



## Latin America's Movement to the Left

Sidney Weintraub

A common theme during the past year or more, both in academia and the media, is that there is a leftward movement in Latin American politics, especially as demonstrated in presidential elections. There is no election in a place called Latin America, but the specific country elections in the region are depicted as a leftward trend or, as one think tank that specializes in the region calls it, a “pink tide.” There is no doubt about regional dissatisfaction with recent economic outcomes, especially the persistence of income and opportunity disparities, and this has stimulated a desire for political change.

Countries within world regions often exhibit common tendencies based on regional commonalities. The countries in East Asia are not all having similar economic outcomes, but most are growing rapidly, accumulating foreign reserves, and acting to keep their exchange rates undervalued with respect to the U.S. dollar in order to stimulate their exports. Many countries in Latin America and the Caribbean shifted development policy in the early 1980s when the objective circumstances demonstrated that import-substitution policies had run their course and that export pessimism was a losing philosophy if the objective was to achieve higher economic growth. The movement toward electoral democracy was particularly strong in the countries of the Americas during the 1980s, even as economies stagnated. The shift could have taken place earlier had the Latin American countries emulated the more successful economic policies in East Asia, but it didn't; emulation was more a regional than a global phenomenon.

The current tendency to choose presidents who are more leftist than was true during the 1990s also reflects such regional commonalities as lower-than-expected economic growth and failures to increase the incomes of those at the lower end of the economic scale. Candidates now run for election by criticizing “neoliberalism,” or the “Washington Consensus,” by which they mean markets open to imports and macroeconomic policies designed primarily to prevent high inflation. A key problem in most countries is inadequate job creation and the objective is to increase jobs by adopting new development policies. Reality usually sets in when new leaders have to confront the feasible options open to them.

Many years ago, I was impressed by a comment on Latin America by Daniel Patrick Moynihan in which he noted that analysts must “complexify” in order to understand the underpinnings of events. I understand that to mean knowing the details and not relying solely on generalities. Even though there may be regional tendencies, simplification will not lead to full understanding. I intend to complexify the events in Latin America in what follows.

There definitely has been a leftward tendency in Latin American elections, but few of the new leaders have moved to the hard left. Leaders are often called “leftists” based on labels. Thus, the new president of Chile, Michelle Bachelet, is included as part of the leftist movement because she is a member of the Socialist Party. In the pre-Pinochet era, the Chilean Socialist Party was clearly leftist, even more so than Chile's Communist Party of that period. President Bachelet, as all who follow Chile know, was elected as part of Chile's *concertación*, a grouping of the Socialist and Christian Democratic Parties formed at the time of the plebiscite that removed Pinochet from office in 1989. This alliance has now succeeded in getting four consecutive candidates elected as president, the first two Christian Democrats and the last two Socialists. Yes, Bachelet's policies are likely to focus more on narrowing income inequalities and helping those benefiting least from recent Chilean economic growth than would those of her conservative opponent, but they will most likely be much like those of her *concertación* predecessors, namely, promoting exports, attracting foreign investment, pushing economic integration, and maximizing job creation. She also has made clear that she will push for gender equality, as the equal division of men and women in her cabinet demonstrates.

When the polls indicated that Luís Inácio Lula da Silva was likely to win the election and become president of Brazil in 2002, there was near panic on Wall Street and in other money-market centers. The expectation in these centers, based on Lula's history in Brazil's labor movement and his earlier leftist pronouncements, was that he would pursue spendthrift macroeconomic policies and further pile up government debt. When he became president, he appointed mainstream leaders to Brazil's treasury and central bank. The direction of his government's economic policy has been conservative;

precisely the opposite of the earlier fears, yet Lula is always cited as an example of the leftward trend in Latin America. Lula is actually a current example of an older practice in Latin America, of candidates running from the left and then governing largely from the right—or, more precisely, using a mixture of the two philosophies.

I recently listened to a talk by an Argentine analyst who divided Latin America's left-leaning presidents into two groups: those who had socialist affiliations when they were elected president, but whose economic policies once in office were essentially neutral or mainstream; and those whose policies, both political and economic, remained essentially leftist or populist after they were elected. There is a third category—unknown. By populists, I have in mind those leaders who spend recklessly to curry favor with a large part of the electorate, and this usually involves playing off different groups against each other.

The first category, those who ran from the left but are governing (or likely to govern) largely from the center, consists of Presidents Lula, Bachelet, and Tabaré Vázquez of Uruguay. The persons in the second category, those following (or apt to follow) populist or leftist policies, are Presidents Hugo Chávez of Venezuela, Evo Morales of Bolivia, and Néstor Kirchner of Argentina. The main person in the unknown category is Andrés Manuel López Obrador, who is currently ahead in the polls in Mexico. The candidate now leading in the Peruvian presidential electoral polls is Lourdes Flores, who is not running from the left, but the other important candidates in the race are Ollanta Humala, a retired military officer who is running as a populist, and Alan García, a former president who ran a spendthrift administration when he held power.

A few words about López Obrador, or AMLO as he is often called. Of the three major presidential candidates in Mexico, AMLO is the most leftist, as is his party, the Partido de la Revolución Democrática. However, he really cannot be compared to President Chávez, who is actively seeking to alter the power structure in the hemisphere and has the ability to finance his ambitions because of high oil prices. The fiercest accusations his detractors make against AMLO is that he is a populist. Yet, by the definition given earlier—of a leader who, in order to win favor, spends money that his government cannot finance without running a large deficit—the charge is overstated. AMLO's previous job was as head of government in Mexico City, and he did not leave behind a large debt. Most of his public works were financed by shifting spending priorities within a budget structure he inherited. If I had to guess, I would place AMLO in the first category, of which Lula is the outstanding exemplar, as running from the left but likely to govern from the center, or perhaps center left because of the attention he is likely to give to reducing inequality and monopoly and oligopoly pricing in Mexico.

Latin America is not high on the list of U.S. priorities. This relative neglect is not new. The pattern of official U.S. attention to the region has been to largely ignore it, but then sporadically to get excited when the political direction turns leftward. The region popped up on official radar screens in the United States when there was fear of communist domination, in Central America during the Reagan administration; and, earlier, when the Kennedy administration introduced the Alliance for Progress. When each of these periods passed, neglect of the region returned. The regional issues that have most preoccupied the current Bush administration are terrorism and narcotrafficking and an unsuccessful effort thus far to create a hemispheric free trade area. The leftward tendency is not yet as significant as the earlier concern about communism, although it may have stimulated President Bush to go out of his way (properly, I think) to court good relations with Lula as soon as he was elected president of Brazil.

The main conclusions I reach are the following:

- The actions of President Chávez are of legitimate concern, but constant official attacks on him are counterproductive because he thrives on these attacks;
- President Morales, unlike Chávez, is probably not seeking a fight with the United States, and that assumption should guide U.S. policy unless and until it is proven false;
- The good relations between Bush and Lula are a definite plus; and
- The U.S. administration should keep its cool with respect to AMLO, who will likely seek amicable U.S.-Mexico relations because of the extensive integration of the two economies.

---

***Issues in International Political Economy* is published by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author.**

**© 2006 by the Center for Strategic and International Studies.**