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"The State of Democracy in the Americas"
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Rabble-rouser. Radical. Left-winger. Threat to prosperity. Dangerous socialist. These and other adjectives were used to describe Luiz Inácio "Lula" da Silva from his appearance in the late 1970s on Brazil's national political stage until his first election as president of Brazil in 2002. During the 2002 presidential campaign, domestic and international markets continued to view Lula as a grave threat. Interest rates spiked on Brazilian bonds; there was also exchange-rate turmoil.

In retrospect, Brazil's 2002 presidential election was a watershed in the history of democratic and market consolidation in Brazil. It demonstrated the effectiveness of Brazil's constitutional order through the public formulation and expression of opposing views and the fair and effective operation of its electoral institutions under the rule of law. It featured the role of parties, civil society, and a free mass media.

- It was the first time in 40 years that one popularly-elected Brazilian president passed the sash of office to another.

- It completed the process of incorporation of all Brazilian social classes into the political process.

- It passed political power from the governing party to the opposition party.

- The election was hotly contested, and there was free, vigorous mass media coverage and broad and deep engagement from civil society and political parties.

- Lula signaled transparently during his 2002 campaign that he and his party had changed their views and would henceforth "hug" the political center.

- Lula and his party went on to fulfill the promises made during the campaign, including significant continuity, with plausible policy adjustments, of the market-oriented economic policies as well as the social policies of his predecessor.

Brazilian citizens their leaders constructed this democratic transition and consolidation. International factors were secondary, but not insignificant. During the 2002 presidential campaign, the Brazilian government required support from the

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International Monetary Fund to stabilize the economy and calm international bond and exchange-rate markets. During the campaign, Lula publicly endorsed the IMF stabilization plan and promised to implement it upon his election as president, which he did. The U.S. government supported the agreement between the IMF and Brazil. Indeed, it is no hyperbole that the IMF and the Bush administration contributed to Lula's election as president of Brazil and, in that way, contributed as well to the consolidation of Brazil's democracy and prosperity.

Democratic politics is, therefore, built at home, but it is easier to build it with a supportive international community.

This experience may be pertinent to an assessment of Peru's President-elect Ollanta Humala. As had been the case with Lula during his 2002 presidential campaign, Humala made it clear during his 2011 presidential campaign that his own views had changed, declaring that he wished to emulate Lula's experience, including through the importation of Brazilian campaign advisors. True enough, the pre-presidential political biographies of Lula and Humala are quite different. Humala once helped to lead a military rebellion; Lula never did. Lula founded, shaped, and led a political party; Humala's political appeal has remained personalistic. Humala's previous presidential campaign had sought to emulate Chávez, not Lula. Yet, recent Peruvian history has witnessed an uninterrupted string of presidents who moderate their policies upon their installation in office. Humala has an historic opportunity now to implement the social policies that Peru has long needed and for which it finally has the economic resources.

Now, consider Mexico. It was 11 PM on July 2, 2000. The television networks, broadcasting from the Federal Electoral Institute (IFE), turned their cameras on the Institute's president, who was about to give the preliminary results of the voting in Mexico's 2000 presidential election. Speaking in a rushed monotone, he reported on the "quick counts" and other technical means of verifying the voting in advance of the complete count. He referred to statistical significance or the lack thereof of these various tests, making the dramatic appear dull; he concluded on the cautious note that Vicente Fox, the candidate of an opposition party, Partido Acción Nacional (PAN), seemed ahead.

With a break that lasted only seconds, the television networks turned their cameras on President Ernesto Zedillo at his presidential office in Los Pinos. Zedillo, dressed formally for this occasion, was wearing the tricolor presidential sash across his chest. Behind him were two icons of republican Mexico. One was a gigantic flag of Mexico. The other was a portrait of the nineteenth-century president Benito Juárez. Zedillo spoke deliberately, pausing for effect and clear public understanding. He noted that the audience had just heard the preliminary results from the IFE president. Without hesitation, he boldly congratulated Vicente Fox on his election as president of Mexico and pledged that his administration would cooperate fully during the upcoming five-month transition period. He called upon his party, the Partido Revolucionario Institucional (PRI), to be proud of a long record of accomplishment in the transformation of Mexico and, in that spirit, to support the election outcome.

Again with a short break lasting only seconds, the television cameras next turned their lights on the PRI headquarters, specifically on the party's presidential candidate, Francisco Labastida. All PRI leaders looked stunned. Some in the crowd shed tears. Then someone was sufficiently inspired to start singing the national anthem, and others joined in. The special transmission in its three parts lasted about ten minutes. It would be followed with images of Fox supporters celebrating in downtown Mexico City and elsewhere as the evening wore on.

This account illustrates five key changes in Mexican national politics that have endured.

- Television and radio were the means to communicate the remarkable transfer of political power that had just occurred.

- The constitutional reorganization of Mexico's electoral institutions proved essential to permit and enact a free election.

- Free, professional public opinion polling and the associated technical work of academics was an important instrument for this transition.

- The leadership of the outgoing president was essential to impart confidence that the election outcome would be respected.

- Both the long-ruling Institutional Revolutionary Party (PRI) and the long-lived opposition party, the National Action Party (PAN) had changed to make a free, fair hotly contested election possible.

The slow process of transition toward democracy in Mexico, and the prior experience of democratic transition in the 1980s in Brazil, greatly facilitated and contributed to the experiences of democratic consolidation in both countries in the 200s.

In Mexico's case as well, Mexican citizens and their leaders constructed democratization, yet international factors played a supportive role. In Mexico, the clear message from international financial markets was to hold a good election, not to place bets for one candidate and against the other. On election eve, only the candidates from the PRI and the PAN had a reasonable chance of winning. Wall Street, London, Hong Kong, the Clinton administration, and other governments conveyed the same message: Let the election be free and fair — either candidate would govern Mexico as an international good partner.

The construction of Mexico's democratic transition had also required that opposition leaders and their supporters should shed the self-paralyzing expectation that the long-ruling party would commit electoral fraud and abuse. This is a pertinent experience from Mexico's near-past to today's circumstances in Venezuela. One must believe in the possibility of winning in order to be able to win.

Mexico's 2000 presidential election, as had been the case in its 1994 and 1997 national elections, featured as well a significant number of international and especially domestic civil society observers. Domestic and transnational civil society thus played a significant role, including among them the International Republican Institute and the National Democratic Institute. Election observation, in Mexico and elsewhere, is an important contributor of the international community to democratic practice.

Most Latin Americans live in Brazil and Mexico. Most Latin Americans, therefore, experience democratic governance, market-oriented economic policies, more effective social policies, open political party contestation, free mass media, and have ample opportunity to participate in civil society organizations. The principal story in their respective processes of democratization was written at home, though in each case a benign international environment was a helpful secondary consideration.

The U.S. government, under Presidents Bill Clinton and George W. Bush, as had been the case as well under Presidents George H.W. Bush and Jimmy Carter and during the second term of President Ronald Reagan's administration, contributed to these democratic processes through a combination of self-restraint and timely yet modest positive inducements. Transnational civil and political society played a generally constructive role as well. The political effect of international markets was benign in Mexico but it made the democratic process temporarily more difficult in Brazil.

A similar story regarding the national construction of democratic processes and a supportive role for the international community, including the United States, can be told with regard to Chile in 1990; Uruguay in 2004 when the first president from the Left, the Frente Amplio's Tabaré Vázquez, was elected president; or the Dominican Republic in 1978 and 1994-96. Domestic and international election observation was also crucial in these pivotal elections in Chile and the Dominican Republic.

There is, however, a quite different sequence for the relationship between domestic and international factors as they may affect the start of democratization. A cataclysmic international event may reshape structures and incentives to foster a democratic transition. This was the impact of the end of the Cold War and the collapse of the Soviet Union in Europe. It was the starting point for the democratization of former communist Eastern Europe. The end of the Cold War helped also to bring to an end the wars swirling in Central American countries in the 1980s, with peace and democratization in Nicaragua in 1990, El Salvador in 1992, and Guatemala in 1996. Domestic and international election observers were essential in these Central American transitions. Defeat at war is another cataclysmic event; it contributed to democratization in Greece in the early 1970s and in Argentina in the early 1980s. These are, to be sure, unusual and infrequent events.

The same framework for analysis sheds light on Venezuela, which is the most noteworthy example in the Western Hemisphere of a departure from constitutional liberal democracy, the concentration of disproportionate power in the hands of the president, the

imposition of constraints on the mass media and civil society organizations, and frustrated international initiatives.

Venezuelan voters have repeatedly elected Hugo Chávez president of Venezuela. Unlike Mexicans in 2000 or Brazilians in 2002, Venezuelans have yet to vote the incumbent out of office. In various plebiscites, Venezuelans have also supported a number of constitutional changes that have greatly strengthened presidential powers in Venezuela. In the December 2007 plebiscite, however, Venezuelan citizens defeated Chávez-proposed constitutional amendments that would have dramatically strengthened presidential powers even more and weakened nearly all means to hold the executive accountable. Voters stopped the worst outcome but have acquiesced in other constitutional changes that have weakened the constitutional bases for democracy.

The weakening of democratic institutions in Venezuela has not, alas, been caused by Chávez alone. In 1998 and subsequent elections, Venezuelan voters also abandoned the two major political parties, the social democrats and Christian democrats (*Acción Democrática* and *COPEI*) that had shaped democratic practice in Venezuela since the 1940s. In advance of the December 2005 legislative elections for the National Assembly, opposition leaders decided to boycott the elections in the hope that their failure to participate would discredit the result. The main effect was that Chávez's partisans won every seat and left the opposition without a voice in the National Assembly. This is also why I referred to Mexico's opposition experience, above, in thinking about Venezuela's opposition.

The Venezuelan opposition has demonstrated renewed signs of life and much better strategic sense in recent years, winning nearly half of the votes in the most recent national legislative election and undertaking the work necessary to choose a single unity candidate in time for December 2012 presidential election to contest Chávez's expected bid for re-election.

Whatever anyone's assessment may be regarding the behavior of voters or opposition leaders, there are appropriate reasons for concern regarding the following issues in Venezuela:

- The extent of partisan politicization of electoral institutions, which raises doubts about the fairness of the election process.

- The severe constraints on freedom of the press and the systematic attempt to undercut unfairly the public expression of views critical of the government.

- The comparably severe constraints on civil society organizations the demonstrate independence from the government, both those entities that had long existed (unions, business federations) and other that emerged in response to the Chávez government.

- The arrest, or induced exile, of significant opposition leaders, including the major potential opposition presidential candidates for 2012.

- The use of executive decree powers both to enact policies that should have emerged from the normal legislative process as well as to implement these anti-democratic practices.

In such a context, the impact of the international community has been frustrating and frustrated. In the early years of the past decade, the Organization of American States (OAS) sought to protect the public space for fair elections. The role of the OAS was positive in this regard; voters continued to support Chávez, however. In the early years of the past decade, U.S. government officials adopted a publicly confrontational approach toward Chávez. No doubt many of those criticisms were accurate, and understandable, but they backfired. They made it easier for Chávez to consolidate his core political support and to blame the United States for both the failed 2002 coup attempt to overthrow him and other difficulties. The prolonged rise in the international price of petroleum, which characterized the entire past decade until late 2008, enormously increased President Chávez's capacity to build support at home and abroad.

The decision of the Bush administration in its second term, continued under President Obama, to tone down public confrontation with Chávez and better coordinate policies with Venezuela's neighbors has deprived Chávez of the ease of exporting blame but it has also not had much impact one way or another on Venezuela's slow march toward autocracy.

Constitutional democracy and the rule of law are valuable in themselves. They may also contribute significantly to prosperity. Autocrats may promise policies that domestic and international investors like, but those policies are credible only for the duration of the autocrat's rule. In constitutional liberal democracies as they have been evolving in Brazil, Mexico, Chile, and Colombia, among others, policies change as different presidents and political parties take their turn at governing but the fundamental rules of constitutionality — and the framework of fundamental economic rules, therefore — persist over time. The credibility of promises to investors under such democratic circumstances is much higher and effective. Such credibility helps to explain why these four countries have out-performed their own economic histories under democratic rule.

Venezuela, in contrast, has suffered from lack of domestic and international investment, and from capital flight, for a variety of reasons, but one of them is that President Chávez's promises and policies are time limited — they may last while he is president but it is unclear, even doubtful, that they would outlive his presidency.

Democratic constitutionalism serves prosperity in other ways. Voters, the national legislature, and the mass media may hold the executive accountable, and such informational transparency makes it more likely that errors would be corrected. Voters may, in democratic elections, defeat incumbents, thereby making an even sharper correction. Under effective inter-party competition and legislative oversight, the likelihood of abuse of power declines. These elements, too, help to distinguish between the poor quality of governance in Venezuela and the better quality of governance in the region's constitutional democracies.

Democracy and prosperity do not always go hand in hand. It is possible to have one without the other, and Latin America's political and economic history is an apt example of such past disjunctions. Today, however, the region's governments cluster in ways unlike during most of the region's history. Today, the more effective constitutional democracies have also the better prospects for prosperity, and the countries with sound economic policies are also those where democratic practice is stronger. On the positive side, this is a "virtuous" or reinforcing path about which there is much to celebrate. On the negative side, it is a worrisome path that may lead to further abuse and poor performance.

In both instances, Latin Americans have constructed their own history. It is our task from afar to provide the supportive environment that helps to foster democratic practices, stand with their citizens vigilant for the respect of rights enshrined in international treaties, and ready support the principles of the Inter-American Democratic Charter, under the auspices of the Organization of American States — a Charter, signed on the fateful day, September 11, 2011, whose principles were valid then as well as today.