



## The restoration of democracy in Latin America

In 1977, all but four countries in Latin America were headed by authoritarian regimes, and most of those were military dictatorships. The 1980s and 1990s saw democracy return or come to most of the countries of Latin America. In South America, some constitutions were rewritten or modified among varying degrees of political, social and political disruption. One exception is the case of Chile, which has retained the constitution of 1980, written by the Pinochet government. Many countries in the Caribbean, including Grenada and Haiti, dealt with collapse and then reestablishment of democracy with varying success. Cuba was a notable exception to this trend. Several Central American nations, most after significant periods of war, such as Guatemala and El Salvador, slowly worked their way into democratic forms of government.

Following the Second World War, Import Substitution Industrialization (ISI) proved a success to most Latin American economies through the expansion of industry, improvements in employment and real wages, as well as the transfer of technology into the region. In the political-economic area there were intense struggles over land distribution led by populists such as Gétulio Vargas in Brazil and Mexico under Lázaro Cárdenas, but there was also significant urban expansion and industrialization. ISI fizzled out during the late 1970s, and early 1980s, as capital accumulation was pursued and larger, more highly industrialized Latin American countries, such as Argentina, lost viability and finally collapsed. By the early 1990s, the ISI model had largely been rejected and was replaced by totally different economic strategies.

Countries in the region emerged with working economies, many of them attempting to redistribute wealth through state-dominated programs and financed to a significant extent by foreign loans. As interest rates rose in the United States, the cost of the existing loans in Latin America rose, increasing national debt. Authoritarian governments made attempts to simultaneously contain popular mobilization and increase profitability. Often they were able to rise to power and stay there by fitting into the Cold War world as bastions against communism, such as the cases of US-backed armed forces in El Salvador and Nicaragua.

By the mid-1970s, a new political-economic philosophy of **neoliberalism** emanated from the United States. The Reagan administration popularized the Chicago School of Economics, based on the theories of Milton Friedman. The Chicago School proclaimed the way to a growing economy was through free markets both domestically and internationally, with minimal government involvement in the economy. Essentially, government economic activities distorted the efficiency of markets, therefore the best thing a government could do was to leave the economy alone. This was a direct refutation of the economic policies that had reduced poverty during the previous decade. Authoritarianism often accompanied

**Neoliberalism** combines a belief in social justice with minimal government involvement in the economy under the idea that freedom of the marketplace is integral to a free society.



the economic changes. A good example is the implementation of similar policies by Chilean dictator Augusto Pinochet between 1973 and 1989, installing as his economic advisors many PhDs who studied with Friedman and were known as the “Chicago Boys.” Countries following neoliberalism generally saw steady increases in GDP. This came at a great social cost: higher unemployment, lower wages, and an increase in the number of people living in poverty. Economic disruption, social dislocation, and political violence both on the part of those seeking to maintain control and those challenging the established order generated many changes over the next two decades. In Guatemala, it sparked the birth of revolutionary movements. In Bolivia, it ignited a strong reaction by the coca-growers union in the 1980s. Democracies emerged and retreated; the particular structures of governments were a result of tradition, power relationships, and circumstances on the ground, especially those related to the end of the Cold War. Economic policy changes sometimes accompanied the political transformations, but outside forces often determined the degree of change as globalization increased.

### Historical explanations

Some historians have pointed to three significant themes that may explain late-20th century Latin American democracies: neoliberalist economic factors and their impact on democratic institutions, neopopulism, and direct democracy. Often the three existed together. According to professor of Latin American politics Kurt Weyland, neoliberalism both enabled democracy to exist and limited its development. External economic and political pressures restricted the choices the government could make, thus limiting the voters’ power, but by empowering economic and political élites also enhanced support for the government. Weyland writes, “The available evidence suggests that neoliberalism has affected Latin American democracy in opposite, even contradictory ways. By exposing the region’s countries to greater external pressures and by changing the internal balance of forces so as to preclude threats to domestic elites, market reform has bolstered the survival of democracy.”

Neopopulism was also a critical contributor to civilian rule. Neopopulist presidential candidates appealed directly to the voters and promoted themselves as the solution to the nation’s problems. They campaigned against the established power-holders. Their political base usually consisted of the rural and urban poor and disaffected city-dwellers, nurtured by the candidate identifying himself as an outsider just like his supporters. The appearance of popular figures promising wholesale reform enabled elections to take place. The charismatic leadership often had to change course when confronted with domestic and international economic realities, but several leaders’ popularity enabled them to pursue policies contrary to campaign promises while still holding elections and working with legislatures.

The third element was often the *consulta*. Direct democracy grew as citizens participated in *consultas* in the face of unresponsive legislators

### Activity

#### Neoliberalism

- Using search engines and economics reference works, establish a class definition of neoliberalism as government economic policy between 1980 and 2000. The class can be divided in small groups to research different perspectives.
- Useful resources for this would be the UN Economic Commission for Latin America (or ECLA, also known by its Spanish acronym CEPAL), with headquarters in Santiago, Chile.
- See [www.eclac.org](http://www.eclac.org) and online references such as [www.oxfordreference.com](http://www.oxfordreference.com) available through your school or local library.

### Activity

#### Neopopulism

- In groups, or individually, research definitions of neopopulism and compare notes in class to come up with a working definition for your class.

A **consulta popular** is a direct vote of the people on an issue of national significance that is sent to the voters by either the president or the legislature.



who were more focused on the interests of the powerful elite than their broader electoral constituents. Voters in many Latin American countries were asked to approve legislation put forward by national legislatures. Constitutions were submitted to referendum as well. Chief executives used *consultas* and initiatives to circumvent strong and uncooperative legislatures, thus becoming an effective tool of neopopulist leaders. In states where democracy was fragile and political leaders were unpopular, the threat of a coup or revolution was often neutralized through a mechanism for voters to express their wishes directly. Consequently, the emerging democracies of Latin America were shaped by a variety of forces that influenced the forms of government.

Latin American scholarship views the resurgence of democracy in the region from different perspectives. Argentine political scientist Enrique Peruzzotti writes that in Argentina, since the end of military authoritarian regimes in 1983, the country has been able to resolve crises using representative institutions. He maintains that human rights abuses by military governments have made the public demand constitutional and institutional solutions. Brazilian political scientist José Maria Pereira da Nóbrega Jr. describes these ruling bodies as hybrid institutions with democratic as well as authoritarian characteristics. Guatemalan sociologist Juan Fernando Molina Meza notes that in his country the institutional model has been too centralized, and has excluded 60% of the population of Native Guatemalans, despite reforms to provide more local power through the 1992 Municipal Code and the Law of Municipal Development Councils. Political **clientelism** and lack of transparency in distributing resources left over from authoritarian governments has not led to a strengthened democracy.

**Clientelism** is the practice in which a powerful political patron provides economic and government benefits to significantly less powerful and wealthy people in return for political support and economic benefits. Clientelism can occur locally, regionally, nationally.

## Factors in the development of Latin American governments

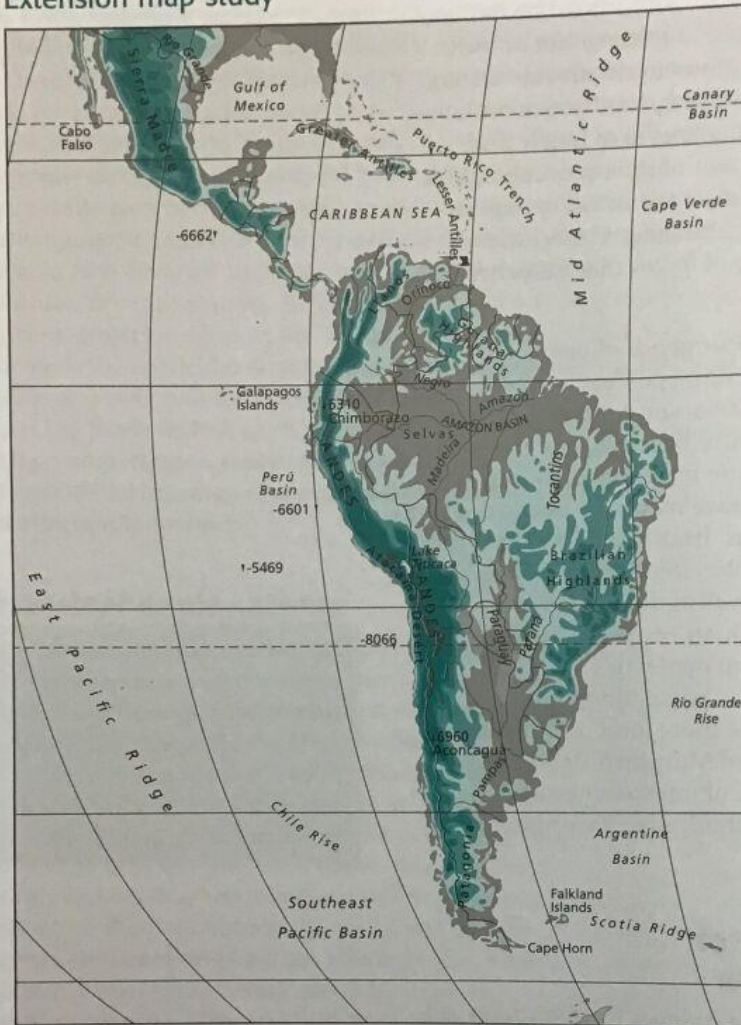
In order to understand the nature of the changes in 1980–2000, this section examines the conditions in Perú, Argentina, Uruguay, and Brazil that led to democracy and sometimes a departure from it. Social, political, and economic developments are looked at, allowing for comparison and contrast between different countries. By 2000, it was by no means clear that the democratic governments were supported by the populace or ruling elites to safeguard against a return to authoritarianism. Yet the transition from authoritarian and often military rule to types of democracy signaled a significant change in a relatively short period of time.

Before examining individual countries, it is important to understand why Latin American countries, like many countries around the world, sometimes failed to sustain democracy. Economic and political development is often tied together when examining power relationships. The uneven political and economic development in Latin America is also based on geography, post-colonial dependencies and the different cultural models.



## Activity

### Extension map study



Latin America and the Caribbean is an enormous geographical area. From the southern border of Texas in the United States to Cape Horn in Chile, it is a distance of 11,000 kilometers (7,000 miles). It is widest from Perú to Brazil: 5,000 kilometers (3,200 miles). It is double the size of Europe and two and a half times the size of North America. Look at the above map and identify the major:

- mountains
- rivers
- lakes
- jungles and forests
- deserts
- plains



How have these topographical features posed barriers to development, or functioned to preserve natural habitats?



## Geography

The geography of South America does not lend itself to centralization, and the development of strong national bodies or social cohesion. High mountains and rugged coastlines in the west, impenetrable jungles in the equatorial region, and massive rivers in the east make communication and commerce between communities difficult. Efforts to form cohesive legislative bodies that could meet were severely limited by the time, distance, effort and uncertainty of travel throughout the region. Before the opening of the Panama Canal in 1914, the enormous distance from the economic centers of Europe and, from the 20th century, the United States, also influenced the way Latin America felt very much at the periphery of political and social development. Over time, differing cultures and economies developed, making national legislatures into groups of potentially greater numbers of smaller factions. Representative democracy was often impractical and dysfunctional. As a result, autocratic rule developed out of a vacuum of power, notably the *caudillos* of the 19th century, like Argentina's Juan Manuel de Rosas. Dictatorships, often out of reach of the people most negatively affected by government's policies, were able to thrive, survive, or be overthrown by powerful factions placing their support elsewhere, often resulting in the imposition of yet another autocratic regime. Populism and clientelism thrived.

## Dependency

Dependency theory comes, in part, from a Marxist analysis, based on the involvement of outside countries in the economic and political affairs of a nation. After independence, Latin American nations, as in times of Spanish and Portuguese rule, were often exploited for their raw materials or unprocessed crops by nations like the United Kingdom, and subsequently the United States. The low-priced raw materials were processed in Europe or the United States, providing jobs along with added value. An economic relationship with some similarities to mercantilism developed. After the Great Depression, and especially in the period following the Second World War, multinational corporations transferred the profits of raw material extraction out of the countries of origin to their own home nations. The continuous exploitation severely limited development, and encouraged monoculture: copper in Chile, coffee in Colombia and Brazil, beef in Argentina, sugar in Cuba, bananas in Nicaragua and so on. As much of the world took part in increasing international trade, Latin America was kept under the control of outside forces, preventing a modern economy from developing. Importantly, the extraction of wealth required a cooperative or compliant government. Dominant countries, like the United States, supported regimes that cooperated with their corporations whether they were involved in mineral extraction, agriculture, transportation, or communication technologies. Democracies do not develop under the exploitive and manipulative direction of foreign powers. Consequently, cooperative dictatorships, supported by landowning elites, developed and sustained power. When internal forces repelled outsiders, those efforts usually resulted in new autocratic regimes.



**Culturalism**

A third explanation for the authoritarian tradition is based on culture. Spain and Portugal influenced Latin America, not only through economic and governmental control, but through the establishment of the Iberian culture. The Spanish and Portuguese colonies were also under influence of the Catholic Church. A belief in the legitimacy of a rigid hierarchy in which each person has a specific place is the antithesis of economic and social mobility. In many Latin American communities, a stable, unchanging society with respect for authority was valued above the uncertainty of a dynamic one, such as in the United States. Additionally, a ruler who understood the “general will” of the people acted on their behalf. Thus, the cultural combination of faith in hierarchy and preference for stability provided the necessary conditions for dictatorships.

On top of these explanations was the development of the Cold War and, in 1959, the Cuban Revolution and its effect on the Latin American republics. To the United States, the most important component of relations in the Americas was the prevention of another Cuba and establishment of communism in countries to the south. This led the United States to support anti-democratic and often corrupt regimes which violated human rights. Thousands of soldiers from Latin America were trained in counterinsurgency tactics at the School of the Americas in Fort Benning, Georgia. Many officers who trained there were later accused of human rights violations and some became dictators themselves, employing brutal measures to keep opposition at bay. The additional influence the United States exerted post-1945 led to anti-American sentiments and increased nationalism in Latin American countries, both feelings that populist leaders and movements could exploit. The give-and-take activities of legislatures weighing competing ideas were a weak opposition to the strong message of a single voice.

When examining the progress of democratic governments in the final decades of the 20th century, five questions come to mind.

- 1 To what extent did democratic movements succeed in the face of the many obstacles outlined above?
- 2 To what extent are the above explanations applicable?
- 3 What kinds of democracies developed and why?
- 4 What policy changes did the new governments make and to what effect on the economy and society?
- 5 What effect did the implementation of government structure and policies have on the level of success and longevity of the democratic government?

**Perú: democracy and retreat**

Perú was ruled by a military dictatorship from 1968 until 1985. General Juan Velasco Alvarado governed Perú until 1975. He ordered the nationalization of the oil and mining industries from foreign ownership, radical agrarian reform and the promotion of workers’ rights to influence and obtain a greater share of the profits of private companies. He also took control of the media. There were some

**TOK Link  
Language**

Why do scholars attempt to categorize explanations?  
How does labeling affect understanding?

**Activity**

**Democracy chart**

Make a chart with each of the five questions as a heading. Add a row for each country examined in this chapter, and take notes as you read through the evidence.



improvements to the wellbeing of local people: food production increased and peasants were freed from serfdom. But the reforms lacked a long-term plan and most benefits ended up in the hands of the few producers and owners of export crops, including sugar, cotton, coffee, and natural resources like oil, gold, copper and lead. His military dictatorship lacked the support of civilian agricultural workers who felt abandoned as the government invested most of its resources trying to increase industrial development. The implementation of programs also forced the government to secure foreign loans that became a burden on the Peruvian economy.

The burden became a crisis and, in 1975, the military replaced Velasco with General Francisco Morales Bermúdez. During his presidency, in a pattern seen in other Latin American countries such as Chile, an austerity program was put in place as forcefully suggested by the IMF. Perú had significant foreign debt, and the IMF imposed conditions for the continuance of loans. The urban working class saw their wages reduced by 40% percent. Morales followed IMF guidelines in attempting to implement a plan of economic decentralization, austerity, and open access of Peruvian economic resources to foreign investment, meaning state-owned industries would be privatized. The economy improved briefly, but the Mexican debt crisis that affected all of Latin America destroyed any economic progress, turning gains into a 12% decline in GDP and significant inflation.

A new constitution modeled on the 1933 version was proposed. Elections took place in 1980 and Fernando Belaúnde Terry won the election with a significant majority and formed a coalition government. Belaúnde was a democrat and politician and made a politician's set of promises: progress and improved living standards through public works while reducing state involvement in the economy and encouraging private investment. Once elected, the new president proposed banning labor actions such as strikes, phasing out economic assistance for food and fuel, and cutting public works projects. A general strike was the result.

A combination of economic deterioration, including rising unemployment, and social tension led to political violence. In the early 1980s two guerilla organizations came to prominence as a reaction to government measures. One, Sendero Luminoso or Shining Path, formed in the highlands, an area that was not benefiting from the economic programs and was becoming a supplier of coca for Colombian drug traffickers (as a result of economic decline). Shining Path used a combination of violence and threats of violence against village elders, as well as protection for coca farmers from police, the Peruvian military, and drug traffickers through the promotion of a Maoist egalitarian utopia. A second group, *Movimiento Revolucionario Tupac Amaru* (MRTA), used kidnapping and ransom, in contrast to killing, to publicize its socialist-Castroist goals and to raise

#### Abimael Guzmán (1934–)

Abimael Guzmán is a Peruvian Marxist, and founder of the splinter group of the Peruvian Communist Party known as the Sendero Luminoso, or "Shining Path," based on Maoist thought and theories of class struggle. Initially the group won favor in mountain villages tired of corruption and military brutality. But Guzmán's own brand of authoritarian brutality led to whole villages found guilty of collaboration with the military being slaughtered. He eventually alienated the peasants, who ultimately allied with the military to turn him in to the government of Fujimori in 1992. He is currently serving a life-sentence in Callao, Perú. The violent group he led killed about 30,000 people, mainly from the Ayachuco region.



#### Activity

##### Research assignment

Research the two resistance movements, Sendero Luminoso or Shining Path and the *Movimiento Revolucionario Tupac Amaru* (MRTA). What were the differences and similarities in membership, tactics, goals, and achievements?



funds. Rising violence caused Belaúnde to use military strikes to suppress the opposition groups. The rise in violence contributed to civil instability, and the military, seeing a lack of popular support, decided to shift Peru's leadership to a civilian presidency.

Belaúnde's presidential term ended in 1985. The charismatic, 36-year-old *Alianza Popular Revolucionaria Americana* (APRA) candidate, Alan García, won the 1985 general election. APRA, a party founded in 1924, also controlled the bicameral legislature. García acted quickly to repair Peru's problems, beginning with the economy. He expanded the government's role in the economy by freezing prices, reducing interest rates and devaluing the Peruvian currency. Wages were increased as taxes were cut. All the changes placed more real "sols" in the hands of consumers, resulting in greater demand. The government, seeing the social unrest in the highland areas where the Shining Path was expanding its influence, began programs to aid small farms. All the changes resulted in a short-term growth in the economy, but also an increased trade deficit. To free the government to pursue his growth policies, García defaulted on foreign debt obligations. The economy soon collapsed as new loans were not available and labor unrest caused entire industries to halt production. Additional actions by the APRA government only accelerated the collapse as GDP declined by a third and inflation rose to 7,500% by the end of the decade. Civilian leadership only seemed to accelerate Perú's social and economic decline.

The 1990 election was an interesting contest between the novelist Mario Vargas Llosa and a little-known agrarian economist, Alberto Fujimori, the face of a new political alliance called *Cambio 90* (Change 90). Spouting populist rhetoric and framing himself as an outsider, Fujimori, a Japanese-Peruvian, promised economic recovery and a halt to civil violence. He won an outright victory.

The election of Fujimori began Perú's retreat from democracy and a return to autocratic leadership. In a program soon known as "Fujishock," he reversed García's approach, eliminating subsidies, lowering tariffs, inviting foreign investment, selling hundreds of state-owned companies, weakened the influence of labor, and generally following a monetarist free-market policy. It was the opposite of the populist approach. Prices rose and money from the drug trade became an integral part of the economy. As opposition mounted, Fujimori moved to consolidate his power. Backed by the military, the democratically-elected Fujimori disbanded the legislature in April 1992 and vigorously eliminated his enemies and potential challengers. Opposition press was silenced. Leaders of the two major guerrilla groups, Shining Path and MRTA, were arrested and the two groups lost momentum without their leadership. Fujimori gained popular support as civil violence subsided, even with the constant violations of human rights and political

## TOK Link

### Ways of Knowing

What is political charisma? What is the role of emotion in politics? What is the role of political rhetoric (language) in leadership? In what ways do charisma and rhetoric compliment and distort the workings of democratic states?



Is it preferable that a government make decisions rationally—to the exclusion of emotion?

### Alberto Fujimori (1938–)

Alberto Fujimori is a Peruvian agronomist, physicist and mathematician. The son of Japanese immigrants, he was elected to the presidency of Perú in 1990 under his new political movement, *Cambio 90* (Change 90). He instituted harsh and unpopular reforms, following IMF strictures. Two years later, with the support of the army, he temporarily dissolved parliament and ruled by decree, suppressing the Constitution of 1979. His Constituent Assembly, boycotted by traditional parties, was supported by *Nueva Mayoría-Cambio 90* (New Majority-Change 90). He won the elections of 1995 and 2000. His government was authoritarian and guilty of corruption and human rights abuses. He fled for Japan in 2000 and was detained by Chile in 2005 trying to return. He was extradited to Perú in 2007 and sentenced to prison in Callao.





## Activity

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### Data analysis

#### Coca crops, Perú

The cultivation of coca leaves has been a tradition of the Peruvian and Bolivian highlands for centuries, where it is used for medicinal and religious reasons. Since the 1970s, developed countries in North America and Europe have greatly increased consumption of cocaine, an illegal drug whose raw material is the coca leaf. Therefore, demand for coca has soared, creating a profitable crop for Peruvian and Bolivian farmers, as part of an underground economy. Look at the tables below. What conclusions can you draw from them? What does this say about the presidencies of Alberto Fujimori?

**Coca as share of GDP in Bolivia and Peru**

	1985	1988–89	1992	1993
Bolivia	7–11	6–10	4.6–9.0	2–7
Peru	10–14	2–8	1.4–2.1	2.0–3.4

**Income, exports and employment in the coca sector, 1993–94**

	Perú	Bolivia
Coca income per capita	1,036–1,585	967–1,383
Income per capita	1,580	760–1,022
Rural income per capita	420–720	390
Direct employment in coca sector (in thousands)	169–178	49
Share of the rural workforce (%)	8.9–9.5	5.2
Hectares planted with coca	159,000–211,000	47,200
Coca exports as share of Licit exports (%)	23–40	27

**Sources:** Alvares, Elena H. "Economic development, restructuring and the illicit drug sector in Bolivia and Perú: Current Policies." *Journal of Interamerican Studies & World Affairs*. vol. 37, no. 3. Fall 1995. pp.125–49.

killings. A new constitution was adapted by the Fujimori-allied legislature, and approved by popular referendum. It granted the president greater powers, including the right to disband the legislature at will, rule by decree, and to run for reelection.

Fujimori recognized potential threats from a popular uprising. By 1995, social spending was more than double the amount in 1993. The turnout in government programs brought support from the highlands and victory in 1995. In 1998, Fujimori cemented his authority. Perú's Supreme Court ruled that Fujimori could run for another term as president because he had served only one term under the new constitution. His economic programs tried to be all things, encouraging foreign investment, private enterprise, and ample support for the poor. It worked for a while, reducing the 1993 poverty level of 54% to 44% two years later. GDP grew at almost 5% during the decade, but poverty levels went back to over 50% (income of under \$2 per day), showing that the economic

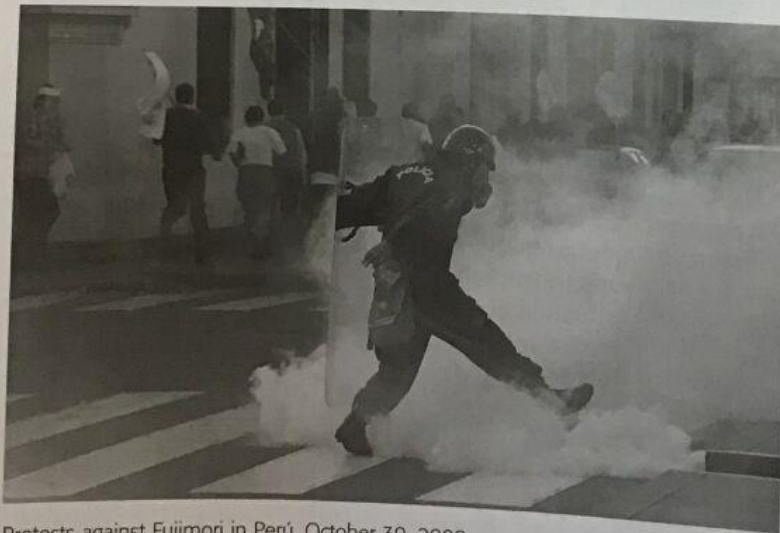




Incumbent President of Perú, Alberto Fujimori, campaigns in a poor neighborhood on the outskirts of Lima during national elections in 1990.

gains went to a select few. Furthermore, the programs had doubled foreign debt and increased the trade deficit, making Perú into a net debtor nation.

As the decade came to a close, Fujimori once more exercised his dictatorial powers. When the Supreme Court ruled that he could not run for president again, he removed the justices. He authorized phone taps on political opponents and whatever opposition press still existed was beaten, kidnapped and tortured. The tactics led to candidate Alejandro Toledo denouncing the elections as fraud and withdrawing. Popular support for Fujimori all but disappeared. There was a general strike and protests in the street. Toledo helped rally Peruvians against the authoritarian regime. The Peruvian Congress finally acted and removed Fujimori from the presidency. He left for exile in Japan.



Protests against Fujimori in Perú, October 30, 2000.

### Discussion point

Important concepts to consider:

- 1 How did shifting leadership affect the restoration of democracy in Perú?
- 2 Evaluate the importance of political opposition and economic conditions for democracy in Perú.
- 3 Why was Fujimori at first able to assume greater powers?
- 4 What makes populism appealing to voters?



## Argentina: democracy and expanded presidential authority

Nine years after the death of Juan Perón, in 1974, democracy returned to Argentina in 1983. Following Perón's death, his wife, Isabel, had assumed the presidency. After a violent two years, the military arrested Isabel Perón and established a military dictatorship. Under the leadership of General Jorge Rafael Videla, the military conducted a "dirty war" against the opposition and tens of thousands of people "disappeared." Through violent means the military solidified power and initially weakened the opposition, especially on the left. Seeing a need to address the weak economy, Finance Minister José Alfredo Martínez de Hoz imposed neoliberal economic reforms. The changes resulted in massive inflation and the destruction of many large Argentine corporations. The number of people living in poverty quadrupled. Eventually, the brutality of the government and the worsening economic conditions opened a fissure in the foundation of military rule. There was growing opposition. Community organizations like the Neighbor's Commission, organized the protests over taxes, inflated food prices, housing, and health, among other issues. The most

### Nora Morales de Cortiñas (1931-)

Nora Morales de Cortiñas is an Argentine housewife and mother, whose 24-year old son, a Perónist, disappeared in 1977. After looking for him in morgues and police stations, she and her family tried appealing to courts of justice, the Church, the Pope and human rights associations. She still has no news of what happened to him. On April 30, 1977, a small group of women got together at the Plaza de Mayo, Buenos Aires' main square and traditional meeting ground for demonstrations. The meetings took place every Thursday afternoon and became bigger, with signs and photographs of their disappeared children. In 1980, they adopted the white kerchief that distinguishes them. Cortiñas is one of the original founders of the Madres de Plaza de Mayo, a human rights association that has been a powerful motivating force to finding out the truth about the military's repressive policies that killed over 30,000 Argentines.



Members of the "Madres de Plaza de Mayo" human rights organization, hold a banner declaring their missing sons and daughters before marching from the Argentine National Congress to the presidential palace, 28 October 1982, in Buenos Aires.

### Activity

#### Assessing historical similarities and differences

Research opposition movements in other countries of the Americas or in other regions.

- 1 What conditions are necessary for protest movements to succeed?
- 2 What constitutes success?



famous of the protest organizations was the Mothers of the Plaza de Mayo. The women occupied the central plaza in Buenos Aires and demanded the return of their “disappeared” children and grandchildren. Their courage in the face of the brutal military became a symbol of principled and brave opposition. The combination of protest movements and economic disarray further widened the crack in the foundation.

In 1981 General Videla turned over power to General Roberto Viola, who served for the better part of one year before the commander-in-chief of the army, General Leopoldo Galtieri assumed the presidency. Galtieri, inheriting a worsening economy and a huge foreign debt, saw challenges to the military’s rule. He decided to whip up nationalist fever by starting a war against the British over the Malvinas (Falkland) Islands. In April 1982, Argentina attacked the British-held Falklands, 300 miles off the coast of Argentina. The military expected little opposition from the United Kingdom and no interference from the United States. The reality was different, as the British reacted to a challenge to their national honor and fought to maintain their territory. The United States lent support to the British as well. The war lasted over two months with almost a thousand combatants killed, Argentina’s forces suffering most of the losses. Argentina suffered a humiliating defeat. The ruling generals were discredited by the failed war, and in the face of military and economic disaster (inflation was up to 400%), along with ongoing

**General Leopoldo Galtieri (1926–2003)**

was an Argentine Army officer who graduated from the School of the Americas in 1949. He was commander in chief when the military junta took over in 1976 and tried to divert attention from the abysmal state of the country’s economy by waging a foreign war. The first attempt was in 1978 against neighboring Chile over three small islands in the Beagle Channel, but the Pinochet government appealed to the pope for arbitration. The second attempt at war was against the United Kingdom over the South Atlantic Malvinas (Falkland) Islands. The war lasted from April to June of 1982 and ended in defeat for Argentina, as the UK rallied to defend the Islands. The United States, in a strong reversal of its Monroe Doctrine, supported the European power. Galtieri resigned and was sentenced to prison in 1986 for military incompetence, but soon released. In 2002 he was convicted of human rights violations in the 1980s. He died under house arrest in 2003.



**Activity**

**Point of view**

**Martínez de Hoz**

Research different points of view on Argentine Finance Minister Martínez de Hoz and the neoliberal economic reforms imposed between 1976 and 1981. He is currently (2010) under house arrest in Buenos Aires, for his implication on the kidnapping and disappearance of Argentine citizens when he was Minister during the military dictatorship of Gral. Jorge Rafael Videla.

Use the following online research services to analyze the effect of economic reforms and human rights abuses on the people of Argentina.

- Academic research databases, such as [www.ebsco.com](http://www.ebsco.com) or other subscriber services offered by your school or public libraries.
- Online news services offering differing national and political perspectives: Argentine newspaper *La Nación* ([www.lanacion.com.ar](http://www.lanacion.com.ar)) US newspapers, such as the *New York Times* ([www.nytimes.com](http://www.nytimes.com)) Cuban newspaper *Granma* ([www.granma.cubaweb.cu](http://www.granma.cubaweb.cu)).

**Activity**

**Ranking importance**

**Cause and effect**

When a historian makes an argument, he or she must decide what evidence is most compelling. This activity will help you to do so.

Make a three column table of the causes of the fall of one or more military regimes between 1980–90 in Argentina, Chile, Brazil, Uruguay, Paraguay, Bolivia, Guatemala, Honduras and El Salvador: Column 1 is “Causes”; column 2 is Level of necessity”; column 3 is “Final order”. Rank the factors in terms of importance.

- 1 Which causes were necessary?
- 2 Which causes were necessary but not sufficient on their own?
- 3 Which causes accelerated the transition, but were not strictly necessary?



social unrest, the military allowed the reestablishment of civilian rule in 1983.

Raúl Alfonsín, a human rights activist and member of the Radical Civil Union party, was elected president in 1983, winning a majority of votes against a variety of candidates. The RCU also won control of the lower house of the bicameral legislature, while the rival Perónist *Partido Justicialista* (PJ) won a plurality of seats in the Senate. Alfonsín's major crisis was the ruined economy. By 1985, inflation was over 1,000% per annum. Argentinian industry was technologically backwards where it existed at all. He rejected free market ideology and implemented the Austral Plan. The austral became the new currency, replacing the peso. Wages and prices were controlled by the government. Government spending was reduced to lower the debt. Unions reacted to the stabilization plan by leading 13 general strikes. Inflation dropped dramatically to 25%. Alfonsín's economic remedies did stabilize the economy, but unemployment stayed high, the industrial base was not revitalized, continuing Argentina's reliance on low-revenue exports, and the national debt continued to increase throughout the 1980s. In 1989, there was another economic crisis as GDP fell by 15%. Alfonsín traded his government interventionist policies for neoliberal solutions. In return for loans from the IMF, he enacted deep austerity measures, making further cuts in government expenditures, including social programs, and adopting a free market approach by discontinuing controls over wages. Argentina owed more in interest than it collected in revenue. The debt only deepened and required more foreign loans to stay solvent, which in turn led to greater program cuts. Food rationing and electrical blackouts became the norm, accompanied by peaceful demonstrations and occasional riots; consequently, the government enacted strict security measures to prevent public unrest. In six years of rule and economic policy implementation, a combination of inherited economic weakness, only partially effective initial governmental policies, outside economic pressures and a disastrous turn to neoliberal economics revealed the Alfonsín administration to be a failure.

The economy was not the only problem on Alfonsín's agenda. There were two other significant

### Activity

#### Perónism

Argentina's Perónist Justicialista Party (PJ) underwent important changes between 1980 and 2000. Using the source suggested below or other sources, find out how Perónism's traditional labor participation and clientelist networks were substituted. What is the role of unions in the PJ and what bearing did this have on the election of Carlos Menem in 1989? How did diminishing union influence help to draw middle-class support?

A good source is *Transforming Labor-Based Parties in Latin America: Argentine Peronism in Comparative Perspective* (Cambridge University Press, 2003) by Harvard professor and Argentina expert, Steven Levitsky.

### Activity

#### Linking the regional study with topic 1

The Malvinas–Falklands War is part of the Material for Detailed Study in paper 2, topic 1. Explore the causes of the war, the strategies and tactics of Argentina and the United Kingdom, and the results for both countries. Consider how you would answer the following question in an essay:

? To what extent was the Malvinas (Falklands) War responsible for the establishment of democracy in Argentina?

### Activity

#### Song lines

Listen to Argentine protest songs from the 1970s and 80s by Mercedes Sosa and León Gieco, especially "Solo de Pido a Dios" (I just ask God) and 'La Memoria' (Memory). These popular songs expressed the historical events related here in subtle, poetic ways, in order to avoid repression. Even so, Sosa was detained, forbidden to sing her songs and exiled. Gieco was and still is very popular, although he had to leave Argentina to avoid having his songs censored by the military government.

? What do the lyrics of their songs reveal about the world young Argentines lived in during and after the dictatorships?



issues. The first was a possibility of war with Chile over the Beagle Channel Islands. Even though it was not specifically authorized by the constitution, in 1984 Alfonsín initiated a referendum on a treaty with Chile over the disputed islands. In appealing to the people, President Alfonsín used direct democracy to push his foreign policy. The public voted for the treaty and war was averted. Alfonsín also had to deal with the perpetrators of the violence during the “dirty war.” The creation of procedures to punish members of the military for the thousands of people who were kidnapped and tortured, including many deaths, fell to the Alfonsín administration. There were trials and convictions of top military officials who served significant time in prison. Alfonsín did not prosecute low-rank soldiers on the grounds that they had simply followed orders. His refusal to hold the soldiers accountable infuriated many of his supporters. Alfonsín also faced military revolts in 1987 and 1989, neither of which succeeded.

The combination of public anger over insufficient “dirty war” prosecutions and the devastated economy led to the election of the Perónist Partido Justicialista (PJ) party leader Carlos Menem in 1989. Menem was governor of the small province of La Rioja, and used his neopopulist outsider appeal to win the presidency. He took office six months early after Alfonsín resigned. His supporters expected him to repeal the economic policies of his predecessor, but he did the opposite. In fact, Menem appointed many neoliberals and representatives of big business to his cabinet, including economics minister Domingo Cavallo. Menem immediately began to concentrate power in the executive branch. From 1989 to 1994, he issued 336 legislative orders known as “Need and Urgency Decrees”. These had the effect of law without legislative action. The concentration of legislative power with the executive was a huge change, as only 25 such decrees had been issued from 1853 until the ascension of Menem. In neopopulist fashion, the democratically elected leader created an overwhelmingly powerful president who acted without interference from the other branches of government. Menem’s push for increased presidential authority culminated in a new constitution in 1994 that severely restricted legislative power, provided for *consultas*, and allowed presidential reelection.

The Menem government acted forcefully to stabilize the economy. From the time he took office Menem pursued an austerity program; there was no Perónist nod to labor. Quickly, the new president began a program of privatization of many state-owned enterprises. Electrical power generation was sold off, along with coal, natural gas, shipping, subway systems and the telephone company. In 1991 a peso-dollar parity was established, providing a basis for economic stabilization. Menem’s policies resulted in economic growth of approximately 7% per year during the first half of the decade and low inflation, but unemployment doubled.

Spurred by economic stability, Menem won reelection in 1995 with just under 50% of the popular vote, while the closest challenger garnered under 20%. This was despite Menem’s 1994 statement supporting the military’s behavior in the “Dirty War.” However, two years later, the 1997 congressional elections revealed dissatisfaction with the PJ party and the president, attributable to high



unemployment, the increased percentage of people in poverty, and disapproval of government corruption. A new party, the Alliance of Work, Justice, and Education (a combination of two older political groups) gained control of the lower house. By 1999, many Argentines were disillusioned with economic progress during the preceding four years. 1995 brought economic problems partially caused by the Mexican peso crisis. The positive economic benefits of Argentina's participation in MERCOSUR, a trade agreement originally between Argentina, Brazil, Paraguay, and Uruguay, began to unravel. Trade, especially with Brazil, became increasingly important for economic growth, so when Brazil devalued its currency in 1999, effectively making Argentine products more expensive and Brazilian ones more affordable, Argentina's trade deficit exploded, causing severe economic distress. The poverty level rose to include more than one out of five Argentines.

The 1999 elections resulted in the election of the Alliance's candidate, Fernando de la Rúa. The new government was, however, restricted by the control of the senate by the PJ party. By 2000, the national debt had risen to \$155 billion. In response to international economic pressures, de la Rúa instituted harsh austerity measures including reducing wages and pensions for public workers, cutting total government expenditures by a fifth. Many segments of the public saw increased privatization and reliance on the international economy to the point of perceived subservience to foreign economic powers as the cause of their economic misfortune. President de la Rúa resigned in 2000 as the public lost confidence in his leadership.

By 2001, public disgust with a Senate vote-buying scandal and continued government corruption resulted in an election in which 40% of ballots were submitted unmarked as a protest against the government. As the new century dawned, apathy was on the increase as no political institution appeared both effective and trustworthy. Looking back over the decade of the 1990s, the economy showed periods of growth, but increasing numbers of people faced poverty and the government was still heavily influenced by outside actors, despite ten years of measures to create a modern free-market economy.

### Uruguay: return to democracy

Argentina's neighbor across the Río de la Plata delta is Uruguay. A nation of three million people, Uruguay has a history of democracy and a strong two-party system. The two major political parties, the *Blancos* and the *Colorados*, were formed in the 1830s, and while changing political orientation over the course of a century and a half, remained significant players in the region into the latter part of the 20th century. By the time Juan María Bordaberry became president in 1972, Uruguay had come to a point of severe economic and political uncertainty. The military took over the government in 1973 when it felt the civilian leadership could not continue without destroying the country. The military held power for eleven years, using violent repression to maintain power, but also promised to write a new constitution for

#### Activity

##### Perú vs. Argentina

Debate the following question:



Which transition to democracy was more successful: Argentina or Perú?

Consider the following factors:  
 Degree of political participation by citizens without fear;  
 numbers of viable political parties; effectiveness of economic policies;  
 effectiveness of foreign policies; human rights.

#### Activity

##### The IMF

The International Monetary Fund (IMF) refused to bail Argentina out and the country plunged into economic chaos. What is the role of the IMF in Latin America? How did IMF lending conditions affect Argentina between 1980 and 2000? The Argentine economy went into the steepest drop since the Great Depression. Find out what happened to the country's per capita income, unemployment, exports and other economic indicators. How did this affect the Argentine people?

#### Activity

##### Film review

Watch the 1972 film *State of Siege* (Dir. Costa Gavras). How are the *Tupamaros* and the government portrayed?



approval by voters. By 1984, in the face of economic disarray, the military was forced to abdicate power and Uruguay returned to democracy. The reestablishment of democracy confirmed the power of the traditional parties, but a rewritten constitution created the opportunity for the success of the *Frente Amplio* (Broad Front), a leftist coalition. By the end of the century, Uruguay's civilian democracy was solidly in place.

Like other South American countries, Uruguay experienced economic difficulties in the late 1960s. Urban guerilla movements such as the *Tupamaros*, an armed leftist guerrilla group, contributed to political instability and a highly repressive military regime took power in 1973, the first one in Uruguay's history. The one area that was left to civilian administration was the economic program. The program, run by Alejandro Végil Villegas for the initial two-year phase, was one of free markets, some lower tariffs to protect home industries, significant public investment in infrastructure, the abolition of corporate income tax, and promotion of exports. The economy grew the first six years of the regime's rule. Corporate profits rose, but real wages fell significantly, so that by 1984 real earnings were less than half what they were in 1968. Much of the decline was caused by anti-inflationary measures that followed Végil Villegas' resignation.

The brutal military dictatorship suppressed political activity, and was especially harsh on politicians of the left. In 1976, facing elections, Bordaberry wanted to abolish political parties, but military leaders saw the traditional political parties as an essential stabilizing component of Uruguay. As a result, Bordaberry was forced out and a more cooperative civilian was installed. To protect its power, the military banned 15,000 politicians from participation and a non-elected legislature wrote a new constitution that featured a national security state with the military as the supreme power. It is estimated that nearly 15% of Uruguay's three million people at the time went into exile. In 1980 the proposed constitution came to a national vote, an exercise of direct democracy even within a dictatorial system. The regime controlled all media and used their monopoly of political power to campaign unopposed for the proposed constitution. Despite the fact that opposition politicians and leftists were either in prison or exiled, the regime was stunned when the **plebiscite** lost with 57% "no" vote.

The rejection of the constitution caused confusion in the military. Furthermore, many Uruguayans began to question the legitimacy of the military government. Responding to the challenge, General Gregorio Álvarez assumed power in September 1981. Under his leadership, the government's new plan was to allow the *Blancos* and the *Colorados* to write a new constitution. The new document was to be voted on in 1984. In November 1982, elections took place to select party representatives. The *Blancos* won the election with the

### Lucía Topolansky (1944–)

Lucía Topolansky was a Uruguayan politician who in 1967 joined the *Tupamaros*, the leftist *Movimiento de Liberación Nacional* (MLN), when she was in her 20s. An urban guerilla movement, she lived underground (literally, in the sewers), but was arrested in 1970, tortured and imprisoned. She was released in the amnesty of 1985. Topolansky then joined legitimate politics as the leader of the *Movimiento de Participación Popular*, which later joined the *Frente Amplio*, or Broad Front leftist coalition party. She was elected mayor, then to the House of Deputies and finally to the Senate. She became president of the Uruguayan Senate, and first lady of the nation when her husband, José Mujica, also a former *tupamaro*, was elected in 2010.



A **plebiscite** is a national vote to decide a political question.



*Colorados* 7% behind. In 1983, the new representatives began talks with the regime. The civilian politician vs. military officer rivalry was the source of significant disagreements. Eventually, the *Blancos* withdrew, followed by the *Colorados*. The government responded by suspending all public political activity, and the public responded with a demonstration in Montevideo (the capital) of a quarter million people calling for a return to the 1966 constitution.

The military rulers faced a dilemma. They wanted to withdraw from power and to return to their traditional role within a civilian government as both the political and economic structures unraveled, but they did not want leftist elements to take power. Talks resumed in 1984, as the traditional parties and the military wanted a solution before the radical left gained enough support to win elections. The strategy included legalizing the leftist political coalition known at *Frente Amplio* (Broad Front), and freeing their leader, Liber Seregni, from captivity. But, a prominent leader of the *Blancos*, Wilson Ferreira Aldunate, was arrested trying to enter the country. The military started a rumor that Ferreira Aldunate was attempting to strike a secret deal with the president. The rumor had the desired effect, and Broad Front united with the *Colorados* in talks with the government for a new constitution. The Naval Club Pact that was agreed on in August 1984 returned Uruguay to the 1966 constitution. In an election, mostly free of corruption, that November but with all candidates vetted by the military, *Colorado* candidate Julio María Sanguinetti was elected president.

Due to Uruguay's local and national voting procedure, Sanguinetti was elected with just a third of the popular vote; so, he came into office already weakened. He created a government of national unity and distributed positions to representatives of minority parties and prominent politicians. The administration faced a number of issues: fixing the economy, keeping the military at bay, and effectively reestablishing democracy as a viable and strengthened system for governance. The new administration's economic policy returned to export-based growth. GDP increased significantly in the first two years. Wages increased somewhat, but inflation remained a problem. The economic fixes were, however, viewed as inadequate and late in the term a wave of strikes challenged the administration. The military was kept in check by a new law, *Ley de Caducidad*, which granted amnesty to members of the military who had violated human rights. The 1986 law was put up to a *consulta* in 1989, and the populace voted to uphold the law. The exercise of direct democracy lent support to the legitimacy of the Sanguinetti presidency. The administration had already shown a willingness to open the machinery of democracy to opposition parties by releasing jailed *Tupamaros* in 1985, the guerrilla group who had

### General Gregorio Álvarez (1926–)

General Gregorio Álvarez was a Uruguayan army officer, responsible for waging war against the *Tupamaros*, starting in 1971 under President Bordaberry. In 1973, the military took over, dissolved parliament and General Álvarez headed the nation as president and commander in chief until 1985, when the country returned to elected governments. He retired to the country and the study of history. In 2007, he was charged with the kidnapping and disappearance of Uruguayans and Argentines in support of *Plan Cóndor*, a concerted effort by military dictators across Argentina, Uruguay, Paraguay, Bolivia and Chile in what he called "the war against subversion." He began serving a 25-year sentence in 2007.



### Activity

#### Continuity and change

##### Case study: Uruguay

- 1 Why did the military seek to return to its traditional role?
- 2 To what extent was the Uruguayan restoration of democracy a return to tradition? To what extent was change necessary?
- 3 Research how the *Blanco* and *Colorado* parties changed over the history of Uruguay. Do parties survive and prosper through consistency or through evolution?



violently opposed the government since 1963, and granting legal political party status to its political arm, the *Movimiento de Liberación Nacional* (MLN) after the Marxist rebel group renounced violence late in the decade. By the end of his term, Sanguinetti had provided a solid basis for the reestablishment of democracy.

In the 1989 elections, a contest of several candidates and parties, a *Blanco* candidate was elected president. Luis Alberto Lacalle was the first *Blanco* to hold the presidency in the 20th century. Elected with only a fifth of the popular vote, Lacalle worked with the traditional rival party to develop economic policies designed to stimulate growth and lower inflation. Lacalle proposed a law that would privatize many government functions, which the legislature approved in 1991. The opposition parties demanded a national referendum, and the following year the law was overwhelmingly rejected by three-fourths of the voters. The 1992 defeat confirmed the electoral weakness of the administration and public rejection of the *Blancos*. The combination of a divided legislature and weak executive led to the frequent use of *consultas* in this time period. Other referendums included approval of cost of living adjustments, a modification of the privatization law, an attempt to increase funding for education, and a reform of the social security system. The elections that followed two years later gave more representation to the Broad Front in the balance of seats of the main three parties within the legislature. *Colorado* leader Sanguinetti took the presidency again and assumed office in 1995.

The *Colorados* and *Blancos* began negotiations to reform the electoral system, motivated primarily by the increasing threat to their primacy by the Broad Front. One significant reform was to require a majority popular vote for presidency and open up the opportunity for the Broad Front to win the highest office. A *consulta* on the issue was held in 1996. The constitutional reform permitted one nominee per political party. If any candidate won at least 40% of the popular vote and outdistanced the nearest competitor by a margin of 10% or greater, they would become president. If no one achieved such a victory, there was to be a runoff of the top two candidates. The *consulta* was approved by a narrow margin, carried by the rural areas, but was not popular in the cities.

The newly structured election procedure came into play in 1999. The Broad Front candidate, ex-socialist Tabaré Vázquez, won the popular vote, but neither his vote percentage nor his margin of victory over *Colorado* Jorge Batlle Ibáñez was enough for first ballot victory. Fearing a leftist victory, the *Blancos* joined with the *Colorados* to elect Batlle by an 8% margin. Batlle took office in March 2000 as the first president elected under the modified constitution.

Uruguay's decade-long dictatorship was an interruption to an otherwise democratic civilian tradition of government. The military takeover was triggered by conditions similar to other South-American countries: economic duress and political turmoil exacerbated by the Cold War context. The military, while harsh in its rule, returned power to civilians in a slow, but mostly orderly fashion. The return to democracy saw an expansion in the role of direct democracy, as the



people made critical decisions on the structure of government, as well as its responsibilities and limits. Outsider political parties began to assert more influence as the system became more open in the 1990s, despite the efforts of the two traditional parties. Democracy in Uruguay continued into the next century on a solid foundation of tradition and evolution as it was also forced to deal with the legacy of human rights abuses.

### Activity

#### Uruguay

##### Source A

URUGUAY: In 1986, a year after the restoration of democracy, the Uruguayan Parliament approved the Ley de Caducidad (roughly translated as the "Expiry Law") which granted amnesty to members of the military or police who were perpetrators of murder, kidnapping, torture and other human rights violations. Starting in 2005 Uruguayans began the process of repealing the law. The Supreme Court finally repealed it in 2009.

**Source:** Allier, Eugenia. "The Peace Commission: A Consensus on the Recent Past in Uruguay?." *European Review of Latin American and Caribbean Studies*. no. 81. October 2006. pp. 87–96.

##### Source B

The years between 1985 and 2004 can be broken down into three distinct periods representing separate phases in the history of the struggles to remember or forget the Uruguayan military dictatorship. ...Through the approval of a series of laws, the most important being the Law of Expiry of the Punitive Powers of the State (henceforth the 'Expiry Law'), the state waived its right to judge military or police officers involved in violations of human rights (Ley de Caducidad de la Pretensión Punitiva del Estado, No. 15848, 22 December 1986). In the referendum held 16 April 1989 on the Expiry Law, the voters validated the government's decision not to judge the military with 56.12 per cent in favour of the law, and 43.9 per cent opposing.

The referendum marked the beginning of a second phase in this history: The Repression of the Past: Forgetting Human Rights Violations (1990–1994), which meant the discontinuance of debate from the public space over the military dictatorship during the government of Luis Alberto Lacalle (PN).

**Source:** Delgado, Maria. "Truth and Justice in Uruguay," *NACLA Report on the Americas*. July/August 2000. vol. 34, no. 1. pp. 37–39.

##### Source C

The Expiry Law was passed by a public referendum in 1989. Under the current administration of Tabaré Vázquez, Uruguay's president, prosecutions of some of the major players in those crimes have been pursued with the help of testimony from former police and military officials who were involved but had amnesty. But after 20 years with the Expiry Law the country's mood may have changed. Just last week, the Uruguayan supreme court issued a ruling that the Expiry Law was unconstitutional—a decision that legal scholars believe may have broad application.

**Source:** Khan, Rhiz. "Uruguay poll highlights Expiry Law." October 26, 2009. *Al Jazeera* and the International Center for Transitional Justice at [www.ictj.org](http://www.ictj.org).



←  
**Source D**



Relatives of the disappeared marching in Montevideo, Uruguay.

**Source:** Etchart, Julio & Hopkinson, Amanda (eds.). 1992. *The Forbidden Rainbow: Images and voices*. London: Serpent's Tail.

**Questions**

- 1 What evidence is there in source A that Uruguay's military regime committed human rights violations?
- 2 What conclusion do sources B and C reach about the response of post-dictatorship governments to human rights violations by the military?
- 3 Referring to origin and purpose, discuss the values and limitations of sources A and B for historians studying the government's approach to human rights violations during the period of dictatorship.
- 4 Using the documents and your own knowledge, discuss the societal impact of, and the response to, human rights violations by the military during the dictatorship.

**Brazil: establishing democracy**

Brazil came to democracy after two decades of military and authoritarian rule. When the 1980s began, the military was firmly entrenched in power. The problems of the country were numerous, an economy weakened by the oil crises of the 1970s and a huge national debt, massive poverty, violence, unequal land and income distribution that led to homelessness for the rural poor, and consumer demand so lethargic that it could not support industries. The military regimes sought solutions through neoliberal economic policies and strict political control, along with the support of private militias that controlled unrest in rural areas. As the military dictatorships became more unpopular in the 1980s, the leadership loosened political control slightly. Freer elections eventually took place, a referendum on the structure of government went to popular vote and by the end of the century Brazil settled into a presidential democratic system. However, many of the structural problems that saw the military rulers relinquish power in the 1980s also plagued President Cardoso in a second term that began in 1999.

**Last years of authoritarianism**

The military regime was in power from 1964 to 1985. In the late 1970s, under the rule of General Ernesto Geisel, Brazil began a move towards democracy. President João Figueiredo followed Geisel in 1979 and continued the liberalization of the government. In 1982, he announced a move to democracy called *Abertura* (literally "opening") that moved to offer limited political freedoms while preserving the military's hold on the government. The economy was in serious decline, and living conditions grew worse for the large majority. Approximately three-fourths of Brazilians lived below the



government-established survival level. It was commonplace for children over the age of ten to work. Inflation was over 200% and increased to 500% by mid-decade. Income distribution, always uneven, became more so, limiting the purchasing ability of the middle classes, too. The economy was largely based on exports, and multinational corporations which funneled profits out of the country exercised control over almost half of the major industrial corporations and mines. In addition, foreign debt increased from an already high \$55 billion to \$85 billion.

Long-running land disputes accelerated. The land-grabbing increased when the Trans-Amazonian Highway and connected roads were completed. Most of the arable farmland was owned by just 3% of the population. Brazil's Amazon Development Agency furthered the interests of agribusiness by subsidizing cattle ranchers. As land became more accessible in the Amazon region, 19 out of 20 new landholdings were granted to existing large farmers and ranchers. The new, mechanized farms employed fewer workers, creating unemployment and pushing subsistence farmers from the land. Some poor families occupied small plots of land; these people became known as *posseiros* or squatters. They raised maize, rice and other food crops. Squatters did have rights under Brazilian law, but large land owners hired gunmen, formed small militias, and through threats and acts of violence forced the *posseiros* off the land. Government officials did nothing to stop the violence, and at times lent support to the perpetrators. Many of the farmers migrated to the city, causing increases in shanty town populations and urban unemployment. But others, often assisted by clergy, formed unions to oppose the removals.

The 1982 election results confirmed significant opposition to the military regime. President Figueiredo initiated the *Abertura*, but the actual changes were minor as Figueiredo retained control not just of the federal budget, but state budgets as well. As the opposition mounted and mobilized and the economy sank further into decline the military agreed to elections, albeit indirect ones, in 1984. An electoral assembly met in January 1985 and, contrary to the wishes of the military, elected opposition candidate Tancredo Neves as president. Neves was popular and thought to be reasonably honest, however he died before taking office. Vice President José Sarney, who had the support of the military, assumed office in his place. Sarney, signed an agrarian reform law passed by the legislature, which sought to distribute land to more than a million farming families during his term in office. But its effectiveness was diluted by the government's failure to oppose the violent attacks on farmers by landowners who hired thousands of soldiers to carry out the attacks. The government further limited the effectiveness by a 1986 decree. To stabilize the economy, Sarney implemented the Economic

### Chico Mendes (1944–1988)

Chico Mendes was a Brazilian rubber tapper from the state of Acre. He became head of the rubber tappers union to stop cattle ranchers and developers from their deforestation of the Amazon that would destroy the life of landless rubber tappers and hold them in debt peonage. The public lands worked by the tappers had been sold to private owners with private armies during the military dictatorships that promised road development as well. In 1987, the United Nations environment program honored him with a prize. Mendes was also renowned for his support of the native peoples of the Amazon region. In 1988, a local landowner who wanted to cut down the forest met with resistance from the well-organized tappers and Indians. Mendes reported the rancher, Darly Alves da Silva, who was also wanted for murder in another state, but the federal police did not act on his advice. Mendes was murdered in December, 1988.





Stabilization Plan, commonly called *Plan Cruzado*. The Plan instituted austerity measures including freezing wages and prices, increasing the cost of utilities and raising taxes on alcohol and tobacco. A new currency, the *cruzado*, was introduced to add economic stability.

### Brazil under a new constitution

Beginning in 1987 and continuing into the following year a constitutional convention was held to draft a new constitution. The constitution included provisions for direct democracy: only the National Assembly could vote to hold a referendum, but citizens could submit a proposal to the Chamber of Deputies. Citizens, even the illiterate, could vote if they were over 16 years of age. The constitution allowed for the participation of multiple political parties. The constitution was effective as of October 1988. In March 1990, the first democratically elected president took office, Fernando Collor de Mello. A charismatic man and favorite of the elites, Collor de Mello followed policies that helped secure economic interests. As in other Latin American countries, the IMF influenced policies in exchange for loans. Collor de Mello reduced government spending, reduced the negotiating power of unions, and moved to privatize state functions. The economic policies made government more efficient, but GDP dropped, interest rates rose, unemployment rose, and government debt increased. The land disputes in rural areas worsened, but the administration rarely intervened to investigate the murder of hundreds of activists. The Brazilian people became increasingly dissatisfied with Collor de Mello.

Soon a corruption scandal hit the Collor de Mello administration. The president and his associates were accused of taking over 30 million dollars through misappropriation of public funds. As the National Assembly moved to impeach him, in 1992, Collor de Mello resigned, averting a potential national crisis in the fledgling democracy. The office was assumed by vice president Itamar Franco. Franco sought to fix the economy but did not have a particular philosophy, so a debate within the cabinet occurred between those who wanted to correct the social problems of poverty, health, and education and advocates of the neoliberal approach who argued that social advances could not be made unless the economy was first stabilized and productive. Finance minister Fernando Henrique Cardoso eventually prevailed, following a neoliberal program called *Plan Real* that chose stabilization and included large budget cuts, currency reform, and privatization of the government's mining interests. Before the next elections, a *consulta* was scheduled for 1993. The voters were to decide two critical questions: Was Brazil to continue as a democracy or become a monarchy?; Should the country continue with a presidential form of government, or convert to a parliamentary system? During Collor de Mello's scandal crisis, the presidential system became unpopular, but after his resignation presidential

#### Fernando Henrique Cardoso (1931–)

Fernando Henrique Cardoso was a Brazilian sociologist and academic, accused of being a subversive by the military and forced to go into exile in Chile and France. He was active in prevailing over the military dictatorships in Brazil. Elected Senator in 1982, he was a founding member of the Brazilian Social Democratic Party (PSDB). He was President of Brazil from 1995 to 2003. His government struggled with the legacy of the long rule of a military dictatorship, and its institutionalized impediments to the promotion of justice and human rights despite significant international pressure. His neoliberal economic policies led to privatizations of state enterprises, to attract foreign investment, especially for the mining, telecommunications, oil and gas industries.





government rose in popularity and that form was approved by the referendum.

In the 1994 elections the major campaign issue was whether the government should continue its neoliberal economic policies or switch to greater state control and a rejection of overt cooperation with international financial institutions. The Workers Party candidate Luiz Inácio da Silva (popularly known as Lula) was up against finance minister Cardoso. Lula ran on a platform of agrarian reform, health improvements, and educational reform and increased funding. Cardoso, a well-respected sociologist, won the election and continued with his program of austerity measures, but did increase education funding by a third. Exports increased during the first years of the Cardoso administration, but unemployment stayed high and most Brazilians still lived in poverty. The weak economy suffered a blow during the Asian financial crisis of 1997 and Cardoso raised interest rates to an astronomical 40% in an attempt to stabilize the currency. He raised taxes and cut spending again in an attempt to put the government's foreign obligations under control. The austerity measures had the predicted effect: the economy slowed and Brazil entered a severe recession. The recession did not spare the rural farming communities, with five million farm families now landless. This homelessness was despite a land reform law passed in 1993 that allowed the government to seize and redistribute land that was largely unused by its owner. Little was done to enact this law in support of landless farmers. The farmers, aided by the Catholic Church, formed the Landless People's Movement. The movement obtained a promise from the Cardoso government to lend assistance to their land claims, but it was never forthcoming despite the threatening treatment and murder of the squatters. Revealing his abiding support for large corporate farmers, Cardoso called the Landless People's Movement a threat to democracy.

When the 1998 elections took place, voters returned Cardoso to office for a second term. His second term began in 1999. As Brazil moved into the next century its new democracy survived a corrupt president and many years of economic programs that failed to lift most Brazilians out of poverty. Violence still plagued the Amazon basin, but there were positive signs as well. Many groups became involved in the democratic process: trade unions, environmental groups, old and new political parties, and groups advocating social reforms. Conservative leadership remained a force as well. The opposition forces showed enough support for the administration to secure from it increased social services while the government simultaneously pursued neoliberal macroeconomic policies. As Cardoso moved into the middle of his second term, many substantial structural hurdles remained for Brazil's second democratically elected president to solve. Lula da Silva, Brazil's first working-class president, would be elected in 2002. Brazil, like many Latin American nations, faced the dilemma of following neoliberal economic strategies and at the same time trying to maintain a democracy in the face of major social challenges.

## Activity

### Simulation

#### Direct democracy vs. representative government

- 1 The class selects an issue such as "How many points an assignment should be," or what food should be served in the school cafeteria. Then, the class is divided into 4 to 6 groups. Each group selects a representative for the class legislature. The class also selects a president.
- 2 The legislature meets separately to consider the issue and makes a legislative decision without consulting the rest of the class.
- 3 The President creates a *consulta* on the issue and puts it to a class vote.
- 4 Compare the results and assess the extent to which the will of the populace was carried out by the two different methods.

## Activity

### Levels of success

- 1 Form a group of four people.
- 2 Decide on the criteria each group will use to evaluate how successful each of the four countries was in restoring democracy.
- 3 Each group member evaluates all four countries using the agreed-upon criteria.
- 4 Discuss the extent to which the group agrees or disagrees with each other's judgments. Discuss the reasons.