed course – instead of heading down the same path as Venezuela and Cuba, it has set its sights on rejoining the world's successful liberal democracies. To this end, it lifted the existing currency controls, paving the way for a 60% devaluation of the peso, as well as removing restrictions on imports, cutting certain export taxes and freeing up prices. Furthermore, it has taken action to finally reach a settlement with the country's creditors, allowing Argentina to return to the international capital markets. Macri made a very favourable impression in Davos, where he travelled with one of the main opposition leaders, Sergio Massa. Together, they succeeded in arranging for three heads of state to visit Argentina, including President Obama. Macri has also started making informal approaches about the negotiation of free trade agreements. Finally, as far as the public sector is concerned, he has opted to take a gradual approach towards eliminating Argentina's fiscal deficit. He has laid off almost 11,000 public sector workers (around 2.5% of the total) whilst at the same time raising transport, gas, electricity and water prices and ending subsidies for people on middle incomes. He did, however, retain the subsidies for the poorest families, as well as announcing that the Universal Child Allowance (AUH) will be extended to one million people.

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The new administration has discovered waste and corruption on a huge scale in every government department. Even government documents had been stolen by the previous incumbents, although the paper shredders had been left behind. One civil servant aptly summed up the machinery of government in Argentina with the words “whatever I touch, pus oozes out of it”.

Meanwhile, the imbalance between the public and private sectors remains. Almost 18 million people are on the State's payroll, while just 8 million work in the formal private sector.

The government is faced with the huge challenge of getting the fiscal deficit and inflation under control whilst also creating the conditions to enable four million new private sector jobs to be created over the next five years. In order to do this, it will need to attract investment, but it has made slow progress on this front so far. It will also need to find a way of boosting exports in a far less favourable global environment.

The good news is that even though he lacks a majority in either chamber of Congress, Macri has managed to push some important legislation through parliament. This shows that the climate has changed in Argentina and it is now possible to negotiate compromise deals with political groupings of different persuasions. If there is cause for optimism in Argentina, then it is thanks to this new generation of politicians who are prepared to talk to each other, something that hasn't happened for over a decade.

Finally, there have been strong calls from the public and the media to put an end to impunity in Argentina. The courts have already jailed three Kirchnerites and it is not unreasonable to surmise that the wave of justice sweeping through Brazil could also be reaching Argentinian shores.

# Bolivia said no

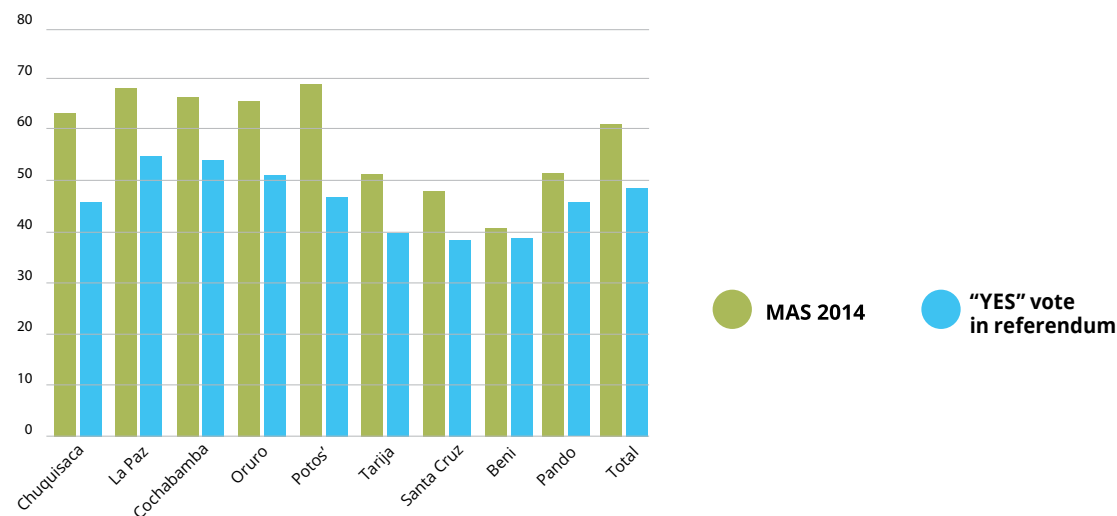
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On 21 February 2016, a referendum was held asking voters whether the constitution should be amended to allow president Evo Morales to run for a fourth consecutive term in the 2019 elections. It ended in Evo Morales' first defeat since he became president. While 48.7% of voters across the country voted in favour of changing the constitution, 51.3% voted against. This was a far cry from the 61% of the vote obtained by the Movement for Socialism (MAS) in its 2014 election victory.

In the 2014 elections, the president emerged victorious in eight of the country's nine regions, the sole exception being the notoriously hostile Beni region which has always voted against the ruling party. In the recent referendum, on the other hand, he only won in the three western regions of La Paz, Cochabamba and Oruro where indigenous peoples make up the majority of the population. And even there, support for him fell by between 12 and 14 percent compared to October 2014. He obtained 11 and 8 percent fewer votes respectively in the provinces of Tarija and Santa Cruz, where he had triumphed at the polls just over a year ago despite the fact that they have traditionally been opposition strongholds. But his biggest setback came in the mining region of Potosí. A combination of the crash in mineral prices and what analysts have described as his "arrogant and indifferent" response to the demands of this poverty-stricken Quechua region led to a massive 23% fall in support for him compared to when he won the elections there in 2014.

## Comparison of the results obtained by MAS in 2014 and in the 2016 referendum



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Evo Morales, en los dos primeros años de su gestión (2007).

## What are the reasons for these results?

What could have happened in Bolivia in the space of just one year to cause voter support for the ruling party to dwindle so badly? It is important to recognise the different nature of the two polls.

Despite the fact that the government tried to turn it into a ballot on how it was running the country, the referendum actually asked people to go against their instinctive mistrust of any one individual remaining in power for too long, something that has its roots in the suffering and instability that this has caused the country in the past. It also enabled all those forces that oppose Morales for whatever reason – from the Trotskyites and radical indigenous groups to the racist right – to come together under a common cause.

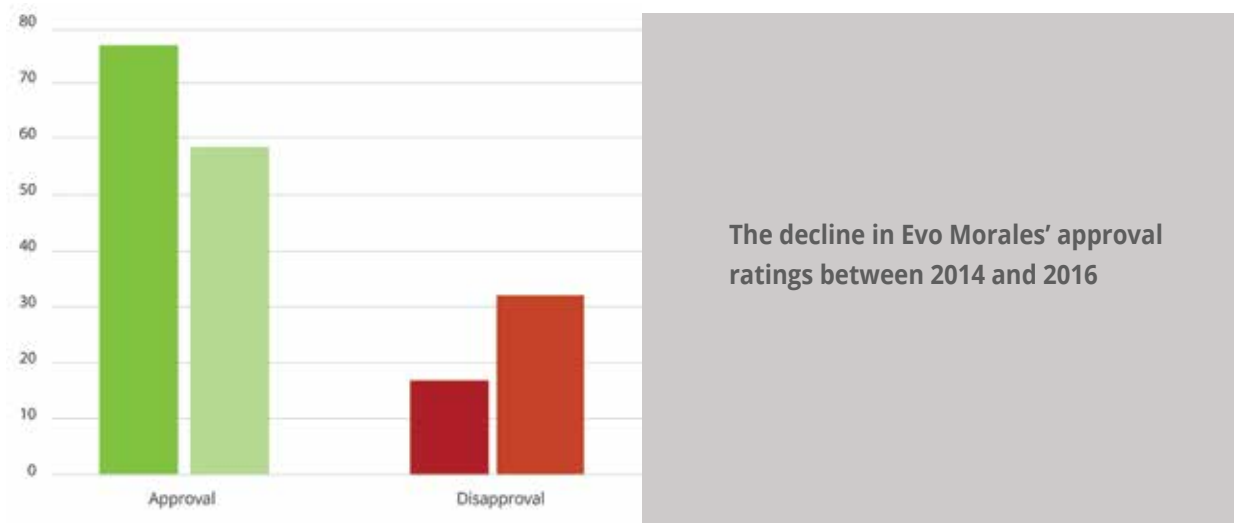
This is confirmed by the results of an IPSOS opinion poll conducted in Bolivia's four largest cities at the same time as the referendum. Although the "no" campaign won by a large margin in three of these cities, the poll found that the president himself remained very popular, with an overall approval rating of 58%. While support for the president was highest in La Paz and the neighbouring city of El Alto, in Cochabamba those who approved of him were outnumbered by those who disapproved.

“The gloomy news from the global oil markets was compounded by a succession of scandals, one of them involving the president himself, which seem to point to a serious rise in corruption in recent times.”

These findings allow us to conclude that people did not necessarily vote "no" because they disagreed with how the president was running the country. Other studies that cannot be cited by name because we were only granted unofficial access to them indicate that the key drivers of voter behaviour were the desire for change in the party leadership and the belief that it is wrong to amend the constitution purely to suit the interests of one individual. They also show that the decision to vote "no" was inversely correlated with age and directly correlated with socioeconomic status. In other words, "no" voters were predominantly young people in higher income brackets, whereas "yes" voters were mostly older people on lower incomes.

## The question of corruption

The period from 2014 to 2016 has been a difficult time for the government. The gloomy news from the global oil markets was compounded by a succession of scandals, one of them involving the president himself, which seem to point to a serious rise in corruption in recent times. According to the study cited above, although it wasn't the main reason that people voted "no", the perception of corruption did account for almost a third of all "no" votes. Other more subjective reasons such as the perceived arrogance of the country's rulers seemed to carry less weight, at least outside of the Potosí region. Moreover, although the government's approval ratings remain high, as indicated above, they are nonetheless lower than they were in the past, especially in Cochabamba. This is particularly true of vice-president Álvaro García Linera who has never enjoyed the same level of grass-roots support as the president.



## The political situation arising from the referendum results

As mentioned above, the defeat of the “yes” campaign was the first time that Morales has suffered a defeat at the ballot box since he became president. Its effect has been to weaken his own power and the strong grip that the MAS party has had over Bolivian politics for at least the last five years. It has brought about a new and unprecedented political situation that can be summed up as follows:

**The spell has been broken.** The optimism that people felt about the government and its promise to bring change to Bolivian politics has been tempered and in some people’s view completely shattered by the reality of its record in office. Many of the bad old ways (corruption, nepotism, inefficient government) are now rearing their ugly heads again. There is no longer the same degree of enthusiasm for the changes that have been made, either because they haven’t worked or because, if they have worked, they have become the norm and are no longer seen as anything special. The president’s interminable rhetoric about an “enemy” who needs to be defeated no longer rings true, while his more technocratic speeches about the achievements of his administration fail to capture the imagination. The problem with this rhetoric is that its audience has changed.

**The first cracks have appeared in the myth of Evo.** Part of Morales’ appeal as a leader was due to his phenomenal and apparently unstoppable success as a politician. He seemed to possess a “bulletproof” image that was immune to the government’s problems. However, the shine has now been taken off these qualities as a result of both the referendum and the scandals surrounding his relationship with Gabriela Zapata, a lobbyist for Chinese firms in Bolivia. The president is no longer invincible – he is still a special politician, but not a god.

**There is a renewed danger of Bolivian society becoming polarised and returning to the “us and them mentality”.** Now that Evo’s spell has been broken among the middle classes, there is a very real prospect of Bolivian society becoming polarised between “rich and poor”. Whether or not this comes to pass will depend on what the government does to win back the young middle and upper-middle class voters who accounted for the highest proportion of “no” votes in the referendum. If instead of appealing to these voters the government chooses to focus on its grass-roots supporters, there is a danger that society could become chronically polarised.

**The MAS party hasn’t yet admitted defeat.** Morales’ party accepted the fact that it lost the referendum, but regarded it as a “tactical rather than strategic” defeat that could therefore be overturned – in the president’s own words, they had lost “a battle, but not the war”. The implication is that the party will continue its campaign to allow Morales to run for a fourth term. This is considered essential in order to provide continuity during the process of

change that the country is undergoing. In the words of Morales’ ever-present intellectual companion, vice-president Álvaro García, “a revolution can be told” by the fact that “it still relies on the people who started it”.

The MAS party certainly relies on Morales. He is the only person who can guarantee his movement’s unity, since he would be the first person to divide it were he not to be its leader. He hinted as much in an interview with the

“El Deber” newspaper where he claimed that he gets on with García because he “doesn’t see himself as presidential material”. The other leading indigenous figure in the MAS party, Foreign Minister David Choquehuanca, is always telling anyone who will listen that he has no desire to be his party’s presidential candidate because it would be impossible to govern with Morales on his shoulder.

### The tide is starting to turn against the MAS party.

Evo’s popularity was due to the fact that he built a government that awakened nationalist ambitions among the people of Bolivia. It did so by strengthening the State, which seized control of the the gas industry, the largest industry in Bolivia; by pursuing an audacious and patriotic foreign policy; by purchasing satellites and state-of-the-art gas plants; and by constructing roads, buildings, stadiums, schools, etc. All of this was paid for out of the vast revenues obtained thanks to the rise in the price



Protest of Bolivian residents in Mexico City.

of the commodities that Bolivia specialises in producing. The economy experienced the type of prosperity that economists refer to as “the Dutch disease”. The ready availability of large amounts of cash leads to increased public and private spending, as well as higher wages and welfare benefits. Instead of being invested in industry, this money is frittered away on imports and non-productive tertiary activities, as well as fuelling a property boom. Today, Bolivia’s manufacturing industry finds itself in a precarious position – high wages increase the cost of production and make it very difficult to export domestically produced industrial goods. Meanwhile, new buildings, restaurants and night clubs are springing up left, right and centre.

While most people in Bolivia are all too happy to suffer from the “Dutch disease”, it does have one major drawback: the model’s success is reliant on government revenues and these have suddenly plummeted as a result of the crash in the oil price. The government is trying to make up the shortfall by taking out loans from China and multilateral organisations. However, most people now expect the country to experience all manner of problems as a consequence of the economic slowdown that is already underway.

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## Winds of change

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Political thinkers have feared democracy since at least Aristotle. The main reason lies in the populist risks that it entails. The majority can always be manipulated or won over with unsustainable promises, especially in poor countries. Alexis De Tocqueville warned of the “tyranny of the majority”, while the “Founding Fathers” of the United States of America supported a constitutional republic, not a democracy. They were all too aware of its risks

The countries of Latin America know what it means to be ruled by demagogue leaders. In recent times, they have discovered that they do not need to resort to arms to deprive us of our freedom. They can do so from within our “democratic” system, as postulated by Antonio Gramsci. This realisation resulted in the birth of “Bolivarianism”, the “new socialism” conceived at the São Paulo Forum. Venezuela’s Hugo Chávez was its chief exponent, but the same pattern could be seen in Ecuador, Bolivia, Argentina and Brazil.

Now that these economies are in deep trouble and the price of commodities wanted by China can no longer rescue them, these populist leaders face a hard time and many could soon lose power. In fact, this has already happened in Argentina, with the election of the liberal Mauricio Macri. He has many challenges ahead, but has already started to implement major reforms. In Venezuela, it seems too late for that now and even more difficult to imagine a peaceful solution. In Brazil, however, we still have a chance to rescue democracy and freedom without social disorder.

Brazil is currently going through an interesting period, with ongoing presidential scandals that have revealed the government’s intrinsic corruption to the general public and triggered widespread protests. For all that the crisis is terrible and dangerous, it is also an opportunity. After more than a decade of incompetent government, hundreds of corruption scandals and the worst depression ever, people have finally woken up. They are angry and they are tired of this new “socialism” based on populist state capitalism.

The Brazilian Labour Party (PT) has reacted to this recent upsurge in public discontent by becoming even more authoritarian and declaring war on our laws, the Constitution and the millions of people protesting in the streets. It has now become clear that the left-wing rhetoric is nothing more



Suspended because of the impeachment process: Dilma Rousseff.

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Protests in Sao Paulo, Brazil.

than empty words and that the real coup has been carried out by the government itself and not by a putative “powerful elite”. In fact, it is the current government’s own officials who make up the powerful elite trying to destroy our democracy from within.

We now have a better view of the big picture. On one side, we have the majority, fighting for justice, democracy and freedom. On the other side, we have a minority, albeit a very organised and vociferous one with deep pockets funded by our taxes. This minority is fighting to survive, to stay in power and to keep its privileges. But it has not been strong enough to prevent Dilma’s ongoing impeachment process in the courts.

The Congress (Lower House) approved the impeachment process with 367 votes in favour and only 137 against. At the time of writing, the Senate was about to vote on the impeachment and was expected to uphold it. So Dilma will be defeated, just like Fernando Collor 25 years ago. What will this mean for Brazil’s democracy?

The impeachment process is causing the PT to suffer huge political losses in terms of support for the party. One in five mayors has left the party. And things are set to get even worse in the 2016 municipal elections, where the PT’s prospects look extremely bleak. Lula will find it very tough to convince people that he is still the representative of the poor. The PT keeps trotting out its victim’s narrative about the country being in the midst of some kind of coup d’état so that it can manipulate the less privileged people in society. But the signs are that this time it isn’t going to work.

That doesn’t mean that the left in general is out of the picture. After decades of a culture dominated by the left, a lot of Brazilians still see the State as a kind of saviour and distrust the private sector. Paradoxically, they hate politicians but they love the State as an abstraction. And that isn’t going to change any time soon. Consequently, the left-wing parties still wield a lot of influence and power.

The millions of people who have taken part in the protests are angry with our government, but that doesn’t mean they are liberals or conservatives. Many don’t even understand the details of the different political ideologies. They know that the PT has lied to them repeatedly, has destroyed our economy and is extremely corrupt, but it doesn’t automatically follow that they think Petrobras, for example, should be privatised. There is still a long way to go in terms of curbing the role of the State so that we can put an end to the corruption and government inefficiency that is undermining our democratic institutions.

The political left has always known how to reinvent itself. Marina Silva, for instance, has won millions of votes with her “green” rhetoric, even though ideologically she is more of a “watermelon” – green on the outside, but red on the inside. Her party Rede has attracted many former PT politicians who voted for Dilma to stay in power. Then there is the PSOL, founded by PT dissidents. They claim to represent the opposition from the left, but they too all voted against the impeachment.



Michel Temer and Dilma Rousseff.

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The other problem is that there are still very few right-wing alternatives. We do have Partido Novo, a new party with liberal views, but it is poorly organised and too small. The political right lacks big names – while Jair Bolsonaro is a hero to some, his support for Brazil's former military dictatorship means that he is unpopular with many and will never have enough support to win an election. He is in any case better described as an authoritarian than a liberal.

Consequently, liberals will once more be forced to rely on the PSDB, which is far from

liberal in classical terms and is in fact closer to a social democratic party. The best-case scenario is a transition government led by Michel Temer that makes sound appointments to manage the economy, followed by new elections in 2018 with a PSDB victory. While hardly a liberal's dream scenario, this is the most we can hope for in the short term. Such a government could still adopt some important reforms, as was the case with the Real Plan during the Itamar Franco government following Collor's impeachment.

Nevertheless, we now have a real opportunity to change our culture and improve our institutions for the longer term. It's up to us, although it won't be at all easy. We are fighting against a deep-rooted mentality that believes in the State as a kind of all-powerful God and distrusts capitalism, free markets and the profit motive. Our political institutions don't help matters, with too many parties and too much power concentrated in Brasilia.

It is going to take a while, but there is cause for optimism. When we hear young people talking more about the Austrian liberal economist Mises and less about Marx, it makes us wonder whether real change may in fact really be occurring thanks to the work of our think tank and the Internet. I believe that freedom will prevail in the end, but not before many victims have been lost on the battlefield. Fighting for freedom is never easy.

But that is precisely why freedom is so valuable. We can never take it for granted, not even if we live in a democratic system. As we have seen all too often, our enemies have learned how to use democracy to destroy our freedom and they will keep doing so again and again. The price of liberty is eternal vigilance, as Thomas Jefferson once said. And, as Reagan reminded us, freedom is never more than one generation away from extinction. Unfortunately, in Latin America, before we can defend our freedom we first have to win it. But we can feel the winds of change starting to blow right now. The time has come for us to get out there and claim our freedom!

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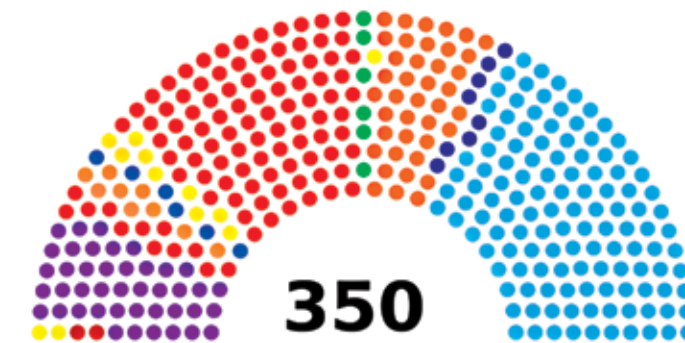
## The Spanish elections and the coalition that could never be

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It takes two to tango. However, after the elections of 20 December 2015, it was going to take much more than two to form a government in Spain. Following the inconclusive results of last year's poll, the parties represented in the new Parliament have as of yet been unable to strike a deal. Throughout these months of impasse, political analysts have been wondering about the meaning of the message that the people of Spain have sent to their representatives. It is clear that Spaniards want a coalition government. But do they want any old coalition, regardless of who is in it? After all, one can hardly claim that Spain's current crop of political parties are all much of a muchness.

The first difference between them concerns their attitude towards the Constitution. Some respect Spain's Magna Carta – and particularly what it says about national unity – more than others. The latter camp includes parties such as **Podemos**, the new star of the radical left; **Izquierda Unida** (United Left), the current incarnation of the **Communist Party of Spain**, which is about to be swallowed up by Podemos; and the Catalan, Basque and Galician separatist parties that wish to hold unconstitutional referendums so that they can gain independence from Spain.



- Euskal Herria Bildu (EH Bildu): 2 seats
- Unidad Popular: Izquierda Unida, Unidad Popular en Común (IU-UPeC): 2 seats
- Podemos (PODEMOS): 42 seats
- En Comú Podem (EN COMÚ): 12 seats
- Compromís-Podemos-És el moment (PODEMOS-COMPROMÍS): 9 seats
- En Marea (PODEMOS-En Marea-ANOVA-EU): 6 seats
- Esquerra Republicana de Catalunya-Catalunya Sí (ERC-CATSÍ): 9 seats
- Spanish Socialist Workers' Party (PSOE): 90 seats
- Euzko Alderdi Jeltzalea-Basque Nationalist Party (EAJ-PNV): 6 seats
- Canarian Coalition-Canarian Nationalist Party (CCa-PNC): 1 seat
- Ciudadanos-Partido de la Ciudadanía (C's): 40 seats
- Democràcia i Llibertat. Convergència. Demòcrates. Reagrupament (DL): 8 seats
- People's Party (PP): 123 seats

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The second difference is their attitude towards the other political parties. This aspect is just as important as the first one, since it has shaped the course of recent events. To understand it, we need to turn the clock back to 18 January. On this date, in accordance with established protocol, King **Felipe VI** commenced the first round of consultations with the largest parliamentary parties and asked the leader of the party with the largest share of the vote, **Mariano Rajoy** of the **People's Party (PP)**, to form a government.

Everyone in Spain knew that Rajoy wouldn't be able to gain enough support from other parties to achieve a parliamentary majority unless the PP and the **Spanish Socialist Workers' Party (PSOE)** managed to strike a deal. And that was regarded as highly unlikely. But not impossible – there is one precedent. When democracy first came to Spain after the death of **Franco**, all the parliamentary parties agreed to sign the "Pactos de la Moncloa" (Moncloa Pacts) so that the centrist **UCD** government could implement the painful changes needed to modernise the country.



In the event, however, the gloomiest predictions came true when Mariano Rajoy informed the King on 22 January that he had failed to garner enough support to form a government. Sticking scrupulously to the procedure outlined in the Constitution, the King then invited the same leaders who he had sounded out just a week earlier to participate in a second round of consultations. When the official deadline came round once more, Mariano Rajoy informed Felipe VI that although he was unable to ask Parliament to take a vote of confidence on a proposal for a new government because he lacked sufficient support, he would still be willing to form a government as soon as he obtained the necessary backing. Faced with a situation that was unprecedented in Spain's democratic history, the King decided instead to give the task of trying to form a government to PSOE leader **Pedro Sánchez**, who had put himself forward as an alternative to Rajoy. Despite having won just 90 of the 350 seats in the Spanish parliament after suffering the worst results in its history, the PSOE now had the opportunity to oust Rajoy.

The press conference held on 2 February outside the Spanish royal family's Zarzuela Palace residence had to be seen to be believed. A triumphant-looking Pedro Sánchez announced a series of promises that sounded more like a wish

list for his fairy godmother. It was at this point that some of us realised that a fresh election campaign had just begun.

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In the days leading up to that press conference where the dress rehearsals ended and the real contest began, all the country's political leaders had resolutely maintained the stances that you might expect of them in view of their respective positions on the political spectrum. The PP announced that it would not rule out a deal with anyone and proceeded to ignore the political reality of the situation and just sit there wistfully hoping that the other kids would come out and ask it to play. The PSOE, taking care to distance itself from the PP, refused to countenance any scenario that did not involve Pedro Sánchez becoming prime minister.

As for Podemos, the populist “sister” party of Greece's **Syriza** led by media darling **Pablo Iglesias**, without consulting anyone at all they announced to the cameras on 22 January that they had spoken to the King about their plan to form a government with the PSOE in a deal where Pablo Iglesias would be Vice-President and his party would also get the ministries of Economy, Defence, the Interior and Justice and Foreign Affairs.

They also proposed the creation of a new “Ministry of Plurinationality” to oversee an independence referendum in Catalonia, a blatant slap in the face for supporters of the Constitution. This manoeuvre scotched any prospect of a deal between the PSOE and Iglesias due to the war being waged within the socialist party's own ranks between the staunchest supporters of the Constitution, who want Pedro Sánchez to drop his bid to become prime minister, and Sánchez's closest supporters, who are prepared to form a government at any price. The centrist **Ciudadanos** led by the youthful Albert Rivera was the only party to indicate that it would be willing to participate in any coalition that did not threaten Spain's national unity. The only new development to have occurred between then and the present



Albert Rivera president of Ciudadanos.

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point in time, when it has become clear that no government will be formed, was the deal signed between the PSOE and Ciudadanos to maintain the “red line” against separatism. However, this was not enough to form a government without the support of the PP.

The official date for the new elections has been set for 26 June 2016. If we add up the cost of the campaign, including the subsidies that will be paid to the political parties, it is a luxury that the country can ill afford. While current projections fail to paint a clear picture of the likely outcome, they all agree that Podemos is set to lose ground. Iglesias' party has already responded by joining forces with Izquierda Unida. In the meantime, the press continues to uncover new corruption scandals involving figures from one party or another, while political backstabbing has become the order of the day. The alarm bells are starting to ring as the Spanish people grow tired of the ineptitude of their representatives. If people decide to abstain, we may find ourselves back at square one, unable to form a government for a second time.

Leaving the political situation to one side, investors attracted by the halting recovery of the Spanish economy are getting cold feet as a result of the growth forecasts being revised downwards (to one percent of GDP at present), the failure to meet the deficit target and the high likelihood of a rise in taxes in the near future. But by far the biggest factor that could cause domestic and foreign capital to seek a safer home elsewhere is the prospect of Podemos forming part of the new government. This is hardly surprising. The examples of what they are capable of getting up to in local councils controlled by the radical Left and the resignation of several local Podemos leaders (and in some cases, the entire local party leadership) tell their own story.

The only positive to come out of this crippling situation is that the true nature of the bogus politics that have been going on is now being revealed to a Spanish public that has had its fill of empty words and has reached the point where it is capable of voting for the worst alternative on the grounds that it might as well let someone else do the lying for a change.

## Constricted sovereignty: how the international community influenced the outcome of the 2015 general elections

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A recent photo of Guatemala's president Jimmy Morales giving a speech at a state school shows a young schoolboy looking hot and miserable as he tries to shade himself from the blazing midday sun. The one thing he most certainly isn't doing is showing the faintest sign of interest in the speech being given by former comedy actor Morales – the small child's face is a picture of frustration and he clearly can't wait for the whole performance to end.

“Who will prop up Jimmy Morales' government politically when its lack of direction causes the economic, fiscal and governance crisis to get even worse?”



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Accused of being involved with drug cartels: former vice president Roxana Baldetti.

More and more Guatemalans are starting to feel the same way about their president. Morales' constant communication gaffes, his political blunders – such as accepting a donation of expired medical supplies – and his inability to set a clear political agenda for the country are causing growing numbers of Guatemalans to question his government's future. It is uncertain how their question will be answered – much will depend on whether or not he is capable of improving his performance as a politician and president. But it will also depend on the support that his presidency receives from the international community and

civil society organisations. The question facing Guatemalans today is who will prop up Jimmy Morales' government politically when its lack of direction causes the economic, fiscal and governance crisis to get even worse. And if the answer is the international community, then we also need to ask whether the people of Guatemala should tolerate this kind of interference.

On 16 April 2015, Guatemala woke up to the news that the International Commission against Impunity (CICIG) – a United Nations body set up with the blessing of the Guatemalan government in 2006 – and the Public Prosecutor's Office (MP) were starting legal proceedings against the country's vice-president Roxana Baldetti and a number of leading figures from the country's customs agency, having obtained evidence of a possible corruption scandal. At the time, Guatemala's “traditional politicians”, as they have now become known, could have had little idea of what was coming. The corruption charges brought by CICIG head Iván Velásquez Gómez in the spring of 2015 were the



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Citizens protesting against corruption in Guatemala demanding the president and government to step down.

first warning shot of a much wider-ranging underlying strategy. With the benefit of hindsight, it can be seen that this strategy had two goals: 1) to wipe out the traditional politicians from the Renewed Democratic Liberty (LIDER), National Unity of Hope and Patriotic parties from the political arena, or at least to neutralise them; and 2) to support politicians who were more willing to cooperate with the war on corruption that the CICIG has been waging since 2007.

These aims were championed in a series of apparently spontaneous public demonstrations that sprang up primarily in Guatemala's cities. The first demonstrations were held on Saturday 25 April, one week after the charges were brought against Baldetti, and were followed by further Saturday protests that continued right up to the general election of 6 September. One important consequence of the demonstrations is that they led to the emergence and formation of new, democratic political forces. These include organisations founded by young, liberal university students, such as Guateactiva, and socialist groups such as Justicia Ya, which are defining new expectations and new ways of doing politics in Guatemala. Not to mention the social movements now operating under the franchise of Spain's Podemos.

The demonstrations gathered momentum in July when the CICIG published a report on the funding of Guatemala's political parties which revealed that many of them were receiving payments from criminal organisations. This triggered a renewed upsurge in the protests that lasted into August, when a general strike was held following the filing of charges against the then president, Otto Pérez Molina. He was accused of leading the criminal organisation known as “The Line” in connection with which Roxana Baldetti was already being prosecuted. These events led to the president being stripped of his immunity from prosecution by the Guatemalan Congress on 2 September, just four days before the general election.

The opinion polls from February to August 2015 reveal the dramatic impact on the LIDER and National Unity of Hope (UNE) parties of having to fight off the charges and criminal prosecutions brought by the CICIG – and backed by the public protests – against candidates allegedly involved in acts of corruption.

It is true that the victorious new president's promise of transparency and an end to corruption seemed to chime with young people's calls to put an end to the corrupt, "old school" politics. But it is also important to emphasise that, just like this new political generation, Jimmy Morales and his National Convergence Front (FCN) party lacked a clear idea of the direction in which they should take the country after the elections.

There are two things that are particularly notable about the elections. The first is the weak mandate obtained by Jimmy Morales at the polls. Only 15% of the electorate voted for him in the first round and 36% in the second round. Meanwhile, almost 49% of voters abstained. This lack of a strong mandate will make it even harder for his government to survive, the next time a major crisis comes along.

The second key factor is the FCN party's poor showing in the parliamentary elections. It won just 11 out of a total of 158 seats in the Congress, equivalent to just 7%. LIDER, on the other hand, won 45 seats (28%), UNE 32 (20%) and the Patriotic Party (PP) and Todos each won 18 seats (11% respectively). This could have made it impossible for Morales and his cabinet to govern the country. However, until April 2016, the law still allowed elected deputies to switch parties. This enabled the FCN to hold talks with the newly elected parliamentarians, culminating in 26 of them transferring their allegiance to Morales' party – enough to make it the largest minority party in Congress. However, this was achieved at no small cost to the president's legitimacy and image, with the media accusing him of renegeing on his promise to usher in a different style of government.

#### The first four months of the Morales administration

On 22 April 2016, Prensa Libre – one of the country's most widely read printed newspapers – published an article in which it interviewed some of Guatemala's main independent, non-governmental organisations about their impressions of the Morales administration's first 100 days in office. The interviewees expressed various degrees of disillusionment and only one, the Committee of Agricultural, Commercial, Financial and Industrial Associations (CACIF), supported the view that the president had shown strong leadership.

Overall, the interviews reveal a sense that Jimmy Morales' legitimacy as president of the Republic has been damaged. He is criticised for lacking gravitas in his communication style, lacking leadership and authority, lacking a clear government agenda and policy strategy and failing to make a break with the old ways of doing politics. It is true that no-one criticises him for being corrupt and there has as yet been no suggestion that he is. Having said that, there was no transparency in the appointment of his ministers, the regional governors, or the Constitutional Court judges.

Furthermore, sources in the civil service have claimed that some government ministers had their departmental teams imposed on them rather than being allowed to pick them themselves. They have also complained that a

“It is true that the victorious new president's promise of transparency and an end to corruption seemed to chime with young people's calls to put an end to the corrupt, "old school" politics.

number of people with little or no experience have been given leadership roles and that the lack of leadership and guidance from the president has created a climate where nobody knows what they are supposed to be doing. Although most government ministers are well known in Guatemala for their professionalism, the Ministry of Health remains the president's Achilles heel, while the President of the Congress and the other presiding officers are all members of the opposition.

The political agenda in Guatemala today continues to be set by the CICIG and its charges against corrupt entrepreneurs and public authorities, as well as by the US Embassy, which clearly has little regard for the country's sovereignty. We have also witnessed the emergence of a new Left that speaks through various youth organisations and is particularly vocal on fiscal questions. It appears to wield some influence in the Superintendency of Tax Administration, the Ministry of Governance, the Public Prosecutor's Office and the Ministry of Public Finance.

In any case, many Guatemalans have their doubts about how long this government is likely to last. In view of this situation, it is worth asking whether the shock therapy administered by the CICIG during the 2015 general elections and the foreign meddling in our country's domestic politics are either helpful or appropriate.

Ultimately, the fight against corruption has given us a weak government. For the time being, all the people of Guatemala can do is wait and see whether this government will be able to ride out the various crises that are coming its way and whether those who forced our country's institutions to allow Jimmy Morales to become president will be quite so keen to lend him their support when things start to get difficult.

“Many Guatemalans have their doubts about how long this government is likely to last.



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Political advertising of the party Lider (2015 campaign for Guatemala's presidential elections).



“The administrations are now paying the price at the ballot box. People have lost patience with their governments’ disastrous policies and the widespread corruption and nepotism.

“The gap is now being filled by the new populist parties in Europe or, in the case of Donald Trump, a new style of politics. This has led to political fragmentation and polarisation, which will in turn make it harder to find badly needed, constructive solutions.



# Mexico: the dictatorship of propaganda broadcasts

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Mexico has not had to suffer an authoritarian military regime like Spain under Franco and so many other Latin American countries. However, a lot of power has been concentrated in the hands of its governments, a phenomenon described by the author Mario Vargas Llosa in 1990 as “the perfect dictatorship”.

In truth, the Mexican regime has never really been a genuine dictatorship. Mexico has always had elections. Moreover, many dissident voices have come from within the Institutional Revolutionary Party (PRI) itself, since the party has traditionally brought together a number of very disparate political tendencies. Although power was concentrated

in the hands of the president, the ban on any individual being elected for a second term ensured that the system got an infusion of new blood and a change of approach once every six years.

The Mexican regime has been known to resort to violence and ballot rigging, but this has been the exception rather than the rule. While it has certainly used public money to buy support, profited from corruption and manipulated the electoral rules to its advantage, it has never been guilty of a systematic reign of terror like most dictatorships. In 1978, Octavio Paz encapsulated the paradoxes that characterised the regime when he described it as a “philanthropic ogre”, a monster that knew how to be generous when necessary.

It was the system’s very success that ended up causing it problems. Although the PRI never lost any important elections, the opposition parties always won a high enough share of the vote to give the system the appearance of democracy. In 1976, however, the National Action Party (PAN), which was the country’s main opposition party, decided not to nominate a candidate for the presidency and the PRI pressured all the

other political parties into supporting its official candidate, José López Portillo. The Communist Party did field its own candidate, the railway union leader Valentín Campa, but the fact that the organisation was officially banned meant that the million or so votes he received were declared void. As a result, José López Portillo was elected to the presidency with 100 percent of the officially registered votes. Far from being taken as an expression of unanimous nationwide support, the result was seen as proof of the fact that Mexico was not a genuine democracy.

Jesús Reyes Heróles, a lawyer and author of the classic history *El liberalismo mexicano* (Mexican Liberalism), was appointed as Minister of the Interior by López Portillo. His chief responsibility was to undertake an electoral reform

at a time when the entire system was being threatened by the concentration of power and lack of democratic alternatives. Guerrilla movements were starting to spring up everywhere – López Portillo’s own sister, Margarita López Portillo, was the victim of an attempted kidnapping by a political group while her brother was president-elect.

In 1977, Reyes Heróles introduced the first of a succession of political reforms. He lifted the ban on the Communist Party and increased the number of seats in parliament from 186 to 400, with 100 deputies now to be elected by proportional representation. This had the effect of ending the PRI’s monopoly in the lower house. In 1978, the government announced an amnesty for imprisoned political activists and guerrillas.

It was not long before the impact of these reforms started to be felt. By the time the 1982 elections came round, there were seven presidential candidates. While the PRI candidate Miguel de la Madrid still won, his 68.4 percent share of the vote was the lowest ever recorded by a candidate from his party. The PAN’s Pablo Emilio Madero won 15.8 percent, while Arnaldo Martínez Verdugo of the Unified Socialist Party of Mexico (which included the old Communist Party) won 3.5 percent.

De la Madrid reformed the electoral system again in 1986, increasing the number of deputies elected by proportional representation from 100 to 200 and the overall total to 500. Nevertheless, the Federal Electoral Commission that ran the elections and counted the votes remained under the control of the PRI party and its government.

The 1988 elections were marred by numerous irregularities. PRI candidate Carlos Salinas de Gortari was officially declared the winner with 50.4 percent of the vote. Cuauhtémoc Cárdenas, a former PRI member and the son of Lázaro Cárdenas, the Mexican president who expropriated the oil industry in 1938, came second with a coalition of left-wing parties and ex-PRI politicians that won 31.1 percent of the vote. Third place went to the PAN’s Manuel Clouthier with 17.1 percent. However, serious questions were raised about whether the ballot had been rigged. In a bid to recover some legitimacy, the new president negotiated a grand total of three electoral reforms with the opposition. The most important change was the creation of an independent Federal Electoral Institute that was no longer controlled by the government.

The 1994 elections were won by the PRI’s Ernesto Zedillo with 48.7 percent of the vote, the third consecutive occasion that the PRI candidate had recorded his party’s worst ever result. The PAN’s Diego Fernández de Cevallos came second with 25.9 percent, while Cárdenas, who had now formed his own left-wing Party of the Democratic



Autor: Birgit Lamm

Campaign posters in Mexico City.

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*Election day in Mexico.*

“The Mexican system has gone from the perfect dictatorship to the dictatorship of propaganda broadcasts.

Revolution, came third with 16.6 percent. Zedillo carried out yet another reform of the electoral system in 1996. It created a system of public funding for the political parties and introduced caps on campaign spending, while also levelling the playing field in terms of how much each party spent. The changes had an immediate impact. The PRI lost its absolute majority in the lower house at the 1997 parliamentary elections, while

in 2000, the PAN's Vicente Fox became the first opposition candidate to win a presidential election, obtaining 42.5 percent of the vote. The six electoral reforms carried out since 1977 had finally achieved their goal. A peaceful transition had been accomplished from the perfect dictatorship to a system that allowed different parties to govern.

However, this didn't seem to be enough for the political parties, which continued to press ahead with further reforms. These new reforms, however, were detrimental to the political system. The main measure of the 2007 reform was to set aside radio and TV airtime for the broadcasting of perpetual government and party propaganda: three minutes an hour and four during election campaigns. Members of the public were banned from obtaining their own airtime on the radio or television to support or challenge candidates or political parties. Another reform introduced a ban on the use of “expressions that denigrate institutions or political parties, or slander individuals” in campaign advertising. This served to limit any criticism of the government, candidates or political parties. The 2014 electoral reforms, meanwhile, strengthened the new system, scrapping the Federal Electoral Institute and replacing it with a new National Electoral Institute that centralises the running of all elections in Mexico, including local ones.

While the six reforms between 1977 and 1996 opened up Mexico's political system and facilitated a transition to genuine democracy, the two subsequent reforms have restricted individual liberties and created a system of political communication that revolves around 30-second TV and radio broadcasts. In-depth discussion and the views of the public have been excluded from election campaigns. The political class is now stronger than ever. The achievements of the transition are being jeopardised by the propaganda that inundates the airwaves on a daily basis and the restrictions on open debate and individual liberties. The Mexican system has gone from the perfect dictatorship to the dictatorship of propaganda broadcasts.

## Nicaragua: free elections the key to greater liberty

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The next presidential elections in Nicaragua are due to be held this November. Once again, the country's people will attempt to exercise their right to elect their government, a right hitherto denied them by a regime that since 2008 has systematically resorted to electoral fraud in order to seize absolute control of the national and local administrations.

It is now five years since the November 2011 general elections were described as lacking in transparency and accountability by the electoral missions of the Organization of American States and the European Union. Since then, President Daniel Ortega has continued to build a set of institutions to suit his dictatorial agenda, taking full advantage of his fraudulently obtained 63% parliamentary majority to make amendments to the Constitution that increase his powers and allow him to stand for re-election as many times as he likes.

As the country prepares to go to the polls once more, there have been hardly any improvements to the electoral system. However, a number of major changes in Nicaragua's situation and the global context mean that it is no longer feasible to perpetuate this model for accumulating power against the wishes of the people.

It should not be forgotten that in 2011, even though he still had to resort to electoral fraud, Ortega actually found himself in an exceptionally favourable situation. Relations among the ALBA countries were harmonious, the macroeconomic situation was stable, commodity prices were rising, he had a parallel budget from the oil cooperation programme with Venezuela that he could draw on whenever he liked and many opposition voters chose to abstain because of the Supreme Electoral Council's lack of credibility.

Perhaps as a result of the failed revolutionary experiment of Ortega's first government during the 1980s, Nicaraguans have little time for socialism of the 21st century rhetoric. Consequently, Ortega owes most of his support to the programmes that he has introduced to curry favour with the poorest sectors of society and the government contracts that he is able to offer his backers. Both are funded primarily through the ALBA-led oil cooperation programme with Venezuela. This has been cut back drastically and will continue to decline as the crisis enveloping Nicolás Maduro's regime deepens.

In addition, although Ortega has managed to maintain the macroeconomic stability that he inherited from the liberal governments over the past ten years, he has been unable to generate widespread economic growth. As a result, most people are suffering the effects of a lack of jobs, a decline in living standards particularly in rural areas, low education standards and inadequate healthcare. Together with the resentment felt by those who have not benefited from the government's welfare programmes, either because of insufficient funding or because they are not supporters of the

“Perhaps as a result of the failed revolutionary experiment of Ortega's first government during the 1980s, Nicaraguans have little time for socialism of the 21st century rhetoric.

ruling party, this has resulted in high levels of emigration to neighbouring countries and an upsurge in the number of social movements demanding their rights.

The huge concession granted by Ortega to a Chinese businessman for the construction of an interoceanic canal was trumpeted as the solution to all the country's problems in 2014, but is now causing his government one problem after another. During the past year, it has become evident that the canal is neither technically feasible nor environmentally sustainable and that its main purpose is to build a colonial enclave. The price is being paid by thousands of peasant families who are faced with forcible eviction from their homes. This has resulted in a wave of public protests, the likes of which have not been witnessed at any time during the past decade.



Autor: Ruperto Miller

Eduarde Montealegre R.

In the political arena, the growing concentration of power, repression of the government's opponents, corruption and use of the machinery of the State to try and silence any criticism has made more and more citizens realise that the country's democratic institutions are being corroded and that liberty and legal certainty are essential if any progress is to be made.

The government's main response to this criticism has been to try and silence its opponents and play down the importance of the country's poor institutional quality, pointing to Nicaragua's macroeconomic stability and the public-private sector alliance as evidence of its successful record. However, its political opponents, led by the Independent Liberal Party (PLI) and its deputies in the National Assembly, have remained undeterred in

their demands for the rule of law and transparent elections. Their calls are winning growing public support – 83% of Nicaraguans, including many Sandinistas, now agree that there is a need for free elections with extensive monitoring by national and international observers.

November's elections will be key in determining the course taken by Nicaragua over the next few decades. It is important to remember that the country's history in the 20th century was marked by a succession of authoritarian governments and armed revolutions that destroyed its industry and cost thousands of lives. Ever conscious of this painful past, Nicaragua's democratic political forces have repeatedly demanded that this cycle should be broken and that Nicaraguans should no longer be denied the chance to change their government at the ballot box, just like all the other countries in the region.

The growing domestic opposition and the loss of foreign allies mean that the next elections also provide an excellent opportunity to call a halt to Ortega's unsustainable accumulation of power and force him to begin the desperately

needed democratic transition. This would prevent social unrest, preserve the country's macroeconomic stability and lay the foundations for sustainable, widespread and inclusive economic growth.

The key challenge for Nicaragua's opposition, which has come together under the National Coalition for Democracy, is to show up the precarious nature of the regime's strategy for holding onto power and convince voters, most of whom are opposed to the government, that a large turnout at the election would make it impossible for the government to rig the results. We would then be able to return to the path of democracy on which we set out in 1990 after two civil wars.

We have seen how other Latin American countries have rejected the populist and authoritarian agenda of the socialists of the 21st century that poses such a threat to both liberty and prosperity. One by one, they are demanding governments committed to respecting the rule of law, human rights and economic freedoms. Those of us in Nicaragua who are prepared to stand up for democracy are therefore convinced that Ortega can and should be removed from office by popular vote. That is why we have made it our mission to demand that all Nicaraguans should be allowed to vote freely for the candidate of their choice.

At its 60th Congress, held in Mexico City in October 2015, the Liberal International emphatically expressed its "deep concern at the deteriorating state of democratic institutions and civil liberties in Nicaragua" and "in particular the need to implement the necessary reforms to the electoral system to ensure free and transparent elections and unrestricted national and international observation for 2016". With only a few months to go until this November's elections, it is crucial that the voices of all Nicaragua's democrats, and in particular its liberals, should join together in demanding that Ortega's regime allow our people to choose their next government peacefully and freely.



Autor: Jorge Meljia Peralta, <https://creativecommons.org/licenses/by/2.0/legalcode>

“Those of us in Nicaragua who are prepared to stand up for democracy are therefore convinced that Ortega can and should be removed from office by popular vote.”

# The dramatic end to the cycle in Venezuela

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The results of the parliamentary elections held on 6 December 2015 are a clear signal that Venezuela is approaching the end of a political cycle. This cycle has often been portrayed as a radical break with the crisis-ridden democratic model of the 1990s. However, 17 years after Hugo Chávez first came to power, it is ending with a terminal deterioration of the very same sickness that it claimed it was going to cure, accompanied by a whole host of other complaints that the country had never suffered from before.

At the elections of 6 December 2015, the coalition of opposition parties known as the Democratic Unity Roundtable (MUD) won 57% of the vote and 2/3 of the seats in Venezuela's unicameral National Assembly, while the United Socialist Party of Venezuela (PSUV) obtained just 41% of the vote. As a result, the Chavistas could no longer claim that their regime's legitimacy was based on public support at the ballot box. This was not the first time on the long road towards democracy that the opposition had won an election. In 2007, the Chávez government narrowly lost the constitutional referendum, while the MUD and PSUV finished virtually neck and neck in both the 2010 parliamentary elections and the 2013 presidential elections. On each occasion, however, the government's hegemonic institutional control exercised through the charismatic figure of Chávez and latterly through the impact of his death nullified the political repercussions of these results.

The Venezuelan regime has been described as an example of "competitive authoritarianism", a type of system that combines electoral mechanisms with extremely tight institutional and political controls so that it can enjoy all the advantages associated with a legitimate electoral democracy without ever actually having to relinquish power. Although one might question the accuracy of this description, the current situation in Venezuela does provide analysts with an opportunity to find out what happens when the regime is no longer able to win elections so that the competitive aspect of "competitive authoritarianism" disappears and only authoritarianism remains.

The 2015 elections really did mark a structural rather than temporary change in the balance of political power. According to the opinion polls, support for the Chavistas now stands at a relatively stable 30%. Some observers wonder how almost a third of the population can still claim to support the government in the midst of the terrible shortage of goods and basic services afflicting the country. Although there are no easy answers to this question, the short explanation is that Venezuela's political system is highly polarised and lacks alternatives in the middle ground. Moreover, vast numbers of government employees owe their jobs to the regime, while the PSUV's "political



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*The opposition in Venezuela.*

machine" tightly controls the distribution channels for direct subsidies which at present mainly involve food, as a consequence of the economic disaster gripping the country.

Nevertheless, there is no prospect of the Chavista government regaining its lost popularity in the short to medium term. With the majority of the population now leaning towards political change and the National Assembly in the hands of the opposition, the government cannot possibly hope to win elections of any kind. Frequently accused of being biased in favour of Chavismo, Venezuela's electoral system is actually a majority system. In other words, it disproportionately favours whichever majority happens to exist at any given time. Having lost its majority, the government is focusing its efforts on avoiding the electoral challenge of a possible recall referendum and the regional elections scheduled for December 2016.



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*Protests in Venezuela.*

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Faced with this new situation, the government has based its policy strategy on its continued control of the country's institutions, including the Supreme Court of Justice (TSJ) and the National Electoral Council (CNE). Since the start of the new parliament, it has used both the judicial and the electoral institutions to try to block the decisions of the National Assembly and cling on to its political power. In an approach reminiscent of Cuba's "Special Period" in the 1990s, the government's plan seems to be to resist the calls for political change, relying on its control of the dwindling oil revenues and the increasingly visible presence of the army (known as the

National Bolivarian Armed Forces, or FANB). The hope is that if it manages to hold on like this for long enough, oil prices might recover, allowing the government to ride out the crisis and survive until its term of office officially comes to an end in January 2019. Of course, this strategy comes at an extremely high price, since it is based on policies that will heighten political conflict without giving any ground whatsoever in terms of how the economy is run. It is thus likely to lead to an even greater deterioration in living conditions for the majority of the population, accompanied by increasingly frequent interventions by the armed forces.

Meanwhile, as announced when the new National Assembly's presiding officers took office in January 2016, the opposition is working on two fronts. Firstly, on the political front, the opposition coalition believes that the results of the parliamentary elections provide a clear mandate for the current government's term of office to be ended prematurely and is therefore studying the possibility of using various mechanisms contained in the Constitution for this purpose. Secondly, the National Assembly has put together a legislative and governance programme aimed at regulating the government's actions. Since 2005, the government has been able to rule without any checks and balances. Now that this situation has changed, it has decided that it no longer wants to recognise the legislative branch. Its justification for this stance is a series of convenient rulings cooked up by the Supreme Court of Justice's Constitutional Chamber whose judges all happen to also be PSUV members. These rulings have employed a variety of different arguments to declare all of the laws passed by the National Assembly to be unconstitutional.



The opposition stated that it would look at all the different constitutional mechanisms available to it (convening a constituent assembly, reforming or amending the Constitution, holding a recall referendum) in order to remove the government from office before the end of its current term. However, the escalation of tensions between the executive and legislative branches, together with the dramatic deterioration in the country's economic situation, has resulted in the various opposition groups settling on a recall referendum as their preferred option, a strategy that takes advantage of their strong support among the electorate. It is expected that around 70% of voters would vote against Maduro. However, the rules governing the recall referendum allow the National Electoral Council to come up with all kinds of obstacles that could delay the vote until 2017, when the government would already be in the fourth year of its current term. In this event, the Constitution stipulates that it would no longer be necessary to hold presidential elections and that Maduro would simply be replaced by his vice-president for the remainder of his term. There is thus a real prospect of yet more political tensions involving the National Electoral Council.

In general, it seems likely that the process of political change in Venezuela will have to overcome a number of major hurdles that will put the opposition coalition's political leadership skills to the test. The immediate challenge is to deliver the change demanded by the Venezuelan people, but the hardest part of all will be to restore the institutional balance through a system of rules for political coexistence that are acceptable to everyone and that break with the prevailing hegemonic ethos by reinstating our freedoms and the rule of the Constitution.

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Una votante busca su cédula de identidad para identificar su mesa de

## Freedom: between efficiency and fairness

Dr. Thomas Straubhaar | Professor of Economics at the University of Hamburg

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### The return of national conservatism

The electoral success of the Alternative for Germany (AfD) party is more than a coincidence. It is part of a trend. In both Europe and the Americas, populist movements of one kind or another are making significant political gains. Their agenda rests on the twin pillars of nationalisation instead of globalisation and isolationism instead of openness to foreign people and things.

For all their differences, Donald Trump and the Tea Party in the United States, Brexit campaigners in the UK, Marine Le Pen and the National Front party in France, the Swiss People's Party, and all the other national conservative movements found in almost every part of Europe have one thing in common: they provide a political rallying point for those who feel that they are losing their roots in our modern-day society, those who are disillusioned with the consequences of open borders policies and those who are not happy with the way things seem to be going. These people want to turn back the wheel of history. They wish to return to a bygone national era characterised by far more homogenous and closed societies where, from today's rose-tinted perspective, many things were better, everything was simpler and people's lives were more secure.

### Analysis

It is quite clear that the rapid pace of (structural) economic and social change has resulted in a feeling of insecurity among (too) many people in our Western societies. For some, it is simply all too much. Globalisation has opened up national economies. The Internet and digital technologies have made traditional ways of communicating and behaving obsolete. Throw individualisation, mobility and migration into the mix and the result is that established customs which have been observed and respected for generations are now being threatened.

Trade in goods and services, mobility and migration are all now possible over large distances and at low cost. People are losing their sense of belonging and direction. On top of all this – at least in Europe – national legislation is being overridden by European regulations. The key political decisions that really matter are being taken centrally, further and further away from home, by the European Commission in Brussels, the European Parliament in Strasbourg or the European Court of Justice in Luxembourg, instead of by Germany's national institutions in Berlin or Karlsruhe. Members of Europe's national conservative movements believe that traditional values and the German, French, British or Swiss cultures and languages are under threat. They fear that Germany, France or the UK could lose their national identity completely and that they themselves could become strangers in their own land. Others feel

“ In both Europe and the Americas, populist movements of one kind or another are making significant political gains.



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Volkswagen, Wolfsburg, Germany.

that they have lost out as a result of globalisation and changing values, not least because structural change devalues all kinds of existing investments, rapidly causes acquired knowledge and skills to become obsolete, weakens established networks and undermines long-standing relationships.

The moral bankruptcy of some entrepreneurs and executives has also contributed to people's mistrust of capitalism and open and free market economies. First, we had the Volkswagen emissions scandal. Now, a German commission investigating the affair has

discovered that Porsche, Audi, Mercedes and Opel, together with a number of American and Japanese manufacturers, have also been cheating and misleading people over emissions tests. And it is not just in the automotive industry that managers have used unscrupulous ploys to try and maximise profits so that they can claim higher executive bonuses.

On the global financial markets, manipulating the figures is evidently standard business practice. Interest rate, foreign exchange and commodity benchmarks have all been systematically rigged, falsified and manipulated by traders for their own profit. Even if much of what goes on in the murky world of offshore companies registered in tax havens and locations with weak regulatory regimes is – strictly speaking – legal, some of it is also genuinely illegal and many practices manifestly fail to live up to Western moral standards. The Panama Papers revealed that terrorist organisations and criminal regimes have been using offshore companies to finance their operations, evade sanctions and hide money abroad.

“The moral bankruptcy of some entrepreneurs and executives has also contributed to people's mistrust of capitalism and open and free market.”

As each new scandal furnishes fresh evidence of the greedy and unscrupulous behaviour of our corporate executives and elites, the public inevitably ends up feeling that fair play, fairness and universal ground rules are being violated. Even if states founded on the rule of law do their best to treat everyone equally, it is easy for the masses to come to the subjective (prejudiced) conclusion that the people “at the top of the pile” no longer have any moral standards or sense of decency. The fact that the majority of businesses do not abuse their customers and employees or society and the environment does little to change this overall feeling. Many people are convinced that the emissions scandals and the Panama Papers are just the tip of the iceberg and that there are plenty of other illicit goings-on that we don't yet know about.

## The implications

Capitalism and the market economy rely on the shared conviction that the same rules apply to everyone. If the law is either blatantly disregarded by corporate executives and wealthy elites or circumvented by a small minority through the exploitation of loopholes that may be legal but that nonetheless constitute a breach of good faith, then it is inevitable that capitalism and the efficiency of deregulated markets will quickly fall into disrepute.

Behavioural economics has clearly demonstrated that most people rate “fairness” as more important than “efficiency”. They will reject a policy if they perceive its impact to be unfair, unequal or asymmetrically distributed, even if everyone, or at least a lot of people, would benefit from it. As psychologist and 2002 Nobel Prize winner Daniel Kahneman put it in his 1986 article in the *American Economic Review*, “Fairness is a constraint on profit seeking. Firms that behave unfairly are punished”.

People are therefore likelier to distrust capitalism if the benefits of an open and free market economy appear to be unequally distributed or if there is a “perceived” sense of injustice because it seems as if some people are profiting at the expense of others or getting rich illegally. In other words, it is not so much objective fact as subjective feelings that shape the public mood and drive the political debate.

Consequently, in the battle for political supremacy, it is the subjectively perceived rather than the objectively quantifiable consequences of structural changes in the economy and changes in social values that really count. People are swayed by “perceived” inequalities and injustices rather than by “real” ones. It is thus by no means enough to try and counter people's value judgements and prejudices and the prevailing mood of protest with rational, common-sense and scientific arguments alone.

Although capitalism and the market economy have significantly improved the overall economic situation of the masses, it is true that not everyone has benefited equally. The gap between rich and poor has not been closed and in some places it has even grown wider. A few people have a lot more, whilst a lot of people have only a little more. One interesting empirical observation is that in the last two decades inequality has tended to diminish between different national economies, whereas it has tended to increase within national economies. In other words, the gap between North and South, West and East and industrialised and emerging economies is closing, but the divide between the upper and lower classes within individual societies is widening. There has been hardly any improvement in the economic situation of the lower and middle classes in Europe and North America. Whilst it may be something of an oversimplification, and in any case only concerns the relative distribution of wealth and income, it could nonetheless even be said that a person's social class has now become more important than what country they live in – class matters more than nationality!

The data suggesting growing inequality and a widening gap between rich and poor may well be flawed and could even be completely wrong. However, this does little to alter the subjectively negative opinions of those parts of society that either imagine themselves to be or really are losing out as a result of the changes that are taking place. Human beings are perfectly capable of putting up more or less peacefully with inequality. But they will be less prepared to



Nobel prize winning economist  
Daniel Kahnemann.

“The growing economic divide within national economies could be one of many explanations for the antagonistic and often hate-filled polarisation of society.

accept it if the disparities in income, wealth and opportunity become too great. If the benefits are distributed too unequally, it will be seen as unfair. This will in turn make people unwilling to compromise, even if they harm themselves as a result.

The growing economic divide within national economies could be one of many explanations for the antagonistic and often hate-filled polarisation of society that is developing between the Democrats and supporters of Donald Trump in the US election campaign and that has also been seen in Europe during the refugee and eurozone crises, as well as in many other parts of the world. Many people have lost faith in the idea that a rising tide will eventually lift all boats. And many people feel that the events of the past two decades only serve to confirm this view. Economists will therefore need to devote much more attention than they are currently doing to analysing not only the efficiency of economic policy, but also how fairly the benefits of efficiency are distributed.

## The rise of the populists

The “Clash of Civilizations” predicted by Samuel Huntington in the early 1990s following the end of the Cold War has not come to pass. In fact, it is Western populists who are now attacking Western values in Europe and North America. As it turns out, the West’s worst enemies are not fundamentalists from different cultures in other parts of the world – they have just been conveniently cast in the role of bogeymen. Fundamentalist Christians, politicians who proclaim themselves to be God’s chosen candidate and die-hard nationalists are stirring up a cultural conflict within



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Western society for coldly calculating political reasons. They are launching an all-out assault on the principles of an enlightened, open, liberal society. They despise anyone who does not share their views, they persecute minorities and they want to restrict access to their domestic markets for foreign nationals and foreign goods.

The reason that populists are so popular is that they take the feelings of the masses seriously, regardless of the objective facts. They claim to speak for the poor and the excluded. They offer hope to the disillusioned and promise gains to the (supposed) losers – even if it is unclear how and on what basis this will happen. Thus, they become resistance fighters, challenging the Washington establishment and elites, the establishment parties in Berlin or the Brussels bureaucrats. Populists provide simple answers to complex problems. This plays particularly well with people who feel threatened by the complexity of globalisation and the digital revolution and by the greater mobility and flexibility that these phenomena demand – people who feel that they are being ripped out of their comfortable and familiar status quo by all this constant change.

When a nation feels “divided” because the rich are getting richer while the poor stay poor, people tend to move away from the centre ground that underpins the State. It is relatively easy for the wealthy to vote with their feet and move their businesses, assets and homes abroad. Those who are unhappy with their lot grow politically stronger as a result, not least because the perceived injustice provides a common rallying point around which the extreme left and right can unite in opposition to the centre. A few decades ago, the Left built a wall to keep out capitalism and the market economy. Today, it is the Right that wants to erect barbed-wire fences to keep out immigrants and foreign cultures, not just in Germany and Europe but also in the US.

“Populists have always brought disaster, and not just in Europe. This remains as true today as it ever was. They polarise and radicalise society. They weaken the centre and strengthen the extremes.

Populists have always brought disaster, and not just in Europe. This remains as true today as it ever was. They polarise and radicalise society. They weaken the centre and strengthen the extremes. The things we have in common are eroded, while the things that divide us take centre stage. Their political goal is conflict rather than consensus. They are driven by a desire to prevent something rather than to do something constructive.

Neither populism nor nationalism provide solutions to the key challenges of the future such as climate change, environmental sustainability and the eradication of poverty and deprivation. On the contrary, by exacerbating the danger of conflicts and power struggles, they threaten our peace and security.

## Conclusions

In the West, and in Europe in particular, there would be a high price to pay for abandoning the principles of an enlightened, open, liberal society. Old national(ist) rifts would be reopened, creating fertile ground for a conflict between different European cultures. Unfortunately, people are quite right to always be bemoaning the fact that Europe is not one nation, a single people with a common language and a shared consciousness. This has become more evident than ever during the current refugee crisis, which is stretching the European community of values and laws to breaking point. A return to nationalism in Europe would be a return to small-minded parochialism. Most people would suffer in the long term – go-it-alone isolationism and national client politics would at best only



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Refugees from Iraq and Syria trying to land on the shores of the greek island Lesbos after crossing from Turkish mainland.

provide short-term gains for a narrow stratum of society. Over the longer term, moreover, populist policies are often particularly harmful to the weak in society, i.e. the very people who they purport to protect. It is precisely these people who generally lack the means to adapt quickly and flexibly to new circumstances.

Having an open economy helps small countries to overcome the disadvantage of a small domestic market. It enables small nations to become great and is therefore more important to them than it is to larger nations. In Europe, the reinstatement of national border controls and the abolition of the single market's four freedoms would result in high costs for businesses and consumers in all of its individual national economies. Not to mention the higher bureaucratic hurdles that would be faced by labour and capital movements if markets were to be renationalised. Europe's nation states can no longer afford to go it alone and pursue a policy of isolationism – and a conflict between the continent's different cultures is even more unthinkable.

Populists may exude self-confidence and make grand promises. The reality, however, is that far from solving existing problems, they in fact create new ones. Only a handful of people benefit, while the vast majority suffer as a result. It is therefore essential for common sense and reason to be and remain the doctrine of the mean in European politics. Past experience teaches us that populism only benefits a narrow stratum of society for a short time at most. On the other hand, it has been the cause of great misery, shattered dreams and violence in Europe. The elite and the establishment cannot therefore be allowed to take flight, either by abandoning themselves to the "inner emigration" of hedonic individualism or indeed by physically emigrating to another country. Instead, they must fight with every last ounce of their strength to ensure that common sense and reason are and remain the doctrine of the mean in European politics.

# Trumpist Populism

Tom G. Palmer

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¿Q What's happening in the US? Radical populists are surging in both major parties, and the loudest and most outrageous – Donald Trump – seems sure to get the nomination of the Republican Party. (Senator Sanders, who has a long history of defending real, existing socialism, including public enthusiasm for bread lines and rationing, is unlikely to win the Democratic Party nomination, but he will certainly have a major impact on the party's platform.)

Populism can be "left" or it can be "right." What's common is not the particular policies being advanced or the constituencies being mobilized, but the form of the appeal and the language of "us" and "them." The political historian Michael Kazin in his book *The Populist Persuasion* provides a basic definition of populism as a kind of language whose speakers conceive of ordinary people as a noble assemblage not bounded narrowly by class, view their elite opponents as self-serving and undemocratic, and seek to mobilize the former against the latter.

The emotions that power populism are resentment, anger, and a passion for revenge. All require an enemy that must be punished. As populists see things, it's not bad policies that account for our problems, but bad people. Mobilization of the "real people" against their enemies, whether internal or external, requires concentration of power in the hands of one great leader. The result is authoritarian politics. Trump's campaign combines all of those elements.

He is, moreover, a master of insult and malicious insinuation, which are important elements of the rhetoric of populism. His politics is angry, resentful, populist, vulgar, vengeful, and authoritarian. In fact, the fact that of 17 candidates for the nomination Trump was the most vulgar and outrageous accounts for the media's disproportionate coverage of him; the media virtually silenced more reasonable and tempered voices.



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Donald Trump in Fountain Hills, Arizona.

## Resentment

Trump's core constituency of less educated white males harbors powerful feelings of grievance and resentment for their relative downward mobility. As social scientist Charles Murray pointed out in an essay on the Trump movement for the Wall Street Journal,

For white working-class men in their 30s and 40s—what should be the prime decades for working and raising a family—participation in the labor force dropped from 96% in 1968 to 79% in 2015. Over that same period, the portion of these men who were married dropped from 86% to 52%. (The numbers for nonwhite working-class males show declines as well, though not as steep and not as continuous.)

Although the living standards and wages of all groups have increased dramatically over those years, the relative status of Trump's core constituency has fallen as immigrants have prospered. Considered in terms of ethnic demography, the United States has become an increasingly diverse country. Since 1965, immigration from Europe has been dwarfed by immigration from Asia, Central and South America, and even Africa. And, of particular interest to Trump and his constituency, the current president's father is from Kenya. (Trump famously suggested that president Obama is a Muslim [he is not] and that he was born in Kenya and not in the US [he was born in Hawaii in 1961; Hawaii became a state in 1959.]) Downward relative mobility, even combined with absolute upward mobility in terms of living standards, can create a profound sense of resentment.

## Anger

A Rand Corporation public opinion survey found that the sense of being voiceless also drives Trump support. Voters who agreed with the statement that “people like me don't have any say about what the government does” were far more likely to prefer Trump to other candidates, by 86.5 percent. They are angry at their perceived impotence and Trump offers them a voice for their anger. Indeed, that sense of anger over being voiceless extends across the far left and the far right. Both angry populist candidates – Sanders and Trump – have said that the supporters of the other would support him in the general election. An NBC voter survey in West Virginia showed that fully a third of Sanders supporters in the Democratic primary in that state would back Trump in the general election over Clinton. (Earlier, Sanders had claimed that Trump backers would support him if Trump were to lose the Republican nomination and Sanders were to win the Democratic nomination.)

“A Rand Corporation public opinion survey found that the sense of being voiceless also drives Trump support.”

Trump's constituency feels under siege, as well. The advances of the “multicultural left” have gone far beyond asserting classical liberal ideas of equality before the law and have created a vast network of controls over traditional groups. Low-income whites are lectured on “white privilege” and they resent it, especially from upper-income college-educated non-whites. The “multi-culti” left has added fuel to an already explosive mix of resentments. Trump inveighs regularly against “political correctness” and his outbursts are met with thunderous applause.

There is a surge of anger in America against the political center.



By mal3k (<https://www.flickr.com/photos/mal3k/26378278941/>) [CC BY 2.0 (<http://creativecommons.org/licenses/by/2.0/>)], via Wikimedia Commons

Protests in New York, 14th April 2016.

## Revenge

As Donald Trump half-jokingly (but only half) said at a campaign rally, “You may be feeling badly, your wife may have said, ‘I don't want to be with you anymore, I'm out. Or the husband could say, ‘I'm out of here.’ No matter what it is -- you may have lost your job, you could be in a state of major, major depression -- get up and vote!” Voting for Trump will fix things. And Trump promises revenge. He promises, “Don't worry, we'll take our country back.”

Trump, like his constituents, perceives himself as surrounded by enemies who have disrespected him. In a speech in New Hampshire he announced, “A lot of people have laughed at me over the years,” followed by “Now, they're not laughing so much.” One of Trump's famous Tweets summed up his entire philosophy: “Always get even. When you are in business, you need to get even with people who screw you.” “Getting even” – exacting revenge – is a core motivation behind Trump's populist appeal. He is running for president to “get even” with all those who laughed at him, and, on behalf of his enthusiastic supporters, to get even with everyone who has disrespected them or treated them without the deference they think is their due. Recently at a raucous rally near the US/Mexican border, he railed against a US federal judge who is presiding over a civil suit against Trump for defrauding people through his now-closed “Trump University.” “The judge,” Trump averred, “who happens to be, we believe, Mexican, which is great, I think that's fine,” should be removed from the case. “Frankly, he should recuse himself because he's given us ruling after ruling after ruling, negative, negative, negative.” (The judge is not from Mexico, but from Indiana, but his name – “Gonzalo” – is advanced as sufficient reason to doubt his impartiality in a civil case involving claims that Trump defrauded customers.)

Getting even is certainly made easier when one has vast executive power. Trump would certainly attempt, and perhaps succeed, at exceeding his authority whenever possible. Trump promotes himself as the man who would “Make America great again” and has made it clear that the orders of a caudillo trump the law. When challenged publicly on his insistence that he would order soldiers to commit war crimes (by killing the families of terrorists and deploying torture “a hell of a lot worse than waterboarding”) – practices which US soldiers would be required by law to disobey, he responded, “They won't refuse. They're not gonna refuse me. Believe me.” As he explained, “I'm a leader, I've always been a leader. I've never had any problem leading people. If I say do it, they're going to do it.” The commands of a great populist trump the law.



By Nathania Johnson (Hillary Clinton) [CC BY 2.0 (<http://creativecommons.org/licenses/by/2.0/>)], via Wikimedia Commons

*Hillary Clinton, campaigning in Durham, North Carolina.*

“The combination of perceived threats to status and threats to life generates ideal conditions for the emergence of authoritarianism.”

## Authoritarianism

A key driver of authoritarian politics is the perception of threat. The combination of perceived threats to status and threats to life generates ideal conditions for the emergence of authoritarianism.

Political scientists have studied empirically the relationship between intolerance and perceptions of threats. Latent authoritarian sentiments or impulses can be “activated” by perceptions of threats to one’s relative status, which some elements of the American population have experienced in recent years, and that impulse is magnified and widened out to other groups when there is at the same time a perception of external existential threats.

Thus, the combination of changes in relative social status with relentless media coverage of terrorist attacks around the world on a 24-hour news cycle (meaning the same events are repeated over and over, generating the impression that they are far more common than they are) creates ideal conditions for the rise of authoritarian populism.

Trump is without a doubt the most vulgar, illiberal, and authoritarian American presidential candidate in many decades, perhaps in American history. He will compete against perhaps the most personally corrupt candidate for president of my lifetime, Hillary Clinton. People who believe in classical liberal ideas of the rule of law have much work ahead of them.

“Although liberalisation measures and the integration of Latin America’s nations into the global trading system resulted in higher growth and a reduction in poverty, stark inequalities still remained.”

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