

THE CRISIS OF DEMOCRATIC GOVERNANCE IN THE ANDES

Woodrow Wilson Center Reports on the Americas • #2
Edited by Cynthia Arnson

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Fernando Cepeda Ulloa

Adrián Bonilla

Carlos Basombrío

Michael Coppedge

Francisco Leal

J. Samuel Fitch

Miriam Kornblith

Eduardo Gamarra

Bruce Bagley

Catherine Conaghan

Luigi Einaudi

Cynthia McClintock

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INTRODUCTION

CYNTHIA ARNSON

Woodrow Wilson Center

In June 2000, the Latin American Program convened a distinguished group of experts on the Andean region to consider the multiple threats to democratic governance in Colombia, Ecuador, Peru, and Venezuela. The conference was occasioned by the growing concern that throughout the region, the continued consolidation of democratic rule could not be taken for granted. Indeed, the number and intensity of threats had so multiplied that they appeared to put in jeopardy democratic gains made throughout the hemisphere in the 1980s and 1990s.

Of particular concern at the time was Peru. Presidential elections held in April 2000, in which Alberto Fujimori was elected to an unprecedented—and, some Peruvians argued, an unconstitutional—third term, were widely condemned by international observers, including a mission of the Organization of American States. In June 2000, the critical question reflected in these pages was what kind of response the Organization of American States would mount in defense of Peruvian democracy, as part of a collective commitment to defend against interruptions of the democratic process in a member state.

In subsequent months, Peru experienced a remarkable political transformation, the contours of which are also reflected in this document. The rapid implosion of the Fujimori regime, triggered by a bribery scandal involving his chief of intelligence, unveiled unprecedented levels of corruption just as it provided for a new electoral contest in which Fujimori announced he would not be a candidate; he subsequently fled the country. As this publication went to press, Peru had held new presidential elections on April 8, 2001. Emerging as the front-runner, but without a clear majority, was Alejandro Toledo, who many thought had won the April 2000 elections against Fujimori, only to be defrauded of victory. In the April 2001 round, perhaps the most surprising development was the second-place finish of former president Alan García, who had presided over a period of economic chaos and widespread political violence in the late

1980s. A run-off election between Toledo and García was scheduled for June 2001.

Even if the collapse of authoritarianism in Peru left many questions still unanswered about the country's future direction, elsewhere in the Andean region, developments left less room for optimism. In Colombia, insurgent and paramilitary violence, drug trafficking, and economic recession have challenged the legitimacy of the state and underscored the fragility of democratic institutions. In Venezuela, a popularly-elected military officer has broken the hold of the country's two traditional parties, gutting or abolishing institutions with the power to curb the power of the executive branch, and involving the military in expanded and controversial roles and missions. Ecuador, where three governments have fallen since 1995, represents the most dramatic case of political instability in the hemisphere; persistent economic crisis has fed the political crisis, and vice-versa.

U.S. policy consideration of the Andean region has been shaped by Colombia's wars, and the concern that political violence and drug trafficking are spilling beyond its borders. Indeed, Colombia's neighbors, most notably Ecuador, have expressed repeated fears of such a spillover, and policies are being devised to deal with border security and refugee issues as well as the "balloon effect," in which drug crop suppression in one country causes a rise of cultivation in others.

As this publication reveals, however, countries in the Andean region suffer from common and deep problems of governance: crises of citizenship, reflected in widespread apathy and low levels of participation in the political process; the decline of political parties; corruption and a lack of accountability of civilian as well as military elites; weak institutions; the military's involvement in politics. As several contributors point out, many of these problems are not new, and attempts to identify common regional patterns should not obscure important differences between and among countries. Nonetheless, there is concern that the rapid changes brought on by globalization, the inability to replace clientelistic and patrimonial styles of governing with new forms of representation, and the persistent and growing threat posed by transnational crime constitute an altogether different moment. At stake are not only the content and quality of democratic systems, but the continuation of democratic rule itself. Equally uncertain are the ability and commitment of nations of the hemisphere to

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collectively defend democracy short of situations in which there is a formal *coup d'état*.

I am grateful to Paul Haslam, doctoral student in political studies at Queen's University, Canada, for his able assistance with the editing of this report. Special thanks also go to Derek Lawlor of the Woodrow Wilson Center for help with design and production.

May 2001

PART I

**POLITICS AND THE CRISIS
OF INSTITUTIONS**

FERNANDO CEPEDA ULLOA

Universidad de los Andes

Colombia is living a very exceptional situation. It can be described as the worst crisis in Colombia's history. It is not comparable to any previous crisis in Colombia or to any other country in the region. The nature of the crisis is well understood. However, it is worth beginning with a caveat: this crisis was not created by the current administration. Most of the elements of the crisis have been developing over recent decades, although some of them have entered a more acute phase during this administration. Colombians have been living with most of these problems for a long time.

The problem now is the accumulation of these different crises and the way in which the multiplicity of crises are intertwined, interconnected, and mutually reinforcing. I will discuss twelve of these crises in order to understand the dimensions of what is taking place today in Colombia.

1. Despite having a long tradition of democracy, Colombia has a deep deficit of political representation, both at the public and private level. That means, for example, that entrepreneurs or people working in different sectors of the economy do not feel represented by their own interest groups. The situation is similar at the national level. Citizens do not feel represented by the National Congress, regional assemblies, or local councils.

2. Colombia is experiencing its worst economic crisis in 100 years. The economic crisis is related to critical problems at the national, regional, and municipal level. These crises are well known and described in IMF and other documents.

3. There is also a crisis in public order. The democratic architecture for managing public order in Colombia is poor, weak, and ineffective. The lack of public order is at the center of the most visible crises in Colombia and relates to the existence of the guerrillas—the FARC and ELN¹—drug cartels, self-defense or paramilitary groups, and common crime.

In mid-2000, there was a very dangerous explosion in kidnapping. Colombia holds the world's record for kidnapping and each year that record is broken anew. The situation has become extremely dangerous. Kidnapping is something that has repercussions in economic life, on foreign and on national investment, and on the personal life of every Colombian citizen. It is a crisis that should be addressed urgently, but there has been very little effective action against this very dangerous threat.

4. Social crisis is the natural outcome of the economic and the public order crises. It is further accentuated by natural disasters such as earthquakes and floods. As a result, there is impoverishment of the middle class, and widespread unemployment.

5. A humanitarian crisis is the consequence of the violation of human rights. This is a problem with a long history and the situation gets worse every day. There is no respect for the minimum and universal standards of humanitarian law established for internal conflicts.

6. The humanitarian crisis is accentuated by the displacement of the civilian population. The statistics are quite alarming, although they might not be altogether reliable, and one should interpret them critically. A United Nations agency claims that there are more than 1.5 million displaced people with some 300,000 displaced in the last year alone. However, I doubt that these figures are correct.

7. An additional crisis is that of corruption, a topic on which I have worked extensively in Colombia. The new nature of corruption in Colombia is that individual corruption is a thing of the past. One could almost be nostalgic for that kind of corruption. Now there is organized criminal corruption in Colombia. Organizations exist within public agencies with chains of corruption involving the general manager, the second in command, the lawyer, the driver, and even the messenger, all of whom make arrangements in order to defraud the agency in question. Another new aspect of corruption is its dimension. It is no longer a \$1 million or \$5 million problem, rather it is in the hundreds of millions.

8. There is also a crisis in the formulation of economic policies. This is

something new. Colombia has had very good institutions, and was perhaps one of the only countries in Latin America, let alone the Andean region, with the capacity to formulate sound economic policy. For reasons that are difficult to explain, Colombia seems to have lost some of this capacity.

There are delays in the formulation of economic policies; and sometimes when they are formulated, they are struck down by the constitutional court as unconstitutional. This also has created problems for the government and has affected governability.

9. There is a crisis of trust and credibility, which is almost a crisis of hope in the future of the country. It is clearly seen in two indicators. The first one is the exodus of Colombians toward foreign countries, such as Spain, Ecuador, Costa Rica, the United States, and Canada. It is the first time that emigration has been so pronounced.

Second, in response to the survey question, “Are you in favor of a foreign military intervention?” Colombians respond in the affirmative. Approval is usually more than 50 percent, sometimes more than 60 percent. This conveys the sense of helplessness that people feel in the face of the crisis.

10. A more traditional crisis exists in the administration of justice. Most jails are totally unmanageable; there is disorder, corruption, and impunity. In terms of impunity, it is said that impunity in Colombia is at 99.3 percent. This figure seems too high and may be the result of economists and engineers doing social and political analysis for which they have not been trained. However, this is the figure that is popularized and presented everywhere, although the problem is not that extreme. Nonetheless, there is a crisis in the administration of justice and impunity is a very important element in that crisis; this contributes to the growing tendency toward civil disobedience.

11. Currently, there is a crisis in the government coalition. This crisis is difficult to explain. The government has 53 percent of the members of the Senate and 62 percent of the members of the House. Cooperation between the government and the congress was managed more or less smoothly until the president (at the end of March and in early April 2000) announced a referendum aimed at revoking the mandate of members of congress, a

measure promoted in the name of political reform. As could have been expected, he created a confrontation with the congress, which then attempted to revoke the mandate of the president. As a result, a huge institutional crisis erupted in the middle of all other the crises described here.

12. Finally, there is a crisis of leadership across-the-board, in every sector of Colombia.

How has the government responded to these crises? It has sought out “insurance policies.” There is an insurance policy with the IMF for the economic crisis, which also necessitates a safety net for the social crisis. In addition there is Plan Colombia which has been widely discussed in the United States, and unfortunately, is better known in the United States than in Colombia. Plan Colombia, despite the controversy surrounding it, represents the first time that there has been a comprehensive approach to Colombia’s many problems. The plan tries to respond to several of the crises, including the public order crisis, the institutional crisis, and some elements of the social and economic crises. There is also an insurance policy related to the—shall we call it, Plan Colombia–European version—which is more focussed on the human rights and social crisis. In addition, the peace agenda deals with all the other dimensions of the public order crisis.

In mid-2000, there was a proposal to arrange collaboration between government and opposition forces in the congress, where the opposition holds the majority. After the crisis created by the referendum proposal, which destroyed the governing coalition, it was necessary to develop some kind of agreement between the government and the opposition. Without such an agreement, there was no possibility of governing, particularly with respect to such critical issues as the congressional approval of the economic package that had been negotiated with the IMF.

The situation in Colombia is very critical. It is unlikely to be solved in the next two years. Nor will it be solved just with Plan Colombia. The solution requires leadership, as well as much effort from the government and civil society.

ADRIÁN BONILLA
FLACSO-Ecuador

The purpose of this presentation is to explain the political instability of Ecuador and the dramatic weakness of its institutions. It could be argued that the Ecuadoran political regime is built on a chronic deficit of representation. This deficit has at least three characteristics. First, most people do not participate in the decision making process. Second, there is a tremendous lack of accountability. Impunity is the normal environment for politics in Ecuador. Lastly, there is a crisis of citizenship. Ecuador does not have the proper means to create channels of participation for the people. Politics are ruled by clientelism, by patrimonialism, and by national coalitions based on links between local parties in Quito and Guayaquil, and local caudillos in the provinces.

Ecuador is probably the most dramatic case of instability in Latin America. Not even Haiti has had more governments in the last five years. Three governments have fallen in Ecuador since 1995. The government of President Sixto Durán Ballén was ruled, in fact, by his Vice President, Alberto Dahik; they were ousted in 1995. In 1996, President Abdalá Bucarám was overthrown and in 2000, President Jamil Mahuad was ousted from power. The current president is Gustavo Noboa Bejarano.

There are several particularities in the Ecuadoran case. First, none of these events was produced in the middle of generalized violence. There were no casualties. Some people were hurt and one person was accidentally killed in the last coup d'état. Second, in most or all of the cases when the government collapsed, the political environment was characterized by broad coalitions, which included not only the popular sectors (the indigenous organizations and the labor unions), but also the business community and entrepreneurs.

Third, the governments that were overthrown came from different political parties, and had different regional origins and ideologies. In other words, the situation has to do with the structure of the political system in Ecuador. In every case, the political crisis reflected the inability of the government to deal with the country's economic crisis.

Ecuador's crisis is shaped by the burden of the external debt. President Mahuad and President Noboa could only use 48 percent of the national budget because 52 percent was destined for servicing the external debt. When the point in the political process is reached when every government has to implement some kind of structural adjustment, the political environment does not allow it. The consequence is turbulence and conflict.

Since 1992, five different Ecuadoran governments have tried to implement a traditional structural adjustment program under the terms of the International Monetary Fund. It has not been possible to do so because domestic politics have not allowed it. President Osvaldo Hurtado (1981–1984), President León Febres Cordero (1984–1988), Sixto Durán Ballén (1992–1996), Abdalá Bucarám (August 96–January 97), Jamil Mahuad (1998–2000), and now Gustavo Noboa have all tried to implement these kind of structural adjustment programs.

Two other factors need to be taken into account. The first has to do with a sense of national frustration over a year after the conclusion of the peace process with Peru. This is due to the popular belief that Ecuador conceded everything to the Peruvian position—a belief that is particularly strong within the armed forces. Second, as a result of the peace process with Peru, we have witnessed the emergence of very strong local identities, which challenge the national unitary image of the Ecuadoran state. The border was the strongest sign of national identity and its cohesive power has not been replaced by any other national symbol.

This sense of regional pride challenging the idea of unitary nation state is especially sensitive in Guayaquil, the most populated city of the country, because the economic crisis has revealed the state's structural weaknesses. Oil revenues heavily subsidized the Ecuadoran economy during the last three decades. Since 1995, after the armed conflict with Peru, the economy began to collapse. Most of the elite as well as the labor sector were protected by the state. When the government simply exhausted its resources and lost its capability to continue providing subsidies, the very legitimacy of the state was questioned. Some provinces, as in the case of Guayaquil, blame the centralist structure of the state as the main cause of the crisis. There are thus pressures from society directed towards the state, either to reaffirm the national state or to question its current structure.

Institutional weakness is reflected in President Mahuad's rise to, and fall from power. Mahuad won the election by very few votes in the midst of

accusations of fraud made by the other second round candidate, the multimillionaire Alvaro Noboa. He was the candidate supported by the former President Abdalá Bucarám.

Mahuad's childhood best friend presided over the electoral process. After the election, he was rewarded by being named as ambassador to the Organization of American States. He refused to allow a recount of the votes cast in Guayaquil and Quito. According to the members of the Roldosista Party,² Abdalá Bucarám's party, Mahuad was elected by fraud. Whether these accusations are true or not will never be known. Nonetheless, Mahuad was elected by default because the strongest Ecuadoran party, the Social Christian Party, decided not to participate in the election. The party was a populist political party of the right, based in the city of Guayaquil and directed by former President León Febres Cordero. The party chose not to contest the election because it had no chance of winning, and instead supported Mahuad. Consequently, Mahuad was elected President.

In the first months of his term, Mahuad could rely on a congressional majority, which supported him in the peace process with Peru. However, the next challenge was to deal with the economic crisis, and that required developing and implementing some kind of a structural adjustment program. The Social Christian Party deserted the president; Mahuad gave up his economic policy to the Social Christians, linked to interests in the banking sector, in order to avoid a major political crisis and in an effort to neutralize the potential hostility or non-democratic, disloyal opposition from the most dangerous political actor. The Social Christians rejected a tax policy and imposed a new one. The adjustment was delayed and there were catastrophic consequences, the most important of which was the collapse of the financial system.

Mahuad choose to bail out the banks. The state took over the debt of failed banks. It cost the country about \$5 billion to pay the debt of the bankers. Everyone, including the "man in the street," had to pay the debt of the financial system through a variety of economic measures. For example, following a devaluation of about 400 percent, bank deposits were frozen. In 1999, some 400,000 Ecuadorans left the country, destined for the United States, Spain, and Italy.

At the end of this political and economic process only one person was jailed. This person was banker Fernando Aspiazú, who accused President

Mahuad of taking \$3 million in campaign donations from him, but of spending only \$2 million. According to officials from Mahuad's political party, that was not the major, nor the only contribution to the campaign. The scandal over campaign finances may have triggered Mahuad's downfall.

Mahuad was overthrown in the fourth attempt to oust him. During 1999, there were at least three other moments when Mahuad could have been ousted from power. There were various strikes led by the drivers' unions and by the indigenous movements. The final one, in January 2000, was led by the indigenous movement and was timed to coincide with an entrepreneur's strike in the city of Guayaquil. It was this strike that prompted the plan to dollarize the economy. Mahuad turned to dollarization as a last-ditch attempt to maintain himself in power by neutralizing the businessmen of Guayaquil and the possibility of a joint strike with the Indian organizations.

At the time of the strike, no one knew whether the military would participate. They did and Mahuad was ousted from power. However, Mahuad's ouster was not only a consequence of mobilization by the Indian movement and the action by the colonels. Everyone conspired against Mahuad. He did not have the support of any political party, business sector, or labor union. He enjoyed support only from the American embassy and that was not enough to sustain him. The economic and political crisis of Ecuador over the last twenty years of democracy underscores one key point. If a democratic and civilian regime is not able to deal with the fundamental issue of social equity, it is very difficult for democracy to strengthen itself or to build solid institutions. Without social equity, there is no accountability, proper representation, or proper democratic participation. The case of Mahuad is instructive in this regard.

We also have to assess the role of the Department of State and the American embassy in the Andean countries, particularly in Ecuador. If the United States is going to be more and more of a domestic actor in Andean politics, it has to be more selective in its support. It is difficult from an Ecuadoran perspective to understand the embassy's unconditional support for Mahuad in the circumstances described above. Was it the result of a personal link between the president and American politicians and bureaucrats? Or did it stem from a notion of democracy emphasizing the idea of civilian rule over any other consideration? The election and ultimate overthrow of Mahuad demonstrated the workings of an exclusionary non-democratic society and its government.

PERU: THE COLLAPSE OF “FUJIMORISMO”

CARLOS BASOMBRÍO

Instituto de Defensa Legal

On July 28, 2000, following massive street demonstrations and standing before a Congress from which the opposition had withdrawn in protest, Alberto Fujimori was sworn in as President of the Republic until 2005.

Until 2005³ The question captured the political moment in Peru in all its complexity. Considering that more than half the population viewed Fujimori as an illegitimate ruler; that he was elected as the lone candidate in a run-off election from which the opposing candidate had withdrawn claiming fraud; that international and national observers had declared that the elections were, in the words of the OAS observer mission, plagued by “irregularities, inconsistencies and inequalities” and thus failed to satisfy international standards for free and fair elections; that the U.S. Congress unanimously had approved Resolution 43 directing the administration to change its political, economic, and military policies toward Peru should the elections result as they ultimately did; that many sectors deeply distrusted the regime and doubted that it was capable of changing its nature; that Peru faced the impending effects of a three-year-old economic crisis that had dashed most people’s hopes of surmounting poverty and unemployment under the present government. In this context, it was relatively easy to predict a period of significant political turbulence that might reach a traumatic climax long before 2005.

But not even the most optimistic could have predicted that the third period of “Fujimorismo” would last only 45 days and that, embroiled in an unparalleled corruption scandal, Alberto Fujimori would be obliged to forfeit his mandate and call for new elections in the shortest possible time frame.

What happened? What caused “Fujimorismo,” a project that many people inside and outside the country considered viable and successful, to turn into an obsession to cling to power at any cost?

“FUJIMORISMO”

The ink had not yet dried on the latest books and articles chronicling Latin America’s extraordinary transition to democracy when the April 5, 1992 *autogolpe*, or self-coup, took place in Peru.

Fujimori and the military high command closed down the congress, dismissed judges, suspended the Constitutional Court (Tribunal de Garantías Constitucionales), significantly expanded the powers of the armed forces and the Intelligence Service (Servicio de Inteligencia Nacional, SIN), and imposed draconian criminal legislation, while simultaneously eliminating virtually all forms of genuine institutional accountability.

Terrorized by seemingly uncontrollable political violence, Peruvians greeted the coup with overwhelming approval. Moreover, most people strongly doubted that the “traditional” political class could solve the country’s problems. Shielded behind a veneer of democracy—mostly form over any real substance—this sector had proved to be incompetent and frivolous in the face of the drama unfolding in the country.

International condemnation of the coup, led by the United States, was crucial; a clear signal that the Cold War was over, despite the regime’s attempt to justify its actions on the need to combat an implacable communist insurrection. The international response helped circumvent the original plans, namely, to establish an open, long-standing dictatorship that would combine stringent state controls with a market economy. It should be recalled that Fujimori had been fascinated by this model during his visits to Asia in the months immediately preceding the coup. Moreover, it dovetailed with the vision for ensuring stability in the country that the Peruvian military had been developing for several years (even before Fujimori emerged on the political scene).

It is common knowledge that international pressure compelled the government to reinstate many of the democratic structures that Fujimori had dismantled in 1992. Nonetheless, international tolerance of the regime’s basic form of governance,⁴ which was both rationalized and fostered by the internal support that the regime was able to demonstrate, ultimately shaped the political phenomenon that today could be coined “Fujimorismo,” a pragmatic strategy to preserve the essence and core objectives of the April 5 coup, while adapting to the political realities of an adverse external context.

“Fujimorismo” as a form of governance was based on the premise that the logic of “traditional” democracy is incompatible with efficient problem-solving. In both theory and practice, Fujimori explicitly disavowed democracy, defined as alliance- and consensus-building, party politics, respect for minorities and individual rights, institutional checks and balances, and public accountability. In the Peru of the nineties, therefore, democracy as it is universally understood was maligned as the principal obstacle to solving past national problems.

Effectiveness, which in turn was described as “true democracy,” entails looking directly to the population for support—or rather passive consent—on an “act first, explain later” basis. The results would be the yardstick used to evaluate the validity of the project.⁵

The model worked well in Peru for more than five years. Fujimori quickly was able to amass a number of significant accomplishments that consolidated his project and largely neutralized his critics. Among the more prominent of these accomplishments were: defeating the armed insurgency; bringing order and stability to macroeconomic variables and attracting foreign investment for a failing economy; significant improvements in tax collection and a major public works effort; the capacity to deal with major crises such as the takeover of the Japanese Embassy; the ability to “market himself” to the United States as a useful ally in the war on drugs; and, finally, the capacity to solve longstanding border disputes with Ecuador and Chile. This was undoubtedly a remarkable record for a country accustomed to failure and frustration.

Further complicating the issue of the nature of the regime and making it even more difficult to articulate a coherent, successful response, is the fact that—largely to alleviate external pressures—the regime availed itself of the public vote, permitted a significant level of opposition activities, preserved a significant level of freedom of expression, and manipulated the law and institutions in its rationale.

Fujimori thus was able to win several consecutive elections, enabling him to recover, in the eyes of Peruvians and the international community, much of the legitimacy lost following the autogolpe. It is true that the election outcomes of the nineties demonstrated significant public support for “Fujimorismo.” That is not to say, however, that these victories were as sweeping and consistent as has been claimed. For example, the government won the 1994 referendum to ratify the new constitution by only a

narrow margin. More than 45 percent of Peruvians voted “No,” not to mention the accusations of fraud which, in hindsight and knowing the regime’s habits, appear increasingly plausible. Then, in 1996, just under a year before Fujimori would win an overwhelming victory for a second term, Alberto Andrade challenged the government by running for mayor of Lima against none other than Jaime Yoshiyama, Fujimori’s acclaimed “dauphin,” and dealt him an unqualified defeat. Andrade, who was already considering a bid for the presidency, would repeat his resounding victory three years later against a government that no longer dared to present its own candidate.

Another feature of Fujimorismo involved the role of the armed forces. In contrast to the authoritarian programs of former decades, the armed forces understand that an overt military presence is unrealistic. Nonetheless, the military played a crucial supporting role in the Fujimori project. This was evidenced by the elimination of all internal opposition by institutionalist sectors and consolidation of the military leadership in support of the government. It was apparent in increased military influence in different areas of national life, as well as the removal of any prospect for accountability to the judiciary or the Congress. And it was likewise demonstrated by the numerous political situations in which the armed forces imposed their will, even over decisions or suggestions made by Alberto Fujimori himself.

The role of the military was so critical that debate in the country centered continually on the extent to which we were dealing with a project led by Alberto Fujimori, or whether the president was—as later events would seem to confirm—merely the figurehead of a regime governed for all practical purposes by the Intelligence Service and the leadership of the armed forces.⁶

A third characteristic of Fujimorismo—derived from the friction between what it considered desirable and what could realistically be done to achieve its ends—was that it tolerated the existence and activities of the political opposition in Congress and in the media, particularly the print media. Both the Congress and the media were able to engage in fierce criticism and political censure of the regime. This criticism, while often causing serious legitimacy crises for the government, was usually manageable and could be used as “proof” of its democratic approach.

A fourth key feature inherent to this project was the way in which it utilized and manipulated institutions, the law, and judges. Every limit

placed on democracy, each abuse of power, was cloaked in a veneer of legality. While in most cases this would not stand up to even the most superficial legal scrutiny, it was useful for creating confusion over the arbitrary nature of a particular measure.

While it is true that judges and prosecutors in Peru have never been completely autonomous from the executive branch, much less highly regarded by the population, the level of control and manipulation of the justice system in Fujimori's Peru was without precedent.

Under the guise of judicial reform, the Public Ministry and the judiciary were taken over, and the National Council of Justices (*Consejo Nacional de la Magistratura*) and the Academy of Justices (*Academia de la Magistratura*) stripped of their functions. The regime's direct control over judges and prosecutors would be reinforced by the judges' lack of permanent tenure. With 84 percent of judges lacking any permanent status,⁷ their ability to retain their positions had been contingent upon their relationship with the executive branch. Many legal experts believe that the government, and particularly the intelligence agency SIN, created such a tightly woven network of loyalties among judges and prosecutors that even measures such as ending official intervention and instating tenured judges would fall short of adequately addressing the problem.

Finally, it is impossible to have a complete picture of the regime without discussing the key internal role played by the National Intelligence Service, which employed a wide range of mostly illegal and immoral methods. In the first place, it organized a political police force well-versed in repression (applied skillfully and selectively) and able to gather information useful for blackmail and bribery. Blackmailing critics and bringing pressure to bear on the undecided constituted another oft-used "weapon." For the business sector, SUNAT (the tax collection agency) was often used to this end, while in the case of the press, pressure was exerted through the arbitrary distribution of public advertising.⁸ An equally important tactic was the use of psycho-social public misinformation campaigns using various methods designed to manipulate public opinion and debate. To this end, the regime financed a half dozen tabloids and worked closely with two powerful television networks: channels 4 and 2.⁹

The characteristics outlined above come as no surprise to Peruvians. Yet many people in the country viewed Fujimorismo as a necessary, but temporary, evil. For many years, people referred to the bright and dark

side of the regime. Many people argued that once the extraordinary circumstances requiring emergency measures had been surmounted, the government would gradually retract its unacceptable side, ushering in a new era in which the regime itself would restore the country's institutional framework.

The international response to “Fujimorismo,” particularly that of the United States, was just as complex as the political phenomenon itself. Certainly, the proposed model was never completely accepted, but instead prompted a constant tug of war over its most questionable features. At the same time, however, the international community took note of the economic opening the model offered, the efficiency with which problems were handled and, perhaps most importantly, viewed the regime as a loyal and valuable ally in the war on drugs.¹⁰

Political and academic interest in studying the nature of Fujimorismo increased over the years as the model gradually evolved from the Peruvian exception into a point of reference for the authoritarian projects of the new century. Fujimori clearly was a source of inspiration for the emergence of a populist authoritarian model in Latin America. Hugo Chávez of Venezuela is perhaps the most successful example of this model, while Guatemala's Jorge Elías Serrano could be considered its most notable failure. The spirit of Fujimori also has been present in successive political crises in Ecuador. It will be important to keep a close eye on the emergent political role of Quito's rising new mayor, General Paco Moncayo, whose actions, political discourse, and probably future aspirations, fit the mold of what we refer to as Fujimorismo.¹¹ But Fujimorismo's influence is not limited to these examples. It is widely considered an important point of reference for sectors backing a military solution to the Colombian problem. In Bolivia, which is increasingly unstable and vulnerable to the crisis sweeping the Andean region, political figures are beginning to emerge with a similar message.

THE DECLINE OF FUJIMORISMO

If it were necessary to pinpoint the exact date of the beginning of the decline of Fujimorismo, it would be August 23, 1996. On that day, the law of “authentic interpretation” of the Political Constitution was adopted to pave the way for Fujimori's reelection to a third term of office, which is expressly prohibited by the “interpreted” Constitution. This legally outra-

geous and politically arrogant action served as a rude awakening for many sectors who believed that, between 1995 and 2000, the regime might restore an institutional framework, and it was instrumental in exposing the regime's long-term objectives for what they really were.

The country became increasingly polarized in the years following the “authentic interpretation.” Political life deteriorated to the point of revolving exclusively around one side's drive for re-election and the opposition's attempts to block it.

Numerous events took place during this tense period that destroyed any remaining vestiges of institutionality in the country and sharply curtailed the enjoyment of civil rights. Several of these were so important, however, that they stand out as benchmarks.

The first, in chronological order, was the removal of three Constitutional Court justices based on their opinion that the “authentic interpretation” law was not applicable to Alberto Fujimori. Ricardo Nugent, Guillermo Rey Terry, Manuel Aguirre Roca and Delia Revoredo de Mur represented a majority opinion (four out of seven) that the law was unconstitutional. They were, however, unable to carry out the ruling because the pro-government majority had introduced an article to the Constitutional Court's organic law requiring a six out of seven majority for decisions regarding unconstitutionality, thereby rendering the Court virtually inoperative. The four judges mentioned above ruled that judges in general, themselves included, have the power to interpret the Constitution, and declared the law in question to be inapplicable. As a result, all four were subjected to a humiliating congressional hearing and the latter three were relieved of their posts. They were never replaced, and since then, it has been impossible to debate the constitutionality of Peruvian laws.

The second event is the famous Ivcher case, an extraordinary example of the perverse manipulation of “legality” mentioned earlier. Baruch Ivcher was the Jewish owner of one of the most prominent television stations in the country, who maintained close ties to the regime and particularly to the military. He abruptly broke off those ties for reasons that have yet to come to light publicly. Following the rupture, he allowed his team of journalists free rein to investigate his former allies. Channel 2 immediately began to broadcast denunciations that struck at the heart of real power in Peru.

The government's response was to revoke Ivcher's citizenship, citing an administrative error in the old, closed citizenship file. Under Peruvian telecommunications law, this meant that he could no longer direct the station, a right reserved exclusively for citizens. Once Ivcher was removed, minority stockholders took over the channel and directly placed it at the service of the regime. Afterward, several lawsuits were brought against Ivcher related to various business activities, and he was forced into exile.

Over time, the "Ivcher case" became one of the main issues driving the United States' increasingly vociferous criticism of the Fujimori regime. The international community's tendency to react quickly to attacks on freedom of the press was compounded in this case by sensitivity over Ivcher's Jewish origin and the memories of totalitarianism evoked by stripping him of his nationality. Ivcher found a valuable ally in Elliot Abrams, Assistant Secretary of State for Inter-American Affairs during the Reagan administration. Abrams appears to have been instrumental in convincing Jesse Helms, the powerful, ultraconservative chair of the Senate Foreign Relations Committee, of the regime's true nature. Only rarely has this committee experienced a level of confluence between the most liberal sectors of the Democratic Party and the most conservative sectors of the Republican Party comparable to that which occurred over its censure of the Fujimori administration.

The government argued that it was powerless to solve the Ivcher problem since, even if his nationality was restored, the channel would not return to his hands due to the "stockholder issue." It further argued that the government could not interfere with "the independence of the judiciary," which has jurisdiction over such cases.

It should be noted that the incidents involving the Constitutional Court and Ivcher's Channel 2 provoked a public outcry and marked the onset of public demonstrations against the regime. These events also are linked to the resurgence of university students who, for more than a decade following the ordeal of Sendero Luminoso, had remained indifferent to the political problems in the country.

The matter of the referendum against the authentic interpretation law represents another particularly revealing chapter of Fujimorismo. According to the law of public participation, a referendum may be called if it is requested by more than 10 percent of eligible voters (meaning more than a million signatures in Peru).¹²

When the opposition launched the referendum initiative against the authentic interpretation law, the government attempted to circumvent the collection of signatures by enacting Law 26592. This law stipulated that, in addition to the signatures of 10 percent of eligible voters, a referendum required the approval of two-fifths of the legal number of congressional deputies, a totally arbitrary figure chosen simply because the opposition would be unable to muster that many votes. The National Elections Board (*Jurado Nacional de Elecciones*) ruled, however, that the law was not applicable to the referendum initiative since it was already in progress and laws could not be applied retroactively.

Contrary to all predictions, and after a massive public mobilization lasting over a year, the organizers were able to obtain the signatures of nearly one-and-a-half million Peruvians requesting a referendum against re-election. What is more, all of the polls conducted at the time indicated that should a referendum be held, the government would suffer a resounding defeat.

In response, the arbitrary abuse of power once again attempted to maneuver behind a veneer of legality. Over the preceding months, the composition of the National Elections Board changed. The new members revoked their previous ruling (for which there was no appeal) and decided that the law should be applied to the current referendum request. Then, after pressuring several congressional deputies not to show up for the vote, the majority in Congress was able to block the necessary 48 votes. In this way, a referendum request backed by nearly one-and-a-half million Peruvians, one that would have changed the course of political history in the country, was forever quashed.

Another key issue in understanding the decline of Fujimorismo involved Vladimiro Montesinos' growing notoriety and mounting evidence of his criminal and corrupt behavior in the intelligence services. For instance, during the same period as the scandals over the referendum and the Ivcher case, well-known drug traffickers denounced that Montesinos demanded payments from them in exchange for the ability to operate freely (\$50,000 per month according to a drug trafficker known as "Vaticano").¹³ Documentary evidence, including bank accounts and tax statements, revealed a huge income completely incompatible with that of a public servant, most likely derived from illegal sources. In addition, there were reports that he supported irregular squads involved in murder and

torture, which even targeted intelligence service personnel suspected of leaking information.

Vladimiro Montesinos' power grew even as his reputation worsened. During those years, he consolidated his position through his direct control over the armed forces and the justice system. He also clearly wielded considerable influence over Alberto Fujimori, to the extent that it was hard to say who was really running Peru. The fact that when Montesinos ultimately fell he would bring Fujimori down with him, can be likened to the fate of a pair of Siamese twins who share so much that both inevitably die upon separation.

The final incident that contributed to the decline of Fujimorismo has to do with its persistent failure to abide by the recommendations of the Inter-American Human Rights Commission and its unilateral decision to remove itself from the jurisdiction of the Inter-American Court of Human Rights.

The "reason" proffered for this decision was that the Inter-American Court had ordered the Peruvian government to retry three Chileans convicted of treason by military tribunals. The Court ordered that they be tried in civilian courts with adequate due process guarantees. Should this have occurred, the only foreseeable outcome was a comparable conviction, given how deeply the convicts were implicated.

The Peruvian government launched a massive, country-wide psychosocial campaign, asserting that the members of the Inter-American Court of Human Rights were virtually in league with terrorism and that their goal was to set these terrorists free. Despite the absurdity of the accusation, it found a certain resonance among less-informed sectors of Peruvian public opinion still traumatized by the memories of terrorism.

The Inter-American Court of Human Rights rejected Peru's unilateral withdrawal on the grounds that it failed to follow the procedures set forth in the American Convention on Human Rights. The Court has therefore stated that Peru remains under its jurisdiction and that the Peruvian state has persistently failed to comply with its resolutions.

It should be noted that the real reasons behind the government's attempt to withdraw from the Court were quite different. They had to do with the fear that the Court might hear two cases that were extremely sensitive for the regime, the first being the case of the Constitutional Court justices and the second, the Barrios Altos case. In the first instance,

a potentially unfavorable resolution for the government would add a further element of illegitimacy to Alberto Fujimori's candidacy, which was the reason the justices were removed in the first place. The second case involves a crime committed by the government against unarmed civilians (including children), which could jeopardize the amnesty law and ultimately implicate Vladimiro Montesinos.

During that same period, and despite the controversy these events stirred up inside and outside the country, the state patiently laid the necessary groundwork for re-election.

THE CRISIS OF FUJIMORISMO

The electoral process of 2000 was marked from the outset by irregularities and controversy. Alternative programs for addressing national problems were never an issue. The overarching concern was the legitimacy of the process itself. It was during these months that the decline of Fujimorismo became the crisis of Fujimorismo.

Let us briefly review some of the events that rocked Peru between January and May 2000, in what can awkwardly be described as the months of the "electoral campaign."

By December 1999, all of the other political movements in the country were describing Fujimori's candidacy as follows:

"To allow him to run for another consecutive five year term, his third election, is to violate the Constitution, rendering this candidacy irregular, invalid, and null and void. Any resolution of the National Elections Board that fails to take this into account will also be invalid under the law and unsustainable. To be governed by that which is utterly invalid, contrary to the rule of law, violates the constitutional mandate, and defies mathematical principles in that we are to understand arbitrarily that five plus five equals fifteen. It tramples the principles of logic and ethics that bind him, by the solemn oath taken upon assuming the Presidency, to respect and to ensure respect for the Constitution and laws of the Republic. Engineer Alberto Fujimori cannot run for a third consecutive term. If he does so and imposes this, availing himself of an autocratic government, he will be guilty of usurping the Presidency of the Republic, for which the political Constitution of Peru mandates and orders: 'The acts of those who usurp their posts are invalid. No one must obey a usurper government or those who assume public posts in violation of the Constitution and the law.' As

citizens, we are invested with the right of insurrection in order to defend the constitutional order.”¹⁴

Other civil society organizations echoed this declaration with similar arguments. All of this led the Ombudsman (*Defensor del Pueblo*) to assert that the electoral process had started out with a “manufacturing defect.”

But this was just the beginning. The many irregularities accompanying the electoral process can be synthesized as: the use and abuse of state resources in favor of the official candidate; control over the mass media blocking broadcasts of the opposition platform; defamation campaigns coordinated by the intelligence services and paid for with public funds; army and National Police participation in activities in support of the official candidacy or against the opposition; the unmistakable bias of all of the electoral bodies in favor of the government and its candidates—the *Jurado Nacional de Elecciones* (National Elections Board), RENIEC (*Registro Nacional de Identificación de Estado Civil*, the institution in charge of registering voters), and ONPE (*Oficina Nacional de Procesos Electorales*), the office in charge of organizing the elections.

But perhaps the magnitude of the problem was best illustrated by the case of the falsified signatures exposed by the prestigious newspaper *El Comercio* in mid-February 2000. More than a million signatures were falsified by hundreds of hired people working in actual “factories,” to register them as members of the Peru 2000 movement, part of the official alliance of the same name. This scandalous fraud, well documented by *El Comercio*, involved prominent members of the regime starting with none less than Absalón Vásquez, the leader of a pro-government party in the congress, and extending to members of the congress such as Oscar Medelius and María Jesús Espinoza, and to municipal authorities and leaders of pro-government political movements. The case of the signatures probably could be considered the moment in which the regime’s credibility plummeted and the public became aware of the magnitude of the irregularities and infractions that the government was capable of in order to remain in power.¹⁵

In light of the events that took place during those months, international and national observers were united in expressing serious reservations about the electoral process, even before the first round had taken place.

The Ombudsman declared that “the general elections process of 2000 had started out with a ‘manufacturing defect’ and that during the phase

leading up to April 9 was plagued by grave distortions that make it impossible to conclude that the elections were free and competitive.” One week prior to the elections, *Transparencia*, a civic, non-partisan organization monitoring the process, asserted that the pre-election process had concluded “without meeting the conditions necessary to be considered free and clean elections.” It went on to say that “the necessary resolve that would have made it possible to investigate the serious complaints presented and make the necessary corrections in time has not been forthcoming in terms of the legislation adopted by this regime and the lack of will demonstrated by the responsible agencies.” The *Coordinadora Nacional de Derechos Humanos*, an umbrella organization coordinating human rights groups in the country, pointed out that “Peruvians have been denied the human right to elect and be elected to the extent that these elections are already hopelessly corrupted.”

International observers reached the same conclusion. After its first visit, the joint mission sponsored by the Carter Center and the National Democratic Institute stated that conditions did not exist for free and clean elections in Peru. The mission reiterated this assertion shortly before April 9, pointing out that the electoral process had suffered “irreparable damage.”

The election observer mission sent by Electoral Reform International Services of Great Britain concluded that “Peru has the formal institutions and appearance of democracy, but lacks its normative and substantive features. It is therefore doubtful that the April 9 elections will comply with international standards and that they will be legitimate and credible.” The election observer mission sponsored by the Paris-based International Federation for the Rights of Man (*Federación Internacional de los Derechos del Hombre*—FIDH) likewise declared that “rather than a free and democratic competition in which citizens can choose their preferred candidates and proposals, the electoral process appears to be a procedure designed to justify or disguise what is actually the perpetuation of an authoritarian regime with a strong military presence.”

The reports of the OAS mission led by former Guatemalan foreign minister Eduardo Stein were even more important than those cited above. In his initial declaration, Stein stated that it was imperative “that the government authorities produce conclusive information shedding light on all of the events that have clouded the electoral process and make the adjustments necessary to restore to the contending political forces and to all cit-

izens the essential elements of a legitimate process.” In his second declaration, he expressed his “profound concern over the increasingly serious deficiencies apparent in the electoral process.” Later, just two weeks before the end of the electoral campaign, the OAS warned of the persistence of “worrisome conditions for holding sufficiently credible general elections.” In its assessment of the first round of voting, the OAS declared that it had suffered from “a serious credibility crisis” in light of the irregularities, problems, inequalities, and anomalies observed during that phase, which were consistent with many of those reported by other national and international institutions.¹⁶

April 9 arrived in the midst of a deeply polarized climate. Since the opposition parties had failed to come together and offer a unified alternative, the people did it for them, choosing Alejandro Toledo as the most viable candidate and voting for him en masse. On the afternoon of April 9, the television networks aired the first news flashes from the exit polls¹⁷ with the extraordinary news that Alejandro Toledo had routed Fujimori by a 4-7 percent margin. For one hour the television continued to relay the results of exit polls from the departments, provinces, and districts throughout the country, all of which corroborated the initial projection. At the same time, a crowd gathered at the Paseo de la República began to celebrate Toledo’s victory and the defeat of Fujimori.

At that moment, nearly all of the regular (that is, non-cable) television stations abruptly and unexpectedly stopped broadcasting election information, substituting it with emergency, improvised programming.¹⁸ When questioned later about this, OAS mission chief Eduardo Stein stated that “the news that we have to report about the electoral process is both sparse and bad.” He added that “what happened when the televisions fell silent on the night of April 9 suggests a very ominous reading of events.”¹⁹

At approximately 8:00 p.m., the pollsters suddenly reappeared on the television networks stating that they had all erred in their earlier forecasts, and that, based on incoming results from the actual vote count, the trend had changed across the board and now favored Fujimori over Toledo by several points. Nothing like this had ever taken place in the electoral history of Peru, but a rapid vote count by Transparencia, an independent institution above any suspicion of manipulating information in favor of the government, corroborated the most recent results. At the same time,

however, Transparencia warned that it had faced enormous difficulties carrying out its work and that it could not comment on problems that occurred prior to voting, such as the “carrousel” of votes and that, its forecast might, therefore, be lowered, but definitely not raised.²⁰

The disputed outcome unleashed a political crisis of enormous proportions. Crowds thronged the streets for days defending the opposition’s victory and the right to a second round. Meanwhile ONPE released results edging Fujimori closer to winning 50 percent of the vote. This gave the impression that, rather than counting votes, the government was engaged in an internal debate over whether it could declare victory in the first round. The intensity of public demonstrations and international pressure ultimately ensured that a second round would be held.

But the second round was much like the first, fraught with the same irregularities and denunciations. International pressure to modify the minimum conditions in order to ensure a clean election had been ignored. Moreover, the OAS mission and the Ombudsman failed in their efforts to obtain guarantees that at least the vote counting system work properly and be subject to outside verification.

The OAS mission led by Eduardo Stein was obliged to withdraw from the country in protest prior to the second round. The lack of adequate conditions led the opposing candidate, Alejandro Toledo to do the same. The “elections” were held as described earlier, with a lone candidate, and without a single international observer or representatives of any kind. Alberto Fujimori and the election authorities declared the ruling party had won. The Ombudsman asserted that, in Peru, people had voted, but they had not elected.

That night, crowds once more took to the streets of Lima and other cities around the country. But they were there to denounce the illegality of what had taken place rather than to celebrate Alberto Fujimori’s “victory.” Fujimorismo was in crisis, its legitimacy disputed internally, and its international isolation evident.

MAY 28 TO JULY 28, 2000

What took place afterwards, between the May 28 run-off “elections” and the July 28 inauguration, was shaped by three phenomena: timidity on the part of the OAS, the government’s policy of *hechos consumados*, or attempting to present reality as a *fait accompli*, and the opposition’s

attempts to counter the imposition of authoritarianism with mass public mobilization.

The OAS, traditionally reluctant to confront the misconduct of its members, had an explosive situation on its hands. The report of the Stein mission was unequivocal in its condemnation of the elections and the United States was insisting on a firm stance. Against this backdrop, a meeting of OAS foreign ministers was held in Windsor, Canada, with discussions focused mainly on the Peru case. There, despite the clear conclusions of the Inter-American Commission on Human Rights of the OAS stating that the democratic order had been undermined in Peru and that the Organization of American States should therefore implement Resolution 1080 to pressure the government into holding new elections, several countries—Brazil and Mexico in particular—refused to apply the appropriate sanctions.

After complex negotiations, it was agreed that a high-level mission would be established led by the then-president of the OAS General Assembly, Canadian Foreign Minister Lloyd Axworthy, and OAS Secretary-General César Gaviria. Its mandate would be to “explore options and recommendations aimed at strengthening democracy in that country, in particular measures to reform the electoral process, including reform of the judicial and constitutional courts and strengthening freedom of the press.”

The resolution’s ambiguous wording left it open to differing interpretations. Members of the mission opted for that of the Peruvian government, to the effect that the Peruvian elections, the sole cause of the problem and the mission’s *raison d’être*, would be excluded from its mandate. They chose instead to propose an “agenda of topics for democratization” which included many of the problems brought about by the government. They then decided that Foreign Minister Eduardo Latorre of the Dominican Republic would be responsible for establishing a permanent mission in Peru to carry out this agenda.

With involuntary cooperation from the OAS, the regime gradually was able to consolidate its position, through a policy of *fait accompli*.²¹ Not only did the agenda set forth by the OAS fail to advance, but the regime was able to interpret its very timidity as a message that its own survival was not at stake; the regime thus turned its attention to consolidating its internal front. To begin with, the armed forces acknowledged Fujimori as its com-

mander-in-chief for the next five years, even before he was sworn in. This was followed by securing (“buying” as we analysts presciently said) a majority in the Congress that clearly had lost at the polls. In this way, the regime went from claiming 52 deputies, a clear minority, to more than 70, thereby gaining control over the Congress.

The opposition, meanwhile, concentrated on mobilizing the public to express its repudiation of the abuse that had occurred. The response was massive, to the point that the July 27, 2000, concentration of people in Paseo de la República could be considered one of the largest political demonstrations in Peruvian history. But tragedy struck the following day, when violence erupted as a result of a suspicious combination of repression against peaceful demonstrators and a tolerant, laissez-faire attitude toward violent demonstrators. The tragic outcome was six dead and several buildings torched. The government put the opposition on the defensive politically and made some progress in its strategy to consolidate power through a *fait accompli* policy.²²

The fact is that, despite the chaotic and suspect violence of July 28 and the widespread opposition of the preceding days, Alberto Fujimori achieved his goal of being sworn in as President of the Republic for a third term. Did this also mean that he achieved his goal of ensuring the continuity of authoritarian project known as “Fujimorismo?” Had he surmounted the crisis? Later events clearly indicated that he had not. In fact, during the election season, a series of extremely important changes had taken shape throughout the country, heralding the advent of a new political juncture.

After many years, Fujimorismo no longer constituted a statistical and sociological majority in Peru. It certainly still claimed the support of a significant number of Peruvians, statistically greater than 40 percent. But beyond a small minority of enthusiasts, its following was more often characterized by passive support concentrated in the more radical sectors of society.

On the one hand were the upper classes, whose support for Fujimorismo was based on the notion of “better the devil you know ...” Change meant insecurity for them. They placed tremendous value on the social and economic order established by the regime at one time and feared a return to insecurity or populism. It must be noted that the years of Fujimorismo were extremely positive in economic terms for an important segment of the upper classes.

On the other hand, Fujimorismo also found support among the poorest sectors of the country, particularly in the most depressed areas of Lima and rural areas in the Andean and Amazonian regions of the country. Under Fujimori, these sectors had benefited from a significant increase in services and, at the same time, continued to be very dependent on government social assistance programs.²³ According to the National Household Survey for the last quarter of 1998, 37.5 percent of the population received subsistence aid from a government food program. This percentage jumps to 65 percent if we limit our sample to the population living in poverty, and to 79 percent (644,000 households) taking into account those living in extreme poverty.

The way in which public assistance was used as a double-edged sword was even more important than the dependency it created. This included what we might call punitive manipulation, that is, constant warnings that the assistance would dry up forever were another candidate to win. It also entailed a second form of manipulation that played on the illusion of improvements. The most prominent example of this was PROFAM, the name given to Fujimorismo's empty electoral promise to provide lands equipped with all the basic services so that needy people could build their own homes, a promise that led a million people to register midway through the electoral campaign.

On the other end of the political spectrum, those who disputed the authoritarian project represented, by July 2000, slightly more than 50 percent of the population. What is more, this 50 percent is the most sociologically significant in that it represents a burgeoning sector drawn largely from the social classes most able to influence the course of events. This sector is generally urban, better educated and better informed, and more aware of its rights and how to defend them. Because the crisis affected this sector more strongly, it constituted a potential source of significant political action. Another very important factor is that the "Sendero Luminoso syndrome," by which the regime had equated social mobilization with violence and therefore kept the masses from getting involved, gradually began to recede into the past. Thus, in contrast to the situation in mid-decade, there was much less fear of publicly expressing pro-democracy sentiments or of mobilizing in its defense.²⁴

In sum, a process is underway in Peru to restore the value of democracy and challenge abuses of authority. The destruction wrought by Sendero

Luminoso leader Abimael Guzmán and former president Alan García led Peruvians to believe that democracy was meaningless and that it took a dictator to solve the country's problems. By mid-2000, many people were upending this vision and becoming aware of the negative aspects at all levels, including the lack of respect for the law and for people's fundamental rights. To apply the political jargon of the United States to the Peruvian context, it could be said that, after many years, it is now "politically correct" to speak of democracy and human rights. This is, without doubt, an extremely important cultural change.

In this context, the population began to regain confidence in its own power to change the course of events. After many years, people had taken to the streets once again, as was evident in the mass demonstrations following April 9 and May 28, and the mobilizations of July 26 and 27, 2000. Not only were people shedding their fear, but more importantly, they once more believed that something could be accomplished by demonstrating, organizing, and protesting, and that such measures were not merely a waste of time in the face of an unyielding authority. Lest we forget, the mass public demonstrations in the seventies protesting the military government and demanding economic progress, and the middle class street protests of the late eighties against the state takeover of banks, were very influential in shaping the political context of the years that followed.

All of this explains the public outlook going into the third stage of Fujimorismo, based on data gathered in public opinion surveys. Across-the-board, surveys showed a drop in the approval rate for Fujimori's administration (which was traditionally higher than how people intended to vote). Figures from the polling group *Analistas y Consultores* show that Fujimori's approval rate dropped from 52.3 percent in February 2000 to 46.7 percent in July. *Imasen's* figure for July 2000 was 44.3 percent (with a 51.3 percent disapproval rate), and *Apoyo* showed a rate of 43 percent in June, down from 52 percent the previous month. According to CPI, Fujimori's approval rate was 43 percent in July 2000, compared to 56 percent the previous March.

But many other statistics also must be taken into consideration. According to *Imasen*, 49.3 percent of those surveyed believed that Fujimori's government was illegitimate, 51.3 percent that it was not democratic, 53.5 percent that the elections had not been free or fair, and 77.1 percent that Peru was living in a state of political crisis as a result of the elections. *Apoyo* reported

that 48 percent of Peruvians agreed that a referendum was needed to address the legitimacy of Fujimori's third term in office. According to Imasen, 38.7 percent of Lima's population (where Fujimorismo has its strongest foothold) believed that Fujimori should cut short his mandate while an additional 14 percent felt that elections should be held immediately. According to CPI, 50.1 percent felt that Fujimori was responsible for the political crisis, while 35.1 percent stated that the entire government was at fault and 4.75 percent attributed responsibility to Vladimiro Montesinos. CPI also reported that 50.9 percent did not believe the government would keep its promise to democratize the country and 50.7 percent demanded a new election to solve the problems assailing the country.²⁵

WIDESPREAD CANCER AND FINAL AGONY

The third period of Fujimorismo fell within 50 days. What led it to collapse even more quickly than expected? One has the impression that the final descent began with an arms trafficking scandal. Fujimori and Montesinos had to "reveal" hastily a case of trafficking in which they would be implicated, because others (the United States?) were poised to expose it before they did. Colombia, Jordan, Spain, and finally the United States quickly and vigorously refuted Fujimori's and Montesinos' version of events. Just hours before Fujimori announced new elections, the U.S. State Department concluded its investigation stating that the weapons were sold legally to Peru and that it had proof that active-duty Peruvian generals had participated in the transaction.

This was an incident of monumental political proportions. Members of the highest echelons of the armed forces had provided arms to Marxist guerrillas wreaking havoc in a neighboring country, and were paid with drug money. There is abundant proof that Montesinos was involved in the deal; a question that will one day be answered is the extent to which Fujimori himself was also implicated.

It appears that the arms trafficking incident was the last straw in terms of the United States' patience. The scandal also let loose conflicts within the armed forces that culminated in the release of the famous video in which Vladimiro Montesinos offered Congressman Alberto Kouri a \$15,000 per month bribe to support the ruling party.

When the Montesinos-Kouri scandal erupted, Fujimori found himself with no way out. He could not govern with Montesinos, who would have

to go if Fujimori was to survive. But he also knew that Montesinos would not go out alone, since the two had been inseparable partners for years. Montesinos knew (and knows) too much and he dragged the regime down with him.

Fujimori never recovered from this mortal blow. The truth began to seep out little by little, and was even harsher than the regime's most severe critics had suspected. The levels of corruption, moral decay, abuse of the law and exploitation of the state for private ends had been much worse, more extensive, and had begun much earlier, than many had imagined.

The final chapter of this drama began, without a doubt, with Montesinos' escape to Panama and subsequent return to Peru. Alberto Fujimori could not find, much less arrest Montesinos, notwithstanding the discovery of secret bank accounts Montesinos held abroad worth more than \$60 million. In addition, and as a final blow, the brother of Colombian drug trafficker Pablo Escobar revealed that Escobar had, through Montesinos, financed Fujimori's first campaign in 1990, and that Fujimori not only knew it, but had promised "to return the favor." This suggested not a process of progressive deterioration throughout Fujimori's years in power, but rather, a leader who was outside the law from the very beginning, and—even worse—allied with international narco-trafficking.²⁶

Parallel to all these scandals, Fujimori lost control in his final days of the institutions of the state, including Congress, that he had set up for his own benefit. To this was added a growing civic mobilization demanding Fujimori's resignation. The entire country was repudiating him.

Incapable of overcoming the crisis, the president fled to Japan, exceeding once again even the darkest interpretations of his personal character and moral stature. He abandoned his allies in the midst of frustration and turmoil, confirming the worst of allegations against him.

The following day, Congress declared Fujimori's post vacant on grounds of moral incapacity, and entrusted the presidency to Valentín Paniagua, a man of recognized integrity, who was viewed as a guarantor of an orderly, democratic transition.

It will take Peru some time to recuperate from the shock. The transition government confronts enormous challenges in the political and economic arenas. It must also begin a difficult process of national reconciliation, including the search for the truth about what happened in Peru over

the last two decades and the punishment of those responsible for corruption and human rights violations.

The opposition, meanwhile, faces the enormous challenge of constructing one or more viable alternatives to inspire public confidence. While the democratic opposition is considerably more credible and consistent than it was a year ago, and increasingly able to find common ground and develop unified strategies, it is also true that it is organically weak. Its leadership and messages fall far short of dazzling its own constituency, much less outsiders. Visible struggles for leadership are occurring as each group vies for the best electoral position. The sectors comprising the opposition should be able to demonstrate the maturity and detachment necessary to subordinate the interests of each particular group to the higher goal of creating the coherent, revitalizing political alternative that the country and the international community require.

The coming months and years promise to be very difficult for Peruvians. We have lost a lot of time in the peaceful construction of a more livable, just, and prosperous country. This constitutes, among many others, perhaps the greatest crime committed against the Peruvian people by Fujimori and his comrades. They defied the law, logic, ethics, and common sense in their desire to hold on to power at all costs. We should now pay the bill, hopefully for the last time.

VENEZUELA

MICHAEL COPPEDGE

Helen Kellogg Institute for International Studies,
University of Notre Dame

I will begin with a short history of the Chávez revolution. The causes will be interpreted, followed by a before-and-after evaluation which will seek to assess whether the revolution has been an improvement in terms of democratic governance, or a step backward. It is more fair to do a before-and-after analysis than to compare Venezuela to some ideal standard of democracy. As Gonzalo Barrios, longtime President of *Acción Democrática*, once said, “no somos Suiza,” so it would be unfair to look at Venezuela now and criticize it for not being Switzerland.

The short history of the Chávez revolution is that before 1998, Venezuela had a reputation for being a strong, sturdy, and relatively old democracy in Latin America. It was founded in 1958 with the Pact of Punto Fijo between large, all-encompassing political parties. At the time elections were regular and fair and hardly ever disputed. The two largest parties alternated in power, and there was some turnover in elections. Overall, Venezuela had a good reputation as a democracy.

However, it is almost as though the clock started ticking backward sometime in the mid-1980s. In approximately 1983, the economy started performing very poorly, and the promises to share the oil wealth broadly with the population that the parties had made and carried out for a long time became impossible to fulfill. At that time Venezuelans started looking back in time and asking when they had had a government that really served their interests. Consequently, in 1988 they elected again the last president who had presided over prosperity, Carlos Andrés Pérez, who had first been elected in 1973. When his government failed to live up to expectations, Venezuelans looked back a little bit farther. Thus, Rafael Caldera was elected again in 1993 (he had first been elected in 1968). When that administration failed to deliver on its promises and restore prosperity to Venezuela, the public looked even farther back and elected a military leader, Lt. Col. Hugo Chávez Frías. This was like a step even far-

ther back, to the dictatorship of Marcos Pérez Jiménez. (Chávez is no clone of Marcos Pérez Jiménez, but he had enough esteem for him that he paid homage to the former dictator when on a swing through Spain during the election campaign.)

In November 1998 there were separate congressional and gubernatorial elections. The separation was a maneuver devised by the two traditional parties, *Acción Democrática* (AD) and the *Comité de Organización Política Electoral Independiente* (COPEI) in order to separate these elections from Chávez's momentum in the presidential election. Separating the elections in this way allowed these two parties to maintain control of some governorships and a substantial part of the congress. A month later the presidential elections were held, and Chávez was elected with 56.2 percent of the vote. He was inaugurated in February 1999, and immediately called for a referendum for a constituent assembly to rewrite the Venezuelan constitution. This referendum was held in April 1999, and it was approved by 87.8 percent of the voters (not the electorate).²⁷ Elections were held for this constituent assembly in July 1999. The pro-Chávez alliance won 122 out of 131 seats for the National Constituent Assembly (ANC). Over 98 days, the ANC drafted a new constitution. It was submitted to a referendum in December 1999, and was overwhelmingly approved, garnering 72 percent of the vote. Following the vote the old congress was dissolved.

The ANC continued in its functions until the end of January 2000, at which point the legislative function was assumed by a 21-member temporary body, referred to as the *congresillo*. New elections were called for May 28, 2000, the same day as the Peruvian elections, but they had to be postponed at the last minute due to technical problems caused by inexperienced staff working on a rushed schedule. The new elections were finally held on July 30, resulting in a landslide reelection of the president and a solid majority for his party, the *Movimiento Quinta República* (MVR) and even more so for the *Polo Patriótico* alliance backing him.

What are causes of this massive rejection of the traditional parties and the corresponding threat to democracy? For decades, the Venezuelan economy was growing very rapidly and living standards were improving more than in any other country in Latin America. This is what Venezuelans had become accustomed to for a long time. However, after 1978 the economy entered a long period of decline, and living standards declined precipitously.

According to figures, the per capita GDP in Venezuela declined 29 percent after 1978 (its high point), falling back to the 1953 level.²⁸ This was a terrible drop in living standards, and obviously, Venezuelans looked for someone to blame. Furthermore, it was perfectly clear who was in charge during this period, since two political parties, AD and COPEI, had established a firm grip over politics after 1958—control that was so tight that many Venezuelans called it a “*partidocracia*” instead of a *democracia*. AD and COPEI had a firm grip on the state, and also organized other associations which penetrated civil society. It was natural and understandable for Venezuelans to blame these parties for the economic crisis: the politicians and the parties had been in charge of the state; Venezuela was a wealthy state; but Venezuelans weren’t seeing the benefits of the country’s oil wealth. This suggested that something was being done with the money, and in particular, that governments had been wasting or stealing the money and were to blame for the crisis.

Despite much strong sentiment about throwing out the traditional parties, Venezuelans did not do it right away. People remained fairly hopeful for the first decade after 1978. However, after several changes of government and a lack of improvement, most Venezuelans gave up on the old political parties, preferring to back a personalistic candidate whom they felt they could trust. Chávez promised to change all of the things that Venezuelans felt were not working. He wanted, ultimately, to improve the standard of living, to restore growth and prosperity to the economy, and to provide a fair distribution of wealth. But the means by which he chose to do that were to root out the political parties that had been in charge of the state for so long and to fight corruption.

Is the situation getting better or getting worse? In terms of the economy, we can conclude that it is not getting much better. Although inflation was slightly reduced, production fell 7.2 percent in 1999. Overall, the economy may grow about 3 percent in 2000.

One area that has improved is that the government is doing what most people want it to be doing right now, which is, arguably, in the oldest and most literal meaning of the word “democracy”—rule by the people. At least the government is doing at least as well in this regard as the average Venezuelan government in the past, and better than most contemporary Latin America governments. The improvement is evident whether you measure it by votes or by surveys. By votes, Chávez won 56 percent of the

presidential vote, which was the largest margin of victory since Rómulo Gallegos' victory in 1947. However, the vote count should not be overemphasized, because abstention has soared and has been extremely variable in recent Venezuelan elections. If these results are adjusted by calculating the percentage of the eligible voters who voted for a presidential candidate, then Chávez received the support of approximately a third of the registered voters. This is likely to be very intense support because it is the core that keeps turning out in election after election to support him, in spite of generally high rates of abstention.

But if one looks at polls, it is plausible that a majority of the electorate supports what Chávez is doing, as compared to most of his contemporaries in Latin America as well as to past presidents in Venezuela. Furthermore, he is carrying out a mandate that he has from the election, or at least the one that is implied by this interpretation of the causes of the crisis. He is prosecuting corrupt officials. He is rooting out the traditional parties from positions of power. This is certainly more responsive to the mood of the moment, and perhaps more responsive than actions taken previously by Carlos Andrés Pérez or Rafael Caldera, or even a past president such as Raúl Leoni.

However, today and for the last 150 years, scholars and policy makers expect more from democracy than popular sovereignty. It may be a purist notion of democracy, but we now expect checks and balances in a democratic regime. Checks and balances justify some limits on the majority will and popular sovereignty. Liberal institutions, or checks and balances, can be viewed as a democracy's insurance policy. By paying a premium, some popular sovereignty is sacrificed in the present in order to buy a guarantee that fundamental democratic institutions will not be infringed upon in the future. Venezuela no longer has such an insurance policy. The insurance policy was cashed in order to get responsiveness today. Although there are currently very few infringements on democratic freedoms, there is no guarantee that they will not erode in the future.

The first line of defense in protecting democratic freedoms is the constitution. In some respects the new constitution concentrates more power in Chávez's hands. It gives him a six-year term, and it allows him to be reelected. However, one shouldn't be hypocritical: presidential reelection is allowed and not viewed as problematic in other democracies, such as the seven-year term in France, with possibilities for reelection. The president

has fewer restrictions on him in terms of the kinds of decree powers he can use if authorized by congress. In other respects, there are some improvements for democratic governance. There is new text in the constitution with better guarantees for human rights. Furthermore, the constitution recognizes and creates the position of ombudsman. Overall, this constitution is not dramatically better or worse than the 1961 constitution that it replaced. In addition, it would be an error to focus too much on the constitution when evaluating the state of democratic governance in Venezuela right now. First, it does not seem as though Chávez took the text of the constitution all that seriously. Certainly, there were some changes he wanted incorporated into the constitution, such as a longer presidential term, the possibility of reelection, and the military's right to vote. Mostly, he wanted the constitution drafted very quickly. A period of 180 days was allotted to draft the constitution, but the task was finished in a little more than half that time, in part because of presidential pressure.

Furthermore, the 1961 constitution was probably not a major cause of the problems suffered by Venezuela. Therefore, the 1999 constitution will not be an important part of the solution. Both constitutions are basically within the range of practices found among other Latin American constitutions and presidential systems. The important point is that Venezuela's key problems were economic and political rather than legal.

The constitution will also have little effect without laws to implement its provisions, independent courts to enforce it, and governments that are committed to obeying it. These elements were in doubt before the constitutional changes, and remain in doubt afterwards. For example, the Supreme Court gave its blessing to the principle of super-constitutionality in response to questions about whether it was possible to hold a referendum to summon a constituent assembly. There were no explicit provisions for such a referendum in the 1961 constitution, and yet this is what Chávez and many social movements wanted. The Supreme Court eventually decided that it was constitutional to summon a constituent assembly via a popular referendum. A basic principle was established by precedent that the government can invent mechanisms to give effect to the apparent will of the people, even if there is no explicit provision for such an arrangement in the constitution. This is a dangerous precedent. Nevertheless, it cannot be disputed that ultimately, whatever the Supreme Court decides is constitutional, is so.

The constituent assembly (*Asamblea Nacional Constituyente*, ANC) was a crucial element within a larger scenario, largely because its work was not limited to drafting the constitution. Writing a constitution was a convenient distraction from the real purpose of the constituent assembly: to abolish all institutions that had any power to check the executive, and to replace them with institutions staffed by chavistas. There was, in fact, great controversy about whether the constituent assembly had the power to abolish these other institutions. The old Supreme Court ruled that it did not have such powers, that the ANC did have *potestad originaria*—absolute sovereignty to do whatever it wanted. Some jurists defended the ANC’s ability to do whatever it wanted, but legal experts appeared to be divided on the issue. If one is seeking to identify a turning point at which the government chose to ignore the 1961 constitution and broke with constitutionality in the process, then the answer will be found in this debate over the powers of the Assembly.

But it is clear that the main purpose of the assembly was to eliminate all institutional obstacles in the president’s path. For example, the old congress elected in 1998 was dominated by an anti-Chávez alliance. They had strong majorities in both chambers as a result of the November 1998 elections. Without some way of dissolving that congress, Chávez would have been stalemated for the next five years. The ANC first tried to abolish the old congress, but there was criticism of this action from the United States and some groups in Venezuela. Afterwards, the old congress was allowed to exist technically, but only after an arrangement was worked out in which it would defer to the ANC on most of the major legislative issues. The old congress was automatically dissolved when the constitution was ratified in December 1999.

The ANC continued to exist until the end of January 2000, and was extremely active in that preceding month and a half. It created a national legislative committee, the *congresillo*, which had full legislative powers until the next election. This *congresillo* was not an elected legislature. It was a 21-member body of which eleven members were former members of the ANC and ten others were people appointed by the ANC. It must be remembered that the ANC was 93 percent Chávista.

The courts demonstrated a similar pattern. The chief justice of the Supreme Court resigned in protest over the assumption of unlimited powers by the constituent assembly. The Supreme Court was also dis-

solved in December 1999. It was replaced with a new Supreme Justice Tribunal, which was appointed by the ANC. The ANC also created what it called the Judicial Emergency Commission, which by March 2000 had suspended 194 judges, fired 47 judges outright, and appointed 101 judges to replace them. Since that date there have been additional firings. It is quite possible that some of the former judges may have been corrupt. For example, Transparency International does not rate the Venezuelan judicial system very highly. It is too early to tell, however, whether the new judges will be any better.

In terms of electoral institutions, the Supreme Electoral Council (CSE) was replaced by the National Electoral Council (CNE). In the beginning many of the changes were cosmetic. The ANC accelerated the process of change, purging party militants from its technical staff and its board, and then, through a process of resignations and dismissals, changed the board and many of the top technicians. As a result, the CNE was in a state of internal turbulence. This partly explains why the May 28 elections had to be postponed.

Were the changes in electoral institutions an improvement or a step backwards? Charges of political favoritism in the CNE have been levelled by former CNE staff members and opposition politicians. It is difficult to know how much credence to give to these reports. Before, there were charges of political favoritism in the CSE when staffing was on the basis of AD and COPEI versus other parties. In 1999 and 2000, the struggle for control of the institution was between Chávez and Francisco Arias Cardenas, his principal rival in the 2000 presidential election.

Nonetheless, the new board of the CNE appears to be technically qualified and was appointed in a process that, at least superficially, appears not to have been politically motivated. Consequently, the CNE is probably as independent as could be hoped for under the circumstances.

There have also been interventions in other institutional powers. The controller general, Eduardo Roche-Lander, who was critical of corruption in the military during 1999, was replaced in December of that year. In addition, the ombudsman and the attorney general were appointed by the pro-Chávez forces. Thus, by the time the National Constituent Assembly ended its functions at the end of January 2000, there was not a single national institutional power, other than President Chávez himself, which had not been appointed by a body that was 93 percent chavista. This is an ominous situation for liberal democracy.

Indeed, I would go so far as to argue that Venezuela is no longer a liberal democracy in every respect. There are substantial freedoms of speech, and people can organize parties and associations. However, in terms of who controls the commanding positions of power in the state, there is a lack of willingness to hold President Chávez accountable.

To be fair, this situation should be contrasted with the past. AD and COPEI were criticized for similar practices during some periods. In the past, at times the state was so politicized that the courts, the legislature, the presidency, the attorney general, and every other body were controlled by the same party—a situation which was very hierarchical and disciplined. Nonetheless, this situation of majoritarian dominance was not present all the time; there was some alternation in power and some presidents did not have majority support. This meant that there were some checks, at least some of the time, on presidential power. In terms of partisan checks and balances, therefore, the changes under Chávez have been a step backward.

There have been other actions that are cause for concern: the dismissal of the governor of the state of Cojedes, Alberto Galíndez, the intimidation of the governor of the state of Mérida, and dismissal of seven mayors, all based on charges of corruption. Although the charges may have been true, these actions reveal how much power was in the hands of the *congresillo*. To be fair, if contrasted with the situation prior to 1989 when all governors were appointed, the situation in 2000 is not clearly a dramatic step backwards.

We should be concerned not only with the quality of democracy, but also with governability. Governability requires strong organizations, such as parties and organizations of civil society, which are on good terms with the state and with one another. If these conditions are not met, each kind of organization can be disruptive and cause different kinds of problems. In the Venezuelan case political parties are in disarray. The best organized parties have been electorally decimated, and have not won a presidential election since 1988. They did not even run candidates in 1998 and 2000, and contributed less than 12 percent of the vote to the candidate they backed in 1998, Henrique Salas Romer. Chávez's party, the *Movimiento Quinta República*, does seem to be shaping up as a rather heterogeneous political party, although there are divisions between civilians and the military within its ranks. All other parties are either in disarray (a description which categorizes the *Movimiento al Socialismo* (MAS) and *Patria Para Todos*—PPT),

or they are merely personalistic vehicles that are unlikely to survive for very long after the next election. Arias' direct democracy movement, Salas Romer's *Proyecto Venezuela* and Caldera's *Convergencia Nacional* are all personalistic vehicles. Many people have suggested that new opposition parties may emerge from within the alliance that is backing Arias in the presidential race against Chávez. Regardless of this eventuality, it is likely to be years before voters will back a coherent, well-organized opposition party that is not based on a charismatic personality.

Unions have also been greatly weakened. They lost the backing of the parties with which they were associated in the past. They are also a target of the Chávez administration in that the government has created a committee to audit the personal finances of union officials in order to prosecute cases of corruption. The government will also force unions to hold democratic internal elections (probably to be held after the general election), as part of an attempt to wrest party control of unions away from the traditional parties.

Some organizations have been flourishing. There are many more human rights organizations than before. However, it does not seem as though many other kinds of organizations have been emerging. Civil society is still comparatively weak. Nonetheless, the growth of human rights and other groups has been one point of improvement in democratic governance in Venezuela.

The church, which has not traditionally been a strong actor in Venezuela as compared to other Latin American countries, seems to be on very poor terms with the Chávez administration. The exact figures are not known, but allegedly the church was receiving a subsidy of about \$150 million a year annually from the Venezuelan government; this was cut in half last year. The church campaigned against approval of the constitution promoted by the chavistas. In response, Chávez said that God is with the revolution, and that priests who oppose it have the devil up their cassocks. Those are not positive signs.

The business community is also at odds with the government. Investment is flowing into the oil sector, but relations with the government are otherwise very uncomfortable. This is due in part to the economic decline, and also because of the rhetoric that Chávez has used. For example, he has praised the Cuban model, and called business leaders "enemies of the nation," "a rancid oligarchy," "a truckload of squealing

pigs,” and “a batch of bandits who have betrayed, pillaged, and humiliated the people.” This rhetoric does not exactly inspire business confidence. As a consequence, Honda, Fiat and Unilever have recently closed down factories in Venezuela. The latest figures suggest that \$4 billion in foreign capital has left the country since July 1998.

We can conclude with some key questions about the future of democracy in Venezuela. Will there be elections? It is likely. If there are elections, will they be fair? Again, it is likely. Who will win? There are two presidential candidates, Chávez and Francisco Arias. Chávez will probably win because he has maintained a strong lead over Arias in the polls for a long period of time. He will probably win a majority of the national assembly as well, although some opposition forces may win a few governorships and some mayoralties. A key question concerning governability is whether the winner of the election will be allowed to govern. There is a remote possibility of military intervention if Arias wins and Chávez refuses to leave power. Such a scenario is possible because Arias has substantial military support.

Many of the military commanders who backed the February 1992 coup attempt now side with Arias rather than Chávez. There is also a possibility of military intervention if Arias loses under conditions of suspected fraud. However, this is a reason why the elections will likely be fair. It is in Chávez’s interest to hold fair elections since he is the most probable winner and a clean process would certify his victory. Furthermore, Arias’s democratic credentials are solid enough that it is unlikely that he would lead a coup attempt after losing in a fair election. It is also doubtful that the military would back a coup attempt that was not led by Arias.

Thus, the scenario for the future is more chavismo with more consolidated control and few institutional obstacles in Chávez’s path. In that scenario we will finally be able to see what it is that Chávez wants to do with the power that he has over the Venezuelan state.

Norman Bailey, Institute for the Study of Americas: For Adrián Bonilla: there were reports recently of an insurgent group preparing in northern Ecuador on the Colombian border, and calling themselves something very similar to FARC. I wonder if you could comment on this situation. For Carlos Basombrío: you said that Peru has been in recession since 1998. The official figures do not show that. Consequently, could you explain what your statement is based on. For Michael Coppedge: there are persistent reports that the elections to the constituent assembly were fraudulent as a result of the involvement of the Spanish company INDRA in the election.

Carlos Basombrío: According to government figures the country is not technically in a recession. But whoever has been in the country and talked to the business community will be aware that Peru is far from enjoying a boom period. Several people have argued that the government figures are not reliable. There has been a debate for two or three years about the way in which the country's product is measured. Even if the figures show slow growth, the perception of the business community and the population in general is that Peru is still in the middle of a crisis that began in 1998.

Michael Coppedge: I do not think the 1999 July elections were fraudulent, although there may have been technical problems. There have been charges of fraud because the results seem highly disproportional. That is to say, the Polo Patriótico forces won almost all the seats with only about 65 percent of the vote. The reason was that the electoral system is strongly majoritarian, and the Polo Patriótico did a good job of taking advantage of the rules of the game. The system involved a kind of block vote, in which voters were able to cast as many votes as there were seats to be filled, and each of the seats was filled according to a plurality rule. The Polo Patriótico was cohesive; it worked out alliances so that its candidates did not compete with each other within each electoral district. In contrast, the opposition candidates did not run on joint tickets. All the oppo-

sition candidates ran *por iniciativa propia*, that is, as independents. Thus, the votes they received were divided by competing against one another. Furthermore, the Polo's vote was spread fairly homogeneously throughout the country, with a majority in almost every single electoral district. Consequently, they won the top places in almost every single district, and the opposition did not have much of a chance under the circumstances. How can we criticize this system when there are plurality elections in the United States, Canada, and the United Kingdom?

Miriam Kornblith, IESA Caracas: There were charges of fraud because there was an important technical problem in the 1999 Venezuelan elections. Nonetheless, there was no fraud. We used an automated computer system, based on voting machines with optical sensors. The problem was the maintenance of the machines. This election was the fourth process in two years. The machines experienced a lot of use, more than they had in the United States. In fact, they were driven all over the country. The maintenance instructions were pretty basic and not intended for this kind of intensive use in one election after the other. Consequently, we had a problem of excessive null votes. In some voting polls, 90 percent of the votes were null, which was clearly unacceptable. When we examined the ballots, we realized that the machine was not reading the ballot correctly, and the problem was caused by poor maintenance. That is the technical answer. But in the middle of political strife after the elections, accusations were made about fraud. Furthermore, as Michael Coppedge suggested, many people were simply surprised by the result. In Venezuela we had had (before the election) a very proportional system. Thus, it was quite astonishing that when 35 and 40 percent of the vote went to non-chavista parties, they only won 3 or 4 percent of the seats under the less proportional new electoral system.

Adrián Bonilla: There was a group called the Ecuadoran Revolutionary Armed Forces (*Fuerzas Armadas Revolucionarias de Ecuador*, which was similar to the *Fuerzas Armadas Revolucionarias de Colombia*). It was led by a former Colombian guerilla, a person who kidnapped and extorted money from people as a way of life. The group was neutralized and destroyed by the Ecuadoran armed forces, but its existence revealed problems associated with proximity to the Colombian border, particularly to the department of Putumayo, where there is a great deal of coca cultivation. In

Ecuador there is a generalized perception of threat because of the U.S. Congress' approval of the Plan Colombia and the possibility of armed conflict in the border area because of coca eradication policies.

According to the United Nations, Ecuador will be faced with at least 10,000 refugees coming over the border from Colombia in the next two years, not to mention the refugees who will be displaced by the destruction of the economy in Putumayo and Caquetá if the Colombian armed forces win the conflict. For the Ecuadoran armed forces, this is a real threat; we are facing the possibility of border transgressions by guerrillas, paramilitary groups, police forces, and armed forces from Colombia. The problem is currently being studied by the Ecuadoran military. Ecuador has a national security threat coming from Colombia and the U.S. policy of drug eradication on our border.

Shaheen Mozzafar, Latin American Bureau, USAID: Are these crises of democratic governance in the Andes specific to each one of these countries, or is there a regional pattern?

Fernando Cepeda: I think the crises are more country-specific in nature. For instance, the Venezuela and Ecuadoran cases are quite different from the Colombian case. In Colombia there is a liberal democracy, not an illiberal one. The judiciary is independent and can obfuscate government policies. Likewise, an independent congress creates problems of governability. In essence, the whole machinery of political and fiscal control (institutional authorities, the attorney general, the controller general) was elected by the previous government. None belongs to the same party as the president, and they are really autonomous. They are not creating artificial problems for the government, but they are really independent.

The problem in Colombia is a crisis of democratic governance, which is not similar to Peru or Venezuela where there is a crisis of undemocratic or illiberal democratic government. Furthermore, what makes the Colombia case so special is the way in which the crisis of public order interacts with the many other dimensions of the crisis.

Michael Coppedge: Although clearly unique in the details, there appear to be two general patterns. One is a Peruvian/Venezuelan pattern, and the other one is an Ecuadoran/Colombian pattern. Both have some common

roots in certain weaknesses of the state which differ according to the case. These weaknesses include an inability of the state to deliver public services in an efficient and impartial manner, and the breakdown of the rule of law. The latter creates an environment of impunity in which it is difficult to hold representatives accountable, and which causes a crisis of trust and confidence in elected officials.

Those crises were common to all four cases. However, in Venezuela and Peru, alternatives emerged to try to deal with those problems. In both cases the alternative was the election of a strongman. Although the shift towards the strongman option was at a more advanced stage in Peru than in Venezuela, it is possible that Peru might be the future of Venezuela. That “solution,” although not desirable, has not yet emerged in Ecuador or Colombia. In fact, the inability to arrive at such a solution is something that exacerbates those crises.

Adrián Bonilla: Nonetheless, such a “solution” is a real possibility in Ecuador. It is an option that is very popular, according to the polls. I agree that there is a general weakness in the Andean region, but the way to strengthen the state is different in every society because of the specificities of national politics. Furthermore, it is difficult for the Andean countries to seek common ground in responding to these issues because they are so sensitive.

For example, Ecuador was not going to and did not support any movement against President Fujimori. The relationship with Colombia is also a very sensitive one, as is the relationship between Colombia and Venezuela. Currently, national security issues are more important than the commercial issues that have dominated relationships in the past. It is unlikely that the Andean countries will coordinate a common foreign policy to deal with these democratic issues. Furthermore, general policies towards the Andean region from abroad are unlikely to be as useful as more specific ones.

Carlos Basombrío: Venezuela, Peru, and perhaps in the near future Ecuador, have new kinds of authoritarianism in common. It is an authoritarianism obscured by democratic rhetoric, thus making it much more difficult for external actors to deal with the problem. The United States and the OAS, for example, are more or less capable of dealing with tradi-

tional coups d'état in the region. However, traditional responses are not adequate any more. The problem of undemocratic government is still there, but it has been disguised by regimes that talk about laws and democratic forms that they do not respect.

Howard Wiarda, Woodrow Wilson Center: Suppose the OAS high-level mission actually does something stronger than expected, which is accompanied by widespread protest and street demonstrations? The situation described by Carlos Basombrío seems remarkably similar to the Dominican Republic in 1994. Joaquín Balaguer was in his last years, and had resorted to electoral fraud; the country was polarized; there was a possibility of civil conflict (or worse), and a frantic search for an exit formula. Incidentally, the international community was also looking for an exit. It is not simply a question of pitting the desires of the State Department against Defense and the DEA. Within the State Department there are also divisions between a more ideological and a more pragmatic position.

Two things emerged from that scenario. One was a certain consensus that there was a crisis which had to be dealt with, and that all the actors had to be involved, including the president himself, civil society, the armed forces, the OAS, election observer groups, the American embassy and others.

Second, a formula emerged that seemed not entirely inappropriate. The president was allowed to continue in office, but only for two years, rather than the normal constitutional term. This provided some degree of continuity, order, and stability. Balaguer was inaugurated and allowed to take office, but his term was limited to two years, with the stipulation that he could not, after that two-year period, seek reelection. The opposition was satisfied for the most part—it got its opportunity for a new election, but in two years rather than immediately. I wonder if Carlos Basombrío might comment on how such a formula might work in Peru.

Bruce Bagley: I would like to examine the regional nature of the crisis versus the individual nature of the crisis. My question was initially going to be directed at Fernando Cepeda and Adrián Bonilla since it seems that they juxtaposed two alternative explanations in their presentations. On the one hand, Adrián Bonilla emphasized the question of social equity, which I would translate into the larger question of the viability of an eco-

nomic model that leaves out certain sectors of the population in entirety. These are structural issues about the crisis of accumulation and the incorporation of certain sectors. On the other hand, most of the crises identified by Fernando Cepeda have to do with largely institutional and representational issues, that Michael Coppedge has referred to as problems within the state and deterioration of state capacity. I think this tension is reflected in all of the presentations here. On the one hand there are underlying structural issues, the failure to incorporate social forces. On the other hand, there are institutional issues that ask, for example, how effective the capacity for supervision was at the last elections. If we combine these assessments, it seems there are commonalities.

There are fundamental, although different, contradictions or problems within the model of accumulation that leave out large sectors of the population and privilege others, that increase the gap between rich and poor, and that exacerbate the problems of accumulation. On the other hand, there are problems of the state or legitimation. It has been the combination of these two crises of both accumulation and legitimation, exacerbated in the international context of growing globalization, that has produced the individual manifestations for each of the countries. As a result, there are regional commonalities, each of which is expressed in specific or particular instances in the crisis of the state.

Oscar Menjívar, Organization of American States: I have two questions on Peru. First is a question about the internal cohesion of the Fujimori regime. Is its internal cohesion affected by what has been happening during the last month? Second, you have described the opposition in terms of its economic class, the social conditions that involve the lower middle classes, and the political conditions it faces—which are basically orchestrated by the regime. These sound like propitious conditions for the radicalization of some sectors of the opposition, and a rebirth or a new wave of armed conflict in Peru.

Carlos Basombrío: The case of Dominican Republic has been widely discussed in Peru. The credibility of the solution in Peru will not be principally related to the timing of Fujimori's departure, but to how the international community helps Peruvians to dismantle the institutional apparatus that the government has set in place in order to remain in power. I am

absolutely certain that for the government, the second best option is to continue in power without Fujimori. It's important to realize that the Peruvian situation is related to Fujimori, but goes far beyond him to a government supported by the armed forces and intelligence services.

If, in parallel to a negotiated one- or two-year period before new elections, real and solid progress can be made in dismantling the apparatus controlled by Fujimori, the armed forces, and the SIN (including the judicial branch and the electoral system), then there could be a solution to the Peruvian crisis. If such a dismantling cannot be achieved, then a one or two year exit formula will not be adequate.

After May 28, 2000, the relationship between Fujimori and the armed forces appeared even stronger and more cohesive than in the past. As for the possibility that the Peruvian crisis may develop into armed conflict, this is very unlikely. Having had Shining Path in Peru for thirteen years, armed resistance is a traumatic issue. I do not think people will resort to arms to oppose the government. However—and it is already happening in Peru—the old forms of social protest over economic problems will radicalize. As an example, on June 21, 2000, protesters from the University of Huancavelica, located in a distant department, decided to march for two days to Lima, to protest an administrative problem with the university. This suggests that some radicalization of mass movements is a plausible scenario. In response, I think that the government will resort to repression. But I do not believe that Shining Path or other insurgent groups will be important in the future, even if Fujimori remains.

Fernando Cepeda: With regard to Bruce Bagley's point, I agree that there is a difference in the nature of the crisis in different countries. In Colombia, the key problem is a growing weakness of democratic institutions and forces, vis à vis the growing strength of non-institutional forces. The non-institutional forces in Colombia are the guerrillas, the paramilitary groups, and organized crime (including both drugs and common criminality). This is the big difference between Colombia and other countries of the region, and the reason why Colombians are emigrating to Ecuador. It is possible to cope with economic crisis, corruption, and even the weakness of institutional agencies. But how can one cope with extreme cases of kidnapping, with common violence, with guerrilla violence, with paramilitary violence and with massacres? The greatest prob-

Discussion

lem in Colombia is the velocity of the strengthening of non-institutional forces.

Adrián Bonilla: In the Ecuadoran case people do not believe in democratic institutions. The most respected institution in Ecuador over the last fifteen years at least has been the armed forces. Because Ecuador is a very fragmented and heterogeneous society, the armed forces are the only real national institution. If we look at the management of the crises of the financial system in Ecuador, it is apparent that almost 50 percent of the gross national product (\$5 billion) was transferred into the hands of a very small elite who are living in Miami and its environs. If people do not believe in democratic institutions, it is because democracy and civilian governments in Ecuador have acted in favor of interest groups. Hegemony and accumulation is practiced in a very primitive way, and money is literally taken from the pockets of the people in order to resolve the crises of the elites.

In this environment people remember that in the golden years of the military government, there was more social equity and far less political violence and disorder. Why should they believe in democracy if democracy is not efficient in terms of distribution? If we want to strengthen institutions, democracy must be used to democratize society, which is very exclusionary, racist, and extremely discriminatory in everyday life.

NOTES

1. Fuerzas Armadas Revolucionarias de Colombia (Revolutionary Armed Forces of Colombia, FARC); and the Ejército de Liberación Nacional (National Liberation Army, ELN).

2. Partido Roldosista Ecuatoriano (Ecuadoran Roldosist Party). It took its name from the Former President Jaime Roldós (1979–1980), killed in an aviation accident in 1980. Abdalá Bucaram was Roldós' brother-in-law, and founded the party in 1984 inspired in the populist tradition of Guayaquil.

3. The cover of *Caretas* (N° 1629, July 26, 2000), the foremost weekly magazine in Peru, was a caricature of Alberto Fujimori assuming his third term of office wearing a gas mask to protect himself from tear gas. In a play on words, he is saying “Yo duro” [I endure] instead of “Yo juro [I swear] accompanied by the caption “But for how long?”

4. Much of the skepticism felt by many Peruvians regarding the OAS' ability to play a positive and not just pro forma role in promoting democracy in Peru can be attributed to the experience of those years.

5. The concept of delegative democracy developed by Guillermo O'Donnell is only partially useful in describing “Fujimorismo.” Perhaps the most important difference is that in the case of Fujimorismo, the rhetoric and, to an even greater extent, the practice of democracy was a “concession.” In other words, it was exclusively a response to the correlation of external forces that hampers the evolution of the project as it was conceived. In this framework, what is sought and usually attained is a façade for an authoritarian regime. As stated earlier, it might be more appropriate in this instance to speak of “possible dictatorship” rather than delegative democracy.

6. It is important to underscore, as Fernando Rospigliosi has described (*Caretas*, N° 1629, July 26, 2000), that we were not dealing with an institutional project of the armed forces as was the case with the military governments from 1962 to 1963 and from 1968 to 1980. This was instead a political project directed by the military leadership and controlled by the Intelligence Service.

7. *Expreso*, July 31, 2000.

8. This situation was aggravated by the requirements of the recent electoral campaign in which the state, presumably modern, liberal and reduced in size, became the main advertiser in the country, beating out even the banks and beer companies which usually top the list. Once the campaign was over, the state went from being the number one advertiser to number 44. (*Caretas*, N° 1628, July 21, 2000.)

9. For a discussion of the role later played by the media in the Fujimorismo strategy, see the article by Catherine Conaghan, “Se podrá liberar a la prensa secuestrada?” *Revista ideele*, N° 127, April-May, 2000.

10. It will always be a mystery to many Peruvians how the United States government could view someone like Vladimiro Montesinos, with his notorious con-

nections to drug trafficking, as an effective ally in the war on drugs. This is not, however, the first time something like this has happened. We only need to recall Noriega in Panama and Rebollo in Mexico.

11. Of course, in Moncayo's case, this does not imply any affinity with Fujimori or Peruvian positions. Moncayo openly opposes the peace accord with Peru.

12. The figure cited in the original law was substantially lower but had been raised by a congressional majority for the express purpose of precluding previous requests for referendums on the privatization of public enterprises and against the amnesty law.

13. After testifying to this during the trial, he reappeared a few days later for the last time, in deplorable physical and emotional condition, with all appearances of having been beaten and drugged, and "retracted" his earlier statements. He was later confined to a military prison and never heard from again.

14. Despite the tone of this declaration, after the Elections Board (JNE) reconfirmed the Fujimori's candidacy, members of the opposition continued to participate in an electoral process that they had denounced in these terms.

15. It should be added that after the elections, the signatures incident met the same fate of total impunity that has characterized all prior cases of corruption or human rights violations under Fujimori. A Congressional Investigative Commission and an Ad Hoc Prosecutor completely exonerated those implicated and found that the only "guilty parties" for this crime were the youth who had publicly denounced the incident.

16. All of the references are taken from "Las elecciones Frankenstein: 830 razones," Instituto de Defensa Legal, Lima, June 2000. Translations from the Spanish by the Woodrow Wilson Center.

17. These polls have been used in Peru for more than twenty years with remarkable success. They became the reference point for determining the victor, given that it took days, or even weeks, for the official results to be made known. The official results were always essentially the same as those based on these polls.

18. During the critical hours between 5:00 p.m. and 8:00 p.m., the television stations aired reruns of *El Chavo del Ocho*, old *Cantinflas* movies, or North American action films.

19. Taken from "Las elecciones Frankenstein: 830 razones," Instituto de Defensa Legal, Lima, June 2000.

20. The "carrousel" involved a ballot scam in which voters were given previously marked ballots to deposit in voting urns.

Specialists have been divided over the validity of the exit polls: some have offered coherent arguments explaining the possible error, while other equally respected and experienced analysts have asserted that the exit polls reflected the actual results and that the problem occurred afterward. See, for example, *ideele* N° 127, April 2000, interview with Juan Abugattas of the University of Lima and Carlos Wendorff of the Catholic University, two distinguished experts who back the second hypothesis.

21. The Ombudsman, always inclined to sum up a situation figuratively, has frequently stated publicly that it is a matter of accomplished but not accepted fact (*hechos consumados pero no consumidos*).

22. There are indications that the torched buildings could have been a deliberate maneuver by the intelligence services in a pathetic and tragic Third World imitation of the burning of the Reichstag by the Nazis.

23. Voting for Alberto Fujimori was always higher in areas where these programs are most active. For example, the Investigation Unit of the newspaper *Diario La República* reported on August 6, 2000, that Fujimori won in two out of three provinces served by the National Project for Watershed Management and Soil Conservation (*Proyecto Nacional de Manejo de Cuencas y Conservación de Suelos, PRONAMACHS*), one of the programs most criticized for manipulating state aid in favor of the government.

24. The government's overt manipulation of the violence on July 28 was an attempt to revive this fear.

25. *Analistas y Consultores* survey, conducted from June 24–26, 2000 in greater Lima, published on July 2. *IMASEN* survey of Lima and Callao, conducted from July 15–18, published on July 23, 2000. *Apoyo* survey of Lima and Callao published on July 19, 2000. *Compañía Peruana de Investigación de Mercados—CPI*, published on July 25, 2000.

26. If this version is confirmed or additional evidence developed, we would be faced with a problem that transcends Peru and that would also require an explanation from the United States and all of Latin America for their attitude of innocence, tolerance, and passivity vis a vis the regime.

27. *El Comercio* revealed that Fujimori had transferred \$18 million from his accounts to Japan. How much more will there be?

28. Because abstention was very high, this margin of victory represented only 33 percent of the eligible voters.

29. These are figures compiled by an economic historian who specializes in developing data that should be comparable from year to year over a long period of time within countries. Although the cross-national comparisons are not necessarily trustworthy, the general trends over time should be comparable.

PART II

**DEMOCRATIC GOVERNANCE AND
THE ROLE OF THE ARMED FORCES**

FRANCISCO LEAL BUITRAGO

Universidad de los Andes

The context in which the Colombian military forces find themselves today is perhaps the most serious since the process of deprofessionalization began in the first decade of the 20th century. This is largely because they are intimately involved in the complex crisis through which the country is passing. Never before has Colombia experienced such a confluence of different yet inter-related problems.

The country has never witnessed such a severe economic recession as the current one. It is characterized by elevated levels of structural unemployment, an enormous fiscal deficit, and numerous uncompetitive economic sectors seeking to integrate themselves into an increasingly globalized economy. The prolonged macroeconomic stability that Colombia enjoyed in the world economy until a few years ago enabled Colombian elites to overcome critical junctures, even allowing the luxury of avoiding finding solutions to various problems that currently overwhelm the country.

La Violencia (as the armed confrontations that occurred more than half a century ago were called) has reached alarming proportions in Colombia, as measured by the number of homicides per 100,000 inhabitants. Colombia ranked among the top countries in the world in violent deaths during the 1990s. That ignoble status was achieved without the benefit of a civil war. Participation in the violence is limited in the sense that neither legalized political movements nor political parties have associated themselves with any of the actors responsible for the armed conflict. What we see are the activities of war machines that utilize force to incorporate the civilian population into their ranks, thereby seeking to promote a class civil war.

Under these circumstances, the state, as never before, has revealed its political fragility despite a significant increase in public expenditures during the past decade. These expenditures however, have primarily served to nourish unprecedented levels of corruption facilitated by well-entrenched clientelist practices that have only undermined the prestige of political institutions and the democratic aspirations of society.

Although neither the first, nor probably the last manifestation of illicit commercial activity in the country, narco-trafficking was the catalyst that unleashed a dynamic historical process that produced the current situation, by bringing to the fore a series of latent, unresolved societal problems. However, narco-trafficking contributed directly to projecting a negative image of Colombia in the international arena. In effect, Colombian society, which had remained for a long time inward-looking, experienced a late, rapid and disjointed modernization. While it exhibited the greatest developmental potential among Latin American countries as a result of narco-trafficking, the accompanying violence nevertheless projected the country rapidly and negatively onto the international stage. Consequently, Colombia's relation with the dominant power in the region, the United States, ceased to represent the diplomacy of a minor yet trustworthy ally, but rather came to be characterized by what an international relations expert labeled "coercive diplomacy."

In order to avoid further deterioration of the country's democracy, the Colombian military has a difficult role to play. This is due to the organic articulation of the crisis, and the armed forces' role as the military arm of the state that has been incapable of maintaining a legitimate monopoly of force for more than half a century. This complicated situation is even more serious for the military if one takes into account the magnitude of violence that permeates the society. Moreover, the government appears to have placed all its eggs in one basket—namely, the peace process. This policy represents both a continuation of attempts begun in 1982 to reach a peaceful resolution of the armed conflict through political recognition of the guerrillas, and at the same time, a continuation of the state's utilization of legitimate repressive measures.

Although a portion of the deteriorating scenario is a consequence of unfortunate political management on the part of the government regarding the peace process, another factor stems from President Pastrana's firm decision not to abandon the initial objective of obtaining peace at almost any cost, with the consequent reaction that this has produced from diverse interest groups. These groups include not only an armed opposition such as the paramilitary groups, but also economic and political interests that experience or perceive threats to their position in society as a result of the peace negotiations.

In addition, the deteriorating scenario of violence has become yet more complicated because of what is known as "Plan Colombia," whose

1998 origins are surrounded by multiple imprecisions on the part of the Colombian government. The roots and development of Plan Colombia have been shaped by the negative international image of the country and by the pressures emanating from official sectors of the United States government. Because the interests involved in the decision-making process in the United States have been so diverse and powerful, Colombia's role has been highly circumscribed, especially in light of the limited participation in the peace process that the government has extended to other state forces and groups in civil society.

Moreover, the complex stratagem known as Plan Colombia has been deformed by the unilateral official North American drug policy derived in large part from the problem stemming from drug consumption in the United States. For these reasons, U.S. financing for Plan Colombia by no means guarantees promotion of the consolidation of Colombian democracy. Rather, the consequences may produce a war that is contrary to Colombian national interests.

Within this confused and complicated scenario, the military forces have played an important role. Since the beginning they have considered the guerrillas as an irreconcilable enemy, thanks to the international concept of national security, elaborated during the Cold War, that identified the "internal enemy" as the locus of the problem. With the passage of time, diverse factors, such as the incapacity of governments to resolve social problems, and the operational weakness of the military, have facilitated the numerical and geographical expansion of the guerrillas. This situation became even more complicated with the appearance and growth of paramilitary groups, supported by narco-traffickers and landlords seeking protection from guerrilla assaults, and protected by military forces to compensate for their own inefficiency.

Under these circumstances the military has not viewed favorably the peace process that various administrations have promoted. In fact, there have been occasions in which the military has sought to sabotage those efforts. As a result of prior military defeats suffered at the hands of the guerrillas and changes in the high command at the beginning of the Pastrana administration, the current military has little option but to support the current peace process. Even though the military has succeeded in reducing large-scale guerrilla operations, subversive groups have promoted terrorist activity and sabotage at the military's expense. A similar reduction in the

scope of operations has not occurred, however, with respect to paramilitary groups, which have been allowed to extend their territorial control.

Because of the military's inefficiency in confronting guerrilla advances, discussion of the appropriate means of correcting the situation has been a recurrent theme for the past two decades. The problem of human rights in the post-Cold War period has further complicated this discussion. These issues resurfaced with a vengeance during the debate over Plan Colombia, not only in Colombia, but in the United States as well.

Nonetheless, if the call is to resolve the problem of military inefficiency, the most appropriate beginning is to identify the principal causes of those shortcomings, especially considering that there are no doubts as to the need to strengthen the military forces within a democratic context. Among other positive benefits, such a strengthening of the military would force the guerrillas and paramilitaries to reassess their position vis à vis the peace process due to the increased cost involved in perpetuating the armed conflict.

The limited military efficiency that the armed forces have demonstrated in confronting the situation of violence can be attributed to two principal factors: one tactical and strategic, and the other political-strategic. With respect to the first, the military has systematically failed to consider its prior experiences in the design and, above all, the execution of its counter-guerrilla activities. Moreover, the military not only has been lax in following established procedures, but has failed to analyze sufficiently the operational changes that the guerrillas have adopted in specific time periods, thereby undermining an effective response.

In the political-strategic sphere, since the initiation of the National Front in 1958, the military has been forced to assume functions that do not correspond to its role in a democratic society. For example, because of the vacuum created during several decades by the failure of civilian authorities to provide a policy framework designed to orient military behavior, the military has had to assume the task of formulating and implementing defense, security, and judicial policies.

In light of this situation, it is incumbent upon relevant civilian authorities—the presidency, congress, and National Planning Agency—to assume the responsibility of constructing defense and security policies corresponding to the state's role. Policies should not only take into account the international environment, but also respond to the domestic

dictates required to effectively confront the armed opposition. Such a policy exercise will permit 1) a responsible evaluation of the needs of the armed forces, 2) the design of appropriate operational plans, 3) realistic proposals to finance military operations, and above all, 4) the building of state institutions responsible for the oversight and implementation of established security policies. Civil society and the international community should be allotted a role in the formulation of security policies to the extent that they fulfill important oversight functions. In this manner, significant decisions pertaining to Colombia's national interests will not be dictated largely by foreign actors.

J. SAMUEL FITCH
University of Colorado

There are many aspects of the current Ecuadoran crisis which are not new. For most of the 20 years since the return to democracy, Ecuador has suffered from widespread poverty, heavy foreign debt, weak political institutions, and an increasing military role in politics. I want to emphasize three elements that are new to the Ecuadoran situation since the beginning of 1999, roughly the period beginning with the Mahuad administration and continuing to mid-2000. These issues are: 1) the intensity of the economic crisis; 2) the depth of the de-legitimation of the current “democratic regime;” and 3) most visibly since January 2000, the emergence of a sector of the army which is now openly committed to some alternative to the current democracy. The central point I want to convey is that the economic and political crises are intimately connected to the military crisis and vice versa.

President Mahuad began his administration with a banking crisis sadly reminiscent of the savings and loan scandals in the United States in the mid-1980s. The difference was that the Ecuadoran economy was much less able to absorb the cost than the U.S. economy. The cost in the first year and a half of the Mahuad government was approximately \$2 billion spent in the bank bailout, \$4 billion in frozen accounts, and \$2 billion in capital flight which left the country in 1999. Together these losses resulted in a massive devaluation of the Ecuadoran currency, the sucre. In September 1998 the national currency was valued at about 7,500 sucres to the dollar. By January 2000 it was 25,000 sucres to the dollar. The effect was a recession involving a loss of roughly 7 percent of GDP in sucre terms, but a 30 percent loss of GDP in dollar terms for those who held dollars.

Nationally, the unemployment rate is about 20 percent. According to one survey, less than 30 percent of the population has full-time jobs. The minimum wage dropped from \$160 per month in August 1998, when Mahuad assumed office to \$54 a month by January 2000. In that same period, the poverty rate increased from approximately 50 percent of the

population to 75 percent of the population. The extreme poverty rate doubled to roughly just over half the total population.

The banking crisis resulted in a freeze on all bank accounts (including savings and checking accounts). Amounts over \$200 could not be taken out for extended periods of time. (By June 2000 the government was allowing withdrawals up to \$1,000.) In practical terms, this meant that the approximately 60 percent of the population that had bank accounts had about 80 percent of that money confiscated by the devaluation of the sucre. The subsequent austerity programs involved repeated increases in gas and energy prices that further increased the cost of living, thereby driving down real wages.

Not surprisingly, the president's popularity fell from about 66 percent in the initial weeks of his government, to less than 10 percent in a matter of months. But the event that really changed the tone and character of the debate about the Mahuad administration was the revelation in July 1999 that the president had accepted a \$3 million campaign contribution from a leading banker who was being bailed out by the government program.

This reinforced the widespread perception, both in the armed forces and in society itself, that Ecuadoran democracy is riddled with corruption. The campaign finance scandal was perceived as proof that society was paying the cost of saving the banks and rescuing the financial system, because of government corruption. Increases in gasoline, fuel, electricity, and cooking gas were perceived as going to pay the cost of the foreign debt and the banking crisis.

The result was a severe de-legitimation of the government after July 1999. Nonetheless, there was no impeachment, no solution to the economic crisis, no political realignment. The consequence was not just a legitimacy crisis for the government, but a deepening loss of faith in the democratic regime.

Analysis of public confidence in the government reveals that the Mahuad administration began with 38 percent of the population expressing confidence in his government, and versus 31 percent with "no confidence" in it.¹

By January 2000, Mahuad's support had dropped to 7 percent; 79 percent expressed "no confidence." (A week after the coup, his successor, former Vice-President Gustavo Noboa, began his administration with only 24 percent high or medium confidence compared to 43 percent expressing "no confidence".)

Contrast this to 60 to 70 percent confidence in the armed forces, which since 1995 have been the most trusted institution in the country. Interestingly, the armed forces slipped slightly in public confidence prior to the coup. By all accounts, it appears that confidence declined because the military had not yet carried out the coup that much of the population believed should happen. The armed forces rose slightly in public opinion after the coup.

The military and the Catholic Church remain virtually the only institutions in Ecuador that inspire public confidence. “No confidence” responses for Congress rose markedly during the Mahuad administration. The only institution with lower ratings than Congress are the political parties. Less than 10 percent of those surveyed expressed confidence in political parties before or after the coup.

A survey taken two weeks before the attempted coup in January posed the question, “Would you support a military dictatorship?” The answer was 61 percent in the affirmative. Another survey question asked, “Which system is better in principle for Ecuador, democracy or dictatorship?” From 1996 to 2000, support for democracy declined from 60 percent to 55 percent, while support for dictatorship increased from 31 to 41 percent. Military rule in Ecuador has been reasonably benevolent, without the massive human rights violations that characterized military rule in the Southern Cone. In the 1970s, the last military government presided over a major economic boom sparked by the advent of oil exports. Not surprisingly, there is a strong perception, both within the armed forces and the civilian population, that few—if any—of the civilian governments of the last 20 years have been as good as previous military regimes.

The growing political and economic crisis had direct and immediate repercussions within the armed forces. One of the stereotypes in the study of civil-military relations, which is largely based on the Southern Cone experience, is the notion of the armed forces as isolated or autonomous from the rest of society. This stereotype is of doubtful accuracy even in the Southern Cone, but it is certainly not true in the Ecuadorian case. Military officers are heavily recruited from the middle class, particularly the public sector middle class, and in recent years, increasingly the lower middle class.

That public sector middle class has been particularly hard hit by the economic crisis that began in the early 1990s. For example, the teachers union in mid-2000 staged a six-week strike, demanding a monthly salary of \$100. The government was offering \$80. Public health service doctors

were on strike demanding a monthly salary of \$300 per month. Military salaries are also affected, not just the salaries of military officers' friends and relatives in civilian society. The colonel who made \$700 in September 1999 was making \$300 a month in mid-2000. Lieutenants and captains earn \$125–\$150 a month in a country where the subsistence basket of goods costs \$260 a month.

The freezing of bank accounts hit people hard who had invested or had taken out dollar loans, including those in the military. One retired colonel had his retirement package (in sucres) in one of the banks that collapsed. In dollar terms, his account shrank from \$30,000 to \$6,000; even the remainder was inaccessible since the account was frozen.

Revelations of the \$3 million donation and other connections between Mahuad and the banking sector directly impacted the armed forces' perceptions of the government. For the armed forces, particularly the army, the political and economic crisis posed a clear institutional dilemma. During periods of social mobilization (such as in March and July 1999 and January 2000), when the indigenous movement, unions, and taxi drivers basically paralyzed the country, it was the army that was called on to defend public order and the government. Officers, particularly those in operational units in the capital city and in Guayaquil, were faced with the dilemma of supporting the strikers and demonstrators, or using force to defend the government they were protesting against. On January 21, 2000 a sizable fraction of officers within the army decided to join the demonstrators, and to let the leaders of the indigenous movement occupy congress, the supreme court, and later the presidency.

The colonels' coup received immediate attention from the international community, given its novel proposal that the government be headed by the head of the indigenous peoples' movement, an army colonel, and a former supreme court justice. The fact that the military leader was a very young colonel contributed directly to the coup's failure. An estimated 200 colonels and generals would have had to be retired if the coup had succeeded, because they were all more senior than the colonel leading the coup. Equally if not more important, the colonel leading the coup had no troops under his command. More senior colonels were in command of the operational units containing the bulk of the army's forces.

In the end, U.S. and international opposition to an overtly military government, and threats of economic reprisals against a country already in

a very deep economic crisis, were sufficient to stave off that particular coup. However, it is less well known that this was only one of several coups under consideration.

Besides taking the \$3 million from a banking sector that he had to know was on the verge of a possible crisis, Mahuad's second crucial error occurred two weeks before the January coup when the military became aware that the government was again discussing the Fujimori option. Consequently, the argument that the government should be defended because it was constitutional lacked credibility to anyone in the Ecuadoran military.

There were other plots as well. One of the reasons that the trials of rebel officers were shut down and Congress passed an amnesty was that generals began testifying against each other and revealing various other machinations in progress at the time of the junior officers' coup.

Finally, it should be remembered that the coup against Mahuad succeeded. Mahuad never resigned. The armed forces demanded his resignation in the middle of the afternoon, but he never acquiesced. He was essentially replaced by force. This was in fact the second disputed presidential succession in a row settled in the building occupied by the joint command of the armed forces. It was symbolic that the vice president accepted the presidency in the joint command office, as did the vice president after Bucarám was overthrown. In five years there have been five presidents, two successful coups, and two successions settled in the joint command building.

These events have contributed to a radicalization of a viewpoint that has existed for some time, particularly within the more nationalist section of the Ecuadoran army, which has now moved towards a visible rejection of the current democracy.

It was striking to hear Colonel Lucio Gutiérrez, who led the rebel movement in January, defending his actions by arguing that he was defending democracy by trying to overthrow Mahuad and replace him with a civil military government; furthermore, he claimed to be doing so constitutionally. In political science terms, this is clearly stretching the definition of democracy. Nonetheless, it is a sign of the profound alienation among the more nationalist sector of the armed forces with respect to democracy. One retired general said bluntly, "Defending this democracy makes us accomplices to corruption."

As of June 2000, the armed forces were extraordinarily divided. The generals are trying desperately to reestablish military hierarchy and discipline. In contrast, the colonels—on both sides—were the focus of the coup in January, even the energy behind the rebel movement came principally from captains and majors, who were the ones most intensely affected by the economic situation.

Furthermore, mutual suspicion also exists between the navy and the army. The navy is the strong supporter of the current government, a situation which is heavily resented within the army. There are also sharp divisions between ideological factions regarding what to do about the current situation. There is a nationalist-left group associated with General Paco Moncayo. One indicator of the decline of democratic discourse is the fact that both Moncayo (who was a congressional deputy at the time of the January coup) and another retired general swore allegiance to the new civil military junta. Both lost their congressional positions, but Moncayo subsequently ran for mayor in Quito and won by a landslide. Neither the president of the opposition *Democracia Popular* party, nor the *Izquierda Democrática* which nominated Moncayo seemed to think his previous behavior in January disqualified him from holding one of the most important political posts in Ecuador.

In June 2000, I spoke with an active duty colonel in Ecuador about the internal splits within the armed forces. He commented that, “We, the army, are paying the price. As long as civilian institutions are weak and corrupt, we will continue to be the political arbiters, and we will continue to pay the price.” That is the statement of an individual with democratic intentions that are beyond reproach. Nevertheless, he acknowledges that the armed forces are the effective political arbiters and that they now accept this as their role. The problem for the armed forces is how to play that role and how to manage the internal conflicts that role creates.

Compared to other Andean countries, Ecuador is not a completely pessimistic scenario. It has not suffered a half-century of violence like Colombia. Unlike Peru or Venezuela, no president has overtly tried to take over and destroy the democratic regime from within. Nevertheless, civilian leaders have repeatedly failed to deal with critical problems, failed to negotiate in times of crisis, failed to stop corruption, and failed to strengthen civilian institutions. As a result, more and more people are convinced that even in principle, democracy may not be the best kind of government for Ecuador.

MIRIAM KORNBLITH

Instituto de Estudios Políticos,
Universidad Central de Venezuela;
Instituto de Estudios Superiores de Administración (IESA)

The military question in Venezuela needs to be understood within the framework of the Chávez regime's effort to change the economic, political and military rules of the game. Chávez has made an important attempt to change the entire institutional, economic and social arrangement of the country. In that sense, the new constitution must be taken seriously, as it offers clues about the way in which the government understands this new arrangement.

A first point concerns the new constitution's conception of the armed forces and the military. Significantly, the constitution does not refer to the armed *forces* in plural, but rather in singular, "the armed force." This change can be understood as an attempt to centralize the armed forces, eliminate the autonomy of the different branches, and especially strengthen the army (Chávez's main source of support within the armed forces). During the Pérez Jiménez regime, the armed forces were also conceived of as the singular "armed force." One position, the *Estado Mayor General* (General Staff) was the main authority for the entire armed forces. With the return to democracy the position was changed to the *Estado Mayor Conjunto* (Joint Staff), indicating a more collegiate authority. Chávez is trying to return to this idea of a singular armed force. The constitution establishes the notion of an armed force, but the law has yet to develop all the arrangements to put this idea into practice. Consequently, it is a task for the Asamblea Nacional (as the Congress is now called).

Another important change has been granting the right to vote to members of the armed forces. This change brings Venezuela in line with many other countries. It was fairly unusual not to allow the military to vote. Another very important change relates to presidential control over military promotions. According to the 1961 constitution, high level promotions (colonel and captain) had to be approved by the Senate. This has been elimi-

nated. Promotions are now the discretionary prerogative of the president. In 1999, President Chávez ignored the Senate and sent a strong message to Congress and the military that he was going to manage the promotions. That created much tension and unrest within the armed forces, and between Chávez and the legislature. In 2000, promotion decisions took place in early July. Tensions did not surface after the most recent promotions.

Another probable legal change will extend the period of time that people can serve in the armed forces. According to the current law it is 30 years. Now, there is interest in extending the limit to 40 years. This has also created tension within the armed forces: Will the policy apply to those who already have their positions, or only to future promotions? Which individuals will be allowed to stay for a longer period? Will those who benefit be people who are close to Chávez?

It is important to note that these changes alter the rules of the game established in 1958 at the beginning of the democratic period, in order to ensure control of the military by civilian authorities. For example, the limit of 30 years of service was intended to prevent a strong leader from emerging within the armed forces. Respecting the autonomy of the different branches of the armed forces was viewed as a way of controlling them, and reducing the likelihood of strong leadership. Control of promotions by congress was also intended to ensure the supremacy of civilian authorities. The changes introduced by Chávez have upset this logic, and are aimed at securing better control of the armed forces by the president.

A second new element in the conception of the armed forces concerns their involvement in everyday activities, a change that is also clearly expressed in the constitution. The chapter devoted to national security cites the duty of everyone, not just armed forces, to contribute to development and social improvement. It is this framework that serves to justify the involvement of the armed forces in every-day activities.

Many cabinet ministers and vice-ministers are retired officers. Some even remain on active duty. The participation of military personnel is not restricted to the cabinet, but also encompasses other public institutions. For example, there were two retired military at the National Council for Elections (CNE).

An important program known as *Plan Bolívar 2000* has seen the military actively engaged in constructing bridges, cleaning hospitals, and selling fruits, among other duties. This program began in 1999 and is quite controversial. Part of the military disapproves of it because members of the armed

forces view involvement of such work as degrading and harmful to the operational capacity of the armed forces (troops and materiel have to be moved around the country). Furthermore, the program has been attacked because of apparent corruption in the management of large sums of money.

Apart from the official rhetoric about national involvement in development and more comprehensive care of the population, the civil-military relationship is changing through the substitution of military for other, more traditional forms of delivering governmental services (administrative agencies, or parties, for example.) The idea is to demonstrate that the military can be more efficient and be more sensitive to people's needs and rights than civilians.

A third important aspect of the new shape of civil-military relations concerns the way the role of the military is conceived within the new political arrangement. There is a debate as to whether the current Venezuelan government is a military government or not. The question is: what is Chávez's purpose in involving the military in so many aspects of national life? Clearly, there is an attempt to show the military as more efficient and sensitive to people's needs than traditional organizations such as parties or the state bureaucracy. The focus on military capacities vis à vis civilian institutions is an important aspect of the regime.

Chávez himself is very much influenced by the views of an Argentine sociologist, Norberto Ceresole. He writes about post-democratic regimes in which the leader appeals directly to the people through the military, or by himself. Once again, there is an attempt to dismiss the importance of parties and normal public administration, in favor of building support for the president and the government through the personal action of the president or the army. Thus, we are not talking about a military government *per se*, but a different conception of democracy in which the classical institutions and rules of representative democracy are of less and less importance, and in which the army can be an important vehicle for presidential support. In the future, the army may not be important, but during the period of "transition" (as Chávez and his supporters and even the Supreme Court like to call the current moment) the military does have an important role to play.

A fourth aspect concerns the way in which the changes described above have contributed to tension within the military. Since the beginning of the century there has been important growth of an institutional view of the military in Venezuela. This was accentuated after the return to

democracy in 1958, and a culture developed within the military that stressed its institutional relationship with democracy and civilian governments. That view was very important during the two failed coup attempts in 1992. All the evidence suggests that this institutional approach is still the dominant approach within the military. This helps explain why attempts to politicize the armed forces and use them for government tasks and personal projects is creating a lot of tension.

The attempt to unify the armed forces is also a source of tension. Each branch, the army, navy, air force, and national guard, has its own distinct interest. The possibility of losing power and “personality” has created much resentment within each of the branches of the armed forces. Chávez’s inclination to subordinate the other branches of the armed forces to the army has also created a lot of tension within and between the services.

A further cause of tension within the military is the president’s insistence on a relationship between Venezuela and Cuba. There is a long anti-Castro and anti-guerrilla tradition in the armed forces. The military was strengthened in its fight against the guerrillas in the 1960s. Moreover, there is a strong culture that rejects any association with Cuba or communist thought. The military in Venezuela is very close to the United States and the western tradition in terms of technology, education, culture and ideology. Consequently, the relationship with Cuba has created tension, especially within the institutional segment of the armed forces.

Fear of losing operational capacity is also creating strains. Although a small military force, the Venezuelan armed forces are very professional. Using the military for everyday tasks and suspending normal training and practices are thus adding to tensions.

Although it may sound like a detail, there is an issue of military protocol that has also been problematic. Chávez is a lieutenant colonel, and insisted on wearing his lieutenant’s uniform when receiving generals and military personnel of higher rank. Some generals refuse to report in front of a lieutenant colonel. The institutional military accepts Chávez as the legitimately elected Venezuelan president, but some officers are not willing to obey him in his role as a lieutenant colonel—only in his role of elected president.

Another important problem concerns presidential control over military promotions, which marks a significant departure from past practices, and is discretionary in two ways. First, regarding the qualifications of those to be promoted, it is unclear to what extent the professional aspects will be

respected as opposed to political considerations. Second, the limits on how many individuals in the military can be promoted are unclear. Based on what is currently known about Chávez and the way he understands institutions, it is possible that he would be willing to promote individuals who do not have sufficient professional merits, as well as increase the number of promotions in order to gain support within the military.

Civil-military relations in Venezuela are thus quite complex. The Chávez government represents a significant departure from past practices. As indicated by Michael Coppedge, both AD and COPEI also made significant efforts to penetrate the military while in government. But the current situation is different in that the effort occurs after forty years of rhetoric emphasizing the institutionalization of the military. The attempted coups of 1992 caused a lot of strife and division within the armed forces, which has not yet been resolved. Furthermore, Chávez reinstated the military personnel involved in the attempted coups—those of them who wished to return. This has contributed to internal tensions.

The military in Venezuela is representative of average people in Venezuela. The kinds of divisions, preferences, and habits that most Venezuelans have are also present in the military. The Venezuelan military is composed of people from different social classes, so the same political, social and economic cleavages that exist in society are present within the armed forces. To add to the difficulties, the two main candidates running for the presidential elections, which were first scheduled for May and finally took place on July 30, 2000, were both members of the military and were involved in the failed coup attempt of February 4, 1992: Hugo Chávez, and Francisco Arias Cárdenas. Both of them had backing in the armed forces. Both of them were influential within the institutional and non-institutional (personnel involved in the attempted coups) sectors of the military. This situation exacerbated divisions within the military.

The Chávez government is articulating a long-term project intended to change the rules of the sociopolitical game as a whole. This involves relevant changes of the civil-military relations. It is not clear whether the proposed agenda of changes has emerged from within significant portions of the military themselves or whether it is basically an agenda proposed by Chávez and his closest supporters. As in many other aspects of Venezuelan life, the evolution of civil-military relations will reveal to what extent this new agenda reflects a narrowly imposed or a widely shared project.

Unidentified speaker: Until the end of July 1999, roughly 1,300 public servants had been appointed by Chávez, of which about 40 percent were active or recently retired military. The minister of justice and interior relations is a retired army colonel. The vice-minister for justice is an active division general of the *Guardia Nacional* (the highest rank), and the minister for interior relations is an active division general of the army. These are some examples that demonstrate the militarization of society.

This kind of military ideology appears to be a remake of certain tendencies that existed at the end of the Weimar Republic. In particular, there are parallels with what was called the Conservative Revolution. I would like to ask the panelists if they have observed in the countries they study or in the context of the Latin American armed forces, similar ideological tendencies in countries other than Venezuela.

Samuel Fitch: It is important to keep in mind the point made by Miriam Kornblith about the armed forces reflecting the divisions within society. There are diverse ideological tendencies within the Ecuadoran armed forces. The most visible is a more progressive nationalist strand, although that viewpoint is not necessarily held by the majority. I have not seen references to Norberto Ceresole in the Ecuadoran case. The Ecuadoran nationalist military left emerged much more directly out of the Alliance for Progress experience and the military government of the 1970s. In the late 1980s Ecuador had already begun multi-functional use of the military for civic action. Recently, the military has acted as customs officers, guarded shipments of gasoline to make sure they were not hijacked for sale across the Colombian border, and administered regional and local elections in May 2000.

The civic role is very much present in Ecuador, and may push the military towards the idea that they are a better social service agency and that they are directly responsible to society, not to the state, or the constituted order, or the constitutional order.

There has been widespread criticism of the existing system. The debate is about the alternatives. Within at least one sector of the armed forces,

there is an alternative model that rejects dollarization and payment of the foreign debt (or at least payment on the current terms). Its vision of democracy is very much plebiscitary, and its vision of a congress is something similar to the indigenous movement, which is an organic, corporatist kind of conception, much like that of the indigenous movement. In addition, the nationalist sector wants honesty in government, sanctions for corruption, and other goals that are not at all radical. If there are parallels to a 1930s style corporatist ideology, it would be in the structure of representation within the state which has definite corporatist overtones.

Francisco Leal: The internal military ideology in Colombia is still driven by the principles of the Cold War. The main tenant of this ideology is a focus on the guerrillas as the internal enemy identified with communism. Furthermore, the military despises the politicians. It is very difficult to see internal divisions in the Colombian military. Some ideological divisions in the military (especially the army) have been identified, but I think these are artificial divisions. The internal conflict in Colombia allows the military to enjoy an ideological unity.

Miriam Kornblith: In the case of Chávez and his close military collaborators, we see a combination of different sources of ideological thought. One is a strong leftist inspiration from the days when this conspiracy started in the armed forces. It was very much related to leftist groups that failed in the guerrillas—but who thought that they could work through the armed forces in order to change the whole economic and political arrangement. Chávez reflects this strain of thought.

Then there is *bolivarianismo*—a term frequently used nowadays but difficult to define. We have the *Constitución Bolivariana de Venezuela*, the *República Bolivariana de Venezuela*, and the *Plan Bolívar 2000*. The key concept is related to Bolívar's idea that Latin America is one country. Recently, the Ceresole component has been added, which relates to the plebiscitary idea of democracy. These ideas have been combined, but there is no one clear understanding or interpretation of what the combination means.

Another idea held by Chávez and his collaborators concerns the new world realignment, which holds that the Western hemisphere is in decay. This explains why Chávez's foreign policy is focussed on China, the Arab countries, and Cuba, and strives to reduce the importance of Venezuela's

military and economic relationship with the United States. The concept of realignment is yet another component of the ideological mixture of Chávez and his supporters.

Bruce Bagley: Is there a possibility of continual technological escalation in the armed conflict in Colombia as the United States gets involved? It has been suggested that the massing of the Colombian guerrillas against the military took the armed forces by surprise. They have responded by using air power. Some suggest that another escalation may occur very soon with missiles shooting down helicopters, particularly if they come from the United States.

There is a related question for Miriam Kornblith. In June 2000 there were a number of revelations that the Chávez government has been fostering arms trafficking across the border from Venezuela to the FARC. Are you aware of this problem, and could it contribute to technological escalation in the ongoing conflict?

Lowell Fleischer, CSIS: Francisco Leal said the army hates the politicians. I have always had the impression, from living in and visiting Colombia, that the political and economic establishment, regardless of party, also has no respect for the armed forces—the other side of that same coin. How can Colombia ever hope to find its way out of the many crises which engulf it, if much of the solution depends on the armed forces, but there is an absence of mutual respect?

Unidentified Speaker: Francisco Leal mentioned the tactical failure of the military. Why has the Colombian military failed to maintain the tactical skills that it developed in the 1960s and carried forward to the 1970s and even into the 1980s, and was once able to exercise with some degree of success?

Francisco Leal: The escalation of the conflict in Colombia is very likely because of the resources available to the guerrillas from narco-trafficking and kidnapping. Recently, these resources have been “democratized,” in that they come from the middle classes, the lower classes, and the peasants as well. Escalation is possible because the resources to fund it are significant and available.

The inefficiency of the military is related to the lack of responsibility that civilian authorities have taken in terms of defining a defense and security policy. The military has had to improvise policies without any general mission statement or guidelines. They do not assign a political purpose to the conflict. The military only perceives the confrontation in ideological terms and not political ones. One of the lacunae in Colombia is the formulation of a long-term political policy for defense and security in terms of the state and the general conflict, including the armed conflict as well as social conflicts and social problems.

The military has never liked politicians in Colombia. This is a notable difference from other countries, where there are fluctuations in civil-military relations. At the same time, the military is subordinate to the civilian and political authorities. However, the professionalization of the armed forces occurred in the twentieth century, relatively late compared to elsewhere in Latin America. In Argentina and Chile, professionalization occurred in the 19th century. The ideology of political parties, Liberal and Conservative, was very important to that process of professionalization. The military saw civilian politicians as the real authorities in terms of political leadership, but not necessarily in the execution of policy. This is an important difference between Colombia and other Latin American countries.

Samuel Fitch: In most of the Andean countries, particularly in Ecuador, much of our thinking about the military and politics is still stuck in the 1970s. We imagine the military to be on the right politically and allied with economic leaders. In Ecuador, the most anti-military sector of society is the business class of Guayaquil. The most anti-business sector in the country is probably the armed forces, which has overwhelmingly recruited both army and navy personnel from the interior. That split has created real problems in dealing with economic stabilization policies and with corruption in the banking sector. León Febres Cordero, the leader of the Social Christian Party (the principal party of the right), took a very aggressive stance in opposition to the multiple roles of the armed forces, and in opposition to military education in non-military subjects. This stance exacerbated the relationship with the military because these roles have been accepted by the military as part of the mission of the armed forces, particularly within the army.

In addition, there is a very strong nationalist reaction to the emerging post-Cold War world order. This reaction is less visible in the navy (which remains more internationalist in outlook), but in common with other Latin American armies, there is a deep reaction against some aspects of United States policy which have been forced upon them. This includes substantial resentment among the more nationalist sectors of some of the policies imposed by the United States: military participation in the “war on drugs,” human rights restrictions on military assistance, and restricted access to advanced technologies. This is combined with a cultural reaction against globalization, against MTV, and against drugs. While the nationalist issue divides the military, what unites them with the overwhelming majority of the civilian population in Ecuador is a very strong moral stance, and a strong condemnation of politics as corrupt. That stance finds a great deal of resonance within civilian public opinion.

Miriam Kornblith: In response to the question from Bruce Bagley about arms trafficking in Venezuela, there have been reports about the involvement of the Chávez government. Some have related the arms trafficking to a sympathetic stance of the government towards the Colombian guerrillas. One has to bear in mind Chávez’s copious use of rhetoric; he always refers to the “oligarchic” government in Colombia, and displays a sympathetic attitude towards the guerrilla movement—thus implying that the guerrillas represent the people, whereas the government does not. Consequently, there is a perception that there may be some kind of backing for the conflict in Colombia through arms trafficking or other means.

NOTES

1. I am indebted to Santiago Nieto, Director General of the Instituto de Estudios Sociales y de Opinión Pública, for providing survey data from *Informe Confidencial*. The data reported are the combined results for random sample surveys in Quito and Guayaquil.

PART III

**ECONOMIC CRISIS AND
DRUG TRAFFICKING:
THE INTERSECTION WITH
DEMOCRATIC GOVERNANCE**

REGIONAL ECONOMIC IMPLICATIONS

EDUARDO GAMARRA

Florida International University

Bolivia has been largely absent from the discussion at this conference, because in some measure Bolivia is seen as an exception to the region-wide crisis. There are some very significant similarities throughout the region despite specific national characteristics. Thus, there are a region-wide set of primarily structural circumstances that need to be discussed, especially in the context of the drug-producing economies. This paper will largely focus on Bolivia, Peru and Colombia, the three countries that have been most affected by the production of coca-cocaine, and now in Colombia, the production of heroin.

It is important historically that the Andean region as a whole (roughly beginning in 1985) has experienced a series of structural adjustment programs and sought to tame hyperinflation. Some countries had greater success than others. For example, Bolivia experienced hyperinflation of 26,000 percent between 1984 and 1985, and Peru also experienced a serious episode of hyperinflation prior to Fujimori's plan.

In the whole Andean region only Bolivia and Peru can be examined as cases of successful programs of stabilization. The rest are attempts at structural reform, and one might even say failed attempts at structural reform. The most notable example is Ecuador, where repeated attempts at stabilization have failed, and culminated in the current crisis.

The Colombian reforms are quite interesting. Even in the context of the civil war, one might say that Colombia is still the healthiest economy in the region. It is at least the most diversified and the one with the most potential. The kinds of reforms attempted in Colombia do not deal with the range of difficulties (in terms of economic indicators) in which Bolivia or Peru found themselves.

The history of structural adjustment is very important, not only in terms of the kinds of reforms that the state has experienced, but also in terms of the broad social impact. The latter point ties into the emergence and the consolidation of a very large informal political and economic sector.

This idea of a crisis is probably the most over-used term. A crisis denotes a temporary phenomenon. One enters a crisis, deals with it, escapes from it, or falls into a deeper crisis. The term “crisis” as a concept is really no longer applicable in the Andean context, because there is now a permanent set of circumstances that transcend that very narrow temporal definition of “crisis.”

What has precipitated the circumstances in the region (and which might make things like the coca-cocaine and heroin cycle more significant) is globalization and a set of interrelated crises (the Asian crisis, the Russian crisis and the Brazilian crisis) and their impact on Latin America. The trade figures for the Andes in the last two years reveal that there has been an 11 percent drop in exports for the region as a whole—which is a significant figure. But it is particularly important because the engine of the Andean economy was the access between Venezuela and Colombia. When that access collapsed, the rest of the Andean region followed suit. Thus, it is important to note that what is saving Bolivia is the fact that it has been able to separate itself from the Andean region to some extent, and look south towards Mercosur.

My argument is that there is a crisis in the northern part of the Andean region that has become a permanent feature, and that these periodic impacts stem from broader economic forces in Latin America and worldwide.

It is important to contextualize how different democratic governments deal with the crisis. For a long time observers were less interested in really democratic administrations and leaders, than in presidents who held MBAs or who were much more suited in terms of management abilities. The context (the depth of the situation) led to the idea that very strong executives were needed—executives that in some measure mirrored or reproduced some characteristics of authoritarian regimes. In particular, that they had the capacity at the executive level to implement policy, be it dealing with coca or most importantly, the economy (and be able to reverse the disaster illustrated by those economic indicators that were present in the region and that are now present once again).

Throughout the region one finds a political model focussed on the importance of executive-centered authority. This includes the absolute necessity of controlling congress, and more importantly, some access to security institutions that can help control social unrest. The Andean coun-

tries have applied basically two models. The Fujimori-Chávez model is predominant and perhaps where most of the contagion effect is occurring. It is based on strong-man rule, forgoes the traditional party system, controls the legislature, controls the judiciary, and relies on the military.

The more innovative approach involves constructing a political coalition to support all of the things that the government is attempting to do. In this sense, there is a Bolivian model. Bolivia looked at the Colombian example (the use of *pactos*) and created a culture of political consensus in which parties of the official branch and parties of the opposition came together in a coalition that extended to business and other social sectors. This gave the executive the capacity to rule and to implement some of policy reform.

In the general Andean context, the Bolivian model of decision-making by consensus is falling by the wayside. It is cause for concern that rather than Bolivia having an impact northward, the north is having much more of an impact on the Bolivian model.

One might argue that in the Andes democracy today is less about broad-scale coalitions and broad-scale participation than about elections, who wins those elections and how the economy is managed. In that context the only feasible alternative is foregoing parties and mediating institutions, by simply trying to concentrate authority with strong military support.

There is a crisis of parties in the Andean region, and Bolivia is no exception. Less than 15 percent of the Andean population belongs to political parties. According to polling data that has been collected in the last few years, in particular by *Latino Barómetro*, in the Andean region less than 12 percent of the population belongs to any other organization. Consequently, it is not clear that civil society exists any more. Julio Cotler from Peru once remarked to me, “What civil society? There is no civil society.” There are attempts at organizing, which are more significant in some countries than in others. However, for the most part participation is not occurring, not because opportunities to participate are restricted, but because people are too busy simply trying to make a living and do not have the time to participate in any kind of organization. Political parties are the main instruments of representation and are the basis of democracy in the region. We in the social science community may be partly responsible for discrediting political parties by telling the truth about them. The

current problem now is that (in that context to which we have contributed) mediating institutions are completely absent and the trend is increasingly toward that unmediated kind of democracy that is, ultimately, authoritarianism.

According to the IDB over 60 percent of the population in the Andes belongs to the informal sector, however one might define it. Some prefer to say that individuals are involved in micro-enterprise, but the fact of the matter is that this particular group is characterized by being completely outside the formal economy and the formal political system. This is of particular concern because this sector of the population not only has no organizations (labor has also collapsed) but also no social insurance and is largely under-employed.

This is related to the poverty reduction figures published by Peru. The only way to understand poverty reduction figures is by linking them to the growth of the informal sector. It must be remembered that poverty is measured by increased household income. What has happened in the Andes, as elsewhere in Latin America, is that more people in a particular household are working, but their ties to the economy and to society as a whole are much more tenuous than they were even 40 years ago. Bolivia's GDP per capita figures are now at about 1974 levels, despite the country's wonderful success story.

This presentation focuses on drugs and narco-trafficking. Colombia, Bolivia and Peru will be discussed in comparative perspective, by looking at certain indicators. First, we will examine at the size of the industry and then look at the broad impact in terms of employment, and what the end of the coca-cocaine cycle might mean if it were ever to happen. Then, I will discuss the broader impact, particularly in terms of transnational crime and its effect on these three countries.

There are several folkloric estimates, most of them highly exaggerated. Some estimates suggested that 36 percent of GDP in Colombia was tied to the narcotics industry. The UNDCP claims that the drug economy is about \$500 billion a year worldwide. The World Bank is a little more conservative and estimates a value of \$400 billion. The IMF claims that about 5 percent of world GDP is related to money laundering.

Part of the problem with these indicators, is that the actual amounts are unknown because the industry is illegal and it is not known how much of the product enters the United States. There are estimates, particularly in

terms of coca production, but the full cycle is not well understood. Probably the best work on this problem is by Francisco Thoumi.

For example, one must consider the size of the coca crop, the multiple conversion phases that it goes through, how much gets to market, and what the value-added is. Then there is the distribution in terms of market share. What is the market share of Bolivia versus Peru versus Colombia? What is the profit margin in the United States? How much of this profit is actually repatriated?

However, it is known that macroeconomic conditions affect narcotics traffickers in the very same way that they affect the rest of us. When the economy is not performing, narco-traffickers tend not to reinvest in the economy. When the economy is doing better, they tend to have more confidence in the economy as well.

There are differences in terms of the estimated size of the coca economy in each of the three countries. In Colombia, there are good indicators that the economy is between 2.5 and 3.2 billion dollars in size, and that the impact on GDP is between 3 and 4 percent. This may have increased in the last year or two. My own and others' calculations correspond to roughly 1998. In Bolivia, estimations of size range from a low of about \$152 million a year to a high of about \$800 million. As a percentage of GDP, it was thought to range from between 10 and 15 percent in the early 1980s to now approximately between 2 and 5 percent of GDP. In Peru the coca economy probably reached as high as 11 percent of GDP but today accounts for only about 2 percent of GDP. Both Peru and Bolivia are experiencing a decline largely because of the concentration of production in Colombia.

The other key indicator of economic impact is its relationship to employment figures. Such figures reveal interesting results. In Colombia, the coca economy is not a very large employer on a global scale, although it is a large employer in those areas where coca is grown. In Peru it is a much larger employer, especially for the rural population. Somewhere between 7 and 13 percent of the economically active population in Peru is involved in the coca-cocaine cycle. In Bolivia a similar situation occurs, there could be between 150,000 and 300,000 people involved in this cycle.

Employment figures for the countries that are producing less coca today are higher than the employment figures for the country where most of the production is concentrated. This has an impact in terms of what the

consequences of winning the drug war would be. If you take the whole coca-cocaine and heroin industry out of Colombia, the impact on the economy would not be as large as generally presumed. This is a point worth noting.

The impact on employment might be higher in Peru (especially in light of a recession on the horizon), while the most severely affected would probably be Bolivia. Here, one also has the problem of killing the goose that lays the golden eggs. For much of the Andes, the entire industry of fighting drugs has been a net revenue generator for these countries. This was certainly true for Bolivia. Now that Bolivia is so close to reaching what the government calls “coca-zero,” one might question the wisdom in that achievement. The U.S. Congress is no longer interested in funding Bolivia because Bolivia has already won the war on drugs.

The significance of reaching coca-zero in Bolivia is that there is a vast population that in theory has been taken out of the drug circuit. The population is still in the Chapare, but with no means of employment. In this situation, there is a very strong potential for some kind of civil unrest.

There has also been a significant impact of transnational crime on the political system. Colombians often talk about the structure of their organizations and the impact that they have had in terms of funding and elections. Now we are also talking about the impact of transnational crime on the formal political system in Bolivia and in Peru. It is disturbing to see the level to which transnational crime has penetrated every political party in the Bolivia.

THE NARCO CONNECTION

BRUCE BAGLEY

University of Miami

This presentation will examine three basic variables and the interplay among them: first, the impact of globalization, economic models, neo-liberal reforms, and the international environment on the economies and political institutions of the region; second, the problems of political decay, institutional decay, and governance; and third, the role of drug trafficking and transnational criminal organizations in this mix. The last element is common to the entire Andean region, and is mediated in each country by the specifics of its economic model, economic history, and particular institutions. There is an underlying common thread in the series of factors that are buffeting the political and economic systems of the region. The differences described by others have a great deal to do with the political and economic histories of these countries and their current levels of development. The analysis of the crises or challenges to governance in the Andean region should begin with a consideration of the economic models that have been pursued and the impact of globalization.

There has been a growing impoverishment of the rural populations throughout the Andean region. The lack of agrarian reforms (or the effect of agrarian reforms in Colombia) has seriously compounded the problems of the Andes and the poverty of the rural populations, and contributed to factors which continue to expel people from the rural areas. The region is characterized by growing income gaps between rich and poor, accompanied by increasing concentration of land ownership in many areas. More important still, beyond income and land, is the concentration of capital in a number of countries.

High levels of unemployment have often accompanied this process, even in the best of times. In the worst of times, unemployment has risen explosively in many areas. In recent years the city of Cali had an unemployment rate above 23 percent. Colombia is hovering at 20 percent. The problems of unemployment are racking and convulsing the entire region. We need to understand the consequences of the particular economic

models (market-oriented reforms, neo-liberal reforms) pursued since the 1980s and into the 1990s, and their impact in urban areas.

With the massive out-migration from the countryside into urban areas, many cities in the Andean region have witnessed an explosive growth of the *lumpen* proletariat. It is increasingly difficult to deliver services in urban areas, and there are even greater difficulties in generating housing, schooling, and jobs in general. The failure of the economic models to deal effectively with the internal dynamics of fundamental social change has generated a massive process of out-migration from Andean countries to other parts of the Americas. For example, there is migration from Bolivia to Argentina, and from Colombia to Miami. These migrations are due in great part to the nature of the economic model itself.

Globalization and the export-led growth that it extols have contributed to the transformation of rural areas without providing alternatives for the rural population. Globalization has meant massive displacements in the countryside, downsizing in the state, and the elimination of safety nets, hospital care, and social security systems. These changes are part of a larger trend within the overall process of globalization which is often encouraged (but not imposed) in the letters of intent from the IMF, World Bank, IDB, and a variety of other institutions.

Another element of globalization has involved demands by multinational corporations for leveling the playing field, that is, for eliminating traditional privileges enjoyed by economic elites in a variety of countries with regard to bidding on and access to state contracts. These pressures have become more intense over the latter part of the 1990s and are likely to become more intense as we progress into the 21st century.

The central point is that tendencies in the international arena have emphasized a particular kind of economic model. International pressures (not necessarily bilateral pressure from the United States or other countries) from international organizations and from multinational corporations have pushed the region's economic systems in particular ways. As a consequence, the losers are increasingly multiple.

The implications for the region in general are most profoundly demonstrated in the failure of the state and the decay of the political institutions in the Andes. The Andean region has had forms of governance and political institutions that were more traditional than elsewhere in Latin America. Indeed, inhabitants of the Andean region often pointed to the fact that

their countries had not experienced bureaucratic authoritarianism, as had been the case in the Southern Cone. In 1975, Venezuela and Colombia were the only two countries that had not fallen under the heels of authoritarian governments. Not having that experience did have some significant effects. In some sense the Southern Cone dictatorships did away with more traditional forms of political organization and representation, and replaced them with others. This did not occur, even in those Andean countries (Bolivia and Peru) which did experience authoritarian regimes of one type or another. Consequently, there was no process of political modernization similar to that which occurred in the Southern Cone.

There are a variety of legacies in the Andean region that manifest themselves differently in each country. However, they all revolve around the basic concepts of patrimonial rule, patron-client relationships, clientelism, and traditional elitist political parties, allowing for what Andean scholar Alexander Wilde called “conversations among gentlemen.” Parties did not effectively incorporate, articulate or aggregate demands from new social forces brought into being by the internal and external changes in the economic model. Thus, we have seen the decline of political parties throughout the region, such as in Chávez’s Venezuela and in Colombia as well. In Ecuador, no one even discusses the effectiveness of political parties. The demise of parties is also apparent in Fujimori’s Peru and, to a great extent, in Bolivia.

All the traditional forms of political control and domination are simply no longer effective in the context of the last two decades, continuing into the new century. The old styles of political control that have been so dominant—patron-client relations, hierarchical relations, patrimonial rule, and the cronyism, bribery, and corruption of elitist politics—have given way but have not been effectively replaced by new forms of political aggregation, articulation, organization, and representation in the region.

Consequently, there is a vacuum. The vacuum is manifested in different countries in different ways, but increasingly involves non-democratic or semi-democratic solutions. In Colombia, there has been an increase in common criminality as a result of the failure of the system to incorporate and provide for a variety of segments of the population. This occurrence is not accidental, and it is not in the blood of Colombians to be common criminals. It is a function of the failure of the economic model to effectively incorporate.

The crisis of political representation manifests itself in other ways, including the *guerrilla*, although the guerrillas represent a very small proportion of the Colombian population. The guerrillas may hold significant amounts of empty territory, but they control less than 4 percent of the population. Nonetheless, Colombia, a country of over 40 million, has a very significant rural population, and even 4 percent in strategic areas is a significant amount for the FARC. The ELN and other smaller organizations have also contributed. In addition, paramilitary organizations have arisen in the context of the failure of traditional forms of control and the failure to modernize and to replace those forms of control with more effective political institutions capable of representing new social forces.

The Andes present several models of response to democratic crisis. One model is partial collapse of the state (or state failure) and growing ungovernability throughout many parts of the national territory. In this context, citizens have resorted to forms of self-protection, such as conservative paramilitary groups. A second model involves the replacement of political parties and the rise of military populism of various sorts, like Chávez in Venezuela, the colonels in Ecuador, and to some extent Banzer in Bolivia. A third option is Fujimori, the kind of condominium relationships where a strong man emerges and rules in conjunction with the military, pushing aside congress, political parties, and the judicial system. The military remains in the background, in part because the United States sanctions countries where the military takes over, which is another element to the globalization process.

Weak institutions that have failed to deal with conflicts, political pressures, and new social forces provide fertile ground for the emergence of transnational criminal organizations based on drug trafficking. Drug production is part of the informal sector and provides employment when the state does not. In the absence of agrarian reform, coca production is a lucrative business that does not require much infrastructure or credit—although the trafficker organizations have given the latter, in part.

In the context of the failure of the state, particularly in rural areas, it was a natural that coca production, and now opium poppy and marijuana production, surged in various areas of the Andean region. In the absence of effective organizations, transnational criminal groups have emerged in some areas to replace the state at the local level. Some of the Colombian organizations provided public health posts, contributed to building churches, even put in the first school.

The real problem was that there was no opposition to these transnational criminal organizations as they emerged in Colombia and, increasingly, in other places. A state incapable of maintaining effective control, of administering justice in its national territory, of providing services to increasing numbers of its population expelled from rural areas (and forced into itinerant migrancy or out of the country all together), does not have the time, resources, or legitimacy to address effectively the rise of transnational criminal organizations. Thus, weak institutions provide a fertile ground.

Once these transnational criminal organizations emerged on the back of the coca trade and peasant involvement in it, they added to the problem of de-institutionalization. They prevented modification, transformation, or renewal of the political institutions in the area by fomenting violence, using the tactics of *plata o plomo* and vendettas. The space for civil society to organize in response to the problems was increasingly narrowed rather than broadened. As new peasant or urban poor organizations struggled to establish themselves, they were overwhelmed, either by common delinquency, or by transnational criminal organizations that saw the emergence of these groups as potential threats to their domination and control of an increasingly lucrative industry.

In this manner, transnational criminal organizations became one of the fundamental barriers to any further reform in many of Andean countries, including Bolivia, Colombia, and even Venezuela. The problem has become even greater as these transnational criminal organizations themselves have evolved, and begun to forge strategic alliances with other criminal organizations. There are a variety of examples of these strategic alliances between criminal organizations in Colombia and other parts of Latin America and of Europe. For example, there is a Colombian-Mexican connection, as well as alliances with the Sicilian Mafia in Europe that aim to open up a border-free European Union. Most ominously, there are reports of a strategic alliance between transnational criminal organizations in Colombia and the Russian Mafia, involving the trafficking of coca for arms, using parts of the world such as Nigeria as transfer points.

An additional problem is that it is not enough to break the back of a major drug organization like the Medellín or the Cali cartel, when there are other avenues for the drug trade. There has been a proliferation of what I call boutique cartels, also known as mini-cartels, micro-cartels or *cartelitos*, that establish links in a variety of different countries. When the

hydra head of drug trafficking needs to go underground, it goes local; instead of bribing the national level, as occurred in Colombia under President Samper, it bribes at the local municipal level, the local *comandante*, or mayor.

These kinds of global alliances are a function of the dark side of globalization itself and the proliferation of transnational organized crime throughout the world. Their impact on governance and on the ability to reform institutions in the Andes has become more and more pronounced. It is easy to overlook the negative impacts of transnational criminal organizations on campaigns, policy implementation, and the operation of institutions such as judiciaries or congresses. Such organizations are the manifestation of the failure of the economic model and the weakened state, and exacerbate, compound, and prolong the ongoing crisis of governance in the region.

The phenomenon of transnational organized crime has major implications for the policies to be pursued by the United States and multilateral and supranational organizations. It is inevitable that governments and international organizations will have to focus attention on the Andean region because of coca, crime, instability, and human rights violations. How should the international community deal with these problems? First and foremost, they must stop systematically distorting the diagnoses of the problem. There has been a failure to understand the structural dimension of the crisis: the impact of neo-liberal economic reforms and globalization on the weakening of state institutions. Andrés Pastrana correctly noted that the realities underlying the crises require modifying the economic model and cushioning the impact of globalization. Throwing money at the military in Colombia is not going to solve the problem in the absence of attention to the underlying structural transformations. This is as true for Colombia as it is for many other countries of the region.

It will not be possible to stabilize and legitimize these weak institutions, nor create new, alternative, and effective mechanisms of democratic governance until the focus shifts to emphasize human rights, institution building, military impunity, and the ineffectiveness of civilian courts.

DISCUSSION

Cynthia Arnson, Woodrow Wilson Center: Bearing in mind the diagnostic that you have put forward (the failed state, the failed economic models, and the subsequent vacuum into which transnational criminal enterprises have moved), what is the solution? Where does one begin to disentangle this phenomenon, given the pervasive, corruptive influences on institutions, the difficulty of building institutions, and the use of vast sums of money to buy politicians and judges? How does one begin to address these problems in a country such as Colombia?

Martín Tanaka, Instituto de Estudios Peruanos: There is a difference between countries in which there still is some kind of political party system, and countries like Peru and Venezuela where parties have collapsed. Although Colombia and Ecuador have many problems, they still have parties. That is to say, the choices have not disappeared. Does that difference matter and how can political parties help us find some kind of solution or way out of the crisis?

Unidentified Speaker: Eduardo Gamarra mentioned that in Peru there is parallel growth of both poverty and the informal sector. On what figures or data is this observation based? Second, the process that Bruce Bagley described in terms of the failure of states sounds absolute. In fact, it is much more partial. The state keeps certain areas of semi-control, but not others. Some academics have described this as medieval disorder. The current problem is the difference between areas in which this process is more extreme and those in which it is more attenuated.

Adrián Bonilla, FLACSO-Ecuador: How can we evaluate U.S. foreign policy towards the Andean region, and specifically U.S. anti-drug strategy? How does it contribute to coping with the problem or to worsening it?

Howard Wiarda, Woodrow Wilson Center: The literature on virtually every western democracy indicates that political parties are in decline,

whether in the United States, Western Europe, or Japan. Yet at a policy level we are encouraging many countries in Latin America to develop political parties. Is it a valid hypothesis that political parties are necessary as aggregating agencies during certain stages of development and institutional weakness, but once a stage of consolidated democracy is reached, political parties go into decline and other agencies take their place? Such agencies could be political action committees, think tanks, or the like.

Latin American leaders read the same literature as the North American academic community, and they understand that political parties are declining in the advanced western countries. They may wonder why one should go through all these intermediary stages of building up political parties if they are only going to die a little bit later on. Why not go directly to the post-modern stage?

Coletta Youngers, Washington Office on Latin America: I was struck by Eduardo Gamarra's comments about the reduction of coca production in Bolivia. On a recent visit to the Chapare, I saw some reductions, but a fairly dramatic dispersion of coca to many other areas. To what extent is Bolivia really reaching ground zero? Further, the U.S. Senate's version of a bill containing anti-narcotics funding allocates an additional \$100 million to alternative development in Bolivia over and above prior amounts of aid. Does the Bolivian government have the capacity to absorb that amount?

Bruce Bagley: There are different problems and different solutions in each country. However, it is necessary to address the challenges, as opposed to the crises, simultaneously. The excesses of the neo-liberal economic reforms and the processes of globalization cannot be allowed to go unchecked. Otherwise, new problems are constantly created. New people are expelled from rural areas and into the urban areas, the rise of criminal organizations (either petty or transnational) is fomented, and the legitimacy of the system is weakened. Globalization or interdependence or neo-liberal economic reforms are not going to be abandoned in any substantive way. However, they can be managed more effectively. Belatedly and increasingly, there is recognition in the World Bank and other organizations that this needs to be done. Otherwise, the situation will be transformed into one of ungovernability. After 40 years of claiming that the

economists have the solution, the World Bank has finally discovered the question of governability. They are assigning economists to resolve the problem of governability—and this is unlikely to work.

The first steps have to deal with how to alter the direction and pace without fundamentally shifting the ongoing international trends. There are a variety of ways that international organizations can influence that process, as in the lending policies or IMF demands. These are crucial debates.

At the same time, it appears as if the United States has finally come to the recognition, at least in Colombia, that the drug problem cannot be dealt with in isolation. However, I am afraid that we are moving towards military solutions to the drug problem, which are not solutions at all. A number of people in this room, including former government officials and others, have consistently argued that Colombia's institutions and the institutions in other countries must be dealt with as well. In this respect, both domestic encouragement of non-governmental organizations (external or internal), and the growth of civil society is critical. There is hope that in Colombia and other areas, despite the limited space for movement, civil society could be strengthened and institutions supported.

Foreign governments, multinational organizations, and NGOs can all contribute to that process. The issues of institution building, administration of justice, the rule of law, and respect for human rights need to be addressed. These are not just supplemental or secondary issues—as is sometimes claimed by the militaries of the region. The military may believe that such issues get in the way, and that the enemy must be defeated first before dealing with other problems. On the contrary, institution building is a fundamental issue. The legitimation of institutions over time must go hand-in-hand with addressing the major failures of the economic model.

Parties are fundamental to this process. At different stages of development, different forms of political organization and articulation are needed. The Internet age has not arrived. Cable TV has not even arrived. The situation in many areas of Latin America does not permit post-modern solutions. Political parties are critical, but they have to be new political parties, accompanied by the emergence of a new generation of leadership. New leadership is important because traditional mechanisms of patrimonial rule, cronyism, and patron-client relations are on their way out.

Discussion

Here, once again, the international community can play both a positive and a negative role. I think its role could be far more positive in leveling this playing field. The United States government, Transparency International, the World Bank and others could make a much greater difference on these issues.

How do we evaluate anti-drug policies? There is no question that, however good the intentions, U.S. anti-drug policies have been counterproductive in a variety of countries. For example, when Bolivia begins to eradicate the coca crop, foreign aid is reduced rather than increased. That is perverse. In Colombia the policies have clearly been counterproductive. A more balanced approach has to be used. Certification and decertification are extraordinarily blunt instruments. They contributed to the problems that Colombia is experiencing now. Certainly, other factors have also contributed, such as the Asian crisis, the Russian crisis, economic slow-downs, and Colombia's own internal violence. However, there is no doubt that the systematic effort to decertify and to punish Colombia had ripple effects throughout the entire economy, effects that the huge aid package attempts to address. A less blunt and a more equilibrated approach to the drug problem is needed, one that deals with the underlying roots of the drug problem before attempting to get people out of the business altogether.

Eduardo Gamarra: It is likely that more harm than good is done by arguing that everything that is wrong in the Andes is the result of neo-liberalism. There were many problems that preceded neo-liberalism, although they were probably deepened by it. It is important to escape from the idea that everything that is wrong now in the region is a result of the policies that are being pursued. Some of the problems in the region are, in fact, getting better as a result of some of the policies that have been implemented.

Nonetheless, there is a lot to do in the future. The focus on the social dimension is crucial. In particular, one of the issues that must be addressed is job creation. The informal sector has grown, not because jobs have not been created, but because certain kinds of jobs have been created. The informal sector is employing people, but in the sort of jobs that involve selling sweets on the streets. It is very important not to throw the baby out with the bath water. One must ask if neo-liberalism or neo-liberal strategies can go beyond this kind of job creation.

The other rhetoric has been that these changes will occur with second and third-generation reforms. However, in the Andean region, there has not been much that has been effective in terms of second-round reform. I would like to see a debate about what, in fact, can be done, rather than repeating the usual litany of criticisms about the neo-liberal model.

As for parties, they are fundamental. The reason that Bolivia did not face the magnitude of the crisis faced by the rest of the region is because its party system allowed Bolivia to pursue a stabilization program which was probably the most draconian attempted in the Andes.

It is cause for concern that the Bolivian model may be falling from grace. In Miami, I talked to some Bolivian politicians who claimed that parties were dead and who wanted to become the next Bolivian Chávez. The contagion effect should not be discounted. When Ecuadoran generals and colonels were released from jail, their first declaration was that they wanted to be another Chávez.

At a certain stage of development parties should disappear, but the Andes have not yet reached that stage of development. The United States has not yet reached that stage of development. When direct democracy is invoked, it raises the specter of Ross Perot, and, more frighteningly now in Latin America, Lyndon Larouche. These ideas of developing direct democracy are as utopian as the best-intentioned leftists were at achieving the dictatorship of the proletariat.

Those vehicles of participation that exist or are being built in Latin America today, both in the NGO community and outside of political parties, are important. But we are not talking about democracies in the region. Without parties, in a few years, the situation could be worse. Five years from now, the situation in the region could be characterized by an absence of parties, judiciaries completely under the control of the executive, legislatures (if they exist) completely under the control of the executive, the military out of the barracks, strong-man rule, and most importantly, a modification of basic citizen rights defined by whomever is in power.

The conclusion of this process is the idea that democracy is whatever governments want it to be. It is particularly worrisome that the international community is legitimating that particular view of democracy. This is not an optimistic scenario for Peru. The international community will probably buy into this logic, accept that Peru has in fact reduced poverty, without contesting the way poverty is measured. In this context, it is

important to note that Peru and Jamaica have the highest rates of informality in the hemisphere.

It is true that there has been a tremendously successful process of forceful coca eradication in the Chapare. But those who have studied this problem for many years know that the “balloon effect” is in evidence—that production was squeezed in the Chapare and now coca is being produced all over Bolivia. Even more importantly, northern Bolivia has become an avenue for Peruvian cocaine entering Brazil. How success is conceptualized in the drug war is extremely problematic. The key point is that 300,000 people in the Chapare now have to find something else to do.

As for the absorptive capacity of Bolivia in terms of alternative development programs, most of my work suggests that Bolivia is capable of absorbing the money that is being assigned. In the end, the money that is disbursed has always been less than what has been promised. The real problem in Bolivia’s absorptive capacity, and one of the reasons why Bolivia is not seeing capital repatriated, is that Bolivia can not possibly absorb all the money that Bolivian traffickers are making from cocaine. If there is a problem with absorption, it is with the profits of the drug trade.

If one examines alternative development comparatively, it can be seen that the fundamental logic of alternative development is flawed. I am working on a project that looks at alternative development in Bolivia, Colombia, Peru, and Jamaica, and compares it with programs in Asia (Turkey, Pakistan, Myanmar, and Thailand). The results suggest that alternative development cannot be done in coca-growing regions, unless a lot of military pressure is exerted. The zone must be militarized as the Bolivians did in the Chapare. Alternative development in Colombia is impossible, at least in the regions where it is being proposed. The only places where it might be possible are not very significant. Thus, it is necessary to ask, where can we do alternative development, and how can it be coupled with rural development strategies? Although agronomists do not like the term “rural integrated development,” it may be time to go back to those ideas and talk about rural development strategies again. They may be particularly useful to Peru where certain areas are essentially expelling rather than receiving population. Alternative development programs in Bolivia actually served as a magnet to attract population. Consequently, not only were there problems related to unemployed coca growers, but also people were attracted because of new infrastructure.

Economic Crisis and Drug Trafficking

It is a myth that alternative development programs are going to be directly related to decreases in the amount of cocaine coming into the United States. Sustaining that myth means that alternative development is never going to be a success. If \$100 million is going to be used appropriately in Bolivia, it is necessary to rethink the areas in which alternative development can be carried out. As long as the efforts are focused in the Chapare, people will move to take advantage of all the infrastructure that has been developed over the years. Why not invest in the *altiplano*, where poverty affects up to 95 percent of the population and which is expelling population?

PART IV

**REFLECTIONS ON PERU
AND ON A REGION IN CRISIS**

CATHERINE CONAGHAN
Queen's University, Canada

In the tense waiting game for election results that played out from April 9–12, 2000, Alejandro Toledo frequently addressed thousands of demonstrators who had gathered in front of the Sheraton Hotel in downtown Lima. During those days, Toledo warned his supporters that the government was trying to *ganar por cansancio*—win by tiring everybody else out.

The demonstrators, mostly young, took Toledo's words to heart. They stood their ground and in doing so reclaimed public space that had been long lost in Peru. They waited until Wednesday evening when a nervous election official finally announced officially that President Fujimori had failed to gain the 50 percent-plus-one vote that he needed to avoid the second round runoff.

The lessons of those days in April have not been lost on the Peruvian opposition. Nor should they be forgotten in Washington and Brussels and Ottawa, because the lesson is a powerful one. When a mobilized pro-democratic opposition can count on important allies in the international community, even the most recalcitrant, authoritarian regime can be made to hesitate, be forced back, and thrown off balance. As the abundant literature on transitions to democracy makes eminently clear, it is these moments of self-doubt, these crises of confidence inside authoritarian regimes, that can set into motion the unmaking of these systems.

The progress that Peru made from that moment in April in moving closer to a transition from authoritarianism to democracy came to a dead halt within several weeks. On May 28, 2000, the Fujimori government opted to defy the recommendations of all international observers, including the OAS mission headed by Eduardo Stein, and staged a run-off election in which the integrity of the vote could not be verified. Fujimori's rival, Alejandro Toledo, refused to participate.

In his report to the OAS, Eduardo Stein was clear: in the judgment of the mission the electoral process in Peru failed to meet the minimal inter-

national standards of freedom and fairness. Yet Eduardo Stein's clarity about what happened in Peru was muddied by what many analysts viewed as an equivocal response by the OAS. "Equivocal" is the kind word here. An editorial in the *Miami Herald* called the response "pathetic." Columnist Andrés Oppenheimer labeled it "insipid." And an incensed Mario Vargas Llosa was inspired to write about what he termed "the pernicious uselessness of the OAS in its reaction to the Peruvian situation."

Rather than uniting around an initial U.S. call to discuss the Peruvian case within the framework of Resolution 1080, OAS members cobbled together a compromise in the General Assembly meeting in Windsor in early June. The compromise did not clearly condemn the election in Peru but authorized a new OAS mission to go to Peru and "explore options and recommendations" to strengthen future democratic development. That mission, led by Canadian Foreign Minister Lloyd Axworthy and OAS Secretary General César Gaviria, arrived in Lima on June 26, 2000 for meetings with government and opposition leaders.

There is no doubt that Peru's electoral debacle posed a test case for the hemisphere. It is no exaggeration to say that in the days leading up to the OAS General Assembly meeting in Windsor, a deep fear and sadness prevailed in Peru. The fear of the Peruvian opposition was that the international community was on the cusp of failing the test and would fail to sanction the Fujimori administration for its behavior.

The Peruvian case provided a test case for the international community on many levels. The Peruvian case tested both the intellectual preparedness and the political will of both the OAS and individual countries to deal with new transmutations of authoritarianism in the region. In this case what we seemed to be unable to grapple with was an elongated political process in which democratic norms and practices were gradually eroded. The process in Peru was often referred to as the "permanent coup" or a "slow-motion coup."

One of the arguments offered in the OAS debates about whether or not to invoke Resolution 1080 had to do with the wording of 1080. The resolution stipulates that it is to be applied in situations in which there is a "sudden or irregular interruption of the democratic institutional process." Representatives of Brazil, Mexico, and Venezuela maintained that the provision did not apply to Peru and that 1080 was intended for military coups.

Apparently, in the eyes of at least some in the inter-American diplomatic world, the violation of a constitution, persistent assaults on freedom of the press, and a bogus election did not qualify as a “irregular interruption” of democratic institutions. Many others, of course, disagreed. Among the dissenters were former President Jimmy Carter, who sent a letter to the Windsor meeting asking for the invocation of 1080, and the OAS’s own Inter-American Commission on Human Rights, which issued what can only be called a withering report on the election situation in Peru.

One has only to contrast the reactions of the OAS in other recent crisis cases to understand how inadequate and lopsided the response was in the Peruvian case, and how dumbfounded many Peruvians genuinely felt about the reaction. When indigenous activists acted in concert with a segment of the armed forces in January 2000 in Ecuador to overthrow a constitutional president, the OAS passed a vigorous condemnation of the coup on that very same day and the United States weighed in immediately. Similarly, in the May 2000 coup attempt in Paraguay, the OAS Permanent Council immediately issued a statement and Secretary General César Gaviria was on the phone to radio stations in Paraguay to condemn the coup and to threaten sanctions if it were to succeed.

In contrast, there was a sad silence on May 28, 2000, as Peruvians were subject to what political scientists used to call a “demonstration election.” There was no emergency resolution. There were no desperate calls to radio stations. A similar silence prevailed days later when the armed forces in Peru staged an unprecedented ceremony in which they recognized President Fujimori as their commander-in-chief for the period 2000–2005, even when legal challenges to the election were still pending in the *Jurado Nacional de Elecciones*. The message of that ceremony could not have been clearer. It was a message of defiance aimed at both the domestic and international audience.

On the basis of these various episodes, what should we conclude about the state of hemispheric sophistication in thinking about democracy? Are democracy and authoritarianism defined by a dress code? If you wear a poncho or army fatigues, hemispheric leaders will not permit you to overthrow a constitutional president and impose a government by force. But if you wear a business suit, wrap yourself in *faux* legality, and make more judicious use of the military, then the margins for manipulating the international system are much wider. Any indigenous leader in Ecuador might

well be tempted to look at what has happened in Peru and to believe that some hypocrisy was at work.

If there was any positive fallout from the Peruvian crises, it was how it revealed the contradictions and inadequacies in our hemispheric understanding of what democracy is and is not. As such, the Peruvian experience may help to heighten sensibilities about the threats to democracy in the region. Indeed, this conference is a reflection of the heightened sensibility about threats to democracy as well as the fact that the threats come in many guises.

In the long run, the Peruvian case may be instrumental in forcing the OAS and member states to develop more comprehensive criteria for judging democratic performance, and creating new diplomatic mechanisms to deal with breaches in democratic practices. Over the last year, U.S. and OAS leaders have begun discussions about developing mechanisms to engage in “preventive diplomacy,” i.e., early intervention in situations where democracy appears to be deteriorating.

What should the Axworthy-Gaviria Mission aim for? How might it claw back the authoritarian project in Peru, recoup some kind of credibility for the OAS, and remain loyal to the spirit of what Eduardo Stein reported?

The Mission must act to recreate the synergy between the pro-democratic opposition and the international community that was lost in the weeks after the May run-off. The Peruvian opposition understands that the principle responsibility for resisting and challenging the regime lay with them. But international support must help provide the breathing space that the opposition requires over the ensuing months.

The principal demand of the opposition is that new elections be held. This is the goal of the March of the Four *Suyos*, the national protest scheduled to coincide with Fujimori’s inauguration on July 28, 2000. The protest was called by Alejandro Toledo and other opposition leaders in the wake of the illegitimate runoff election in May. Opposition leaders in Peru are seeking a new election or some kind of political settlement that could lead to new elections, either by a referendum or through a constituent assembly.

Fujimori and all government officials made it abundantly clear that they were not prepared to address the question of holding new elections or any kind of political transition formula. It is important for the international

community to understand that the opposition's call for new elections in Peru is a reasonable and rational claim. It is the logical conclusion of any sensible reading of the Stein report. It is not an extremist position to advocate holding free and fair elections. However, the government of Peru has done everything possible to portray this call as an extremist position.

If the OAS genuinely expects the Fujimori administration to heed its calls for democratic reforms, it must act with vigilance. It is important to remember that the Fujimori administration had been down the road of OAS-induced reform before. In 1992, after the *autogolpe*, the government agreed to restore representative democracy by holding new elections for a new legislature. In the absence of any real monitoring of that process by the OAS, the government retained complete control over the electoral process and successfully installed a congress that laid the legal framework for the authoritarian project in Peru. Reform had a way of "morphing" into more de-institutionalization and more authoritarianism under the Fujimori government.

I will conclude with a final observation: Alejandro Toledo has been right all along. The strategy of the Fujimori government has been *ganar por cansancio*. Fujimori has been banking on international fatigue and resignation to his politics of *hechos consumados*—the politics of fait accompli. On the day after the unprecedented military ceremony in which the armed forces swore loyalty to Fujimori for the 2000–2005 period, one opposition newspaper, *Liberación*, ran a headline which rendered its verdict on what the score of the encounter between the international community and the authoritarian regime was: "Tanks-1, OAS-0." The headline dramatically illustrated the profound skepticism that Peruvians feel regarding the efficacy of the OAS.

AFTER THE FALL: POST-SEPTEMBER 2000 REFLECTIONS

We will never really know whether the OAS efforts to induce democratization would have prevailed on their own. Unexpectedly, and with amazing rapidity, Fujimori's authoritarian project unraveled in the wake of conflicts between Fujimori and his national security advisor, Vladimiro Montesinos.

The Axworthy-Gaviria Mission in June was followed by a subsequent OAS mission headed by Eduardo Latorre, former foreign minister of the Dominican Republic. The Latorre mission was charged with presiding

over a “democratizing commission” composed of representatives of the government and opposition. The commission agreed to discuss a broad range of contentious issues that included problems related to freedom of the press, the conduct of Peru’s intelligence service, and electoral reforms. The meetings began in late August.

By mid-September, relatively little progress had been made and opposition leaders were contemplating calling for a fresh wave of mass mobilization against the regime.

The political environment radically changed, however, on September 16, 2000. President Fujimori announced that he was prepared to hold a new election and step down from office a year after the beginning of his new term. The announcement came just days after the release of a video showing national security advisor Montesinos bribing a congressman-elect of the opposition. The video was irrefutable evidence of the regime’s corruption and the central role played by Montesinos. Moreover, the release of the video coincided with even more damning allegations concerning Montesinos’ possible involvement in arms trafficking deals with Colombia’s FARC guerrilla organization.

As the regime imploded, the OAS-sponsored commission became the venue for negotiating some of the specifics of the transition process. Certainly, the Latorre mission provided an important institutional space for framing the transition in the tumultuous period from September through Fujimori’s final flight from Peru, his attempted resignation from Tokyo, and his removal from office by the Peruvian congress on November 21, 2000.

As useful as the OAS presence in Lima was during this period, it would be a mistake to interpret the collapse of the regime as a response to the pressures emanating from the mission itself. Based on what we know about the process so far, it appears that strong signals from the U.S. government, more specifically the breakdown in the long-standing relationship between the Central Intelligence Agency and Montesinos, may have set into motion the regime’s collapse.

The interim government headed by President Valentín Paniagua began investigations that promise to unveil the details of the sordid history of the Fujimori administration. Certainly, there is much that remains to be uncovered about the CIA’s ties to Montesinos and the contradictions in U.S. policy toward Peru.

LUIGI EINAUDI

Assistant Secretary General,
Organization of American States

The Andes are not Latin America. They are not even South America. In terms of the evolution of South America and democracy one must be extremely pleased by the consolidation and confirmation of democratic practice in Argentina, Chile, and Brazil. There is also cause for concern in an equally grave challenge to democratic practice in Paraguay. When discussing the Andes, regional diversity must be kept in perspective.

The future of countries of the Andes will be extremely different country-to-country, and to talk about a single crisis affecting the Andean region is a rather artificial concept. Although there are some common elements—the pressures exerted by globalization, the gut-wrenching problems of poverty and race, and the violence, lawlessness and debasement that are spread by narco-trafficking—the mix in each country is unique.

The uniqueness of each country was apparent to me when I started a mission to try to contain the risk of armed conflict between Honduras and Nicaragua. Both countries were neighbors in Central America, both flooded by Hurricane Mitch, and yet the two countries exist in totally different universes. Such diversity is equally evident if one goes from Venezuela to Colombia to Ecuador to Peru to Bolivia. In each country there is a different intellectual, social, emotional, and historical universe. As José Carlos Mariátegui once said, they have written their histories as an anti-history of their neighbors.

A question that was under discussion, “Is Peru the future Venezuela?” has absolutely no relationship to either Peru or Venezuela. If one compares Peru, which has in social terms a rather closed and hierarchical tradition, to Venezuela, which is a country that is as social, democratic, and open and irrepressible as you are likely to find, one realizes that they cannot be categorized together.

I admit that asserting the likelihood of different outcomes is a hedge against pessimism. That is to say, some countries may go badly but others are going to go well. I believe that a lot is going to go well. It is true that I am a diplomat and that optimism is for a diplomat what courage is for a general or a soldier.

It is important to realize that, just as not all governments are democratic or composed entirely of democrats, not all the opposition is democratic or composed of democrats. Even when thinking about authoritarianism and the difficulties of transition, it must be remembered that democrats there are. Just as in conflicts of war and peace, there are people who can be accused of being members of a war party, but there are also people that can be mobilized who are members of a peace party.

One duty of the international community is to try to help and support those who are members of the various parties of peace and democracy. To do that we have to drop easy associations or generalizations. Not all military men are *ipso facto* anti-democratic. Not all men who are presidents and have served in authoritarian contexts necessarily must remain authoritarian. President Hugo Banzer of Bolivia is one such example. The situation must be examined with an appreciation of differences.

The role played by the outside world in the region has been less helpful than it might have been. For example, in the Peru-Ecuador peace process, the outside world was extremely important in helping to mobilize the parties of peace in the two countries and making the peace possible. However, as soon as the peace was concluded, the outside world disappeared and the guarantors went their own separate ways.

The peace was signed in the Fall of 1998 and it was not until the end of March 2000 that a consultative group was established to provide support for the border development and integration activities. Leaving aside all other difficulties, the failure to continue support contributed to the problems faced by President Mahuad and Ecuador.

Furthermore, if it is agreed that in the modern world it is important to be open, to have the rule of law and to be democratic, then it would probably have helped if the United States had been able to sustain momentum toward free trade and hemispheric integration through fast-track legislation.

The U.S. national response to globalization and our fears about it, in spite of the power and size of the country, has probably helped dampen enthusiasm for concerted progress in Latin America, and indirectly helped

to feed some of the forces of nationalism, reaction, and pettiness. On this point, the future is going to be improving. The United States government will probably have fast-track authority again, perhaps even as early as 2001.

There are other indications that a change is underway. Recently, an important study written by the American Nancy Birdsall and the Ecuadoran Augusto de la Torre, former head of Ecuador's Central Bank, pointed out the importance of going beyond the Washington consensus to support measures of growth with equity.¹ Additionally, it is not pure chance that the foreign minister of Canada headed, along with the Secretary General of OAS, the high level mission to Peru. Canada hosted the third Summit of the Americas in April 2001. Canada is a middle power, not the last great superpower, like the United States. Therefore, Canada understands something about multilateralism and the value of stubbornness, sticking after things and believing in a process.

Brazil is also important to the emerging international context. Brazil has been very greatly maligned as somehow being uninterested in democracy and playing a negative role in the response to the Peruvian situation. In a speech delivered by President Cardoso at the June 2000 Rio Group meeting in Cartagena, he declared that the international community had no right to intervene to impose democracy, but that sovereignty could not be used as a shield to hide human rights abuse or the violation of democracy. Furthermore, he indicated that members of the community should be very careful to listen to signals from abroad. President Cardoso is a leader of South America to the point that he called a meeting of South American presidents in August–September 2000.

There are two crises to which a lot of intelligent people do not like to pay attention. The first is that there are still clashes over sovereignty. For example, there are differences between the two Andean countries of Colombia and Venezuela. Another clash is seen in the absence of formal diplomatic relations between Bolivia and Chile (which some claim is not over sovereignty). There are also many differences in Central America, some even involving the United States.

Such crises make the symbols of sovereignty easier refuges for scoundrels and they also lead to the diversion of funds for military purposes (when they might not otherwise be needed). For example, since Peru and Ecuador made peace, no public comments have been made about purchasing MiG aircraft. In addition, nothing more has been heard

about further modernization of the air forces of other South American countries. These examples illustrate the hope and progress that can result from solving disputes about sovereignty.

The second problem is that it is easy for intellectuals to discredit governments and international organizations. See, for example, the essay written by Mario Vargas Llosa about the OAS and Peru in *El País* on June 11, 2000, to realize just how hard it is to make any progress. People who are insulted are not likely to take readily to being cajoled or induced into learning how to cooperate.

In conclusion, terrible problems remain. Twenty years ago, I traveled to Venezuela with Rep. Michael Barnes, then chair of the House Subcommittee on the Western Hemisphere, in order to show off a great model of two-party democracy. Now, Venezuela has clearly gone through a revolution. The results, as Michael Coppedge argued, may not be all that bad, yet there can be no doubt that what has happened underscores the extreme fragility of democracy.

It has also underscored that there is no single model of democracy or of anything else. This is vital to keep in mind as we look at how to organize ourselves and how to organize progress. It is precisely because each country is unique that countries must be approached in terms of their uniqueness and their histories. Although the issue may be a thorny one at times, we must respect sovereignty.

Does that mean there are no minimal standards? No, there are minimal standards. They have to do with elections, with human rights, and with struggling to avoid arbitrariness in the management of governments and government affairs.

When the events of May 28, 2000 and those preceding came up before the OAS Permanent Council in Washington, it was understandable that the permanent representatives should kick the issue forward to Windsor. There was a certain amount of confusion in the Permanent Council because some ambassadors were without instructions on a contentious issue, forcing them to send it forward to the foreign ministers, who were meeting that weekend in Canada.

The press reacted with cynicism. The opposition in Peru reacted with a sense of outrage, feeling that this proved that they had been betrayed and that the OAS was going to do nothing. The debate and the hallway atmosphere in Windsor were extremely interesting. Those ministers (including

ones from those countries that have been strongly maligned) felt it was necessary to find a way not to abandon the principle of democracy and not sacrifice it to the arcane, easy principles of *hechos consumados* and non-intervention, or the other pressures that were militating for silence.

It is worth noting that the representatives of the government of Peru joined in the consensus. They allowed a mission to visit Peru under circumstances in which there was ambiguity as to exactly what was going to happen. We are dealing with a political process and we are not at the end of the political process. We are in the midst of it. No one, including the government of Peru, the opposition, and the international community can afford to have this fail.

Joseph Tulchin, Woodrow Wilson Center: As I attempt to understand what is happening in the hemispheric community today and over the last five or six years, I have an almost a schizophrenic but certainly a mixed response. My first is the emotional response of an advocate of a growing community of nations that are able to discuss and settle their own affairs, that are emerging from a prolonged dark period of angry subordination to a hegemonic power that was by turns flip in its dominance and equally flip in refusing to pay attention to the hemisphere.

Second, I am also disappointed that the nations of the hemisphere have not been able to seize the opportunity represented by the end of the Cold War and the distraction of the United States, and the growth of an international community in which each nation in the hemisphere has an opportunity to play a significant role. In that context, the Latin American response to the elections in Peru has been disappointing.

However, taking a more analytical approach, and using the concepts discussed by Luigi Einaudi of minimal standards and community, we realize that there has been significant progress over the last 20 or 30 years. There is progress in the fact that we have even begun to discuss minimal standards of democracy and human rights in the hemisphere; and that we have as a community some sense of obligation and some sense of having created forums that are legitimate venues for insisting on and maintaining those minimal standards.

What remains unclear is how the nations of Latin America, together with the United States (because they cannot act collectively with any effect over any period of time without the United States) will create a community. I would hope to see a community of democratic nations that share values.

Luigi Einaudi's comments reminded us of the deep historical roots of differences among countries in Latin America, and one might point to the equally deep historical roots of non- or even anti-democratic behavior, discussion, organization, and institutions. We have come a long way in the last ten or fifteen years, but we have a long way yet to go.

My final comment concerns the nature of the international system. It was an item of orthodoxy amongst academics in Latin America up until the mid-1980s that the nature of the political regime in any given country was the result of political, cultural and economic factors in that country; and except for modes of economic dominance, dependency, and imperialism, the political system was essentially *sui generis*.

Today, no one would seriously sustain that argument. But we are not sure yet exactly what the influence of the international community is. It can appear to be serendipitous: a Spanish judge, acting on his own authority, succeeds in turning the nations of Western Europe into a solid political force in favor of human rights, thereby undermining that concept of sovereignty and changing it perhaps forever (but certainly for the next five to ten years). At the same time, this judge dramatically and permanently changed the pattern of the internal debate over those issues and over civilian-military relations in Chile. That Pinochet is now being judged would have been inconceivable without the intervention of Spanish judge Baltasar Garzón.

Similarly, there are other aspects in which the international community appears to have an influence over events in specific countries. Paraguay and Ecuador have been mentioned. I am still puzzled, however, by the exact configuration of forces that allows this ill-defined, anthropomorphic international community to have the effect that some of us want. It appears as if size has a lot to do with it. Ecuador and Paraguay are smaller in every sense: their ability to fight back and their ability to tire out opponents is much less. The costs of acting for Latin American nations and the United States are much less than they are in the case of Peru.

There is also the serendipitous element. Who would have expected that the second round of the Peruvian elections would occur at a time when the United States government was asked by the press to respond over the weekend, and the normal press officer with experience in these affairs was not on duty? Or, that the press officer who was on duty had a canned statement and gave it publicly?

One can only surmise what would have happened if that statement been delayed by 24 or 48 hours. Perhaps the National Security Council would have called around to get friends to speak first before the United States, like the sponsors of Resolution 1080, the vice-minister in Santiago, or the president of Brazil (who is a known proponent of 1080). In that

case, the outcome may well have been very different. This is all conjecture. The sequence of events was not planned, and it often is not. But that sequence precipitated a knee-jerk, historic, almost culturally determined response from half a dozen countries in Latin America that was focused on United States intervention rather than being focused on democracy in Peru or in the hemisphere.

If I had been able to plan the sequence differently, I would have at least put the limelight on the central issue—democracy in the Andes and democracy in Latin America—and allowed the nations of Latin America to take the lead in formulating whatever voice they wished to have. It did not work that way. Better luck next time. But we do have a situation, in which the glass is half full. I admit that the glass is half empty and the question really is how we move forward to get another drop into the glass.

Myles Frechette: The Summit of the Americas will be held in Quebec City, and the American president will go there and pledge that we will have a free trade area in the Americas. One of the principles that underlie a community is the sharing of values. And one of the values that was announced at the beginning of the whole idea of a Free Trade Area of the Americas was that this was going to be a free trade area for democracies only.

Under any circumstances, Cuba could not meet the obligations of a Free Trade Area of the Americas because of its economic system. How can these ideals be reconciled with political practices in Peru and Venezuela? Either Canada or the United States could block the FTAA by withdrawing or not giving their approval to the final package.

What would Catherine Conaghan and Luigi Einaudi counsel their respective governments? Should a process begin in Quebec establishing that the FTAA will be a community of democracies? This would signal a warning to Mr. Chávez and Mr. Fujimori's successor. It is worth remembering that the United States and Canada, or even just Canada, could block the Free Trade Area of the Americas by insisting on democracy.

Luigi Einaudi: To underscore the complexity of this issue, it is worth pointing out that it is not just the responsibility of the United States and Canada, but also of Chile: the *troika* of the two past holders of the Summit of the Americas and the current one.

Chile is the place where OAS Resolution 1080 was agreed to. Furthermore, Chile is a neighbor of Peru, and neighbors sometimes act in strange ways toward neighbors.

The answer is that such an approach must be planned and considered now. This is why the community actually matters and why this kind of a meeting is fantastically useful and good. Countries that might wind up on the sidelines of a free trade agreement should start planning how to prevent getting suspended. Suddenly the threat of suspension becomes an instrument of leverage that requires consideration.

Catherine Conaghan: I would agree with Luigi Einaudi in hoping that there would be some kind of progress prior to the Quebec City Summit. One would hope that such a discussion could be used as leverage to induce change in the regime. However, those of us who study Peru know that it is not a regime known for bending easily. If it were going to bend, a significant stick would have to be used.

In the short-run, people would have hoped that in the event that there was no movement with the OAS Axworthy-Gaviria Mission, then political forces in the United States would have the courage to stand by Resolution 43 and start revising the relationship with Peru. That would be a blunt message, but it would be a message that perhaps would get through.

Bruce Bagley: Joseph Nye has talked to us about “soft power”—moral suasion, efforts to convince and create communities—and has argued that it is one of the instruments most available to the United States.

However, realists such as those we have seen in Washington have argued that actions speak more loudly, and sanctions are what is needed. We have a variety of instruments at our disposal: denial of assistance to Fujimori, and economic sanctions, selective or wholesale.

It appears that Catherine Conaghan is, on the one hand, a realist. She is seeking sanctions, not just arguments but actions with teeth. In contrast, Luigi Einaudi is proposing an alternative perspective which makes him much more of a community-oriented, interdependence thinker in this particular context. Is that a fair dichotomy? Do you think sanctions would work? Is the United States capable of imposing sanctions? Should we be realists here in the traditional sense and bully Fujimori in that fashion? Or

is soft power and moral suasion a better alternative, in which the United States speaks out loud and pushes the issue in the OAS in order to pressure the Fujimori government?

Catherine Conaghan: Soft power sounds like the civilized thing to do. As a general rule it might be the appropriate tactic to apply. But one has to fundamentally understand the nature of the Fujimori regime. It is not a regime that is susceptible to moral suasion. Since 1992, there have been eight years of reports, of denunciations of everything from the manipulation of the judiciary to assaults on freedom of the press. But the Fujimori government never responded to reasoned argument.

To do so would go against the grain of the entire way the regime conceives of itself. If Fujimori's thinking is examined over time, one sees that he has a complete disdain for words, for talking, and for dialogue. This approach is part of the political ideology of the regime.

We must fully appreciate—and this gets lost sometimes—the character of this authoritarian regime. It should not be called “delegative democracy,” or some other kind of hybrid term. It is a fully authoritarian regime, make no mistake about it.

That is why the international community has to stand by the Peruvian opposition in the same way that it stood by the Chilean opposition, because they are confronting an authoritarian project.

Carlos Basombrío: I fully agree with Catherine Conaghan. I am sure that this government will not change because of suasion. They are not confused. They know very well what they want.

Martín Tanaka, Instituto de Estudios Peruanos: I also agree with Catherine Conaghan. But what do you think about the intervention of international financial institutions? In response to the previous comment, I believe the Fujimori government could use international sanctions to its own benefit. It could portray the opposition as traitors for accusing Peru before the international community and encouraging sanctions. Fujimori would use the argument that the opposition is responsible for sanctions. Thus, I do not know how effective they would be. Furthermore, average Peruvians would pay the costs. I would like to ask Luigi Einaudi how can we avoid just cosmetic changes being made to democratic standards?

Heinz Sonntag: What are the differences between Fujimori's 1992 *autogolpe*, and the situation today? In 1992, three months after the coup the international community had forgotten what had happened in Peru and everyone was doing business as usual with Fujimori. This seems to be happening again. There is a kind of ideological acceptance that he is legitimate, when he is not.

Luigi Einaudi: Although I admire Catherine Conaghan's convictions, I must flatly disagree with her characterization of the government of Peru. Furthermore, I also disagree with Carlos Basombrio's characterization of the government for the simple reason that most analysis shows that all governments contain different factions and forces and tendencies. Second, the record does show that the Peruvian government has a great ability to deal with reason and with persuasion, as long as one is not talking about empty persuasion.

A correction needs to be made about the characterization of the situation in 1992. Catherine Conaghan said that the 1992 elections took place, "in the absence of any monitoring by the OAS." I was the U.S. ambassador to the OAS at the time of the 1992 coup and I also led the U.S. observer delegation during the election of the constituent assembly, in tandem with the then-Secretary General of the OAS, the Brazilian Ambassador Baena Soares.

Those elections, whatever others might have attributed to them, were ultimately certifiable. That is to say, a new congress was elected, and a new constitution was written under circumstances that were observed and certified. After the vote count had been completed and it was clear that that constituent assembly would be seated, the OAS ministerial process, which was watching over what was happening in Peru, was ended. This occurred because President Fujimori lived up to the first part of the set of commitments assumed in the Bahamas.

Unidentified Speaker: How representative and coherent is the Peruvian opposition? And how will it organize resistance against Fujimori?

Furthermore, how important will Peru be to the inter-American community after a few months? There are elections in Mexico and Venezuela this year. This year, armed hostilities may begin in the southern part of Colombia involving thousands of people.

Catherine Conaghan: First, I would like to respond to Luigi Einaudi's comment. Of course there was monitoring of the election day process and the vote by the OAS. When I stated that the OAS did not monitor the process, I was referring to the process that began when Fujimori went to the Bahamas meeting (late May of 1992) and agreed to the new elections for the CCD (Democratic Constituent Congress), and ended in August. Between June and August there was a process in which the government was supposedly, at the urging of the OAS, dialoguing with the opposition regarding election rules and conditions.

My own research indicates that there was not any really close OAS monitoring of this period, during which the electoral conditions and procedures were being set. The dialogue that was conducted by a government minister with the opposition broke down. It was precisely because of this complete disagreement as to the rules of the game and the electoral conditions that a number of important parties did not participate in the CCD election. It should be remembered that APRA, *Acción Popular*, and other parties of the left refused to participate in that election because there was a profound disagreement as to the quality of the electoral conditions. My point was that there was not ongoing monitoring of the dialogue that was supposed to set the conditions for the election. There was, however, election day observation, as Luigi Einaudi rightly pointed out.

Another question concerns the representativity of is the Peruvian opposition. When we talk about the Peruvian opposition, we are clearly talking about a very wide, heterogeneous set of groups. It includes the political opposition, such as Alejandro Toledo, Alberto Andrade and *Somos Peru*, and all the parties that participated in the first round of the election. They constitute part of the opposition. However, it is important to understand that the Peruvian opposition that is organizing and pushing this claim for new election is not just the political class. The call for new elections is not just a claim of Alejandro Toledo's.

The 28th of July movement, aimed at trying to impede the inauguration of Fujimori, is being supported by a wide range of organizations in civil society that include trade unions, and regional fronts (which are also becoming increasingly important in the opposition to Fujimori). It is important to recognize the ferocity of the opposition to Fujimori right now, especially in the provinces. There were major riots on the 28th of

May in Huancayo. There were confrontations with police in Chimbote and in Cuzco. The 28th of May was not a tranquil day. There was major unrest that reflected the regional opposition that now exists to Fujimori.

The opposition cuts across social sectors. Carlos Basombrío pointed out in his paper that the opposition spans both upper-class and middle-class groups. It involves people who had not been politically mobilized before, such as university students. University students were at the core of the April and May demonstrations.

A lot has changed in this electoral process in terms of the dynamics in Peru. The opposition is much broader, involves groups that have not been politically mobilized before, and is more engaged. While the result of the election is *más de lo mismo*, the body politic is changed as a result of this process.

Furthermore, the country is polarized over the election result. The country is divided in half. That is a significant difference from the Peru of 1992 that was in favor of the *autogolpe*. We are no longer talking about the Peru of 1995 that voted massively for Fujimori. We are now talking about a country profoundly divided in a dramatic legitimacy crisis.

Joseph Tulchin: Joseph Nye referred to the concept of soft power as an instrument of power in the hands of the United States. The United States could operate through suasion and modes other than through realist instruments. Nye also points out that nations other than the United States (weaker nations in realist terms) could use the same kinds of soft instruments, and that collectively they would have greater power than they would by acting individually.

The thrust of his argument was not only that the United States could pursue its national interests by using these non-traditional methods, but that those same methods were available to other nations in the international community.

That second aspect of Nye's argument suggests that how important Peru is three months from now, will be determined much more by what Chile thinks. Is Chilean democracy going to be threatened by the erosion of democratic behavior, process, and governance in Peru? Probably not for a while, but perhaps in the long run.

It is remarkable that the nations in the Amazon Basin other than Colombia can stand back from the threat of drug trafficking in the area,

Discussion

and allow the United States and Colombia to engage in a discussion, debate, and effort to deal with international drug trafficking, as if it were a problem that occurred only in Colombia. It clearly is not.

Furthermore, there is only a quiet, tentative response in places like Brasilia, even though the Brazilian armed forces are now on constant alert trying to deal with the incursions into Brazilian territory by aircraft from Colombia carrying illicit drugs. Yet, there is resistance in the Brazilian government to joining some kind of regional effort to deal with this scourge. The response is that the problem belongs to Colombia and the United States. As long as that attitude holds, the pessimistic vision offered by Fernando Cepeda will unfold. There needs to be more collective response to collective problems. Nonetheless, there can be little doubt that the quality of democracy in the largest nations of the region is certainly better than it was ten years ago.

The Peruvian Transition and the Role of the International Community²

LUIGI EINAUDI

Assistant Secretary General,
Organization of American States

I want to begin by underscoring the question of OAS leadership. The OAS is a very unusual organization. It is not like the United Nations. There is in the OAS no division between the membership and the states in a Security Council. The Permanent Council of the OAS has in it every state that is a member of the General Assembly, and there are no vetoes within the OAS, unlike the United Nations.

This internal democratic practice has led to what some unkind observers have referred to as the “Tower of Babel” leading to the paralysis and inefficiency of the OAS. Certainly, it is true that to a degree far greater than is realized outside, the practice of multilateral diplomacy requires enormous effort.

But the OAS, unlike the United Nations, is committed to democracy. The UN embodies the traditional expression of international law, in that any sovereign state can belong, and its internal organization is a matter for that sovereign state to decide. The word “democracy” does not appear in the UN charter. It does, however, appear in the OAS charter. There has been a steady evolution of democratic principles and of what one could call regional international law and practice regarding democracy.

The OAS by itself, however, is a very weak institution. The OAS with the active support of its member states can be a very strong institution. A number of member states, including fortunately and somewhat surprisingly the United States, have thrown their support behind the diplomacy of the OAS, something evident in the case of Haiti.

A final preparatory comment is that the whole business of democracy is extraordinarily complicated. That we have progressed as far as we have

in the law, in the evolving legal practice and in the defense of democracy in this hemisphere, is a bit of luck.

When Carlos Andrés Pérez (at the political level) and I (to some extent, at a bureaucratic level) worked out the dynamics that led to the adoption of OAS Resolution 1080 in Santiago, every single country in the Western Hemisphere could claim to have a democratic base of legitimacy. It may not have been a good claim in every case. In fact, there were a number of us at the time who thought it would have to be applied almost immediately to Suriname. Little did we realize it was going to have to be applied almost immediately to Haiti and shortly thereafter to Peru.

But the point is that we were lucky. At that moment, there was a consensus and, if you will, something of an illusion, of the possibility of democratic progress. Of course, the post-Pinochet government of Chile had every reason to participate in the spread of that view.

We have found ourselves in the ten years that have passed since the adoption of 1080 in the midst of the gradual growth of different kinds of threats to democracy. We have the evolution of coups d'état without the military, including, in the Peruvian case, the *autogolpe* of 1992. In Peru, there was clearly military participation in the *autogolpe*, but not, I think, military inspiration.

There are major problems almost of political theory that are posed by the rise of movements that attempt to interpret the popular will, or popular sovereignty in an almost Rousseauvian fashion (forgetting that Rousseau was at least mindful of the limit established by how far a voice can carry, before the rise of loud speakers, let alone the Internet). The idea that one man or one political movement can incarnate the people and its will stands in contrast to the much more cautious and careful view that is represented, ultimately, in the American Constitution: of legislature, popular representation, and separation of powers, in effect, let us say, a Lockean view.

These different views are evident throughout the hemisphere, as is the denial of political parties as a base of organization. We have seen the rise of civic apathy. We have seen a large variety of economic and social conflicts. And we have seen the phenomenon that all public officials like to discuss democracy and markets—freedom in some grand sense—that is not accompanied by the degree of progress that one would want, but rather, by the rise of various kinds of resistance.

We have seen institutional disorder. I have often felt that the institutional incapacity to keep up in the face of rising populations has contributed to the instabilities in such countries as Peru and El Salvador.

We have seen corruption. One of the questions one might ask about corruption is whether it involves the ruling classes or whether it goes deeper, and how. All this not to mention the horrendous rise of narco-trafficking, illegal arms trafficking, etc.

In these circumstances, the idea that there is a simple answer, that the international community can come together with a single voice or simple recipe, is an optimistic illusion. It requires a level of mutual confidence and trust that frankly we do not have in the hemisphere at this point.

The Peruvian case is extremely interesting in this context because Peru has been a source of concern regarding democracy and has involved the OAS for many years. We talked about those issues at a Wilson Center meeting in 1992. It was my own sense that perhaps a mistake was made, by closing in December 1992 the ad hoc foreign ministers meeting that opened in April 1992 immediately following the *autogolpe*. It was closed in December after the election of a constituent congress, in effect returning Peru to the family of nations, but within the spirit of the UN rather than the OAS.

Nonetheless, there was a continuing process of OAS involvement and electoral observation in Peru. Already before the 2000 election, the head of the OAS electoral observation mission, a distinguished career employee, had raised questions about the 1998 municipal elections and the increasing loss of confidence in the electoral authorities.

The 2000 election witnessed the abusive actions of the dominant powers in the state, the breakdown of negotiations to improve the election, the final round, the withdrawal of OAS and other electoral observers, and the election, nonetheless, of President Fujimori, without the presence of his opponent in the run-off.

At this point, I would like to underscore the common culture of the hemisphere rather than the leadership of any particular party or government. When the oral report of former Foreign Minister Eduardo Stein of Guatemala was presented to the OAS Permanent Council, it was finally passed on to the General Assembly, not as a particular act of political decision, but, rather, the opposite. It was passed on because many of the permanent representatives felt the issue was beyond their pay grade.

Moreover, at that time, Peru's neighbors were rallying around Peru's government.

This had nothing to do with partisan or anti- or pro-democratic politics, although it could have consequences for all of the above. What it reflected was simply the delicacy with which neighbor states that share common boundaries traditionally look upon each other. Peru has the blessing (or, at times, the burden) in a national security sense of having five bordering states who obviously would not wish to jeopardize continuing good or normal relations.

But what happened when the OAS foreign ministers met in Windsor, Canada? There could be no excuse of "Oh, this is too difficult an issue. We can't decide it. We must take it upstairs." There basically is no upstairs when it comes to foreign policy. Add to that that the meeting took place in Canada, a complicated and fascinating country and beyond all doubt a democratic country. It became impossible for the ministers to ignore what had happened in Peru.

One by one, Peru's chief allies yielded to what I would call the common culture of democracy. The member states never authorized the OAS to get involved in redoing the election. Rather, they became involved in the much more orderly and achievable task of attempting to make reforms in the Peruvian system over what was understood to be a maximum period of the next five years.

Ultimately, the ministers authorized and created a mission led by the Secretary General, and the foreign minister of Canada, later coordinated on the spot by the immediate outgoing foreign minister of the Dominican Republic. This latter choice was influenced by the hope that this man, who was neither a representative of the big countries, the United States and Canada, nor of one of Peru's immediate neighbors, could at least in theory act in a dispassionate way as a facilitator of dialogue among Peruvians.

There were four stages to this mission. The first stage consisted of beginning to define the issues. The mission presented 29 points, organized around such broad categories as the independence of public institutions, the separation of powers, reform of the electoral system, freedom of information, and human rights.

These points established a framework, with specific details to be up to Peruvians to solve. Nonetheless, the framework helped focus the attention

of the international community on certain key points. Among them there was an explicit treatment of the role of the intelligence service and of civilian authority with regard to military activities. One could say it was a code word for what later became the Montesinos case. But there were at this stage, and still are, real limits on trying to put names onto problems. This was seen as crossing the line into some form of intervention and going beyond the question of the general mutual obligation that states have toward each other.

The second stage involved putting a little bit of “stuff” on these bones. Our meeting in June 2000 at the Wilson Center occurred in the middle of the first stage, and the predominant sentiment was one of extreme skepticism. How could the OAS, an admittedly weak institution, pretend to become involved in such weighty issues when Peru was being managed by a sort of apparatus visible only behind the scenes and generally seen, particularly by critics of President Fujimori, as one single shape or system?

What I argued in response was that we could see if these agreements could be reached in a way that was followable, measurable, implementable. One key indication, of course, was the setting of specific dates by which issues would be resolved.

The first serious agreement in stage two between the government representatives and the opposition representatives was reached in early September 2000, identifying specific time frames in which certain actions would be taken.

The third stage, in effect, was launched on September 16 when President Fujimori pledged in a speech that he would convene early elections in which he would not be a candidate, and that he had, as he put it, “deactivated” the *Servicio de Inteligencia Nacional*, the SIN. That announcement was a bombshell to say the very least, and it forced a complete reorganization of what had been decided and how things would be handled.

It also presented an extraordinary challenge to the OAS when, a week later, the request was made to help get Mr. Montesinos out of Peru. At that point, the Secretary General of the OAS made a very practical decision for which many wanted to pillory him. He decided to encourage the government of Panama to accept Montesinos and to grant him asylum. His practical decision was based on the desire, to put it into OAS jargon, to help the government of a member state. The government of Peru had told him

that this action was needed to help advance the cause of civility and democracy in Peru.

Equally clearly, the decision brought down on his head the opprobrium of a large segment of the human rights community. (My friend, Carlos Andrés Pérez, was still denouncing this decision well over a month later during a conversation on a different matter.) But the decision also helped create a credible framework for reaching decisions about the transition process.

The third period of the OAS mission—which cynically one could call “Montesinos One”—came to an abrupt end with the government’s presentation of a draft national political accord, in which steps in the democratic transition, including the calling of new elections, were conditioned on an extremely broad amnesty package. The opposition rejected this proposal, and the dialogue was suspended.

Late October 2000 finds us in the midst of stage four. Stage four, again somewhat cynically, could be called “Montesinos Two,” or the “reappearance of Montesinos,” although he has again disappeared. The stage comes on the heels of, and in a very real sense is caused by, the return of Montesinos to Peru.

I must say that I have never seen the Secretary General so angry because, in effect, he felt betrayed and manipulated. He had put himself on the line to get somebody out for the immediate benefit of a democratic transition *and* because of the recommendation of the government that this person was a threat to stability and democracy. Then, less than a month later, this same government accepts the return of this person as though it had no relevance to the question of stability and democracy.

Secretary General César Gaviria reacted very strongly to this changed environment and issued a very strong statement before going down to Peru in late October.

Leaving aside the question of theatrics, not only was there clearly the public break between President Fujimori and his former national intelligence advisor; there emerged a critical moment in the OAS-sponsored dialogue which led to the decision that the constitution would be amended shortly and that the elections would take place on April 8, 2001. The subject of amnesty would be considered separately as just another point on the agenda.

By way of summary I would reiterate a conviction that I have held for a long time, which is you should never underestimate “El Chino.”³³ I

would guess that Montesinos actually did. This is not to say that Fujimori's view of democracy is the same as mine or yours, but rather, that Alberto Fujimori is a man of unusual powers and abilities.

Second, if the current framework holds, Peru may come out of this situation better than anybody would have dreamed possible. If you consider the extreme military actions and instabilities associated with persons who have accumulated the kind of corrosive intelligence authority that Montesinos has or had, the precedents for outcomes are not very good.⁴ Frankly, I had become increasingly disturbed over what the prospects might be for Peru.

I am aware that a lieutenant colonel rose up and held several hostages, but that is nothing on the scale of things. If the current framework holds, then the Peruvian people will have a chance to express their views and to make their choice for president on April 8th, and I think the hemisphere will have dodged a major bullet. In fact, Peru has a workable electoral system. The issue was its abuse and manipulation, not the system as such. So I think it is possible to have reasonable elections; and with Fujimori ruled out as a candidate, there is a fairly wide-open field.

But my third conclusion is much more pessimistic. We have seen the operation of a good deal of luck and individual skill, on the part of César Gaviria and on the part of a member state, Canada, (with the U.S. not far behind). Let it also be noted that the statement by Mercosur plus Bolivia and Chile in late October 2000 was a fundamental and important one on the central issue of military unity and discipline inside Peru.

I believe that Fujimori was counting on the armed forces as his secret weapon against Montesinos, in spite of Montesinos' power in the military. When Fujimori said that he had "deactivated" the SIN, what he was saying was that no orders from Montesinos' military intelligence agents would be legitimate. Montesinos could no longer provide the military leaders the legitimacy they needed for institutional survival.

But luck and individual skill can only go so far. If the thread of legitimacy and unity breaks in Peru, then I don't think that either the OAS or the international community is going to be in a very strong position to be terribly helpful. I would regret such a turn of events because, unfortunately, the problems of Peru, although unique and special, are not that different from problems that are affecting other countries as the hemisphere faces a period of reassessment and readjustment.

CYNTHIA MCCLINTOCK

The George Washington University

The international community, including the OAS, has played a key role in Peru. The international community's judgments about democratic standards in Peru have been considered to be of great importance by both the Peruvian government and its opposition. After the *autogolpe* in 1992, there was a relatively forceful response from both the OAS and the United States, clearly signaling their dismay at the *autogolpe*, which persuaded the Fujimori government to take a step back from authoritarian rule. During and after the rigged elections of 2000, to the dismay of Peru's opposition, neither the OAS nor the United States took steps that clearly signaled dismay about these elections; the key event that led to the Fujimori government's retreat from authoritarian rule was a result of internal political dynamics.

It is worth reviewing the *autogolpe* and its aftermath because these events stand in such dramatic contrast to what took place in 2000. On April 5, 1992, Alberto Fujimori closed the congress, suspended the constitution, and, among other acts, tried to arrest former president Alan García and prominent journalist Gustavo Gorriti. Most analysts of Peru thought that Fujimori sought a Pinochet-style kind of coup, given, for example, the pattern of arrests.

The United States suspended the bulk of its aid to Peru the day after the *autogolpe*, April 6th. OAS Resolution 1080 was invoked within a few weeks and a meeting of the Latin American foreign ministers was held on May 18, 1992, in the Bahamas. What was evident in the sequence of events in 1992 was the cooperation between the United States government and the OAS, with clear decisions coming from both. Fujimori's response was to go to the meeting in the Bahamas and promise to hold new elections. Although there are many doubts about how things evolved from that point, what is clear is that Fujimori took a step back from authoritarian rule when the United States and the OAS worked together towards that goal.

Such clear signals and cooperation were evident as well with respect to the Haitian parliamentary and local elections in May 2000. Although the process of casting ballots was considered fair enough by the OAS, the process of counting them was not. Both the OAS and the U.S. government called for a recount. When the Haitian government did not comply, the U.S. government suspended most bilateral aid. The positions of both the OAS and the U.S. government were clear and convergent.

It is not surprising that under such circumstances, there is a better chance that the international community as a whole will have an impact. In the case of Peru's rigged 2000 elections, the OAS and U.S. positions were not clear. In particular, in contrast to OAS and U.S. action in Peru in 1992 and Haiti in 2000, the United States did not suspend any foreign aid in response to the 2000 electoral crisis. This suspension was the signal of the U.S. position on the elections that the Peruvian opposition was looking for.

I would like to consider the Peruvian experience since the beginning of the electoral campaign from the perspective of the Peruvian opposition. The Peruvian opposition very much wanted to know what the United States was going to do in response to elections that it doubted would be free or fair. There had been a perception on the opposition's part of very close cooperation between elements of the United States government and the Fujimori government since approximately the mid-1990s. That helps explain why it became important to the Peruvian opposition to see a break in that pattern, to have the United States say the elections were illegitimate and that Fujimori would be an illegitimate president.

The Peruvian opposition leaders believed they had overcome seemingly insurmountable obstacles to get themselves into the electoral drama. The first opposition candidates were rather colorless. Subsequently, I had the sense that some U.S. officials found the leading opposition candidate, Alejandro Toledo, a little bit too colorful. But for the opposition, the fact that Toledo liked wearing hippie-style bandannas once in a while was not as important a problem as the existence of an extremely unbalanced playing field.

A key factor in egregious inequity of the playing field was the lack of access for the opposition to non-cable television. Through most of the Fall, opposition political candidates could not even buy ads on television. Peruvian broadcasters on all the non-cable television channels—the actu-

al broadcasters and news anchors—engaged in character assassination. This was very close to “Soviet-style television.”

I was in Peru on April 9, 2000 for the first round of the elections. By the time I came home several days after the election, there had still been no announcement of final results and whether or not there would be a second round. While the drama on the streets was intense and the opposition organized rallies, the non-cable television stations broadcast soap operas for three days. Since the *pensión* where I was staying did not have cable television, it was easier for me to find out what was going when I was back in the United States. I relate this as a way of illustrating the height of the obstacles that the Peruvian opposition had to overcome in order to get a candidate, at this time Toledo, to the point where he was more or less competitive with Fujimori.

After the Fujimori government decided that there would be a second round, new computer software was suddenly introduced. The OAS electoral mission, led by Eduardo Stein, asked that the second round be postponed so that there would be sufficient time to review the new software. Toledo said that, unless the second round was postponed and electoral conditions improved, he would boycott. Ultimately, the second round was not postponed. Toledo did boycott, and domestic and international monitors decided to withdraw.

At this time, the Peruvian and international electoral observation missions, which included the Carter Center and the National Democratic Institute as well as the OAS mission, were unanimous in their judgments that the Peruvian elections did not meet international standards for freedom and fairness. One of the great advances by the international community in 2000 was to look at Peru’s playing field and the electoral count and say, “this doesn’t pass muster, this does not meet standards.” In the words of Eduardo Stein, “This is far from what could be considered free and fair.”⁵⁵

These judgments by the election-monitoring groups created an expectation among the Peruvian opposition that the United States would call the elections invalid. As it happened, the Monday after the second round was Memorial Day in the United States, a federal holiday. On that holiday, an unidentified State Department spokeswoman did pronounce the elections invalid. She said: “In view of the refusal of the government of Peru to accommodate international observers’ complaints regarding lack of time to validate the newly installed vote-counting system, we do not see the

election as being valid....No president emerging from such a flawed process can claim legitimacy.”

The following day, however, State Department spokesperson Phillip Reeker said that these words had been merely “talking points.” He called the elections merely “flawed,” without elaboration, and did not repudiate them. Although U.S. officials, including President Clinton, had said that U.S. relations with Peru would be “modified” if the electoral process were not judged sufficiently free and fair, the State Department spokesperson said that “no decision has been made about any steps to be taken, nor are we presently considering taking any unilateral actions.” The softening of the U.S. statement on the elections was crucial to the Peruvian opposition’s perception that it was being essentially hung out to dry.

For the first time in its history of monitoring elections in Latin America, the OAS mission had said that a country’s elections did not meet standards for freedom and fairness. But, the U.S. Department of State did not issue any statement to this effect. The U.S. Department of State did not call for new elections, as the Peruvian opposition wanted. On July 28, the U.S. ambassador to Peru was duly present at Fujimori’s inauguration. At no time did the U.S. government suspend any of the more than \$125 million aid that was allocated to Peru for 2000—one of the highest aid allocations in the hemisphere. So, even though U.S. officials were critical of Peru’s elections at the OAS General Assembly meeting in early June in Windsor, Canada, they were not sending clear signals to Peruvian leaders.

Luigi Einaudi’s analysis of the OAS role in the wake of the second round is exactly the same as my own. I do not believe that the OAS had the resources or the capacity to say this was an illegitimate government and put teeth behind this statement. After all, the Peruvian government remained a member of the OAS and attended the OAS meeting in Canada. How was the OAS to sanction the Peruvian government when it was present, had its right to vote, and by tradition OAS decisions are by consensus? Latin American nations that border Peru had to be very concerned about their relationship with Peru if they chose not to recognize a new government, especially if this government were recognized by the United States. Also, the Brazilian government had developed a positive relationship with Fujimori during the negotiations over the Peru-Ecuador border dispute, and the Mexican and Venezuelan governments feared adverse international judgments about their own upcoming elections.

Also, the main stick that the OAS has in such a case is the expulsion of Peru from the organization, saying to the Peruvian government, ‘you can not be a member of this body.’ This is a draconian step. The other stick is economic sanctions—actually trying to hurt the Peruvian economy—which of course is also a harsher step than reducing help.

The decision taken at the OAS General Assembly meeting in Windsor was to authorize a mission to “strengthen democracy” in Peru. There had been agreement in Windsor that the OAS mission would not take up the issue of the legitimacy of Peru’s 2000 elections. However, for many weeks the Peruvian opposition did not comprehend this restriction of the mission’s mandate.

Opposition leaders had hoped that the OAS would call for new elections, and they continued to press the issue. I was in Peru when the OAS mission to “strengthen democracy” arrived in June 2000, and the opposition’s expectations were very high that the mission would mandate new elections. As opposition leaders ultimately realized that new elections were not part of the OAS mission’s mandate, they felt virtually betrayed.

I cannot emphasize enough the feeling of Peruvian opposition leaders that they had played by what they thought were the international rules about electoral standards. They knew that Peru’s 2000 elections were judged illegitimate by the Carter Center, the National Democratic Institute, the OAS election observer mission, various European groups, and the Peruvian monitoring organization, *Transparencia*. So, in their view, why, after July 28, was the Fujimori government still recognized by the United States and all other governments? Why had relations not been “modified” as the U.S. Congress and President Clinton had indicated in Joint Resolution 43 would be the case?

In August and September, the OAS mission remained present in Peru and fostered a dialogue between the government and the opposition. Increasingly, however, Peru’s opposition leaders did not trust the capacity or commitment of other parties to deliver. This disillusionment with the OAS mission was not really its fault—it did not have a mandate to do more than it was doing. But it still exacerbated the opposition’s frustration. The absence of any unilateral U.S. action was also frustrating.

On September 16, 2000, in the wake of the broadcasting of a videotape that showed National Intelligence Service (SIN) chief Vladimiro Montesinos bribing an opposition leader, Fujimori announced that the SIN would be

disbanded and that new elections in which Fujimori would not participate would be held in April 2001. A week later, as charges about Montesinos' corruption and arms and narcotics trafficking intensified in Peru, Montesinos left for Panama, where he hoped to receive political asylum.

What was extraordinary about Montesinos' departure was that the OAS Secretary General César Gaviria and high-ranking U.S. officials lobbied long and hard to persuade the Panamanian government to accept Montesinos. These officials, including Under Secretary of State Thomas Pickering, made numerous phone calls on Montesinos' behalf. What did this lobbying say to Peruvians about U.S. policy and the U.S. commitment to democracy, when the first public U.S. action in several months was to try to assure the safety of a man long implicated in human rights abuses and now demonstrably corrupt?

Imagine this scene: opposition leaders are sitting at the negotiation table with representatives of the government under the auspices of the OAS "strengthening democracy" mission. As points are being discussed, the opposition is informed, "by the way, we are helping Vladimiro Montesinos escape to Panama." Of course, this conversation did not take place because the OAS Secretary General and U.S. officials knew that the opposition leaders would have been outraged. Given the obvious relevance of international and Peruvian law and the desire to hold Montesinos accountable, opposition leaders wanted him to be tried in Peru. The OAS Secretary General and U.S. officials had unilaterally decided to try to secure safe haven for Montesinos. If their goal was to build trust and negotiating capacity, their unilateral action—essentially, intervention on a key issue of Peruvian sovereignty—was not helpful.

The rationale for the international effort behind Montesinos' departure was fear that, if he stayed in Peru, he would foment a military coup. There was, in fact, a great deal of concern about this possibility; many members of the opposition debated whether or not the threat of a coup was a real one. Ultimately, most decided that if Montesinos tried to foment a coup, so be it, because it could not last, it could not work. Several months later, it is clear that this analysis was correct: Montesinos had tried to foment a coup, but the plot was rejected by his military and civilian colleagues.

It is not clear, however, what OAS Secretary General Gaviria knew about Montesinos' coup threat; Gaviria may have believed that a coup was, indeed, a real possibility and that his effort should not have been met

with so much criticism. Still, fears of a coup misread the Peruvian military. Montesinos's military colleagues rejected a coup attempt because they knew that it would not gain the necessary support among officers or soldiers. While there was a military rebellion in late October 2000, it was short-lived and came not from pro-Montesinos hardliners but from Lieutenant Colonel Ollanta Humala, whose goal was the ousting of Fujimori and the establishment of a transition government.

This hope for a transition government was shared by Peru's civilian opposition. To the Peruvian opposition, Montesinos and Fujimori were Siamese twins who could not govern without each other and who were complicit in each other's crimes; also, it feared that Fujimori would renege on his promise of new elections, or would bias them in favor of his preferred successor.

However, although OAS and U.S. officials had become angry at Montesinos even prior to the leaking of the videotape in mid-September, they continued to trust Fujimori and support his plan to remain in the presidency until July 28, 2005. (At a minimum, there was no indication to the contrary.)

Since Peru's rigged elections, neither the OAS nor the U.S. government has appeared sensitive to political dynamics in Peru. Until mid-September, OAS and U.S. authorities seemed to believe that, one way or another, the Fujimori government would last until the end of its term in 2005. That expectation was contrary to the history of authoritarian governments in Peru and, indeed, in most of Latin America, especially authoritarian governments whose major pillar of support has been the United States. In Peru, no authoritarian regime has lasted longer than twelve years; Augusto Leguía, an authoritarian and pro-American president who was often compared to Fujimori, ruled eleven years (from 1919-1930), the longest continuous government in Peru's history. The adages that "power corrupts, and absolute power corrupts absolutely," and "friends may go, but enemies still accompany you" aptly describe the trajectory of most authoritarian governments, including Fujimori's. Moreover, as the opposition's electoral tally and its rallies and protests showed, this was the 21st century, and pro-democratic tides were evident in Peru as elsewhere.

Accurate opinion polls are hard to come by. But a poll published in the Peruvian newspaper *La República* on October 8, 2000, is indicative of the trends in Peruvian public opinion. October 8 was after Montesinos had

left the country and before his unexpected return. The poll asked, “Would you say that President Fujimori has converted himself into a factor of political instability in Peru?” Seventy-two percent of those polled responded in the affirmative. Another 62 percent thought that Fujimori was an obstacle to democracy in Peru.

In Peru, there are many fears of what will happen prior to the new elections scheduled for April 8, 2001. There is fear of economic decline as well as fear generated by Montesinos still being at large.

On balance, however, the events since September 16th have to be seen as a triumph. It is a triumph for the forces of democracy that Fujimori did not try to repress the democratic will for another five years. With any luck, and with some continued efforts by the Organization of American States, Peru will hold free and fair elections on April 8, 2001.

Joseph Tulchin, Woodrow Wilson Center: I was fascinated by Cynthia McClintock's emphasis on the power and influence of the United States, an issue to which Luigi Einaudi did not attach as much prominence. Luigi did talk about luck and leadership influencing international affairs. And indeed in this case, it looks as if luck and the calendar had a great deal to do with the outcome.

When that anonymous State Department representative spoke in response to a series of press inquiries, it was a holiday weekend in the United States, and the appropriate decision-makers who were not in the office apparently left behind a set of talking points.

On the very next day in Latin America—where it was not a holiday—there was an immediate response from the foreign minister of Brazil and from the vice-minister of foreign affairs in Chile, both of whom reacted to their perception of the possibility of U.S. unilateral intervention in Peru. Statements from both foreign ministries said, in reaction to the words of the State Department spokesperson, that there must not be any unilateral intervention.

Neither of those statements included a paragraph saying that what was really needed was the presence of the OAS. These countries had apparently come to a negative conclusion about what should not happen, but at this early stage were not quite sure what should happen.

It is curious that Chile, one of the original sponsors of OAS Resolution 1080 in support of democracy in the hemisphere, did not come forward with a bold statement in support of 1080, but cautioned, rather, against the historic dead-end of U.S. unilateral intervention.

Past history and the legacy of unilateralism in the OAS play an important role in the thinking of many states. Many countries in the hemisphere outside of Peru question what the appropriate role of any multilateral organization is, and focused in the first instance on an effort to contain the United States. That the Peruvian opposition, at the very same time, should be looking primarily to the United States for support is perhaps a reflection that there is no agreement across the hemisphere as to how these issues should be settled.

Cynthia McClintock: The question of what does and does not constitute unilateral intervention is an interesting and important one.

My own view is that statements by the United States evaluating an election do not amount to intervention. Nor does a U.S. decision to reduce economic or military aid. Acts that reduce or withdraw something have an obvious effect on politics, but they would seem to be very much within the province of what the U.S. government is entitled to do. I believe that the more interventionist act during this period was the decision by the U.S. government to help Montesinos escape to Panama.

I believe that it is desirable that the U.S. pursue multilateral efforts in the hemisphere. But the U.S. concern for multilateralism is, at the moment, selective. The U.S. did not submit Plan Colombia to the OAS for deliberation. It thus seems anomalous that with respect to U.S. policy toward Peru, all of a sudden what matters to the United States is the opinion of the OAS or Brazil.

Most of the Peruvian opposition did not view the events of September 16th as the result of luck, but rather, as somewhat inevitable. As a captain in the Peruvian army, Montesinos became a paid informant of the Central Intelligence Agency in the early 1970s. In part because of his relationship with the CIA, he was charged with treason and cashiered from the military. In the 1980s, he became a lawyer for drug traffickers. The rumors had been swirling in Peru for years about his involvement in dirty deals; by the end of the 1990s, these rumors were believed by a large majority of educated Peruvians. Sooner or later, Montesinos' involvement in corruption and illegal activity was going to come out.

A compelling account in the *Washington Post*⁶ describes the tensions within the U.S. government about its collaboration with Montesinos. After the second round of the elections, it was only the Central Intelligence Agency that continued to back him. Ultimately, there was a decision by the international community that the Fujimori government should “restructure” the SIN. Secretary of State Madeleine Albright was increasingly frustrated with Montesinos and signaled Fujimori that she thought Montesinos should go, and one of the key items on the agenda of the OAS mission for “strengthening democracy” in Peru was the restructuring of the SIN. Also, according to some reports, even the CIA finally got fed up with Montesinos because of his presumed involvement in the sale of weapons to the FARC guerrillas in Colombia—at a time when the

United States was increasing its involvement in Colombia in part to weaken the FARC. Ultimately, however, there was no tangible international pressure on Fujimori to accede to the wishes of the international community, and no movement in this direction until the broadcast of the videotape of Montesinos' bribery and Fujimori's September 16 announcement.

In other words, it was not luck that was involved here. There was a long process during which Montesinos became more arrogant and more abusive of his power and the international community became more and more wary of him. At the same time, the international community apparently chose not to question Fujimori's relationship with Montesinos or Fujimori's capacity to govern without Montesinos.

Luigi Einaudi: The real problem in all of these situations is that the OAS is no more and no less than the sum of its member states. Sometimes if one is clever, the OAS secretariat can act autonomously and go beyond the will of the member states. That is almost always the case with electoral missions. The electoral observer chief is chosen by the OAS Secretary General, not by the member states. The head of that observer mission operates on the basis of an agreement with the electoral authorities of the country to which he or she is going. That person also must be accepted by the government of the country to which he or she is going. Thus, there was a very unusual situation in which Eduardo Stein had been approved by the Peruvian government, approved by its electoral authorities, and still had the independence to call the shots basically as he saw them.

But that is the decision, let us say, of a brave individual working within a system that is complicated and that has been challenged. One hears frequently about the failures of the OAS. But the way in which the OAS conducts electoral observer missions was actively debated as recently as mid-October 2000 in the OAS Permanent Council. A motion by Venezuela made the acceptance of the electoral mission to Peru conditional on a review of the behavior of OAS electoral observer missions. A number of people, starting with the Secretary General, defended the current electoral observer system, but Venezuela persisted. In the OAS, there are no vetoes. That means that a member state, even if it is alone and promoting an unpopular position, is not going to be overridden and the issue remains open.

It could well be that as a result of the Peru mission, the limited autonomies of the secretariat to name electoral missions will be further weakened. We will have to wait and see.

Right now the United States, Brazil, and Argentina are in substantial arrears in their payments to the OAS. We could thus find ourselves in the position of having to close our doors because we are not able to pay our bills.

In fact, every time the OAS has to take on something new and important—whether it is the mission to Peru or to Haiti, or my previous mission as the special representative to try to prevent conflict from breaking out over maritime waters between Honduras and Nicaragua—we literally go out like a mendicant, begging the member states to contribute funding for that mission because we do not have the money in the current budget.

If one wants the OAS to be able to accomplish things, the member states must give the OAS a reasonable mandate, and the member states must actually pay to have that mandate carried out.

At this point, I give an A grade among the larger, wealthier countries only to Canada. Canada is a medium-sized power that understands that its influence can be multiplied through international coalitions, and it is willing to pay for that. I give a low grade to the United States, which as the last superpower does not care very much about international entanglements that will limit its ability to decide.

I disagree with Cynthia McClintock in one respect. What Brazil thinks matters enormously. Brazil should be listened to on all issues in the hemisphere, just as should virtually all the other countries. If we are going to move ahead on democracy, then the democracy we are talking about cannot just be within nations. It also has to be among nations. What we have to do is create a web of mutual obligation that is strong enough to withstand the institutional and personal vagaries of particular crises. But we are extraordinarily far from achieving that.

We have an asymmetric system. The United States is no longer a totally dominant country. We all recognize the growth of equality and economies and performance in Latin America. Nonetheless, the United States still accounts for 80 percent of the gross domestic product of this hemisphere. What it comes down to basically is the question of how the United States is willing to exercise its power. Cooperatively and therefore, effectively? Or unilaterally and therefore, ineffectively? Are decisions going to be debated and worked on—if only in privacy—among govern-

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ments, or are we going to get fake decisions that claim to set the course on behalf of the entire hemisphere? Because when there has not been consultation, when decisions have not been made jointly, they do not have the allegiance of others and wind up being false decisions, utterly unimplementable and incapable of altering the course of the difficulties that we now face.

NOTES

1. Nancy Birdsall and Augusto de la Torre with Rachel Menezes, *Washington Contentious: Economic Policies for Social Equity in Latin America* (Washington, D.C.: Carnegie Endowment for International Peace and Inter-American Dialogue), 2001. [ed.]

2. Seminar held at the Woodrow Wilson Center, October 30, 2000. [ed.]

3. President Fujimori's nickname, based on his Japanese origin. [ed.]

4. Two other Latin American leaders, like Montesinos, had built their power partly around favored treatment by the U.S. national security/intelligence establishment: Manuel Noriega of Panama and Anastasio Somoza of Nicaragua. Neither, you will recall, went quietly or peacefully.

5. See Organization of American States, *OAS News*, July–August 2000, p. 4.

6. Karen de Young, “‘The Doctor’ Divided U.S. Officials,” *Washington Post*, September 22, 2000.

CONTRIBUTORS

CYNTHIA ARNSON is Assistant Director of the Latin American Program of the Woodrow Wilson Center. She is editor of *Comparative Peace Processes in Latin America* (Woodrow Wilson Center Press and Stanford University Press, 1999) and author of *Crossroads: Congress, the President, and Central America, 1976-1993* (2d ed., Penn State Press, 1993). As director of the Project on Comparative Peace Processes in Latin America, she has focused intensively in recent years on Colombia. She is former Associate Director of Human Rights Watch/Americas, has taught at the American University, and served as a foreign policy aide in the House of Representatives during the Carter and Reagan administrations. She has an M.A. and Ph.D. from the Johns Hopkins University School of Advanced International Studies.

BRUCE MICHAEL BAGLEY is a Professor of international studies at the School of International Studies (SIS), University of Miami. He is also co-editor (with Dr. William C. Smith) of the *Journal of Inter-American Studies and World Affairs*. His principal research interests center on U.S.-Latin American relations, with particular emphasis on drug trafficking in Colombia, other Andean countries, Central America, and Mexico. Among his recent publications are *Drug Trafficking in the Americas* (co-edited with William O. Walker, Transaction Press, 1995); and *Drug Trafficking Research in the Americas: A Bibliographic Survey* (Lynne Reinner, 1997).

CARLOS BASOMBRÍO is a sociologist and Director of the Instituto de Defensa Legal (IDL), an influential Peruvian NGO that seeks to promote human rights, strengthen democracy, and build peace after the period of internal violence. He has served as director of IDL for two terms and is the author of several books, papers, and articles on issues of democratization, human rights, and peace. During 1994-95 he was a Fellow at the Woodrow Wilson Center, where he served as co-founder of the Project on Comparative Peace Processes in Latin America. Among his recent books are *La Paz: Valor y Precio* (IDL, 1996), and an edited volume, *Y Ahora Que? Desafíos para el trabajo por los derechos humanos en América Latina*.

Contributors

ADRIÁN BONILLA is the Deputy Director for Academics at the Latin American Faculty of Social Sciences (FLACSO) in Ecuador. He has published numerous books and articles about Ecuadoran politics, the political economy of the drug trade, and the military conflict between Ecuador and Peru. His recent publications include *Ecuador-Peru: Horizontes de la negociación y el conflicto* (FLACSO-DESCO-Fundación Kellogg, 1999) and *Economía política del narcotráfico: El caso ecuatoriano* (co-edited with Bruce Bagley and Alexei Páez, FLACSO-University of Miami, 1991). He received his Ph.D. and M.A. in international studies from the University of Miami.

FERNANDO CEPEDA is Professor of political science at the University of the Andes. He has served as a cabinet minister in the government of President Virgilio Barco and as Colombia's Ambassador to the United Nations, the Organization of American States, the United Kingdom, and Canada. He is currently a consultant to the Fundación Ideas para la Paz (Ideas for Peace Foundation) in Colombia, and he has published extensively about issues of governance, corruption, and international relations.

CATHERINE M. CONAGHAN is Professor of political studies and Associate Director of the Center for the Study of Democracy at Queen's University in Canada. She has been a Visiting Scholar at the Woodrow Wilson Center, the Kellogg Institute, and Princeton University. She is also the author of two books on Andean politics and the editor of the websites, *Peru Election 2000* and *Peru Post-Election* (<http://csd.queensu.ca/peru2000>). Her latest work has been as editor of *To Be a Worker: Identity and Politics in Peru* (University of North Carolina Press, 2000). During the fall 2000 semester, she held the Knapp Chair in Liberal Arts at the University of San Diego.

MICHAEL COPPEDGE is Associate Professor in the Department of Government and International Studies at the University of Notre Dame. He is also a Fellow of the Kellogg Institute and chairs its Quality of Democracy Working Group. His publications include *Strong Parties and Lame Ducks: Presidential Partyarchy and Factionalism in Venezuela* (Stanford University Press, 1994) and numerous journal articles on governance, political parties, party systems, and elections in Latin America. Before coming to Notre Dame, he taught at Princeton and the Nitze School of Advanced International Studies (SAIS) of the Johns Hopkins University, and has also taught courses at Yale, Georgetown, the University of Belgrano, and the University of Salamanca. He received his Ph.D. in Political Science from Yale University in 1988.

Contributors

LUIGI EINAUDI was elected Assistant Secretary General of the Organization of American States at its June 2000 General Assembly meeting. During the previous three years, he was a Visiting Senior Fellow at the Inter-American Dialogue, directing the organization's work in the area of multilateral governance, inter-American institutions, and the Organization of American States. He has also served as the U.S. special envoy for the Ecuador-Peru conflict and was previously the U.S. Ambassador to the Organization of American States and a senior advisor on the Secretary of State's policy planning staff. His 25 years at the State Department followed 12 years at the RAND Corporation, and three years teaching at Harvard, Wesleyan, and UCLA. He is the author of *Beyond Cuba: Latin America Takes Charge of its Future* (Crane, 1974), and holds A.B. and Ph.D. degrees from Harvard University.

J. SAMUEL FITCH is Professor of political science at the University of Colorado in Boulder, and a former Public Policy Scholar at the Woodrow Wilson Center. His research focuses on the interrelations among the armed forces, the state, and society in Latin America. He is the author of *The Coup D'Etat as a Political Process* (Johns Hopkins, 1977) and co-editor, with Abraham Lowenthal, of *Armies and Politics in Latin America* (Holmes and Meier, 1986), as well as numerous articles and chapters on civil-military relations, U.S. military assistance programs, and public policy. His most recent book is *The Armed Forces and Democracy in Latin America* (Johns Hopkins, 1998).

EDUARDO GAMARRA is Associate Professor of political science and Director of the Latin American and Caribbean Center at Florida International University. He is a leading expert on political and security affairs in the countries of the Andean region. He has served as a consultant to the Bolivian government and to other regional institutions on national governance issues. He has testified before the U.S. Congress on drug policy and authored over forty articles and books, including *Democracy, Markets, and Structural Reform in Contemporary Latin America: Argentina, Bolivia, Brazil, Chile, and Mexico* (with William C. Smith and Carlos H. Acuña, Transaction Publishers, 1993) and *Latin American Political Economy in the Age of Neoliberal Reform* (with William C. Smith and Carlos H. Acuña, Transaction Publishers, 1994).

Contributors

MIRIAM KORNBLITH is a Professor at the Political Studies Institute of the Central University of Venezuela. Currently she is also a Visiting Researcher at the Public Policy Center of the Instituto de Estudios Superiores de Administración (IESA) in Caracas. Previously she was a Visiting Researcher at the Center for Latin American Studies at Stanford University (1988-91). She has served as Vice President of the Venezuelan National Electoral Commission (1998-99) and published extensively on electoral reform, party systems, and constitutional reform. Her most recent book is *Venezuela in the 90s: The Crises of Democracy* (IESA-UCV, 1998). She is finishing her Ph.D. in Political Science at the Central University of Venezuela and has completed studies in Sociology at the Catholic University “Andrés Bello.”

FRANCISCO LEAL is former Dean of the Social Sciences School at the University of the Andes in Bogotá, Colombia and a Visiting Researcher at FLACSO-Ecuador in Quito. He has been a Visiting Professor at Columbia University and the Central University of Venezuela and holds a lifetime appointment at the National University of Colombia. He has also served on the Editorial Board of *Latin American Research Review*, the Board of the Friedrich Ebert Foundation in Colombia, and the Board of the Latin American Social Science Council (CLACSO). Among his numerous books and articles are two recent publications on violence in Colombia: *Los laberintos de la guerra: utopías e incertidumbres sobre la paz* (Tercer Mundo, 1999) and *Tras las huellas de la crisis política* (FESCOL-Tercer Mundo-Universidad Nacional de Colombia, 1996). He holds a Ph.D. in Development from the University of Wisconsin and an M.A. in the Sociology of Development from the National University of Colombia.

CYNTHIA McCLINTOCK is Professor of political science and international affairs at The George Washington University. During 1994-95, she was president of the Latin American Studies Association, an international scholarly association. She is currently completing a book on U.S.-Peruvian relations in the 1990s for Routledge Press. Her previous works include *Revolutionary Movements in Latin America: El Salvador's FMLN and Peru's Sendero Luminoso* (United States Institute of Peace, 1998) and *Peasant Cooperatives and Political Change in Peru* (Princeton, 1981). She is also the co-editor of *The Peruvian Experiment Reconsidered* (Princeton, 1983; Spanish version, Instituto de Estudios Peruanos, 1985). She holds a Ph.D. in political science from the Massachusetts Institute of Technology.