The Fundamental Causes of Presidential Crises in Latin America

Throughout the latter half of the twentieth century, Latin America has experienced a series of presidential crises where heads of state have either been impeached or removed by mass protests. What is equally outstanding is the diversity of countries which experienced this type of crisis. While heads of state were removed in poor, underdeveloped countries with weak traditions of democracy such as Bolivia, presidents were also removed in more prosperous nations with stronger traditions of democratic rule like Venezuela and Argentina. Throughout this paper, I will attempt to find the common ground among this seemingly vast array of countries, and develop a comprehensive theory about the origins of presidential crises that ties together these different historical cases. This paper will begin with an explanation of the theory that I intend to prove and afterward, I will use the case study method to “test” the robustness of this theory. I will use the case study method to reveal how my model explains why not only countries like Argentina, Brazil and Chile had presidential crises, but also why nations like Costa Rica did not experience this phenomenon. At the end of this paper, I will use my theory as the basis to form an institutional model which would minimize presidential crises.

The model for explaining presidential crises that this paper advocates proposes three criteria. According to this theory, a presidential crisis is most likely to occur when (1) The president is very powerful (with significant proactive and reactive powers) (2) The president’s party lacks a majority in Congress and (3) A crisis occurs which lowers living standards (usually an economic crisis).

In terms of criterion (1), many of the nations throughout Latin America that experienced presidential crises had strong presidents. Throughout their book, Democracies in Development, authors Payne et al divide presidential power into two categories, proactive and reactive powers. Reactive power refers to the ability of the president to maintain the status quo and oppose new legislation enacted by Congress (through the veto). On the flip side, proactive powers refer to the ability of the president to himself initiate legislation. Throughout Latin America, presidents often
enjoy a wide range of both proactive and reactive powers; and for example in Brazil according to Payne et al, heads of state have powers such as decree authority, as well as the ability to initiate legislation and block bills through the veto. Many heads of state throughout the region have powers comparable to that of the Brazilian president, and to put this power in perspective, the strength of the executive in the United States pales when compared to the strength of its counterparts in numerous Latin American nations. For example, while the American president has strong reactive powers (being able to veto any legislation that does not have a 2/3 majority in the senate) he is endowed with very little proactive powers over legislation. His budget is subject to a Congressional vote, and he cannot directly introduce bills to Congress.

The second factor in my theory which precipitates a presidential crisis is the lack of a majority in Congress for the president’s party. Most of the countries in Latin America employ PR as opposed to a plurality electoral mechanism, which by following Duverger’s law tends to lead to a fragmented party system. Because of the fragmented nature of the legislature, it is unlikely that the president’s party will obtain a majority in Congress, potentially leading to deadlock. This was the case with presidents Fujimori, Collor, Allende, etc. who all had to work in the context of a divided government. Assigning strong constitutional powers to the president yet providing him with a fragmented party system where he/she does not have a majority can easily lead to what O’Donnell terms a “delegative democracy.” According to him, a delegative democracy is a form of government where although the president is elected democratically, once he is in power he “governs like a dictator.” O’Donnell describes that:

Delegative democracies rest on the premise that whoever wins election to the presidency is thereby entitled to govern as he or she sees fit…The president is taken to be the embodiment of the nation and the main custodian and definer of its interests…other institutions—courts and legislatures, for instance—are nuisances that come attached to the domestic and international advantages of being a democratically elected president. Accountability to such institutions appears as a mere impediment to the full authority that the president has been delegated to exercise. (60).
The logic of why combining a strong presidency with a legislature where his/her party lacks a majority leads to delegative democracy is largely intuitive: when presidents come into office yet find that their policies are blocked by the legislature, they are tempted to bypass Congress through all legal means available. Oftentimes, they simply ignore Congress and rule by decree or in more extreme cases even close down Congress like in Peru.

While delegative democracies weaken institutions of horizontal accountability, they do not necessarily result in presidential crises. In fact, history provides numerous examples of presidents who successfully ran delegative democracies and who not only made it to the end of their term, but were also reelected (e.g. Fujimori in Peru or Menem in Argentina). Nevertheless, a presidential crisis will certainly occur when you add to the equation the third factor of the theory this paper proposes: a downturn that lowers living standards which the president is unable to solve. If a president refuses to work with Congress and uses decree authority to enact unsuccessful policies, the president will bear the full brunt of the blame that citizens place on the government. According to O’Donnell, “as failures accumulate, the country finds itself stuck with a widely reviled president whose goal is just to hang on until the end of his term” (67). This can lay the groundwork for massive protests and in extreme cases resignation or impeachment.

**FIGURE 1: A graphical representation of the theory on the origins of presidential crises**

- **Criterion 1:** A strong president
- **Criterion 2:** The president’s party does not have a majority in Congress

If they occur together, both of the above criteria will result in a Delegative Democracy

If there is **no** crisis that lowers living standards…

No presidential crisis: reelection of the incumbent is possible

If there is **a** crisis that lowers living standards…

**Criterion 3:** If there is a crisis that lowers living standards…

**PRESIDENTIAL CRISIS:** Mass protests and/or impeachment probable
Several case studies demonstrate the robustness of the model I have presented. The first example which demonstrates how these three factors led to a presidential crisis is Brazil under Fernando Collor. Because of its proportional electoral system, when Collor came into office there were 21 parties in the legislature, and his party (the National Reconstruction Party) had only 3% of the seats. This combination of a strong president along with a fragmented legislature where the head of state lacks a majority led to a delegative democracy. Because of the high levels of constitutional power that the president has in Brazil, Collor simply bypassed Congress which he consistently derided and viewed as a nuisance. He refused to play the “political bargaining game” and rather than negotiating, relied on his extensive decree authority. In fact, within his first day in office, Collor issued 22 decrees that overhauled the economy (freezing bank accounts, creating a new currency, etc) and within his first year in office, he issued 14 decrees per month. Nevertheless, the economy sharply contracted in 1990, with GDP falling by 4.4% and unemployment rising from 4.3% in 1990 to 9.4% in 1992. The economic downturn made his popularity plunge, and in 1992 he was impeached from office.

Another case which demonstrates a similar pattern is the case of Fernando De la Rúa in Argentina. When he came to power, his Alianza coalition controlled neither the Senate nor the House of Representatives, (controlling only 31% and 48% of the seats in these two chambers respectively). Although he certainly did not rely on decree authority as much as his predecessor, Carlos Menem, the number of “Necessary and Urgent Decrees” (DNUs) that he issued during his two-year presidency was 73. Although his average of 36.5 decrees per year is certainly smaller than Menem’s 54.5 per year, it is certainly high compared to the historical use of decrees by the executive. Among the notable decrees that he implemented included a cut of 938 million dollars from the budget to promote fiscal austerity, which caused massive protests among labor groups. The last straw which precipitated the presidential crisis in Argentina was the sharp 2001 recession that caused unemployment to skyrocket to 25% and the poverty rate to go up to 60%.
Having lost legitimacy as a competent president, De la Rua resigned on December 20, 2001 amid rallies and “pots and pans” protests.

The third case of a presidential crisis which demonstrates the model I present in this paper is Chile under Allende. Upon being elected president on a Marxist platform, he found himself with few allies in Congress. Although he attempted to gain the support of the Christian Democrats, the atmosphere of political polarization caused any hope of cooperation between them to disintegrate. Lacking a majority, he attempted to rule by decree in what became known as the “resquicios legales,” which were legal loopholes mostly through two laws established in the 1930s (decree law 520 of 1932 and the Ley Orgánica de la Corporación de Fomento de la Producción of 1939). These laws gave the president decree power to nationalize any industries essential for state interests that were deemed to not be producing at their full potential. Using these legal loopholes, by 1972 Allende was able place 25% of industry into state hands as well as 60% of the banking sector. Although the combination of a strong president and lack of a legislative majority arguably led to a delegative democracy, the first two years of Allende’s term were successful. From 1970 to 1971 the economy grew by 9.02 percent and social spending increased. Nevertheless, throughout 1972 and 1973 the economy rebounded and underwent a sharp recession, causing Allende’s popularity to plummet. In 1972, the economy fell by almost 5% and by 1973 inflation had reached 500%. Mass protests followed, especially among the middle class (the pots and pans protest) thus paving the way for the presidential crisis which would result in the bombing of the presidential palace and Allende’s “suicide” in 1973.

While the three above case studies demonstrate the deleterious results when the factors that I describe in my theory come together, I would like to also use my model to explain why there were no presidential crises in countries such as Costa Rica. The critical difference that explains why Costa Rica was a more stable presidential democracy has to do with the fact that 1) it did not possess a strong presidency and 2) the president’s party usually managed to obtain a
legislative majority or close to it. Throughout his article, “Policymaking, Parties and Institutions in Democratic Costa Rica,” Fabrice Lehoucq describes that:

The chief executive has one of the weakest sets of legislative powers of any presidential system. He has very limited decree powers and cannot convene referenda single-handedly, though he can convene the Assembly in extraordinary session (or 6 months a year) to deliberate exclusively on matters of his choosing. While he can veto legislative bills in whole or in part, the Legislative Assembly can override his vetoes with the vote of two-thirds of its members. He also cannot veto the budget after the Assembly amends the budget bill he sends them. (21)

As well, because of concurrent elections, Costa Rica was often able to avoid divided government; in fact, between 1949 and 2002, the government was unified half of the time and even when the government was divided, the pro-president party still maintained a sizeable fraction of the Assembly.

I would now like to use the principles in the theory this paper has described to reveal the ideal institutional arrangement that would prevent presidential crises from occurring. In creating this institutional arrangement, the first natural question to pose is “should there be a president?” While the dangers of divided government and term limits which Linz described in his paper, “The Perils of Presidentialism” are valid, it is my belief that a presidential system would nevertheless be more appropriate; it provides a certain degree of legitimacy to the government, which is especially important in Latin America because throughout the region there are constant crises where voters do not feel represented by governments (such as in 2001 where Argentine protesters shouted, “que se vayan todos!,” or out with all of them). I believe that the dangers of having a president described by Linz can be mitigated if the president is given weak constitutional powers similar to those of the executive in Costa Rica. Although the president should be endowed with reactionary powers such as a veto, his proactive powers such as governing by decree should be significantly curtailed. As well, in order to avoid divided government, a system should be in place which would effectively both reduce the number of
parties and increase the likelihood that the president’s party will win the greatest number of seats. This can be achieved through the adoption of a plurality voting mechanism (which according to Duverger’s law overall tends to reduce the number of parties represented in Congress) as well as concurrent elections (concurrent elections substantially decrease the probability of divided government). In addition, I would adopt a presidential voting mechanism which does not include a runoff election. Eliminating a runoff election decreases the probability for anti-establishment populist outsiders to come to power and favors presidents who come from a party background and are more willing to work with Congress.

In conclusion, throughout this paper I have used an institutional and economic approach to explain why presidential crises have occurred in Latin America. I have attempted to formulate a theory which describes that a crisis with the executive branch is probable when: 1) there is a strong president endowed with extensive proactive and reactive powers 2) the president lacks a majority in Congress and 3) An economic crisis occurs which the president is unable to solve. When conditions 1) and 2) coincide, this paves the way for O’Donnell’s concept of a delegative democracy, where strong presidents will simply use their constitutional authority to bypass Congress. This type of presidency however falls apart when there is a crisis, and overall this theory explains why presidents were removed throughout Chile, Argentina and Brazil as well as why no crisis occurred in Costa Rica. It is my belief that a more stable political system would exist if concurrent elections take place for both a constitutionally weak president (without a runoff vote) and a minimally fragmented Congress (through a plurality voting mechanism). While the feasibility of converting to such a system is beyond the scope of this paper, it is my hope that this essay has been able to provide not only an explanation for why presidential crises occur, but also a potential solution.
WORKS CITED


