The Return of Populism to Latin America and the Role of Brazil

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Executive Summary

In Latin America, populism is on the rise again. Although its central concern, overcoming social inequality and injustice, should be supported, one has to bear in mind that populism generally aims at establishing social integration through corporatist relations, and that it tends to freeze out the institutions of the democratic constitutional state. Populism is a challenge to democracy.

For a better understanding of the political developments in Latin America, let us take a look at the social data: About 25 percent of the population live on somewhat less than two dollars a day. The proportion of the poor in this region has hardly changed in recent years. Latin America still is the region with the greatest inequality worldwide. The Latin American education system further aids and abets poverty: the poor are not well trained, they have less of a chance of obtaining a formal education and, therefore, of improving their standard of living. Against this background, it should not be surprising that populism flourishes again.

Latin America's history, however, also records close links between democracy and populism, although the former is disavowed due to its oligarchic character in many countries of the region. Yet even modern democracies have not made substantial alterations in this respect.

What exactly is populism? What was typical of the older form of populism, which liked to show national colours, was an institutional arrangement based on an alliance between the lower and the middle classes, which forced the state to stand up for the discriminated. It would be wrong to categorise this populism sweepingly as leftist. To be sure, the old as well as the new populism have an ambivalent attitude towards democracy. While populism showed itself authoritarian and intolerant in Brazil, it appeared clearly more democratic and moderate in Venezuela and Peru.

The key issue that oligarchy was unable to solve was the social integration of the masses. Now, democracy is expected to settle this issue – even through corporatist and clientelist structures, if necessary. Corporatism, however, also shows the limits of democracy. After all, the institutions of representative democracy have been frequently disabled and frozen out in the past.

Some elements of the old populism live on in the new form: The institutions of constitutional democracy are more or less disarmed, and the populists themselves pretend to speak on behalf of the masses. Neo-populists in particular are remarkable for the emphatically negligent way in which they deal with the institutions of representative democracy.

An essential difference between the two forms of populism is that the structural conditions for modernisation prevailing in the '30s and '40s no longer exist today. What is more, today's populism does not only target oligarchy but the political class as a whole, damaging the

institutions of democracy as such and replacing them by revolutionary organisations such as Hugo Chávez' Bolivarian Circles in Venezuela.

But how does Brazil, the biggest Latin American country, respond to the return of populism? Brazil itself is certainly not threatened by the phenomenon, but it is affected by it all the same. History shows that there is no soil for populism to grow in Brazil. Its citizens are deeply suspicious of politics and highly sceptical of messianic promises of salvation. Moreover, the country's media are on the alert.

To be sure, Brazil knows politicians that show populist colours, but they have hardly any chance in elections. President Lula da Silva certainly tried to win votes through populist speeches. Whenever he overdid it, however, he met with harsh criticism on the part of the media.

Within the 'group of friends of Venezuela', Brazil made an important contribution towards stabilising the situation in the country led by Mr Chávez early in 2003. In the time that followed, the Brazilians responded with considerable tolerance to the capricious appearances of the Venezuelan president. By now, Mr Chávez himself has obtained a high degree of autonomy of action and influence in the region, as the events of May 2006 showed. This is why voices may be heard again demanding that his sphere of influence should be fenced in.

So far, the new populist and nationalist policy has found its clearest expression in the nationalisation of the Bolivian energy sector. Brazil is particularly affected by the step taken by Bolivia's new president, Evo Morales, on May 1, 2006, by which all natural-gas and oil extraction plants were nationalised; the Bolivians enthusiastically welcomed this move. Through its energy corporation Petrobras, among others, Brazil is the most important buyer of Bolivian gas: 25 of the almost 30 million m^3 of gas exported each day go to Brazil.

To Brazil's government and population, the announcement from La Paz came as a surprise. Besides, they felt humiliated by it, especially as it coincided with the Bolivian military occupying the extraction plants. First and foremost, the case showed clearly that the Brazilian government has hardly any influence on its ideological sibling in Bolivian La Paz. This impression arises from the fact that some days prior to the announcement, Mr Morales met with Mr Chávez and Mr Castro in Cuba to sign a 'trade contract of nations', an alternative to the Latin American free trade area, and that he told Mr Chávez and Mr Castro about his plans but did not inform Mr Lula da Silva.

It took some time for Brazil to criticise Mr Morales and Mr Chávez. Brazil's foreign minister, Mr Amorim, for example, called the occupation of the Petrobras facilities by Bolivian troops a pubertal and unnecessary act. The position of Hugo Chávez himself will probably be strengthened by Bolivia's manoeuvre. Numerous commentators now endorse his claim to power and leadership in South America.

It is beyond question that the return of populism is a challenge to the whole region. However, an analysis of related critical tendencies and political risks should definitely not be limited to Venezuela's head of government. Mr Chávez does support anti-system forces in diverse

countries, but he is not the first to do so. Carlos Menem and Alberto Fujimori dealt with democratic institutions in a similarly insolent fashion. This kind of behaviour seems to have gained ground over the last years.

When searching for the reasons of democracy's problematic position in Latin America and the return of populist strategies, one must keep in mind the deficits of the democratic institutions and the failures of the political parties. With the exception of Chile, many parties in the countries of the region march towards clientelist particularism. Standard elements of its outward appearance are bad organisation, progressive fragmentation, and the incapability to establish long-term relations with the electorate that are based on trust. At the moment, further concern is occasioned by a growing nationalism that blends with populist tendencies.

In South America, cross-border conflicts are becoming increasingly apparent in which representatives of the new populist style of leadership, playing unmistakably nationalist tunes, play a key role. In this context, Hugo Chávez, Ernesto Kirchner, and Evo Morales come to mind. Brazil definitely is affected by these tendencies, especially as it is the leading nation in the region. It is in Germany's interest to induce Brazil to contribute to the maintenance of order in South America. And it also is in Germany's interest to support Brazil efficiently and purposefully in its contribution by, for example, establishing a close economic and political cooperation.