

HUDSON INSTITUTE
CENTER FOR LATIN AMERICAN STUDIES

TRANSCRIPT OF
“LEFTISM AND POPULISM IN TODAY’S LATIN AMERICA: IS
CHAVISMO CONTAGIOUS?”

Featuring: Professor Javier Corrales, Amherst College

Commentary: Pablo Bachelet, Latin American Correspondent for the Miami Herald

Moderator: Ambassador Jaime Darembaum, Director of the Center for Latin American Studies

Introduction: Kenneth Weinstein, CEO of Hudson Institute

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JAIME DAREMBLUM: Good morning, ladies and gentlemen, distinguished friends, guests. We'll begin today's program with remarks by our CEO, Dr. Ken Weinstein.

KEN WEINSTEIN: Thank you, Ambassador Daremblum, and good morning, and welcome to the Hudson Institute. I'll be brief. On behalf of Hudson Institute and the Institute for Foreign Policy Analysis, we just want to express our profound gratitude to the Lynde and Harry Bradley Foundation of Milwaukee for its generous support of this new research and seminar project on democracy in Latin America. I especially want to acknowledge the presence of Diane Saylor who is director of academic international and cultural programs at Bradley. And we are delighted to begin this new research endeavor, which will produce very fruitful results going forward, so thank you very much.

MR. DAREMBLUM: Populism has become an all-encompassing category where opinion on policymakers in Washington on Latin America have tended to include equally socialist, leftist, big fiscal spenders and anti-Americans. Yesterday, I learned – in reading an article by my very good friend Carlos Alberto Montaner – that there are also neo-populists, a group in which Montaner places – and I quote – politicians whose heads are full of nonsense. That's quite a wide, big place.

In any event, among leaders who at different times have been tagged as populists, we find Lula, Kirchner, Chavez, Evo Morales, Correa, Ortega, and Tabare Vasquez. It's obvious there are marked differences separating Lula and Vasquez from Chavez and Morales, and the latter from Kirchner. What are those differences and do they really matter when formulating policies?

No one is more qualified to enlighten us on the meaning and policy implications of populism and its derivations than Javier Corrales. Since obtaining his PhD from that small, relatively unknown university in Cambridge on the Charles River, Harvard, about a decade ago, Javier has become one of the outstanding scholars on Latin America in the United States. Today, he chairs the political science department of Amherst College, and has also provided us through several books and numerous articles, new lights to guide us on the complex populist syndrome.

Following Professor Corrales' presentation, we will be privileged to listen to Pablo Bachelet, the distinguished chief Latin American correspondent of the Miami Herald, who will give us a lead commentary on the topics covered by Professor Corrales. After that, we will work on questions and commentaries from you all. I am pleased now to turn the podium to Professor Corrales.

(Applause.)

JAVIER CORRALES: Thank you very much. Well, good morning to everyone, and thank you so much for coming to this talk. I am more used to smaller audiences, because my courses at Amherst are smaller, so I'm really impressed. Thank you for being here. Thank you to the Hudson Institute for the invitation and Jaime for making this event possible.

What I was asked to speak about is the question of leftism in Latin America, populism, and specifically, whether the Chavez model in Venezuela is replicable elsewhere in the region. And what I'm going to argue is that – let me just begin quickly by saying that – the Bolivarian revolution in Venezuela is hard to replicate because it is an expensive revolution. It requires a lot of money. And a lot of people look at how much money the revolution is spending and say, therefore, other countries cannot afford a similar type of political movement, because they won't have the money to fulfill it. And that is, in many ways, very true, and I'm not going to dispute that it is very difficult to replicate the model when you don't – when you're not governing a petro-state like Venezuela is.

Nevertheless, there is enough within chavismo outside of the money that I think is relatively replicable in other countries of the region; perhaps not replicable to the same degree of extremism and radicalism, but nevertheless, features can be developed elsewhere. And for me to be able to make that point, I'm going to have to talk a little bit about the difference between the left and populism, and focus on the political issues of chavismo and populism in order to be able to convince you that some of it is replicable in Latin America.

Let me begin by talking about this distinction between the left and populism. Scholars don't really know what to do with this. We know that the left and populism sometimes go together; they go hand in hand; sometimes they don't. Up until the late '80s, people used to think that populism essentially always came during episodes of enormous statism, when the state was expanding its intervention in the economy. But one of the things that we saw in the 1990s is the rise of right-wing populists, folks who were implementing market-oriented economic policies, but were nevertheless developing populist features.

And perhaps, the best example of this could very well be Alberto Fujimori in Peru. And now that Chavez has come back and has created the return of the left with populism, there has been some conceptual confusion as well, because how can we make sense of this. So this is my attempt to try to make sense of this divide between the left and populism. And I want to make sure that you follow me on this, because I'm going to need – the clarifications I'm about to make – I need those in order to be able to make the point that chavismo is replicable elsewhere.

From my point of view, leftism in politics is a general desire to use the state to block the market. You can name it. Essentially, in economic policy, the left is any type of orientation that seeks to impose certain degrees on market institutions and economic freedoms. This is a strong tradition in Latin America. In fact, between the 1920s until about the late 1980s, almost all political administrations in Latin America of different persuasions were statist, were on the left, were devoted to imposing restrictions. Perhaps the country that broke away from that model, the first, was Chile; but up until the 1980s, this was a predominant sentiment. Now, we know that in Latin America, in the 2000s, most countries have elected leaders and movements that are on the left, that are coming to office precisely to – in different degrees – impose restrictions on the market.

All right, populism. Populism, one, tends to assume that it is excessive spending, lack of concern for macroeconomic balance, and to spend it in certain groups, in order to be able to elicit

loyalties. Now, notice that that type of definition, which is very typical, also is predicated heavily on economics. But what I want to emphasize is that populism is mostly a political phenomenon, because populism is a way to deal with the opposition. This is what distinguishes really – in my opinion – the left from populism.

Any type of populist movement seeks to create – and these are the elements – concentration of power in the executive branch – not all leftists want that, but many do – so number one, concentration of power in the executive branch. You then use state resources to mobilize newly empowered sectors, political groups, folks who were not unionized, groups that are emerging outside of traditional political parties, slum dwellers, et cetera. So you use the state to then mobilize the non-organized groups of society. And then, you take it one step further, and that is, what do you do with organized opposition? Populism also includes enormous restrictions on the operations of the organized opposition.

Notice a difference. Leftism is, in my opinion, an approach to the market. Populism in Latin America is an approach to the opposition. It's bad news for the opposition, because it is a political movement that turns itself decidedly and ruthlessly against organized political activity. And this is what Chavez set out to do even from the very beginning, even before he declared himself a socialist. He had a campaign of being anti-political parties, anti-established politicians, anti-established labor unions, and to try to displace them from the political scene and empower a new group.

It is not a new model. Essentially, this is exactly what Peron in Argentina in the 1930s and Vargas in Brazil and many other classic populists have always done. So my first point is that it makes sense to try to think of leftism and populism according to these two dimensions. You should have a handout, and let me take this chance to talk a little bit about this handout. I didn't bring a PowerPoint presentation because I'm always afraid of that. And instead, I have a handout, which I hope you can try to follow with me.

And what I do here – everybody has a copy – what I try to do here is to basically illustrate these two dimensions. The first column is economics. And there, you can see the whole spectrum of high statist intervention and a free market person. So one administration could be situated along this vertical axis. And so, of course, Cuba, at the very top, is a command economy. And in Latin America, we really have never had a true market neoliberal, and I'll show you why we don't have it, so this part is kind of empty. But you can be closer from each of these ends in economics.

Now, look at the horizontal axis, which is where I tried to plot the idea of state-society relations, and especially state to opposition. On the one hand, you have a series of leaders who are respectful of organized politics, respectful of existing institutions, respectful of descent, and do not seek necessarily to supercede them and discourage them. And that would place you on the right hand side. And you can be on the left or on the right on this situation; you can be a democratic, non-populist, right-wing administration or not; and likewise with the left.

Now, notice this area here. And for me, the area covered by the circle is what I would call populism. You can be from either the left or the right in terms of economics. And what

really distinguishes you is precisely how you organize yourself politically – what you do with the executive branch, what are the groups of society that you mobilize, unorganized groups, and what do you do with the organized opposition; you treat it really badly with all kinds of tricks. And so, you can have an interesting array of forces, and I try to give you some illustrations.

And I hope you can find Chavez there; this is where I would place him. What he has done and the way he came to office was precisely – he wasn't that big of a leftist in terms of economic policies, but as I said from the very beginning, he declared himself to be anti-political parties and was not necessarily someone who was in the closet about expanding presidential power. If you look at his first year in office when he negotiated his constitution, the articles on economics are not that different from any other Latin American constitution. But the articles pertaining to executive branch power, and articles pertaining to the organization of civil society are truly authoritarian in this populist fashion. The executive branch obtains enormous prerogatives; they diminish the power of the legislature; they diminish the power of sub-national entities. Those are all areas where the organized opposition has a stronghold and where they can actually influence, so the president moved directly against those existing institutions.

And the way that he did this was very easy. He developed an anti-political party discourse, which was, in Venezuela in 1998 and 1999, a very appealing discourse. The notion that all politicians are bad, in fact, they are catastrophic for the nation and therefore we don't need them anymore – this is the sentiment that explained Chavez's election, in my opinion – his enormous, up-front attack on political parties. And his first year in office, that's all he devoted himself to, until Venezuelans realized how far he had gone, and at that point, they had no more recourse, and so they had to – those in the opposition – had to then rely on street protests, because they had very few alternative channels. The opposition had very few alternative channels; Chavez had dismantled them.

And so, notice that this was the most important thing that Chavez did in the very beginning. He then became a socialist and started to turn more and more to the left in terms of economic policy. But this was the beginning.

And so, my question now – and this is the second part of my talk, and then I'll just conclude after this part – is, is this replicable? Could this model be repeating? The answer is yes, but not randomly, and not anywhere. I am going to argue that you need certain conditions for this. And in my opinion, some countries have it more than others.

The first thing is, all these leftist presidents, in order to get themselves elected, they need to mobilize many sectors at once. I published a little article in Foreign Policy on the different constituencies on the left, and they cover a wide spectrum from protectionists to NGOs to nationalists to military folks to people without jobs and without decent living standards – all kinds of people. And all these administrations need to be able to create a grand coalition in order to be able to get 50 percent of the vote.

And most of these constituencies disagree with one another on any number of policies. And they all come – all these administrations from the left have had to rely on what is putting together a coalition of – one could argue – incompatible interests. Sometimes, for example,

some social democrats who vote for these leftist folks are not populist. But, nevertheless, these administrations may need to equip them together. So all these administrations come to office with a ruling party or a governing coalition that is incredibly diverse, non-homogenous.

And if we want a better way to capture this, they go from being very radical about what to do with economics and what to do with politics more moderate. This is true of all the leftist presidents who have gotten elected. The radicals and the moderates don't dominate; they are both present in these systems. And a lot of what happens once they are in office depends on which of these factions comes to prevail in a particular administration.

Under Hugo Chavez, the more radicals have come to prevail, and the moderates have left. So in many ways, the first thing that one needs to look at is let's look at the ruling party, and let's look at the coalition that comes to office and try to have a balance of the moderates – the predominant group – or I said the radicals. Or what could move one group to become more predominant than the other. Clearly, if you have had a bumpy experience with market reforms in the 1990s, and the leftist administration gets elected at a time when there is economic chaos, chances are that the more radical folks – the most anti-market folks – are going to be having the upper hand, to some extent.

That brings you to the moment of election. But then, one needs to be able to understand what happens after a government takes power, because still, the moderates are around even if the radicals are having the upper hand. And this is something that, I argue, can be manipulated. One of the things that I have said about Hugo Chavez in Venezuela is how he has actually created polarization in his own country deliberately in order to get the middle folks – those in the center – to deflate, to pick sides – to either turn completely against him or to then support the radicals.

The strategy that Chavez has used is this idea of let's deflate the center. Let's make sure that my other extreme – that my opposition becomes extreme so that they lose moderates, and I will then also undermine my own moderates and turn everybody radical. This strategy of deliberate polarization is very replicable – you don't need a lot of money for that. All you have to do is provoke the opposition to turn a little bit extremist and crazy. And this, in many ways, was Chavez' formula once in office to ensure that the moderates, both in the opposition and in his own party, turned more extremist one way or the other, and it worked; it absolutely worked.

By 2004, most Chavistas stopped being moderate. The moderates might have left, but many of them became much more radical. And they became much more radical because they were observing the opposition in many ways turning more extremist. But the opposition had turned extremist because the opposition was facing a state that was unfavorable to the opposition. So you enter into this dynamic that is a dynamic of polarization in which the state, instead of trying to govern with the middle – what the state does is it sides with one of the extremes, provoke the other side, and this creates a defection of voters away from the center into one of the poles, and you stay there, and you try to do that.

Now, Chavez has also tried to deal with the center by spending money. But the important thing is that this deliberate polarization that Chavez has attempted is replicable. And what is

interesting about Venezuela is that Venezuela has demonstrated to the rest of Latin America that that strategy can work.

In the 1980s and in the 1990s, the consensus among Latin American politicians was that you have to go to the middle, because in the middle, you have the preponderance of voters. So you had a transition to democracy that was, in most countries, *ex imperii* in terms of both the left and the right, gravitating toward the middle. Chavez ended that game and has made extremism popular again, appealing to politicians. And this is going to be very difficult for the region to recover from. In many ways, it raises the most important game in democratic politics in Latin America since the 1980s, which was the desire to be moderate, to compromise, to try to listen to the other side. Now, imitators of Chavez think that the solution is to turn more radical and to scare the opposition, and you can still win more than 50 percent of the vote.

Now, so that was on the issue of the ruling party. Let me now talk about the opposition. If it is true, what I have argued, that populism and autocracy depends on how you deal with the opposition, and which faction in the ruling party comes to prevail, it also matters how strong your opposition is, because the only obstacle to populism, right now, or to this type of attack from the part of the state is the organized opposition, the political parties.

And Latin American countries, very significantly, in the extent to which both the ruling party, but especially the opposition parties are capable of fighting back, capable of defending themselves against the assault from this populist impulse. And one could then create a ranking of countries governed by the left – a ranking that would tell you how institutionalized your opposition is. And what you find is that where the opposition is organized according to political parties that are strong, stable, institutionalized, have roots in society, are well-liked, populism cannot go too far. But where the political parties are in disarray, suffering defections, suffering political chaos, instability, and especially defections, this is a situation where the populace can act more decisively. They don't face barriers to what they are trying to do. And in fact, usually in countries where political parties are getting weaker, one of the symptoms that you observe simultaneously is that citizens hate political parties more.

So, if you want to find out whether *chavismo* is replicable, you want to then look at, how was your experience with economics, with market reforms, the bumpier, the more likely that the ruling party is going to have a more radical faction in office. And then, you want to look at the extent to which a particular president is eager to take the risks of engaging in deliberate polarizing techniques, because that deflates the middle even further and makes the two poles more intransigent, which is exactly what the state wants. And then, how far you can go to destroy the opposition, which depends on the strength of the opposition.

Let me – before I conclude – try to illustrate that point with another of my handouts. It's this one right here. It's table IV. It comes from another paper. And in this table, I try to capture what I have been arguing, which is, you have a list of very prominent administrations that are leftist – they declare themselves to be leftist – not necessarily in terms of policy but in terms of how they campaign and come to office. And you have some big cases, starting with Chile from 1990 to the present, and Argentina in 2003 and even Bolivia in 2005. And what I tried to do is to then give you an idea of the asymmetries of institutionalization of both the ruling party and the

opposition. Let me discuss the first set of cases – Chile, Brazil, and Uruguay. There, what you have is, the left comes to office not by organizing groups that were unorganized before. They come through an existing political party.

When you come from existing political parties, those parties are going to impose breaks on you. So in some ways, whether you come from an existing political party or not is an antidote against some forms of populism. But then notice that in all these three cases, the opposition was also fairly strong institutionally. The result is that the executive, even if he or she wants to, is not going to be able to turn adversarial toward the opposition; his or her own party will stop him or her, or the opposition will stop them. But for that, you need to have politics organized by solid, well-liked by the population political parties.

Now, the second cluster includes Argentina, Ecuador, Venezuela in the very beginning, and Peru. And there, what you have is a ruling party that is relatively new, not institutionalized. The President puts together a coalition for an election that is not part of an existing political party, and in many ways, it's deliberately anti-political parties.

And with that type of system, then one has to look at what the opposition does. And what you find in these cases is that the ruling party was far more non-institutionalized than the opposition. So who wins in this type of system? The opposition prevails. What you get here is gridlock; what you get here is presidents who cannot govern; what you get here is policy incoherence, short-lasting administrations. The president has no anchor because his ruling party is relatively weak, and the opposition is strong and therefore capable of blocking the system. In some ways, these leftist administrations perished because of these two factors, the non-institutionalized nature of the ruling party and how different the opposition was in the same scheme.

Now, the last cluster – Bolivia, Venezuela, and Argentina – also vary in degrees of party institutionalization. Let me just quickly mention something about Venezuela. After eight years in office, the state has been able to create a much more institutionalized political party with secretaries, with offices, with opposition. And so, now, the ruling party in Venezuela is much stronger than it was in the very beginning, but the opposition is much weaker – hence, the radicalization of Hugo Chavez in economics and in almost everything else since 2004.

Let me compare that to Bolivia, which is the case that many people argue comes closer. Now, it's hard in Bolivia. There was the election of Evo Morales who campaigned explicitly on the left – unlike Chavez who did not campaign on the left or an extreme radical on the left – but Evo Morales is doing it on the left explicitly. And he wants to be a populist. He has already shown many, many times that he has no patience for the opposition. He uses the same names that Chavez uses to talk about them. They are all part of the oligarchy, the empires, the white oppressors – that's a Bolivian addition to talk about the opposition in terms of white oppressors – business elites, et cetera. And he has no interest in governing with them because this revolution is for the revolutionaries. This is typical populism, because it is an approach toward we're going to favor my loyalists, and we're going to disfavor significantly my opposition.

Now, what is interesting is that the MAS, which is Evo Morales' party, relative to Chavez' party in 1999, is a bit more organized, has many more traditional structures. In the 1990s, the MAS became a strong party. They govern in certain prefectures. They held municipal posts. It is less of a personalist system than you have in Venezuela. And so, in some ways, one can expect some breaks to happen within Bolivia's ruling party, because the party is a little bit more institutionalized.

Now, of course, Evo Morales can de-institutionalize his own party if he wants to – and I think he's going to – but this is an element that will hold Morales – will restrain him to some extent. But the most important difference is also at the level of the opposition. The opposition in Bolivia is far stronger than it was in Venezuela in 1999 when the constitution was enacted. They have done a very smart thing – the opposition – in order to get themselves to survive this, and that is, they have come up with a wonderful ideology to counter the ideology of the ruling party. The ideology of the ruling party is indigenismo; we're going to empower the majority Indians; we're going to concentrate power in the executive branch; and we're going to go against traditional politicians.

Now, in Latin America, to challenge populism, it's not a good idea to say we want more markets, because Latin Americans don't like that political discourse. This was the problem that Venezuela's opposition had when dealing with Chavez is that it didn't really have a discourse other than let's do more market when everybody knew – Venezuela – that was not a winning discourse.

What the Bolivian opposition has done – and this is actually, one could say, brilliant – is to develop an alternative strategy, which is autonomismo. If the president concentrates too much power, then the regions are going to say you can't do that because you have to respect local autonomies. It's not separatismo; it's not a desire to secede. But it's a desire of defending the local.

This is an interesting phenomenon because – I argue in another paper I'm writing – it is a wonderful way to compete with a centralizing populist tendency of the executive branch. The discourse in favor of autonomismo cuts across and steals some of Evo Morales' constituencies. It is a discourse that appeals to some indigenous folks who always talk about la soberania de los pueblos, the sovereignty of the people. It appeals to some socialists who like decentralization. It appeals to some of the folks who voted for Morales because they were anti-political parties, because this is seen as a discourse that is moving away from traditional political parties and empowering localities. And it even attracts hyper-nationalists. Hyper-nationalists don't like the extent to which Bolivia has gravitated to the side of Cuba and to the side of Hugo Chavez. And the call for autonomismo, in some ways, takes some of these nationalists away from the ruling party.

So my only point is that in Bolivia, you have the same tendency on the part of the executive branch. You want to be on the left in economics, and you want to be populist. It's facing huge obstacles at the moment, in part because the opposition is much more organized, and has been able to come up with a very interesting, Bolivia-based type of discourse that allows the opposition to do relatively well in some elections. And this is the bargaining strategy that is

taking place in Bolivia. In Venezuela, in 1999, the opposition did not have organization, did not have strength, and did not have a competing discourse – other than invoking social democracy or neo-liberalism, and that doesn't do it.

So let me just conclude by saying that is chavismo replicable? In terms of economics, I have told you – very hard to do; it's an expensive revolution; and Latin American countries, even to this day, face financial restraints and they cannot spend as much as Chavez. But in terms of trying to undermine the opposition, it is replicable. For that, you need to have radicals in office; you need to have a ruling party that is very personal, very dependent on the person; and more importantly, you need to have political parties in the opposition that are weak. And not all Latin American countries suffer from this weakness.

And so populism has gone far in Venezuela, in many ways because it was an interesting case of a moment in time when the ruling party was very strong in terms of energy, and the opposition was very weak. And the executive branch took advantage of this. In Bolivia, the same attempt by the executive branch is proving very difficult for the president to sustain, because the opposition has the elements it needs to fight back.

So the policy recommendation is, there is very little we can do to stop the preference for leftist policies, in terms of economics. But there is much that the international community can do to stop the populist tendencies. And in many ways, that best policy strategy would be to strengthen opposition parties and organized politics, because that is the only antidote that the region would have against a political movement that has always been appealing in Latin American politics since the early 20th century and to this day, which is this complete disregard to organized opposition.

So thank you very much for your attention. And I'll be more than happy to – oh, I think Pablo is going to have some comments. I hope that I didn't confuse you. Thank you.

(Applause.)

PABLO BACHELET: Okay. Thank you so much, Javier. I think that was fascinating. I'm going to throw some ideas out there that I hope will enliven the discussion that is to follow. I'll be extremely brief, because I think the Q&A is going to be an interesting part of this. Just really a couple of thoughts – you were very clearly on the institutional side, you had this down pat – you know, the role of political parties, the opposition. Let me just throw some ideas out there how populism works on the ground.

I saw this first hand, when I was actually in Panama maybe about a month, month and a half ago. And it was really quite fascinating, because if you go to Panama today – and anybody who has been to Panama today as opposed to, say, 10 or 15 years ago, will see it's changing right in front of their eyes. Panama City is turning – I hate to say this – into some kind of a smaller version of Miami. I mean, there are just high rises going up all over the place.

Money is pouring into that country. They're spending something like \$5 billion to expand the Panama Canal, which is a lot of money for Panama. But really, the real money – and

I'm told it's almost 10 billion (dollars) – it's twice the expansion of Panama – is going into Avenida Balboa to create these high rises. So it's really a fascinating experience that Panama is living today. The president is popular. There's an institutionalized party.

But – and this is where you wonder about the future of Panama – it raises questions. I'm not going to say that Panama is facing the eminence of populism in any sort of way, but when you go to Panama, you also see that, hey, there are a lot of very poor people. And the official data actually bears this out. The official data is 37 percent live on something like less than \$2.50 per day per person. You go outside of Panama City in places like Colon, and the official poverty statistics rise a lot more, something to the – 43 to 50 percent amongst the Afro-Panamanians.

And you talk to these folks, which I really tried to do – I tried to talk to people who were not being swept up, didn't have the construction jobs, weren't in the banking service industry and commerce. And they feel excluded, and they'll say that right to you. As a matter of fact, what they were telling me reminded me a lot of what I was hearing when I was traveling to Venezuela in '98, '97 – how people felt that there was a lot of corruption, that there was a lot of self-service in the political caste.

One person even told me, oh, there's our legislature. And I'll say this in Spanish and then translate. You know, he called it the Legisladores, you know, the legislators -thieves. So there is a lot of that.

And so, the challenge now for Panama, and for Martin Torrijos and whoever comes after him, is to find ways – in a way that 37 percent doesn't get swept up by somebody who is going to raise a hand and say, hey, I'm going to represent you. You're not getting part of this. And there are a lot of issues that they can – there's a lot of Colombians coming in, and many Panamanians feel that their jobs are being taken away by Colombians. Sound familiar? So there are a lot of issues that they can tap into, even in a country like Panama that is growing at 7 percent a year and is having this kind of gigantic boom. So this is just a reminder to go back to the basics of: you've got to make it work for everybody.

And just another thought... If you go to one of your charts, I don't know if you guys can see it, but it's in the circle, you have Uribe within the populist circle, which is actually very interesting, because Alvaro Uribe was elected – he's seen as one of “ours,” quote-unquote – U.S. ours – a guy who is free market economics, not part of the leftist populism by any stretch of the imagination. Maybe you could elaborate a little bit about Uribe.

But there are populist elements even by your own definition. I mean you don't – I talked to Colombians – I haven't been to Colombia for any reasonable stretch of time in over a year and a half, but you don't hear much about political parties in Colombia. You really don't. It's Colombia's vice president; it's Colombia's defense minister. It's union leaders. But you don't hear political parties. And that, I think, is actually something to worry about.

I'm Chilean and as you mentioned, in Chile, there are some very strong political parties with professional cadres of people that occupy spaces. They have think tanks. They are ready to

occupy. The opposition in Chile has people that are clearly prepared, if they were to come to power, to occupy positions. That was the same way when Pinochet was in power. The democratic opposition and the center-left ruling coalition had think tanks; they had people who were capable that really studied trends and they were very capable.

So I'm a little worried that in Uribe's Colombia, you don't hear about the role of political parties. Of course, there are political parties, liberals and the conservatives. But there seems to be an undermining going on there.

And here I get to the second point really that I want to make, which is kind of anti-Americanism. And I'm going to go on a little bit of a stretch. And I'm not going to say that Uribe is by any means anti-American. But if you look at what he said about a week ago, he became, obviously, very angry, because the Democrats in Congress are holding up the free trade agreement that he feels Colombia really deserves. They've done their homework; they've been a good student. Clearly, things are going well on some of the security – inside Colombia, it's getting better. But he's starting to get very frustrated.

And, I was talking to a Colombian official. Very privately, he said, look, every time Uribe attacks the U.S., it is good for him internally and it makes him more popular. And this is what he did a week ago. He attacked Democrats, saying – and the kind of language reminds you of this populist language that you hear. You know, the demand for respect – he suggested – I'm not a Simosa; I didn't use those words exactly, but he said, you can't have our own son of a bitch – you know, he's a son of a bitch; but he's our son of a bitch. But he was clearly referring to Simosa and him being – he was angry that he was being thrown into that our son of a bitch category. He said, you know, you can't have a master to the Colombian kind of underling relationship.

And this Colombian official was telling me, you know, this doesn't help our cause to get the free trade agreement through Congress here. I mean, it really doesn't. It makes our life harder. But, for Uribe's popularity, it does wonders. It appeals to that kind of nationalist sense of many Colombians.

So really, one interesting aspect is kind of the how populists relate to the United States. And that's actually a very fascinating issue. I've talked to Ecuadorians who come here under Correa, and it's kind of interesting to see this sort of dance that they'll play, where they're trying to have a constructive relationship with the United States within the confines that have been placed on them by Correa – meaning no free trade agreement; the Manta base in the north of the country is going to – the Americans are going to be basically kicked out in 2009 from the Manta base. But they realize that they do need a relationship with the United States. So you're at this early stage of this dance. Something similar may be playing itself out in Nicaragua.

So really, just that thought. I mean, I'd very much like to hear what is – how these populists use kind of a anti-U.S. – I don't like to use the word instincts, but the sense that's out there, this uneasiness with all that is American and how they use it. I mean, I think that's something interesting that maybe you could address.

I mean, clearly that – finally, and with this I’ll finish off – that raises the question, what can the United States do to confront this. And I think everybody in this room is perfectly aware, it’s not a whole lot. But clearly the U.S. can help its cause by not doing anything that angers people more. And by being as neutral as possible in this, the U.S., I believe, actually furthers its own national interest, because it kind of takes away a bit of the populist fuel.

So I don’t want to go too deeply down that road; I’m a journalist; I have to write stories about this and I don’t write opinion columns. But I do think the United States has to be really careful in the way it is perceived. And it is being more careful now. You look; you don’t see the State Department issuing statements that are deliberately provocative in any sort of way and trying to work with Latin Americans on this.

So I’m really going to end it up there. I’m sure you guys have plenty of questions to ask the professor. And thank you so much. It was very interesting.

(Applause.)

MR. CORRALES: Let me just say something about these two points. I fully agree, Pablo. As long as Latin America remains the land of informality – and it’s going to be the land of informality where so many people are in the informal sector – populism is going to be very appealing because it is an ideology that promises to save you from that. (Off mike.) Informality in some ways is one way of saying unorganized citizens who, in addition to not being part of parties, are also economically excluded.

Oh, I have to press it. How’s that? Is it better? Okay.

And this issue of anti-Americanism, you know, this is very bad news, because if you get an example such as Uribe that whenever he gets into some kind of trouble with the United States, he immediately uses the anti-American tool, you know that this is an absolutely winning political sentiment in Latin America. And the problem with this is that all the efforts on the part of the United States to try to promote good governance – however you define it; whether you are from the left or the right of the United States, you want to promote good governance – that means necessarily some form of conditionality. Do this and don’t do that.

United States cannot play that role anymore. It seems that in this populist era, the notion that the United States can really expect something back is not working anymore, and it’s one less policy tool that the United States has. And the example from Uribe speaks to that, that now, as you say, you have to like accept everything regardless. So you accept Uribe; you accept Ortega; you accept Hugo Chavez. And perhaps this is what we’re going to have until this populist phase disappears, until perhaps countries go into fiscal crisis and they can’t actually – and they lose room for maneuvering at that point. The United States can come back or the international community in general.

MR. DAREMBLUM: Well, our speakers are more than glad to answer questions, listen to your comments. I would appreciate if anyone formulating questions or answers, we’ll give them the microphone to identify him or her self.

Q: My question is what are the chances of the populist movement in Latin America to solidify its foundation would then – (unintelligible) – of the country's individual governments?

MR. CORRALES: Should we take more questions or should I?

MR. DAREMBLUM: Go ahead.

MR. CORRALES: You know, this is a very good question because it's one thing to get elected, which seems to be an easy thing to do, and the other thing is to stay in office and win elections thereafter. There is no question that in terms of economic conditions, this is the best time to be a populist. The world economy has had – in political science, we used to think that good economics is going to give you good politics, is going to bring you democracy. But in Latin America, good economics brings you bad policies.

On the question of the market, presidents lose complete interest whatsoever in promoting market-oriented policies, because they don't have to attract businesses, because the whole economy is booming. They don't face the budget shortfalls; they have capital inflows. So they have no incentive to then open up the economy, because they're growing. And also, you can spend and spend, and spend and spend. Good economics is very bad for Latin America's politics because it makes leftism and even populism affordable. So that point, I want to state because I didn't make during my presentation.

The domestic politics are a different story. And again, I would simply say my only answer has to do with your ruling party and your opposition party. Economics is not enough, however important that variable might be.

Q: Hi. My name is Pavneet Singh. I'm from the Brookings Institution. Thanks for your presentation. I had a question about the role of China and Latin America and the increasing trade with Latin America and China. Do you think Latin America is embracing sort of Chinese authoritarian rule with a growing economy? Do you think China will undermine the U.S. agenda there in terms of promoting human rights, democracy, et cetera? Thanks.

MR. CORRALES: You know, what China – Latin Americans tend to think that China has gotten big; and it has increased a lot, but it's still an insignificant component of even Brazil, which is trading a lot with China. But what China is doing – the most important influence is that China is the most important engine of economic growth in the region at the moment. The phenomenal economic expansion of China is producing a large demand for the very same export commodities that Latin American nations rely on – copper, zinc, energy, iron, and even agricultural products. So China is affecting populism in Latin America indirectly by growing so fast and bringing some degree of prosperity, making the price of these export commodities so high, which solves the fiscal problem, which makes Latin American states less interested in market reforms and more able to mistreat the opposition.

China is not – let me just say this about Venezuela. It is important to watch the relationship between Hugo Chavez and China. In my opinion, Hugo Chavez has explored

seriously closer ties with China – well, we all know this, but this is where my opinion is – and I think China has said no to Hugo Chavez. And the question is, are you ready – I'm Hugo Chavez – are you, China, ready to absorb the barrels of oil that I am exporting to the United States. And I think Chavez obtained a negative answer. The Chinese said, no, I cannot be your Soviet Union, in reference to how the Soviet Union absorbed all of Cuba's trade with the United States, and therefore solved a major political problem for Fidel Castro in the early 1960s. China hasn't gone that far, and I think that's a political decision as well as an economic decision.

Economically, China cannot find Venezuelan oil as affordable. And I think China is not interested in being an agent provocateur politically with the United States. China is very selective in the kinds of fights it picks, and I don't think it wants to pick a serious fight with the United States on Latin America.

And this is an interesting point, because in many ways, China's answering negatively to Venezuela's request for larger trade is perhaps the only break in this – the only restraining factor that Chavez is facing. The opposition in Venezuela has to be very grateful to the Chinese for saying no to Venezuela.

MR. BACHELET: Just a couple of comments on this. I think from the Chinese perspective, the Monroe Doctrine for them is alive and well. Whenever you talk to a Chinese official, they'll state it right out. Look, this is economics; this is business. We have no political ambitions in Latin America. And I think that's what they tell Latin Americans as well, and they've certainly told that to the State Department. And there's even signals that they've gotten – if not angry, they resent when Chavez uses the Chinese card the way he does.

I'll just add another example to the oil one. I don't know if you recall this, but at one point, Chavez became angry when he wasn't getting the replacement parts for the F-16s. So he said in sort of a moment of bluster, well, then, I'll just give them to China. And from my understanding, the Chinese made it quite clear that they didn't want to be part of that game. So this might change someday – you never know – but from what you hear and what you see, the Chinese so far, they want the commodity goods, they want the trade, but they certainly don't want the politics.

Q: Frank Calzon with the Center for a Free Cuba. I have a couple of brief questions. One, I was intrigued by your description of what happened in Venezuela, because the whole idea of coming to power with the coalition that included radicals and moderates did not begin with Mr. Chavez; it began with Mr. Castro and the whole dynamic of pushing radicalization was also there. Secondly, you know, you keep talking about the institutions. And I wonder if you could have chavismo without Chavez or Castroism without Castro in the role of that.

And finally, I think you put the United States in an untenable position, because Latin Americans continue to complain. As recently as last week, I had a couple in my office saying the United States pay no attention to Latin America. The United States ignores Latin America. And then, I guess, what you're saying is the United States should ignore more of Latin America. Don't pay any attention if they do the right thing or the wrong thing. And let's assume that American national interests have to wait until whatever happens, happens. I'm not sure that is a

message the United States wants. There are people in Latin America that would like the United States to tell the truth. If that's being provocative, that's too bad. But anyway, thanks.

MR. CORRALES: Oh, Frank, no, I totally agree that this is very Cuba 1960, what Chavez did. You put together a coalition of moderate and radicals and then you push the moderates out and empower the radicals, yeah. I know Cuba probably not as much as you do, but to me, the political model is very, very similar, given Venezuela's institutions. But it's very, very – it almost feels – reading the same script.

On the United States, I did not mean to make a policy prescription or a normative statement as to what the United States ought to do. I certainly lament and mourn the fact that the United States cannot be offering – U.S.-based actors – cannot be engaging in promotion of good governance. But I just think that the time is not right for it now, all kinds of reasons from economics to the popularity of Bush to things that are happening electorally in Latin America. It's unfortunate for democracy, because you do want external actors to be involved in restraining these states and promoting good governance. So we may have to wait for that moment to come back; it will come back, I think, but not in the next few years.

Q: Norman Bailey, Institute of World Politics. It's probably true that the Chinese are primarily interested in trade, investment, economics in general, and so on, and much less interested in the political side. There is, however, another country that is extremely interested in the political side, much more so than in trade and investment, and that's Iran. The penetration of Latin America by Iran through Venezuela is a direct challenge to the national security of the United States. Notice I said national security not just national interest of the United States.

And it's this aspect that makes me wonder about what appears to be the consensus opinion of the panel that when asked the question, what should the United States do about all this is not much of anything, which clearly the State Department has either been listening to you or you've been listening to the State Department, because that is basically their policy; let's not do much of anything. And that is a defensible position in terms of the internal politics of the Latin American countries, particularly the South American countries. I think it's highly questionable when it comes to the national security implications of a lot of what's going on in Venezuela and outside of Venezuela, through Venezuela, including Iranian penetration.

MR. CORRALES: Oh, no, thank you for bringing that up, Norman. That's absolutely right. The relationship between Iran and Venezuela is a scary relationship. It's very non-transparent. We can only guess the worst. And we should be guessing the worst.

But, as desirable as it might seem to deploy strategy to try to interfere with that Iranian-Venezuelan relationship, one has to look at the potential risks. And that would be the feeling of anti-Americanism. What's worse for the American interest now, the relationship between Venezuela and Iran, and further increases in anti-Americanism? That's a decision for our politicians to make, but that's a huge risk. And given that I agree with Pablo that anti-Americanism is a big trigger, or it's a big fuel for these things, perhaps we should try to keep anti-Americanism in check.

The relationship between Venezuela and Iran is interesting because it has placed Venezuela at odds with, of course, OPEC, and with China. I think that one of the things that Venezuela wants to do with Iran is to continue to provoke crisis so that the price of oil stays high. And this goes against the interest of Saudi Arabia, and certainly goes against the interest of China.

So what is interesting is that the relationship between Venezuela and Iran, insofar as it pushes higher oil prices, will create trouble with Venezuela in its dealings with China. But we'll see. We're not so devoid of policy tools to deal with that, given that Venezuela's relationship with Iran creates alliance possibilities for the United States.

MR. BACHELET: Just a quick word. First of all, I am not making any recommendations to the State Department. Obviously, in my position as a writer for the Miami Herald, I am absolutely in no position to do so. But I think that there is something to be said for a neutral posture from the United States – really not to kind of stir the waters.

On Iran, there's just one thing I want to add, and I completely agree with what you just said, Javier, which is Argentina – and just make sure that we're aware that Argentina has this request for, I think, they want six Iranian officials for the AMIA bombing of 1995 (sic). And I'm not sure I understand how that is going to play in the equation, but it is certainly something to watch what will happen.

And presumably, Cristina Kirchner is going to win, what kind of positions she will take on Venezuela and Iran. And will Argentina really push harder its quest, and sort of within the Latin American regional scope, you know, kind of push back the Iranians, push back the Venezuelans? I think it's an open question. It's interesting to see what the Argentinians will do. I'm just putting this out there as something to be watched.

Q: Good morning. Anel Townsend from Latin American Parliament. I wanted to ask which is important you give to one social and economic situation that has been noticed by the director for Latin America from UNDP, which is this United Nations Development Program, worried about good economic growth, and a very unequal region. The Caribbean and Latin America region qualified as the most unequal. And how can – (unintelligible) – but how can this challenge be trespassed to the ones worried about democratic institutions and a market which will be inclusive, if you can use that word without being populist.

MR. CORRALES: You know, Latin America's economic inequality and levels of poverty are structural factors. And that means, they're not easy to change with policy, and merely even within a generation. Yes, why is it that Latin America is world famous for populism? You know, in the late 1980s, we had the article of liberal democracy beating the two extremes of fascism and communism, perhaps. But Fukuyama, when making that thesis, did not mention Latin America's populism, which is fed precisely as a result of these economic inequalities, because it generates anger; it generates sentiments against the status quo; and it gives enormous leverage to the state. The state can always approach these masses and with very few handouts have a lot of political loyalty. That's Latin American politics.

This is, I think, clearly the main structural obstacle to democracy in Latin American. I think it's overcomeable. Latin America has had very good democratic politics at various points. But whenever things start to go wrong, this big mass of citizens that are in the informal sector or living in poverty are going to be very susceptible to populist appeals.

MR. DAREMBLUM: The gentleman in the back?

Q: Thank you. My name is Robinson. I come from Venezuela. And I would like to answer something to Mr. Corrales. One of your main ideas about Venezuela is that Chavez has blocked, has cut all doors, all ways to the opposition in Venezuela. But I don't know why you don't mention the behaviors of opposition in Venezuela from 1998, and some of this – (unintelligible) – that have characterized the opposition's behavior against Chavez.

For example, in 1999, the opposition opposed to approve a new constitution for Venezuela when 85 percent of Venezuela was agreed to approve new constitution, this one. Another thing is that in 2002, they really made coup d'etat against Chavez, even they put in jail Chavez. And then, they make only a strike against Chavez. So recently, they have recognized that Chavez won the last election, 2006, clear and with transparency. So my question is, what is your opinion of how you will explain the opposition's role in Venezuela according to your idea that they don't have sway, but they have make a laugh.

MR. CORRALES: Clearly, the essence of democratic politics has to be vibrant opposition. But that means trying to impose an alternative point of view. To expect the opposition to be otherwise is to expect politics to turn undemocratic. So for me to hear that the opposition has said no to a political project is no indictment at all, number one. So if the opposition opposed the constitution, that's what happens in democracy. And it was a minor opposition. The referendum, you're right, on approving the constitution was won overwhelmingly by the supporters of the constitution.

What has happened in Venezuela is that the episode of the 2002 series of coups has become the emblematic signature for caricaturizing the opposition. But you know, let's not talk about that. But everything else that the opposition has done has been within the confines of the democratic constitution – public marches, public protests, recalling the president – these are all mechanisms that the opposition uses. What the opposition has used between 2001 and 2004 was a prevalence of street marches because all the other institutions of the state were not available, so they had to use street marches. And they have the right to do so.

You cannot expect the opposition to be subservient, because that's an expectation for autocracy. And that's my point. Now, you can expect the opposition to be peaceful and not to engage in violence. And I don't see the Venezuelan opposition to be violent, certainly not as violent as the opposition in Colombia, certainly not as violent as the opposition in Bolivia was before Evo Morales, certainly not as violent as the opposition to De La Rúa in Argentina was. It's peaceful, and that is what democracy is about. Democracy is precisely to get differing points of views to co-exist and to work things out.

Now, finally on the coup, look, that's what Chavez gets by being a coup plotter himself. He started the trend in his own country after the late '60s. And of course, now this is accepted procedure, just as he himself, in justifying his acts in 1992, made that a new feature of Venezuelan politics. It's going to happen. It might continue to happen. But it's interesting the irony that this came back to bite Chavez. But he survived it, and not only did he survive it; he came out even stronger than this. And the opposition since 2004, since the referendum has been completely demoralized.

Fundamentally, just to state my point, there are many ways of looking at democracy. But to me, democracy is not the empowerment of the majorities. But democracy is restraints on the majorities who win power. That's my view on this. And so when I start to see majoritarian governments abusing their powers, then I worry, even if it's still majoritarian. And so that is why I think that this is not a liberal democratic system.

Now, again, it's not a totalitarian system either. It's not a government that is out there actively repressing with coercion and violence and shutting down all the major institutions – although many have been shut down – so it is a hybrid populist regime that is autocratic, no totalitarian, but certainly not democratic from my point of view.

MR. DAREMBLUM: We'll take two more questions, one on each side. We'll begin with the gentleman over here.

Q: Aaron Mannis, University of Maryland. You said something interesting about supporting opposition parties, but also about Morales and how his own party, because it's well organized, is proving to be a check. Now, NED spends a pittance – I think it's less than 15 million (dollars) a year, maybe less than 10 million (dollars) a year supporting party building activities in Latin America. I'm wondering if an expansion of those programs would be useful, but also if – even though it seems counterintuitive – not just supporting the parties we like, but also supporting parties we don't like, because increasing their capacity will allow them to be more effective in creating the rules of road. I'm wondering if that would be a useful policy and your thoughts on that.

MR. CORRALES: You know, every time I get the question of what to do about political parties, I discover the limitations of my profession. Just like economists study growth and they're pretty clueless about what gives you growth – even though that's their focus of attention – many political scientists, including me, study political parties, and we're pretty clueless as to what are the conditions under which a political party grows or doesn't grow. I don't know.

I wish there were a formula to help parties get stronger or not. Now, obviously, this is a very tricky issue. International actors should not be in the business of supporting political parties, because that's as meddlesome as it gets in terms of domestic affairs. And I don't even know if it's possible to build parties from abroad. It's dangerous; it's improbable; it's perhaps not the way to go. But it's certainly a cancer to be treated, the fact that political parties are not that strong. And I don't know what to do about them. I wish I knew.

You know, I think that one of the things that Chavez has done is that Chavez has made political parties interesting again for citizens. In the late 1980s – excuse me, in the late 1990s, the political sentiment in Latin America was we hate political parties – social movements, yeah; civic groups, yeah; NGOs, yeah; political parties, no. That has ended. Now, I think there is enormous recognition that a strengthened civil society requires strong civic organizations as well as political parties, and so that's good news. Citizens are now aware of the fact that you need to get organized around legisladores in order to fight back against the state. But who knows? Who knows whether this is enough to rebuild political parties where they have decayed?

MR. DAREMBLUM: Just a quick comment. By the way, it's not just the Americans – the Europeans, the Germans, through the – they have foundations that also contribute money to these political parties. The Christian Democrats in Chile received a lot of money from European sources in the Pinochet years. So just to point that out by the way that it's not only an American venture.

Q: Mario Loyola, National Review. Some people have compared Chavez to Benito Mussolini, having come as a dictatorship through the ballot box, and so forth. I've gotten emails from Venezuelans who call him Benito Mussochavez. But certainly, if you think about it, in terms of intimidation of the free press, interference in private commerce, overturning of existing institutions, the comparison of Chavez to Mussolini is very unfair to Mussolini. And so my question is why has the – I marvel at how much difficulty the United States has had making the case that a fascistic dictatorship cannot become – (unintelligible) – that the fascistic dictatorship cannot become democratic by virtue of being elected at the ballot box.

MR. CORRALES: We're not in a good decade for public relations agents in the United States. If there's something we can all agree, it's that our administration currently doesn't do a good job in public relations. It's very hard to do. Perhaps it's better not to try, given how damaged that aspect of the administration is. But I agree.

You know, more fundamentally is, how come people who are in normal conversations, intellectuals and citizens who like democracy, decentralization, plurality of views, balance against big power, accountability of government officials, have become very forgiving of Chavez? I don't know. It's an interesting thing, the extent to which elements on the progressive side are very forgiving, because I know for a fact that he violated norms that are so fundamental to the democratic left.

And I think that – let me tell you a story. When I wrote – some of you have read the article called Hugo Boss that I wrote in Foreign Policy. And after I published that, I got a lot of email, and, for the first time in my life, hate email. People are like – and I got three types of comments. One was telling me, I enjoyed your article, but Chavez is much worse than you portray him. Another set of comments was, I enjoyed your article, but Chavez is not as bad as you portrayed him. And the third set of comments is, I enjoyed your article, but Bush is worse.

And it made me think, look, we're in this situation of like we want to read politics in terms of how we feel about the United States, that a lot of the sympathy that Chavez gets is really a barometer for anti-Americanism, that we just like because we want to say those things. The

people who are angry at the United States want to be able to repeat the same things that Chavez is saying about the United States. What can I tell you?

MR. DAREMBLUM: Well, time has run out. We thank very much Javier and Pablo for their very valuable contributions.

(Applause.)

(END)