Latin America’s struggle with democratic backsliding

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Latin America’s democratic consolidation has begun to unravel amid major populist challenges from both the left and the right.

EXECUTIVE SUMMARY

Latin America has entered a new stage in its wobbly consolidation of liberal democracy. A slew of important presidential elections in 2018 demonstrated that the basic mechanics of representative democracy and competitive politics are functioning. However, old problems related to questionable campaign finance and new problems related to social media put stress on political systems burdened by high levels of inequality, corruption and crime, and weak rule of law. Electoral outcomes mainly shifted to the right, especially in Brazil, while Mexico embraced a populist leftist. The real democracy story in the region was of crisis and despair, as Venezuela’s authoritarian leader, Nicolás Maduro, entered uncharted territory of near-collapse, with a repressive Nicaragua following close behind. The region’s democracies have struggled to respond effectively to the unfolding disaster. The United States has chosen a punitive approach to leftist regimes but otherwise left more room for authoritarian China and Russia to contest traditional U.S. influence in the region and potentially divide further a polarized and fragile hemisphere.

INTRODUCTION

Recent political trends in Latin America and the Caribbean, the world’s second-largest zone of electoral democracies, portend dark days ahead for the advancement of liberal democracy. While the region is composed mainly of states at intermediate stages of democratic development, it faces chronic weaknesses in such areas as corruption and rule of law, inequality, and public security. It also features an iconic example of democratic deconsolidation—Venezuela—that has upset the region’s formal consensus that liberal democracy, human rights, and the rule of law are essential characteristics of state legitimacy.
Now, as Venezuela and its allies (Bolivia, Nicaragua, and Cuba) enter a new stage of crisis and change, a solid bloc of the most important states in the region are contesting their neighbors’ elected authoritarian model out of growing concern for instability and contagion. Results to date, however, have proven disappointing as most states cope with their own troubling performance on democracy and rights. As populists and strongmen politicians emerge on the right and the left, can centrists move quickly enough to meet the demands of frustrated populations who have grown increasingly skeptical of democratic systems’ ability to improve their lives?

These challenges are not occurring in a vacuum. The broader geopolitical dynamics affecting the region—increasing reliance on China as a key economic partner; the growing activism of Russia in allied states such as Venezuela and Cuba; the decline of the United States and Brazil as dominant powers; and the renewed economic and political involvement of European actors—on balance run against the region’s much-needed progress toward more stable democratic governance. This policy brief will examine the interrelated domestic and international factors that shape the region’s uncertain democratic trajectories and their implications for domestic actors, international institutions, and foreign governments.

THE STATE OF DEMOCRACY: SHAKY AND UNEVEN

As a whole, Latin American and Caribbean states have performed better on liberal democracy rankings than all other regions outside of Western Europe and North America since the third wave of democratization began in the 1980s. In particular, the 18 Latin American countries running from Mexico to Chile (and east to the Dominican Republic) have reached on average a moderate level of democratic governance. More recent trends, however, show troubling erosion of this progress, along with higher rates of public frustration with its performance. As the latest wave of electoral contests demonstrates, however, political competition in most of the region is relatively robust.

Regional averages, however, are misleading. On the key democracy-related indices, Chile, Uruguay, and Costa Rica consistently have performed markedly better than their neighbors. Liberal democracy in Venezuela, on the other hand, has tragically collapsed. Nicaragua, already a sub-par player under the Daniel Ortega regime, is undergoing a major and violent crisis of democratic legitimacy. Bigger countries like Brazil, Argentina, and Peru are facing their own stress tests as they confront a series of grand-scale corruption scandals and economic setbacks.

The sources of these ongoing challenges to Latin America’s democratic development, three decades after the fall of military regimes, are chronic and structural. Corruption in the region, usually characterized as endemic and entrenched, is higher than global averages and is stagnant, according to the latest reporting from Transparency International. Respect for the rule of law and judicial independence notably has improved since 1980, but has plateaued below global averages over the last decade. Violent crime—Latin America has roughly a third of the world’s homicides but only one-eighth of its population—is overwhelming local authorities and is beyond national governments’ ability to control, and is leading them toward militarized approaches to law enforcement with negative effects on human rights and due process. Rates of homicide against human rights defenders, social minorities, and women are well above global averages. The region’s notoriously high rates of inequality (among the world’s highest), informal labor markets, and regressive tax rates enfeeble public resources needed to address income gaps and citizen insecurity, and fuel resentment and anger toward elites.
This toxic combination of high rates of crime, corruption, impunity, and inequality is exhausting the region’s historic shift over the last three decades away from military control to civilian-led liberal democratic systems. Many components of healthy democratic governance—public campaign financing, independent media, strong checks and balances, rule of law, and civil liberties—are under stress or stagnant. Scores for freedom of expression have declined and attacks on journalists are among the world’s deadliest, especially in Mexico and Brazil. The usual tools elites have used to shape democratization to their advantage—political finance, patronage, and media ownership—are losing their power and no clear substitute is emerging to rebalance the system, opening the door to populists and neo-authoritarians.

Not surprisingly, public frustration with the quality of representative democracy is rising in a number of recent surveys. In 2018, regional support for democracy over other forms of government fell to 48 percent, tying the lowest level since the question was first asked in 1995. According to a recent AmericasBarometer survey of 29 countries in the region, publics are highly dissatisfied with the delivery of basic public services that underpin citizen satisfaction with liberal versus authoritarian rule. Support for electoral democracy has declined from 69 percent in 2012 to 58 percent in 2016-17, while those that believe high levels of crime and/or corruption would justify a military coup average around 37 percent. Similarly, support for executive coups in which presidents shut down legislatures has risen from 14 percent in 2012 to 21 percent in 2016-17. According to a Pew Research survey in 2017, 24 percent of those surveyed in seven Latin American countries were willing to consider nondemocratic options, the highest median regional response in favor of autocratic governance. Given the high perception and prevalence of crime and gross corruption in certain countries in the region, this may be yet another indicator of the public’s growing tolerance for strongman rule to tackle illegality. Moreover, trust in electoral systems and in political parties is at or near historic lows, leaving ample room for populists to win votes through personality contests and demagoguery.

**LATEST ELECTION RESULTS LEAN ANTI-ESTABLISHMENT**

The heavy concentration of presidential and legislative races in 2017 and 2018 throughout the region provided important indicators of the current strengths and weaknesses of Latin America’s democratic systems. As expected, Chile and Costa Rica experienced more stable results, although the latter contended with a surprising surge of support for an evangelical populist who won the first round vote by attacking a decision of the Inter-American Court of Human Rights on LGBTI rights, as well as a rejection of the two traditional parties. The election of Nayib Bukele in E Salvador in early 2019 underscored the anti-establishment wave carrying populist newcomers to power.

Colombia’s electoral contest in June 2018, the first since the country’s adoption of peace accords ending five decades of conflict with its largest rebel faction, drew higher rates of participation (at 53 percent, the highest in 20 years but still below the regional average). The electoral process, according to the Organization of American States (OAS) observation team, was both free and fair and electoral violence reached historic lows. A conservative candidate close to former President Álvaro Uribe who campaigned against the peace accords won the top office, but his left-wing opposition did better than any previous candidate in Colombia’s democratic history. In an echo of the collapse of centrist parties in Europe, the incumbent party of outgoing President Juan Manuel Santos came in a distant third.

The two big contests of the year—in Mexico and Brazil—led to the election of two populists from opposite ideological poles. In July 2018, 63 percent of eligible Mexicans turned out to elect a well-known
leftist, Andrés Manuel López Obrador (known by his initials as AMLO), with a convincing 53 percent of the vote. AMLO won based on appeals to popular demands for fighting rampant corruption and crime, tackling poverty, and improving public services. The incumbent PRI party, which governed Mexico for 77 of the last 100 years, fell dramatically to third place, reflecting voters’ anti-establishment mood. AMLO has promised to govern within the established democratic rules of the game, a claim his immediate predecessor, Enrique Peña Nieto, had trouble making. With a strong majority in both chambers of congress, AMLO should be able to enact a series of changes that might temper the political and economic liberalization reforms enacted since the 1990s. Given these internal challenges, his foreign policy is likely to be pragmatic vis-à-vis the United States, while also playing to his growing popularity among the democratic left in the region and to domestic groups in favor of economic nationalism and nonintervention in neighbors’ affairs.

The remarkable results of elections in Brazil were practically a mirror image of Mexico’s, with the right-wing populist, Jair Bolsonaro, winning a resounding victory by running against establishment elites and in favor of strong anti-corruption and anti-crime policies. After the tumultuous impeachment in August 2016 of the country’s first female president, Dilma Rousseff of the Workers Party (PT); ongoing prosecution of top politicians and business executives in massive corruption schemes; and a painful recession, the anti-PT mood dominated the race. Bolsonaro, a plain-talking conservative nationalist and former army captain known as “the Trump of the tropics,” will likely govern through a patchwork coalition of pro-free market business groups, pro-military and evangelical conservatives, and unorthodox pro-Trump nationalists. Public statements by him and his allies denigrating women, social and racial minorities, civil society activists, and journalists, alongside threats to unleash lethal force against so-called terrorists and criminals, portend dark days ahead for Brazil’s democracy. Bolsonaro’s appointment of senior military officials to key cabinet posts and a staunch pro-Trump nationalist as foreign minister suggest a burgeoning alliance with illiberal forces at home and abroad. Together, Bolsonaro’s Brazil and AMLO’s Mexico, despite their ideological differences, may further weaken any serious pro-democracy, pro-internationalist leadership from the region.

VENEZUELA IMPLODES AND NICARAGUA ERUPTS

Venezuela’s recent history stands out as the quintessential example of what can go wrong when a populist strongman, appealing to majoritarian demands for change, wins office through relatively free and fair elections then proceeds to dismantle the fundamental pillars of liberal democracy. Hugo Chávez, once imprisoned for leading a failed military coup against his democratically elected government, rode a wave of discontent with Venezuela’s traditional ruling class in 1998 to launch a socialist “Bolivarian” revolution aimed at redistributing the country’s vast oil wealth to fight poverty and inequality. Despite years of massive protests, a failed coup attempt, strikes, and an attempted recall referendum, Chávez consolidated his power by rewriting the constitution, gaining control of the judiciary and other institutions, repressing independent media and civil society, and redistributing proceeds from high oil prices to keep his followers on board. His premature death from cancer in 2013 after multiple hospital stays in Cuba, his closest ally and ideological partner, cemented a personality cult that continues to reverberate in Venezuela and beyond.

Chávez’s anointed successor, Nicolás Maduro, has doubled down on his legacy to maintain control at all costs. After narrowly winning elections a month after Chávez’s death, Maduro quickly consolidated control by digging even deeper into state resources to buy off the military, nationalize industries, and provide subsidized food and jobs to party loyalists. When challenged by the opposition-controlled legislature, Maduro ignored their decisions and
established a rival constituent assembly to usurp their powers. Maduro also stage-managed an unfair re-election contest in May 2018 that over 50 states have declared illegitimate. The result is a full-blown political, economic, and humanitarian crisis: hyperinflation of an estimated one million percent in 2018, record levels of violent crime and drug trafficking, vast shortages of food and medicine, declining oil production, debt defaults, and the flight of over 3 million people seeking to better their fortunes elsewhere. The opposition, which still controls the National Assembly, declared Maduro’s second term illegitimate and elevated its head to the position of interim president until fair elections are held. This has significantly increased international pressure on Maduro to leave office as soon as possible.

The authoritarian capture of Venezuelan democracy has put the region’s commitments to representative democracy to the test. Under the Inter-American Democratic Charter, states that experience “an unconstitutional alteration of the constitutional regime that seriously impairs the democratic order” face an escalating series of diplomatic measures that could lead to suspension from the organization. Remarkably, despite overwhelming evidence of multiple violations of the “democratic order,” the region has failed to reach consensus to take concrete action, in part due to Venezuela’s generous, though rapidly declining, subsidized oil exports to smaller neighbors. Maduro also continues to rely on ideological allies like Evo Morales in Bolivia and Daniel Ortega in Nicaragua for ideological support. Instead, the region’s bigger countries, with strong encouragement from Washington, have built ad hoc coalitions (e.g., Grupo de Lima) to delegitimize Maduro’s ploy in May 2018 to hold early elections as a way to remain in power. To his credit, OAS Secretary General Luis Almagro was an early outspoken critic of Maduro’s regime; he also established an experts’ panel that found the Maduro regime potentially responsible for crimes against humanity. This has helped undergird a preliminary examination by the prosecutor of the International Criminal Court (ICC) in The Hague, and an unprecedented request by six regional states to expedite a formal ICC investigation.

Meanwhile, the United States, Canada, and the European Union are stepping up financial and travel sanctions on Maduro and his allies to force him to negotiate a nonviolent resolution of the crisis. As Maduro digs in his heels for the long haul and the situation deteriorates, calls are growing for more aggressive action. These range from proposals for a United Nations Security Council decision to impose global sanctions based on Venezuela’s failure to uphold its sovereign “responsibility to protect civilians,” to calls for a military coup or outright military intervention. Such options are unlikely, however, due either to blocking action from China and Russia or aversion to military force among key states in the region. A coalition of states led by the EU is coordinating a diplomatic push to set conditions for new elections that would build a bridge toward a nonviolent return to democracy over the long term, if Maduro’s collapse does not come sooner.

Nicaragua presents another troubling example of political repression at high costs to human rights and democratic peace. Since winning the presidency again in 2007, Daniel Ortega’s coalition of business and religious leaders and military officers is falling apart. Like Maduro, however, Ortega has empowered paramilitary units, alongside Nicaragua’s regular forces, to crack down on civilians, leaving over 300 dead in just three months of protests that began in April 2018. Based on field visits by the Inter-American Commission on Human Rights, the OAS secretary general, and its General Assembly have condemned the violence and insisted on holding “timely, free and fair elections.” To increase pressure toward a negotiated resolution, the Trump administration imposed new sanctions on Ortega’s wife, Vice President and First Lady Rosario Murillo, and other senior officials. Despite these efforts and a worsening economy, indicators are strong that the Ortega regime has decided to stick it out.
EXTERNAL FACTORS

In addition to the region’s own inconsistent history of supporting democratization among its neighbors, a number of recent geopolitical trends do not bode well for Latin America’s democratic progress. The United States, traditionally the most influential actor in the region, had largely shifted after the Cold War from a narrow national security approach to an explicitly pro-democratic, free trade, and economic development agenda. More recently, the Trump administration has chosen a more antagonistic strategy on two key fronts—trade and migration—and renewed a preoccupation with transnational organized crime and drug trafficking. Trump’s aggressive actions and rhetoric have not been well received, even in countries where center-right governments recently have come to power such as Argentina, Chile, and Colombia. But the Venezuelan case, if Washington does not overplay its hand, is solidifying most of the region in favor of nonviolent regime change.

In contrast to its general pivot away from democracy and human rights as an important element of U.S. foreign policy, the Trump administration has spoken out consistently against leftist authoritarian rulers in Cuba, Venezuela, and Nicaragua. Trump quickly reversed much of President Barack Obama’s liberalization of relations with the Castro government and returned to the regime change approach codified by the U.S. embargo. The Trump administration has led the charge against Maduro’s repressive rule by imposing an escalating series of sanctions and supporting the Venezuelan opposition. In response to the deteriorating situation in Nicaragua, the United States government condemned the “violence and repression propagated by the Government of Nicaragua and any closing of the media” and slapped sanctions on senior officials. It also has promoted a broad-based dialogue led by the Episcopal Conference and highlighted that a solution to the crisis must lie within Nicaragua and that it will respect the country’s sovereignty. The U.S. Congress has also weighed in with a bipartisan measure adopted in December 2018 restricting loans to Nicaragua and authorizing targeted sanctions. These measures, if part of a serious diplomatic strategy, could help pressure these regimes to reform, but also will help them solidify support with loyal sectors opposed to U.S. interventionism; Trump’s low approval ratings in the region and championing of a return to the Monroe Doctrine do not help matters either.

The broader effects of Trump’s “America First” policies, including its withdrawal from the Paris accords on climate change and the Trans-Pacific Partnership on trade (which includes four Latin American countries), have opened a clearer path for China and Russia to make further inroads into Latin America. China in particular continues to build upon its growing investments in the region’s natural resources sector to become a privileged partner for many of Latin America’s biggest economies in such areas as transportation and power generation. The details, however, are largely unknown. Chinese lending by its policy banks is “secretive, not disclosing which countries are borrowing, for which projects, and on what terms,” and is relatively immune to such risks as rule of law or political instability.

The result is a big increase in external debt-to-GDP ratios among Latin American countries over the last decade, allowing Venezuela, for example, to amass an unsustainable level of debt. China has also renewed a successful campaign to wean smaller states away from diplomatic recognition of Taiwan, with Panama, the Dominican Republic and El Salvador switching to recognition of Beijing in the last two years. The big question is how China’s authoritarian government will exert its newfound leverage to influence Latin America’s fragile transition to liberal democracy. More broadly, will it supplant U.S. hegemony? How quickly? And for better or worse? From the standpoint of Latin America’s political development, it would be fair to assume that China’s growing economic power and ambitions of global leadership, coupled with its inherently closed and repressive model of
political control, will hurt the region’s prospects for strengthening its liberal democratic systems and respect for human rights.32

Russia may not share the same economic or political power in the region as China, but it does have wider geopolitical ambitions to challenge U.S. influence in its neighborhood. According to a recent study by the Carnegie Endowment for International Peace, “[t]he Kremlin is taking advantage of the deteriorating relationships between the United States and many of its southern neighbors. Russia supports anti-American populist candidates in elections throughout Latin America and is trying to expand trade and investment opportunities with the region.”33 Debt relief and energy investments for its two closest allies—Venezuela and Cuba—are complemented by reliable supplies of weapons systems, intelligence exchanges, and diplomatic solidarity, which Nicaragua has enjoyed as well.

RECOMMENDATIONS

The upshot of the expansion of both Russian and Chinese influence in the region is that it will, at best, temper Latin America’s enthusiasm for a rules-based international order founded on liberal principles. It could also further divide the region between a socialist, non-democratic model represented by Vladimir Putin and Xi Jinping, and a more open and democratic model offered by the United States and the European Union.

This tendency is compounded by the growing polarization of democratic politics in the region, which runs along a spectrum of pro-nationalist and pro-internationalist forces, both right and left. Brazil, for example, has lost the influence it once had to unify South America under a common theme of multipolarity (under former President Luiz Inácio Lula da Silva) and democratic solidarity (under former President Fernando Henrique Cardoso). Instead, Bolsonaro’s sharp turn away from Brazil’s traditional commitment to multilateral cooperation provides some unexpected support to Trump’s nationalist agenda, which runs counter to the region’s foreign policy traditions. Mexico’s new leftist government, meanwhile, also appears to be retreating from international leadership. With Washington engrossed in its own democratic recession, European leaders like France, Spain, Germany, and the United Kingdom could serve as an attractive pro-democratic balancing force in the equation, and some signs suggest they recognize the opportunity offered by Washington’s retreat under Trump. The net outcome of external factors, however, is likely to tilt against a much-needed consolidation of Latin America’s democratic trajectory and in favor of enabling negative traits like corruption and weak rule of law.

If one believes in the vision of a Latin America rooted in democratic stability and peace, the obvious response to these internal and external drivers of political change is to batten down the hatches, redouble efforts to strengthen democratic governance and the rule of law, and help inoculate the region from the downsides of Chinese and Russian influence. The ad hoc coalition supporting the Venezuelan opposition’s demands for a return to democratic governance could coordinate actions to pressure Maduro to step down peacefully and help rebuild the country’s shattered economy. To forestall a worsening slide toward autocracy in Nicaragua, a core group of regional states should work within the Organization of American States and at the United Nations to help Nicaragua resolve its political crisis, including reform of its electoral system and accountability for deadly attacks on protestors. In both cases, the Trump administration should work closely with Congress on a bipartisan basis to provide sticks and carrots as part of a comprehensive diplomatic strategy for resolving the crises and to continue support for longer-term programs that address the root causes of democratic backsliding in the region.

Latin America by now has learned the hard lessons of being a battleground between competing global powers. Yet it also lacks a center of gravity to drive a common regional identity. As each country copes with competing external forces and domestic demands for greater strategic autonomy, ad hoc coalitions organized around more narrow interests are more likely to prevail.
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1. In 1990, the average V-Dem Liberal Democracy Index for the region was 39 percent higher than the global average. As of 2017, it was only approximately 17 percent higher. See “V-Dem Varieties of Democracy,” V-Dem Institute, University of Gothenburg, 2018, https://www.v-dem.net/.

2. While academic studies estimated that Venezuela’s democracy levels in 1990 nearly mirrored global and regional averages, it recently ranked 147th out of 178 countries in terms of the quality of democracy (approximately at the 17th percentile). See ibid.

3. According to the Corruption Perceptions Index, global average scores of approximately 43 have remained relatively flat from 2012-18; Latin America’s score has declined from 41.90 to 41.57 over that same period. See “Corruption Perceptions Index 2018,” Transparency International, January 29, 2019, https://www.transparency.org/cpi2018.


7. According to the GINI Index as calculated by the World Bank, inequality in the region surpasses global averages. Although inequality decreased between 2006 and 2014, the average GINI Index score for the region is 47, 10 points greater (or more unequal) than the world average. See “GINI index (World Bank estimate),” The World Bank, 2018, https://data.worldbank.org/indicator/SI.POV.GINI?end=2016&locations=ZJ&name_desc=false&start=2016&type=shaded&view=map.


15 While 26 percent of the population in Latin America trusted political parties in 1995, only 13 percent did in 2018. Trust in the government, the legislature, and the judiciary continue to fall. In contrast, over a third of those surveyed expressed their trust in the police and 44 percent trusted the armed forces in 2018. “Informe Latinobarometro 2018,” Latinobarometro.


31 Ibid.

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