

A CHALLENGE FOR DEMOCRACY

Political Parties in Central America, Panama and the Dominican Republic

Diego Achard - Luis E. González

With the collaboration of
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Published by the Inter-American Development Bank (IDB),
the International Institute for Democracy and Electoral Assistance (International IDEA),
the Organization of American States (OAS)
and the United Nations Development Program (UNDP)

2005

© Inter-American Development Bank (IDB)
1300 New York Avenue, NW
Washington, D.C. 20577

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First Edition (in Spanish), May 2004

This publication can be requested from:

IDB Bookstore
1300 New York Avenue, NW
Washington, D.C. 20577
United States of America
Tel. (202) 623-1753, Fax (202) 623-1709
1-877-782-7432
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www.iadb.org/pub

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ISBN:

Printed by Compañía ABC Ediciones del Sur S.A.
San José, Costa Rica, August 2005

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Introduction

This book is the result of a joint effort by the Inter-American Development Bank (IDB), the Organization of American States (OAS), the United Nations Development Program (UNDP) and the International Institute for Democracy and Electoral Assistance (International IDEA). In producing the book and carrying out the research and studies described in it, these organizations have had support from the Norwegian Agency for Development Cooperation (NORAD), the Swedish International Development Cooperation Agency (SIDA) and the Department for International Development (DFID) of the United Kingdom.

All of these agencies share a genuine concern for the consolidation of democracy, both from the standpoint of human rights and political liberties, which highlights the desirability of democracy as a political system, and from the standpoint of sustained and equitable development, for which democracy increasingly appears to be a condition. The latter point underscores the need for democracy. Increasing empirical evidence and an accumulation of academic knowledge support the idea that only with solid democratic systems, in the context of the Rule of Law, can the conditions exist for juridical security and political confidence that make possible sustained savings and investment, which are indispensable for growth. At the same time, only in a democratic context can public policies respond to the general interests of society, with which the benefits of this growth tend to be distributed more equitably.

The agencies sponsoring this book have joined forces in light of the political transition being experienced by the Central American countries, Panama and the Dominican Republic.

The book consists of three parts. The first presents the findings of an empirical study of the state of and prospects for political parties in the indicated countries; the authors are Diego Achard and Luis E. González, consultants and coordinators of the study. Concern for the strengthening and institutionalization of political parties, within the framework of processes of democratic consolidation, is an issue that is commanding increasing attention. Despite their flaws and lack of solidity, in some cases because they have been discredited and in others because of fragmentation and weakness, parties in a democracy must not be replaced, but must be supported so that they can become stronger, and encouraged in their fundamental roles: keeping their finger on the pulse of citizens' demands and problems, formulating alternatives for responding, and implementing policies developed in accordance with their proposals, based on the results of competitive, clean and fair electoral processes.

The six chapters in Part I present an assessment of political parties in the countries involved in the study. Two characteristics of Part I merit special mention. The first is suggested by the title of the study: "Bringing All Voices Together: Images of Political Parties in Central America, Panama and the Dominican Republic." The methodology used by the consultants responsible for the study (information forms completed by the political parties; in-depth interviews with leaders, especially political leaders of the countries; and results of opinion surveys, as well as information from secondary sources about institutional aspects of party systems) have resulted in a singular combination consisting of the protagonists' self-portrait and a portrait by citizens, which the authors have endeavored to systematize as objectively as possible. This first part is complemented in the annexes (CD-ROM) by a list of people interviewed, relevant quotes from interviewees, basic information about the institutional framework in each country, electoral results and a list of the political parties discussed in the report.

It should be noted that the study described in Part I, as the authors indicate, "does not propose a particular agenda for reforms or actions regarding the parties. The goal is to contribute to a necessary debate, with the understanding that in democracies, only the parties can act to change themselves." In the eyes of the agencies sponsoring the study, this is particularly relevant, because they believe that the specific political reform agenda in each country must be defined according to the specific institutional, cultural and historical context, although it can never contradict the common goal of strengthening the democratic system.

This book would not be complete, however, if Part I were not placed in a broader context to help the countries and their protagonists identify such a reform agenda. The second part of the book attempts, through four documents, to provide input for a reform agenda that is needed, in one way or another, in all the countries. The first document, "Paths to Political Democracy in Central America," by Edelberto Torres-Rivas, places what he calls "democratic development" in the region in a historical context, while highlighting each country's particular characteristics. This approach is important, because it differs from the fairly common but largely erroneous idea found in various theories of democratic transition, that the goal of authoritarian or dictatorial governments in Latin America and the Caribbean implied a "return to democracy." This is not the case in Central American countries,

which face - with the obvious exception of Costa Rica, one of the continent's oldest and firmest democracies - processes of "democracy building." In these countries, the goal of the dictatorships and authoritarian governments could not have been a return to what, for the most part, they never had. And while it may be true that all roads lead to Rome, all are not equal, as the author notes in examining the different dynamics resulting from wars, external factors and different starting points. Without doing so explicitly (as this was not the essay's objective), the author emphasizes the specific characteristics of the pending reform agendas needed to move the democratic political regime - which has mainly been achieved, although it still requires perfecting - toward solid democratic political systems anchored in a true Rule of Law.

The second essay, by Ricardo Córdova Macías, responds to a request by the study's sponsors to provide Central American leaders with a more general frame of reference about the crisis of the political parties, an issue that is not peculiar to the Central American sub-region. Córdova's essay, "The Crisis of Political Parties in Latin America," describes the regionwide phenomenon through an exhaustive review of the existing bibliography on the subject. This systematic documentation, which had never been done before, is valuable in itself, but is even more valuable in light of the author's conclusions, which point to new paths for study and reflection.

It is especially relevant to note that, given the consensus about the crisis of political parties and politics itself, relatively few studies have been done, and those that exist show a certain lack of rigor and, particularly, comparative viewpoints.

Córdova's essay is an important contribution to the starting point for a debate that is still pending: what do we know about the so-called crisis of parties, how do we know it and how should it be addressed?

The third essay, by Kevin Casas and Daniel Zovatto, "Political Financing in Central America, Panama and the Dominican Republic," is an indispensable complement to the study by Achard and González. With great academic rigor, it addresses one of the issues that is most in the public eye as a cause of the crisis of political parties: their financing. The essay by Casas and Zovatto also provides ideas for the "democratic development" of the countries involved. As the authors indicate in the introduction: "The financing of parties and electoral campaigns has become one of the central issues of debate over the functioning of democracy throughout the world. The keen interest has revealed the severe lack of information on the subject and the neglect of the topic from a scientific standpoint. Given the lack of transparency, the issue has become a constant source of speculation and scandal, some real and some assumed, which has at the very least a damaging effect on the legitimacy of democratic institutions." The authors provide a comparative review of political financing systems, which is subjected to a reality check with a section on electoral financing practices, ending with a series of specific considerations that may be particularly useful for anyone in the arena of action and decision-making who is concerned about the democratic health of the countries being examined.

The fourth and last essay, by Diego Achard and Luis E. González, explores an issue that has rarely been addressed from a comparative standpoint: the influence of presidents. The few available studies refer, in general, to all of Latin America. This

essay, "Presidential Power and Political Parties in Central America, Panama and the Dominican Republic," examines the issue from two different perspectives. First, it uses conceptual instruments from the few comparative studies that do exist. Second, it explores images of political leadership in the seven countries, based on their presidents' powers. These images appear to be consistent with the results of many Latin American case studies. The essay concludes that these two perspectives are complementary, and they suggest that the presidents of these seven countries, as a whole, are more powerful political figures than other Latin American presidents. Whether or not that is true, the discussion contributes to the debate about institutional equilibria of power in the region.

It should be noted that all of the essays are the responsibility of the authors and do not necessarily represent the views of the organizations that sponsored this book.

The attached CD-ROM includes the Inter-American Development Bank's recently approved Strategy for Modernization of the State. This document describes the conceptual and historical framework of the relationship between democratic governance and development, which has served, along with the specific mandates of the OAS, the UNDP, International IDEA and the IDB, as the basis for developing cooperation among these institutions and others in the area of democratic governance.

This conceptual and historical framework is reflected in the strategy's executive summary, which notes: "In the region, there has historically existed a deficient relationship between the state and the market on one hand, and the state and citizens on the other, which has resulted in an erosion of the possibilities for a sustainable and equitable development. In fact, from a historic perspective it is clear, with differences between countries, that there has been a 'democratic deficit' that on occasion has been expressed in the phenomena of authoritarianism, patronage, populism, corruption, and the "capture" of institutions and public policies by particular interests. These political system features have resulted in state actions that discourage efficient market functioning and instead promote rent seeking and speculation. At the same time, these aforementioned phenomena have contributed to a policy-making process in which the resulting policies do not reflect the processing and aggregation of the demands of the majority of citizens but rather lead to the exclusion of broad sectors of society from the benefits of growth."

This book is presented in the expectation that it will contribute to a necessary and inevitable debate among political and social leaders, academics and citizens who are concerned about and committed to the democratic welfare of their societies.



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I

Bringing All Voices Together: The state of and prospects for political parties in Central America, Panama and the Dominican Republic

Diego Achard - Luis E. González

Foreword

This report presents the results of a project sponsored by the Inter-American Development Bank (IDB), the General Secretariat of the Organization of American States (OAS), the United Nations Development Program (UNDP) and the International Institute for Democracy and Electoral Assistance (International IDEA). The Norwegian Agency for Development Cooperation (NORAD), the Swedish International Development Cooperation Agency (SIDA) and the Department for International Development (DFID) of the United Kingdom collaborated in the project.

The goal was to contribute to a public debate about the current state of and prospects for political parties in the Central American region (with the exception of Belize) and the Dominican Republic. The study's sponsors share a concern for strengthening democracy from the standpoint of political liberties and human rights, as well as for the need to consolidate a climate of public trust and juridical security. Without this, it will be impossible to achieve sustainable, equitable development that helps correct the serious social and economic deficits in these countries. The IDB, the OAS and International IDEA have been working with other organizations on the issue of political parties within the framework of the Inter-American Forum on Political Parties (IFPP), which was established by the OAS in follow-up to agreements adopted at the Hemispheric Summit in Quebec in 2001.

The project proposes no particular agenda for reforms or actions related to political parties. Its goal is to contribute to a much-needed debate, knowing that in democracies, only the parties can change themselves. For this reason, the project explored the thinking of the protagonists (the region's parties, their leaders); listening to these voices and systematically documenting and updating information about

citizens' opinions (and about party systems in the region), it developed a preliminary assessment of the state of political parties in the countries included in the study. That assessment is presented in this report.

The project was sponsored by the IDB, the OAS, the UNDP and International IDEA, and carried out by a group of consultants headed by two consultant-coordinators, which included seven consultants who were responsible for the country studies. These national studies were sponsored by the IDB in Honduras (Manlio Martínez), El Salvador (Ricardo Córdova Macías), Panama (Raúl Leis) and the Dominican Republic (Flavio Darío Espinal); the OAS in Guatemala (Daniel Olascoaga) and Nicaragua (Rosa Marina Zelaya); and International IDEA in Costa Rica (Rodolfo Cerdas).

The coordinators drafted this report, but their task would have been impossible, or much more imperfect, without the assistance, comments and critiques of the national project researchers, the people who participated in national meetings where preliminary results were presented, and those who participated in the workshops that shaped the project and evaluated its progress, including officials of the IDB, the OAS and International IDEA and members of the institutions that generously funded the project (NORAD, SIDA and DFID). Naturally, the authors take sole responsibility for the arguments presented here, which do not necessarily reflect the opinions of the organizations that sponsored the project or the institutions and persons who collaborated in its execution.

Executive Summary

1. Objectives, reasons and methods

1.1. *Assessment of parties.* This report offers a preliminary assessment of the state of political parties in Central America, Panama and the Dominican Republic (hereafter, for convenience, referred to as “the region” or “the Central American countries”). Its purpose is to provide useful inputs for a debate about the current state of and prospects for political parties in the region.

1.2. *Why parties?* Concern about political parties arises, on the one hand, from their vital role in the consolidation of the region's democracies, and on the other, from their negative public image (as reflected in polls and the opinions of many outside observers). Parties are crucial, but they are not highly regarded. Reasonably credible, coherent political parties with identifiable political, economic and social agendas facilitate the representation of citizens' preferences and interests and make it more likely that elected candidates will be accountable for their actions. Expressing and assembling citizens' demands and guiding the behavior of politicians according democratic rules, institutionalized parties promote political stability and make governments more effective. The parties' poor public image, therefore, is cause for great concern.

1.3. *The protagonists:* The parties, their leaders. This report pays special attention to two voices that have been the subject of relatively little study: those of political *leadership* and the *parties* themselves (their *institutional* voices). To this end:

- (a) the thirty-nine parties in the region that had parliamentary representation in mid-2003 were identified and asked to fill out a form (the “institutional self-portrait”) with data about the party's origins, its organization, its decision-making and negotiation practices, and certain aspects of its platform; in addition
- (b) seventy-eight leaders in the region (mainly politicians) were interviewed between June and November 2003; these consultations focused on the interviewees' views of parties (their functioning, practices and real behaviors, their virtues and defects).

1.4. *The voice of the governed, the political context.* These “voices” (of individuals and leaders, and the institutional voice of the parties) were complemented with the voice of public opinion (the main source was *Latinobarómetro* 2003), and all were analyzed in light of available information about party systems in the region.

2. Principal results

2.1. *Party systems in process of change.* The evolution of party systems in the region does not reflect a single trend. Although political histories carry some weight and provide various degrees of anchorage and stability (in some cases more than others), party systems are changing in a context of poor credibility and decreasing citizen confidence. The party systems in Honduras and Guatemala maintain their relative positions (they are, respectively, the most and least institutionalized in the region); in both cases, however, citizen trust in (and their degree of affinity for) parties is decreasing. The institutionalization of the Salvadoran system shows the least change, and the other systems (except for the Dominican Republic, where insufficient data is available for this analysis) are changing in different directions. The Costa Rican system is becoming somewhat more unstable and fragmented, while the Nicaraguan and Panamanian systems seem to be changing in the opposite direction.

Caution: The following observations about parties usually apply to the majority, occasionally to nearly all, but never to all. There are *always* different situations and exceptions. There are thirty-nine parties with different origins and histories that nevertheless have *some* common characteristics. These characteristics are shared by m most of the parties, but never by all,

2.2. *Party self-portraits: the roots.* Nearly all of the largest parties (those receiving more than 40 percent of the vote) participated in one way or another in the construction of their respective democracies; they were born before the democracies. Political strongmen or *caudillos* were usually involved in their foundation. They are “direct” parties (without dependence on or significant ties to other non-partisan organizations). They *tend* to be pragmatic parties, with little ideological differentiation, which appeal to broad electorates. The smaller parties, on the other hand, mainly arose after the arrival of democracy and are much more

closely tied to social, religious or ethnic-cultural organizations. In these aspects, although they are not necessarily “derivative” parties (as opposed to “direct” parties), they are very different from the larger parties. The smaller parties appear to have grown where the larger ones left more free space, and their profiles are different. It is not only size that distinguishes them from one another.

2.3. *Party self-portraits: organization, functioning.* In general, party by-laws pay great attention to grassroots participation, but actual practices are more modest. Party leaders appear to have considerable influence (in the designation of candidates, for example). Parties tend to lack reliable information even about how many members they have. Nor do they have policies for raising funds among their supporters (in many cases, elected leaders do contribute).

2.4. *The voice of leadership: the parties' performance.* The region's political elites are not satisfied with the parties' performance; this dissatisfaction extends to politicians of governing parties, those of the opposition and observers. In each of these groups, two-thirds (or more) of those consulted are *not* satisfied with the parties' performance. Those who are dissatisfied are the majority in all of the region's countries. In meetings to discuss the preliminary results, however, leaders were usually surprised to discover the extent to which their personal opinions were shared by the vast majority of people consulted.

2.5. *The voice of leadership: the parties' problems.* Leaders consider the parties' performance unsatisfactory partly because of the *circumstances* surrounding them (such as the lack of trained human resources), which the parties did not choose and which they cannot change in the short term. The parties' performance is also unsatisfactory, however, because of *defects* of the parties: factors that the parties should be able to control. The interviewees see at least three significant problems in the parties. Six out of every 10 people consulted believe that political *patronage* exists in their countries, and that this is negative. Slightly more than six out of every 10 interviewees say that in the parties there are problems related to a lack of *turnover of leadership*, and eight out of every 10 believe that in their countries there is a great deal of political *corruption*. Nine of every 10 people consulted also state that party *financing* is problematic, although this is not necessarily a “defect” of the parties. A minority of the interviewees (one-fifth), however, explicitly linked the latter two issues: these people stated, with concern and without going into detail, that drug trafficking or organized crime is contributing to the financing of certain politicians or certain parties.

2.6. *Self-portraits and leaders: characteristics implicit in the parties.* Nearly all of the leaders state that the financing of parties is problematic, but:

- (i) funding of party cadres is not, or is to a much lesser degree. This reinforces an image of parties (mentioned in several interviews) as occasionally powerful electoral machinery requiring substantial resources during campaigns, but *not* as large *permanent* organizations. Between elections, party life is considerably limited:

(ii) parties do *not* have policies for raising funds from their members. There are problems with financing, but the parties do not turn to their members. Instead, parties (the largest) *give* to their members (patronage: individual favors, rather than policies), and in turn receive their members' votes. Even in the case of relatively young parties, this is an old, traditional image;

(iii) in most of the largest parties, along with these elements (genuine vitality only during campaigns, patronage) there is an increasing political-electoral pragmatism that appeals to all, or nearly all, electorates with ideological messages that differ very little. By definition, parties with these characteristics lack strong “political personalities” of their own. In the always complex relationship between parties and their leadership, these characteristics help leaders “manage” their parties (rather than “leading them”), and tend to keep parties from molding their leadership according to the *parties' own* ideas, traditions and goals.

2.7. *The voice of the people.* Democracy is now the ideal and goal of most Central Americans. But they are increasingly dissatisfied with the way it actually functions. While defending democracy as an ideal, the majority says that it would support an undemocratic regime that could solve their economic problems. They sympathize less and less with their political parties, which are the least trusted large national institutions in the entire region. This level of trust has decreased systematically over the past decade. The lack of confidence in parties is seen at all social levels and is slightly higher among those who have more education, a higher socio-economic status and greater interest in politics. Traditionally excluded groups (women, indigenous people) feel more distant from politics and parties than the population as a whole, and are also more skeptical and critical. This loss of confidence, which is widespread in all spheres of society in the region, is reflected in a decreased affinity for political parties.

3. The assessment and its implications

3.1 . *The Central American paradox.* “Objectively,” according to nearly all criteria in use in the literature, there is “*more* democracy” in the region now than there was 15 or 20 years ago. There is more democracy, but a significant proportion of Central Americans are less satisfied with it, with political institutions in general, and with parties in particular. This situation (which probably differs very little from that of Latin America as a whole) could be called the Central American *paradox*. It may arise from the nature of people's priorities and expectations. For Central Americans today, the economy is the primary issue, and the political regime (with or without democracy) ranks lower on the list of priorities. People choose democracy, but only “if all other conditions are equal.” If economic problems are not resolved, “secondary” priorities (the characteristics of the political regime, democracy) tend to lose importance. To the extent that economic-social expectations increase, and with them dissatisfaction (as has certainly occurred in recent years), democracy and political parties seem increasingly irrelevant.

3.2. *Risks for democracy.* This climate of public opinion does not imply that democracy is necessarily in danger in the short term. It is, however, a strong warning signal. Anti-democratic leaders *could* emerge (inside or outside of parties) who are talented, able to convince significant sectors of the population of the need to “act now” to resolve real problems (the people's priorities), and even able to get into office *democratically*, invoking representation of the majority. While anti-democratic, their actions could be based on rhetoric appealing to the defense of democracy and the majority. This could quickly lead to a crisis of regime. While most elites prefer democracy, dissatisfaction with parties is widespread, as is criticism of their failings. As long as the Central American paradox persists, a scenario of this sort may occur if a minority of elites (possibly very small) takes decisive action.

3.3. *Risks for parties.* In a democratic framework like the current one, part of the volatility of the region's party systems is a result of their youth: leaders and voters are still learning, and volatility is a natural consequence of those processes. Nevertheless, this is *not the only reason*. Other factors also carry weight. In particular, the “Central American paradox” is *incompatible* with a party system that is highly institutionalized or that has low volatility, at least in the medium term. If people are highly dissatisfied with parties, have no confidence in them and believe that parties cannot solve their real problems, and if all of these complaints are systematically exacerbated, they will not vote regularly for the same parties in the same way.

3.4. *Facing the challenges.* If this assessment is approximately correct:

(i) it is necessary to defend democracy in terms of political values and *also* as an instrument. Democracy is *not* a panacea, but it has demonstrated that even in poor countries, it improves per-capita income and citizens' quality of life (an improvement that is even greater for women);

(ii) to resolve the Central American paradox, the priorities *of the population* must be addressed; this requires good governance and effective policies (whatever their ideological or philosophical inspiration; this will be decided by the voters). Parties must therefore be strengthened. Although strong, democratic parties are *not* a panacea, they decrease the likelihood that anti-democratic leaders will emerge and that leaders will use parties as tools for their own ends (decreasing the probability that they will be “captured” by governments for special interests), and increase the likelihood that the politics that they choose and implement will be of high quality;

(iii) to strengthen parties, it is necessary to address the dissatisfaction of voters and leaders and face the problems that the various actors see in the parties. The precise nature of the reforms and actions needed to accomplish this can only be defined by the parties themselves.

Introduction: Central American Political Parties

This report is the result of a project led by the Inter-American Development Bank (IDB), the Secretary General's Office of the Organization of American States (OAS), the United Nations Development Program (UNDP) and the International Institute for Democracy and Electoral Assistance (International IDEA). The purpose of this project is to contribute to a *public debate on the current state of and prospects for political parties* in the Central American region. In this case, “the region” includes seven countries: the Dominican Republic and all the countries of the Central American isthmus except Belize (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama).

This debate appears to be necessary for several reasons. First, parties are vital for consolidating and deepening the region's democracies. Without political parties, there can be no representative democracy as it is conceived today and in the foreseeable future. Neither the most radical advances in communication technologies (including mass communication: all homes connected to the Internet, for example) nor the eventual expansion of the instruments of direct democracy (plebiscites, referenda, voting to overturn legislation or recall officials) affects this conclusion. Contemporary societies cannot be governed by assembly, as if they were relatively small city-states, and they need representatives; the institutions that provide these representatives (and some general guidelines for action that they are expected to follow) are the political parties. In these aspects, there is no substitute for parties.

Second, what is currently known suggests that the image and current state of Central American parties are not good. In recent years, most political observers in the region have considered political parties to have a very negative public image.

At least since 1996, the Latinobarómetro surveys - Latin American public opinion polls with broad international distribution - have shown that people distrust political parties. Since then, all known surveys carried out professionally have reached the same conclusion. Studies done among Latin American elites show similar results. In short, party leaders and voters are dissatisfied with parties.

Several explanations have been suggested for the poor image of political parties. Some are so general that they do not depend on the history or specific circumstances of the region.¹ For example, some analysts see the lack of confidence in parties as part of a more generalized crisis that affects the entire, or almost the entire, public sphere, and which is reflected in a growing distance between society and “politicians.” Others believe that parties suffer from a limitation of their functions, and that they must now compete with other organizations that may do a better job of performing some of the roles that traditionally fell to parties.² At the same time, and without ignoring these general trends, many actors and commentators point to specific characteristics of the region that, while not unique or exclusive, could explain the poor image of Central American parties; these aspects are examined in Chapter 4. These “families” of explanations are not necessarily mutually exclusive; assessments may include various factors. It seems clear, however, that different appraisals of the state of political parties (because they include different factors and/or attribute differing degrees of importance to the same factors) presumably lead to different measures (“treatments,” “therapies”) for addressing their problems. The first step in designing appropriate responses to the problems of the region's parties, then, is to clarify the diagnosis.

Political parties are at the center of the concerns of the organizations that promoted this study (IDB, OAS, UNDP, International IDEA).³ The four institutions seek the consolidation of democracy in the region within the framework of sustainable human development, with special attention to the quality of policies that will affect these goals. To reach these objectives, acceptably effective, representative parties are needed.

¹ These are not unreasonable ideas: if the problem is universal or almost universal, it would be reasonable to think that its explanations are, as well. And as Juan Linz points out, the problem is indeed widespread: “public opinion in the majority of democratic systems is characterized by widespread dissatisfaction with (and distrust of) political parties, and there is great debate in academic circles over the obsolescence or decline of parties” (Linz 2002, p. 291).

² Daalder (2002) provides a summary and a skeptical view of these opinions (generally highly critical) of parties and their decline.

³ The IDB and International IDEA have participated in various initiatives for these purposes, including the recent joint study, *Democracies in Development: Politics and Reform in Latin America* (Payne, Zovatto, Carrillo and Allamand, 2003). As indicated below, *Democracies in Development* is the starting point for this study. In the OAS, strengthening parties has been part of the institutional mandate of the Unit for the Promotion of Democracy (UPD/OAS) since the Summit of Heads of State and Government of the Americas held in Quebec in 2001, and since the signing of the Inter-American Democratic Charter in Lima, also in 2001. The Charter establishes that “the strengthening of political parties and other political organizations is a priority for democracy” (Art. 5). The UPD/OAS implements actions with this goal in mind.

1.1 Objectives of the project and this report

From this standpoint, the project's overall objectives are:

- to contribute to a public debate about the current state of and prospects for political parties in the Central American region,
- to encourage a debate that should help the parties take action to address their problems (including their image problems),
- with the ultimate goal of contributing to the consolidation of democracy in the region.

The results of the project should be instruments that are useful for these purposes. The specific objective of this report is

- to provide a preliminary assessment of the situation that will serve as a starting point for such a debate.

Because of the nature of the project's objectives, this assessment must meet certain requirements. In an order that does not necessarily reflect priorities, these include:

- (i) The assessment must be based on the *parties'* own view of themselves, with their virtues and defects, because in a democratic context only the parties (considered collectively) can reform themselves. The project's only agenda is to support the construction and consolidation of democracy. This involves supporting leaders and parties in this task, rather than convincing them of the virtues of any particular measures. From the project's point of view, the parties are not "objects of study," but partners in a dialogue aimed at seeking ways to improve their structure and the way they function. Only they can undertake these measures. The motivation and stimulus for change may vary, but the final decisions must be made by the parties. The assessment, then must be based on the parties' own institutional self-portraits;
- (ii) The same is true of party *leadership*. The leaders are crucial (although the parties are the ones that decide whether or not they will follow them), because they design and implement the actions that should follow the debate;
- (iii) The assessment must also be based on the views of the Central American *population*, including relatively excluded groups. It is impossible to take action to change the parties' image if the details of that image are not known or if the voters' concerns are ignored, nor can democracy be consolidated if the people are ignored, or deepened if the excluded are omitted. Finally,
- (iv) Because this involves reflecting on and acting to change the parties' situation and image, it is necessary to keep in mind the factors that condition their action in the short term, especially those that the parties can

also influence. These include the party systems in which they operate and the *institutional and legal frameworks* that regulate them.

Of these four vital elements for the debate and the actions that the project seeks to promote, there is very little systematic information about the first two (institutional self-portraits and the voice of leadership). The project's main efforts, therefore, were focused in that direction, in the ways described below. In the other two areas (the voice of the people and conditioning factors), the project simply sought to summarize and update (when appropriate) information that was already available. The project's emphasis (and that of its original contributions), therefore, is on the voices of the actors and protagonists.

1.2 Background: the region's parties

Recent comparative literature on the parties in the region includes very different types of documents. At one extreme, for example, are the texts presented in the *Manual de los partidos políticos de América Latina* (Parlamento Latinoamericano, 2002), which are grouped by country, and which include a national political-historical summary and a brief historical and political description of each of the parties that (a) won parliamentary representation in the most recent elections, and (b) whose representation exceeded “one percent of the number of legislators (in either the lower or upper house in countries with bicameral systems)” (p.10). This manual is a very important and useful document. Nevertheless, its design has certain limitations for the objectives of *this* project (in other words, they are not “shortcomings” or “defects” of the manual). In general terms, it is a description of the parties that does not identify their possible problems. It does not provide an overall discussion of the parties at the regional or sub-regional level; nor does it analyze how the party systems function or the insertion of each party into its respective system. From a more general standpoint, it does not always allow a classification of the parties according to the typologies currently in use in the literature (and it is therefore impossible to examine them systematically from a comparative standpoint).

At the opposite extreme is the compilation by Manuel Alcántara Sáez and Flavia Freidenberg, *Partidos políticos de América Latina: Centroamérica, México y República Dominicana* (Alcántara and Freidenberg, comps., 2001). This compilation is a voluminous work that includes one article per country. Each article alone is as long as a book. The articles begin with a discussion of national politics (much more extensive and detailed than that of the manual mentioned above) that examines certain aspects of the party system, and continues with an analysis of the parties that are considered relevant. For the compilers, a party

“was considered relevant when: a) it had obtained representation in the National Chamber of Deputies in the past three legislative elections (numerical strength expressed in seats or votes obtained); b) it had surpassed the electoral threshold of 5 percent in the past three legislative elections; c) it had

representation in all of the country's electoral districts (territorial strength) or its representation in certain districts was significant; and d) it played a substantial role in the party dynamics of the political system” (*op. cit.*, p. 25).

This compilation makes an unprecedented contribution to the understanding of political parties in Latin America. As in the case of the manual, however, the compilation's design has certain limitations from the standpoint of this project's objectives. First, because the criteria of party relevance used in the compilation are strict, only parties whose political influence has been clearly established are considered. For example, in Honduras only the two largest parties (the “traditional” parties), the Liberal Party and National Party, are analyzed. There are three small (“emerging”) parties, however, that obtained (among the three) about 12 percent of the valid vote in the last parliamentary elections. The characteristics of the “emergence” of these parties suggest that a process of change *could* be beginning in the party system; one significant sign is that, for the first time since the arrival of democracy, the party that won the presidency in the last elections held before this report was written, those of 2001, lacks its own majority in the National Congress. For that reason, it is useful to also consider emerging parties. Second, the compilation explicitly describes the criteria that guide its analysis of individual parties, but does not provide a comparative analysis of all parties in the region (nor does the manual do this for either Latin America or the sub-regions).

There is more information and analysis about party systems in the region than about parties, partly because the literature is more systematized and there are proven instruments (that are relatively easy to build or gain access to). The distinction between the two spheres (parties and party systems) is simple, but important. Parties are the units that form party systems, but analysis of the latter is not based only (or mainly) on parties examined individually, but on the relationships among them.⁴ In the area of party systems, the starting point for this investigation is the study mentioned above, *Democracies in Development* (Payne, Zovatto, Carrillo and Allamand, 2003, hereafter cited as DD), sponsored by the IDB and International IDEA.

1.3 Instruments and content of the report

Party systems

In examining party systems, the project's starting point is the background mentioned above. When appropriate, this report updates the data presented in these sources (electoral results, legal frameworks) as of mid-2003. The information about party systems, which provides the context necessary for the presentation of

⁴ Nevertheless, the literature on parties in the contemporary sense of the term, which was developed since the beginning of the last century (Ostrogorski and Michels, in 1902 and 1911, respectively, are perhaps the first classics), is substantially older than that of party systems. The latter recently became solidly established in the last quarter of the last century; the contribution that defined the field as we know it today is probably the work of Sartori (1976, 1982).

the voices of actors and protagonists, is summarized and updated in Chapter 2, “Party systems in the region.”

Institutional self-portraits

Parties are institutions with their own rules of operation, formal and informal. They should have a life of their own, regardless of who happens to be in leadership, and they do, at least in part. The parties' institutional voice was recorded by asking all parties in the region that had parliamentary representation as of mid-2003 to fill out an information “form” describing some of their principal characteristics. These characteristics included the party's origins (foundation date, founders' characteristics, type of support or alliances that contributed to its formation), its formal organization (rules, by-laws), how it actually functions (real decision-making and negotiation practices for reaching agreements within the party and with outside entities), and certain aspects of its electoral platform (its rhetoric). These party “forms” were filled out between the middle and end of 2003.

The volume and detail of the information gathered about these aspects is much more modest than that compiled by Alcántara Sáez and Freidenberg. The set of forms produced by the project more closely resembles the content of the manual produced by the Parlamento Latinoamericano, although it is limited to the Central American region. Nevertheless, and despite this modesty, the project built on the background material available, providing information and analysis of its own in three different areas. First, as has been noted, the forms reflect the voice of the parties themselves: they are institutional self-portraits. Second, the project included all parties with parliamentary representation in legislatures at the time the information was gathered (second half of 2003). The analysis was not limited to established parties, nor did it define *a priori* the requirements that the parties had to meet to be considered as such. The decision was not made by the project (that is, “the observer”); it was made by voters and electoral legislation. It is they who decide whether or not a party or party platform will have legislators.

Finally, the project takes an explicitly comparative stance. The forms provided, to the extent possible, the information needed to classify the region's parties according to some of the various party typologies developed in recent decades, without forgetting the classics (Duverger, Neumann, Kirchheimer), or the now near-classics, such as Panebianco.⁵ The most recent proposal for party typology, and in some aspects the broadest, is that of Gunther and Diamond (2003, 2001). The authors based it on established typologies, but they did so while taking into account recent history, as well as what is occurring outside the oldest, most established democracies. This latter aspect is especially important for the objectives of this study.

⁵ Abal Medina (2002) provides an overview of this literature, and Montero and Gunther (2002) examine its principal conceptual roots. Coppedge (1997) contributed one of the first systematic classifications of Latin American parties. Alcántara Sáez and Freidenberg, in the previously mentioned compilation on Latin American parties (2001), consider parties to be systems in themselves and propose organizational criteria for classifying them.

Within the framework of this project, it is impossible to provide the data that are theoretically necessary to classify parties in all the typologies that have arisen in the last half-century. An effort can be made, however, to generate the information necessary for some of them, beginning with the one suggested by Gunther and Diamond. Because of the characteristics of the design of this typology, doing so also provides the elements needed for some of the classic typologies. The systematic classification of parties in that typology goes beyond the bounds of this report, but the data are recorded in one of the annexes (Annex 5), which contains a summary of the party forms. This annex is, by definition, an independent database that can be used by different observers for their own purposes and in the ways they consider most appropriate, independently of the substantive content of the assessment presented in this report. Chapter 3 (“Institutional Self-Portraits”) summarizes and analyzes this database.

The voice of leadership

Voters decide the parties' destiny, but they normally do not make decisions about their everyday actions or give precise form to the policies that a party will defend. That is the task of political leadership: to express the demands, shape them, negotiate. In the long run, the electorate disposes, but the elites propose and implement; from the standpoint of this project, therefore, their opinions are crucial. The central core of this leadership includes very small numbers of people in each country. For this project, 78 members of these “central cores” were interviewed (slightly more than a dozen per country) between June and November 2003. The majority of those consulted were politicians, but some observers (academics, communications professionals, analysts) were also interviewed. All of the consultations were carried out by one of the authors of this report between June and November 2003. These interviews focused on the parties' *real* practices and behaviors and the way they really function. Annex 2 presents a broad selection (organized thematically) of the interviewees' responses; the essence of these responses, in the view of those responsible for the report, is summarized and examined in Chapter 4, “The voices of leaders.”

The voice of the people

The opinion of the people is the soul of representative democracy. In the long run, people's deep, persistent dissatisfaction with their representatives is probably incompatible with the legitimacy and stability of democracy itself. Parties can only prosper if they represent their voters; the fundamental judgment about how parties perform, therefore, is the judgment of the electorate. To examine that judgment in this report, the results of various surveys were examined, mainly Latinobarómetro 2003, which was carried out that year in all of the countries included in this study except for the Dominican Republic. Each survey includes approximately 1,000 urban and rural interviews conducted in April and May 2003. The results of this analysis are presented in Chapter 5, “The voices of societies and relatively excluded groups.”

Assessment and prospects

The sum of all of these “voices” (the parties as institutions, leadership, the electorate, relatively excluded groups), placed in the appropriate context (within the framework of the respective party systems and institutional and legal structures) provides an assessment of the current state of parties in the region, including their short- and medium-term prospects. That is the content of the final chapter of this report (Chapter 6, “Bringing all voices together: Assessment and pending reforms”). The chapter begins by presenting the assessment resulting from analysis of the “voices;” it then examines what has already been done in the area of reform during the past two decades, and concludes with a discussion of the tasks that are still pending.

Party systems in the region

The purpose of this chapter is to summarize and update the information that is available about party systems in the region. “Summarizing and updating” assumes building on the concepts and measurements presented in the most recent literature. This information provides the necessary context for the presentation of *the voices* of the actors and protagonists.

For Latin America overall, *conceptually* modern discussions of party systems probably began with Mainwaring and Scully (1995) and Coppedge (1998). The most recent exhaustive description of party systems in the region, which takes the analysis by Mainwaring and Scully as its starting point, is the one in *Democracies in Development* (DD). These are the starting points for this report. Following DD, this analysis examines the characteristics of party systems since 1978, the start of the so-called third wave of democratization (Huntington 1991). Except in Costa Rica (where democratization began much earlier, in 1949), the arrival of representative democracy in the Central American countries occurred around or after that date. The precise moments that mark the arrival of democracy in each of the region's countries may be disputed, but it is generally accepted that:

- (a) all of the countries included in the study (and almost all of the countries in the region) now meet a series of conditions that allow them to be considered representative democracies,¹ although “under construction” and with many problems to be solved;

¹ In particular, they meet the “minimalist” conditions that Przeworski and his colleagues use to define democracies in their study of democracy and development (Przeworski et al, 2000, Chapter 1, esp. pp. 18 and subsequent).

- (b) this situation (again with the exception of Costa Rica) is the result of a process of significant changes that has occurred over approximately the last two decades, and
- (c) the changes have not been homogeneous among the various countries or throughout the period; many observers believe that the most important political changes in the Central American region as a whole occurred during the first of those two decades, and that during the latter decade there was a certain stagnation (for example, State of the Region Project - UNDP, 2003, pp. 21 and 42) or even some backsliding. But all agree that the current situation in the region is very different from that of 1978.

In the analyses cited above, the central dimensions of the study of party systems are (with varying nuances and emphases) the *institutionalization*, *fragmentation* and *polarization* of these systems. These are not the only relevant dimensions, but they are the main ones. This chapter reviews the conceptual definitions and examines and updates what is known in these areas about the party systems in the region.

To summarize briefly: a recent classification of Central American party systems distinguishes, on the one hand, between relatively more institutionalized party systems, which have had little electoral volatility and which are generally two-party systems (Honduras, Costa Rica), and on the other, those that are not very institutionalized, and which are multi-party systems with relatively high electoral volatility and (Guatemala, El Salvador, Panama), and one case that is sometimes considered intermediate, that of Nicaragua, which is distinguished by a stable two-party system underlying a series of apparently volatile alliances and coalitions (State of the Region Project - UNDP 1999, pp. 214-217; similarly, Córdova and Maihold 2000, pp. 30-34).² Artiga-González (2000) refines this characterization, distinguishing between systems that are polarized³ and those that are not. The Nicaraguan (two-party or “bipolar,” in terminology that can cause confusion⁴) and Salvadoran (multi-party or “multipolar”) systems would be considered polarized. Non-polarized (“moderate”) systems would be the “bipolar” systems of Honduras and Costa Rica, on the one hand, and “multipolar” Guatemala on the other (*op.cit.*, Chapter I, pp. 17 and subsequent, Table I-5). Several of these traits appear to persist. Changes can also be seen, however, as will be noted in the summary at the end of this chapter.

Since 2000 (the ending date for the data in DD), elections have been held in several of the region's countries. The following analysis includes the results of the 2002 presidential and legislative elections in Costa Rica, the 2003 legislative elections in El Salvador, the 2001 presidential and legislative elections in Honduras

² On the *formats and rationale* of party systems, Sartori (1976), chapter 5; on the “effective number” of parties, Laakso and Taagepera (1979); on electoral volatility, Pedersen (1983). The latter two concepts are defined and calculated (for the region's systems) in this chapter.

³ In Sartori's sense: the *polarization* of a party system is the ideological distance that exists between the relevant parties that are located, respectively, farthest to the right and farthest to the left of the system. Other authors employ definitions that generalize this concept, using data about the ideological positions of all the parties in the system, not just those at the two extremes.

⁴ As used by Artiga-González, “bipolar” and “multipolar” refer only to the *number* of parties or alliances (two, various), not to the *polarization* of the systems.

and Nicaragua, and the 2002 legislative elections in the Dominican Republic. Guatemala held its presidential and legislative elections in late 2003. When this report was being drafted, the official Guatemalan data had still not been published in full, so they could not be included in this analysis.

2.1 Institutionalization

According to Mainwaring and Scully, “the critical difference among Latin American party systems is whether or not a competitive party system is institutionalized. An institutionalized party system implies stability in interparty competition, the existence of parties that have somewhat stable roots in society, acceptance of parties and elections as the legitimate institutions that determine who governs, and party organizations with reasonably stable rules and structures.”⁵ There would therefore be four characteristics to keep in mind in considering the degree of institutionalization of party systems: a certain stability of interparty competition, how well the parties are rooted in society, the legitimacy of the parties and the electoral process, and the organizational characteristics of the parties. These criteria are widely accepted in the literature. Subsequent studies of Central American party systems (including those mentioned above) have built on these concepts, sometimes with certain differences in terminology that do not affect their substance.

The stability of the model of competition

The stability of the model of competition refers to the parties' ability to maintain relatively stable electoral support from one election to the next. The greater the variations, within each party and overall, the less stable the party system's model of competition and the less institutionalized the system. This is not a matter of “absolute” concepts (otherwise only “dead” systems that never change could be institutionalized), but of comparing degrees of change: if voters (and party cadres) are always changing, there cannot be “institutions.” The indicator usually used to measure this type of stability is the Pedersen volatility index, which registers the net change in legislative seats held by (or votes for) all parties from one election to the next. This index is calculated by dividing by two the sum of the net variation in the number of votes or seats for each party from one election to the next.⁶

Table 2.1 is an adaptation and updating of Table 6.1 in DD (p. 142). It shows the average volatility of all presidential (measured in percentage of votes) and legislative (measured in percentage of seats) electoral processes during the period under study, that is, from 1978 (or the year of the first election considered acceptably competitive after that date) to the most recent elections held as of 2003 (except in Guatemala, for the reasons explained above).

⁵ Mainwaring and Scully, 1995, p. 1.

⁶ The figure is divided by two to avoid “counting twice”: the gains of one party are the losses of another or others.

The overall average for the region indicates a very high degree of volatility (21.3 points). For reference: the average for thirteen European countries in the thirty years after World War II was 8.1 points. This is not atypical in Latin America, however; the overall average for the *entire* region (24 points, as indicated in DD, p.142) is slightly higher than that of Central America (21 points).

The highest volatility in the Central American region is that of Guatemala: 48.7; it is more than twice the level of the second-highest (Panama, with 24.0). The figure indicates that on average in Guatemala, during the period under consideration, the variation of votes (presidential election) and parliamentary seats among parties, between one election and the next, is nearly 50 percent. Between elections in Guatemala, parties come and go, legislators switch parties and voters switch preferences. The rest of the region registers levels of volatility that are relatively moderate (for the region: Panama, El Salvador and the Dominican Republic) or low (Costa Rica, Nicaragua and Honduras). The new electoral results make no relevant change in the volatilities calculated in DD, except in the case of Costa Rica. The average volatility in Costa Rica for the period from 1978-1998 was 11.8, but the figure for the period from 1998-2002 is 33.3 (this figure mainly reflects the foundation of a new party that garnered nearly one-fourth of the votes). The volatility of the latter period was much higher than the average for the earlier periods, raising the overall average from 11.8 to 14.9.

The rootedness of parties

The rootedness of parties refers to the solidity and stability of the parties' bonds with citizens. It is related to the preceding dimension (volatility), but is not identical.

It includes two aspects: first, the *parties' permanence* over time, and second, *citizens' identification* with parties. The parties' permanence demonstrates the persistence of their bonds with their voters. It is measured by calculating the difference between the total number of seats controlled by parties holding 10 percent or more of the seats at the beginning of the period under study (that is, "established" parties) and the total number of seats controlled by those same parties in the last elections in the period. The greater the difference - that is, the lower the percentage of seats controlled by these parties - the less ability they demonstrate to retain voters and the less institutionalized the party system. The inverse is also true: when the difference is negative, it means that the parties garnered *more* support at the end of the period than at the beginning.

The last column of Table 2.2 shows the decrease in the proportion of seats controlled by established parties at the beginning of the period under study (those that obtained at least 10 percent of the total number of seats) compared to those obtained by the same parties in the last election during the period.⁷ Once again, the greatest difference is registered in Guatemala: 90.2 percentage points. In the rest of the countries, the decrease is far less than that of Guatemala. The difference in El Salvador is moderately high (39.6 percentage points), while in Costa Rica and the

⁷ The table shows the absolute, rather than the percentage, difference (as the original table in DD did). As the percentage of seats held by established parties at the beginning of the period was higher than 90 percent in all cases, it was not necessary to determine the percentage difference for ease of comparison.

Table 2.1 Electoral volatility

Country	Seats in lower chamber			Presidential vote			Average volatility (A+B)/2
	Period	Number of periods	Average volatility (A)	Period	Number of periods	Average Volatility (B)	
Guatemala	1985 - 1999	4	43.6	1985 - 1999	3	53.8	48.7
Panama *	1994 - 1999	1	24.9	1994 - 1999	1	23.0	24.0
El Salvador	1985 - 2003	6	17.9	1984 - 1999	3	24.1	21.0
Dominican Republic	1978 - 2002	6	19.1	1978 - 2000	6	21.2	20.2
Costa Rica	1978 - 2002	6	17.0	1978 - 2002	6	12.8	14.9
Nicaragua**	1990 - 2001	2	15.4	1990 - 2001	2	9.3	12.4
Honduras	1981 - 2001	5	8.0	1981 - 2001	5	6.3	7.2
Region		30	20.9		26	21.5	21.3

* In the case of Panama, the 1989 elections are excluded because of the controversial nature of the balloting.

** The figures for Nicaragua are debatable, because the results obtained by the UNO in 1990 are compared with those of all the parties that made up that alliance in 1996 (the lack of information makes any other treatment of the data impossible).

Updating of DD, p.142.

Table 2.2 Total seats controlled by established parties from democratization until the last election of the period

Country	Established parties at the beginning of the period (10% or more of total seats)	Percentage of seats at beginning of period	Year of first election	Percentage of seats in most recent election	Year of most recent election	Percentage difference between beginning of period and most recent election
Guatemala	DCG UCN MLN / PDCN PR	92.0	1985	1.8	1999	90.2
El Salvador	ARENA PDC PCN	96.7	1985	57.1	2003	39.6
Costa Rica	PLN Coalición Unidad / PUSC *	91.2	1978	63.2	2002	28.0
Dominican Republic	PRD PRSC	100.0	1978	72.7	2002	27.3
Honduras	PLN PNH	95.1	1981	90.6	2001	4.5
Nicaragua	UNO/ PLC ** FSLN	97.8	1990	98.9	2001	-1.1
Panama ***	PRD PA	61.1	1994	73.2	1999	-12.1

* The Unidad Social Cristiana Party, founded in 1983, is considered the successor to the Coalición Unidad the alliance that participated in the 1978 and 1982 elections.

** The UNO, Alianza Nacional Opositora, was a coalition of parties that participated in the 1990 elections, including, among others, the Partido Liberal Constitucionalista. This alliance did not participate as such in the 2001 elections; nevertheless, the Partido Liberal Constitucionalista did (as in 1996). For that reason, for this table, they are considered equivalent (there are no data about the votes obtained by the PLC as part of the UNO).

*** Adaptation and updating of DD, p.145.

Dominican Republic it can be classified as moderate (28.0 and 27.3 points, respectively). In Panama and Honduras at the end of the period, the established parties had lost only 6.6 and 4.5 percentage points, respectively. Nicaragua shows a different pattern. In the last election during the period, the established parties did not lose seats in comparison with those they had held at the beginning; instead, they gained ground (although little, barely 1.1 percentage points).⁸

The second dimension of party rootedness, citizens' *identification* with them, refers to how close voters feel to the parties. This closeness (or “affinity”) is registered through public opinion surveys. The greater the proportion of citizens who consider themselves close to parties, the greater the system's institutionalization. DD presented the results of the 1996 and 1997 Latinobarómetro surveys; Table 2.3 updates this information with data from the 2003 Latinobarómetro (LB2003). It shows the proportion of citizens who consider themselves to have “great affinity” or “substantial affinity” for, to be “only sympathizers” with, or to have “no affinity” for parties (no response/no data figures have been excluded from the calculation to permit direct comparison with the results of DD).

**Table 2.3 Public affinity with political parties
(percentages, 2003)**

Country	Great affinity	Substantial affinity	Only sympathizer	No affinity	Identification with parties	DD 1996/97
Guatemala	3.23	2.63	26.54	67.61	13.75	21.54
Costa Rica	1.93	4.06	32.89	61.12	15.47	23.77
El Salvador	4.68	4.93	35.61	55.01	19.64	27.65
Nicaragua	7.23	6.51	29.18	57.08	21.22	36.39
Honduras	5.79	4.61	38.73	50.87	21.66	34.40
Panama	5.61	7.44	34.95	51.99	22.13	21.90
Dominican Republic *	8.50	8.50	46.40	36.40	29.51	s/d
Region	5.28	5.53	34.94	54.30	20.50	27.61

* The data from the Dominican Republic correspond to the Third National Survey of Political and Democratic Culture in the Dominican Republic, 2001. The values indicated for “great affinity” and “substantial affinity” are obtained by dividing by two the aggregate value for both groups (which was the one presented in the report) and applying the appropriate weighting. It appears to be a reasonable criterion, given that the weight of the two categories is similar in most of the countries. Updating of DD, p.146.

Based on these data, and following the same procedure as DD, a “party affinity” index was created, calculating the weighted average of the percentages for each category. This index of identification with parties is obtained by adding the percentages for each of the categories (“great affinity,” “substantial affinity,” “only sympathizer” and “no affinity”), weighted with values to establish a hierarchy of the

⁸ In the case of Nicaragua, however, the data from election to election are not exactly comparable. As specified in the footnote to Table 2.2, the UNO includes the Partido Liberal Constitucionalista, but is not identical to it.

greatest party affinity: “great affinity” is assigned a weight of one unit, “substantial affinity” a weight of 0.67, “only sympathizer” a weight of 0.33 and “no affinity” a weight of 0. For each country, the sum of the survey percentages weighted with these values produces a number, which is the index of identification with parties.⁹

Identification with parties is relatively low among Central Americans, but it is somewhat higher than the general average for Latin America. The average value of the index for all of Latin America in 1996-97 was 23.92, while for the Central American region it was 27.61. As Table 2.3 shows, between that date and 2003, the index fell significantly in nearly all the Central American countries included in the study. The only exception was Panama, where it increased slightly; in the Dominican Republic, only data from 2001 are available, so the trend cannot be determined. The values of the index for 2003 indicate that the least party affinity is found in Guatemala and Costa Rica, and the highest values are those of the Dominican Republic (2001 data) and Panama. The remaining countries (El Salvador, Nicaragua and Honduras) form an intermediate group with values that are very similar to one another. Guatemala registers the lowest values in both of the dimensions that measure parties' rootedness. All of the indicators examined so far converge in the same direction: the Guatemalan party system appears to be the least institutionalized in the region.

The legitimacy of parties and electoral processes

This dimension includes the image of the parties and the electoral processes that elect governments. The more credible and reliable the actors in the system and the electoral mechanisms, the greater the degree of institutionalization of the system. This information is also obtained through public opinion polls. The legitimacy of political parties tends to be measured on the basis of the trust they inspire in citizens; the legitimacy of electoral processes is registered by asking direct questions about their cleanness.

Levels of confidence in parties in Central American countries are low, but are similar to those in the rest of Latin America. Table 2.4 shows the average values for all measurements taken between 1996 and 2003. The average of people who say they have “much” or “some” confidence in Central American parties in 2003 was 10.3; this shows that trust in parties has decreased, although with fluctuations, during recent years. In 1996, it was 22.4.¹⁰

The percentage of Central Americans who believe that their countries' elections are clean varies greatly among the countries in the region and has fluctuated over the past decade. According to the most recent surveys presented in DD, from 1999-2000, in El Salvador and Nicaragua less than half the population (40 percent and 44 percent, respectively) believed that the elections were clean, and that percentage has fallen since 1996; the drop is especially sharp in Nicaragua (Table 2.5). Honduras is an intermediate case. In the last survey, slightly more than half of

⁹ In Table 2.3, the "Identification with Parties" column contains the values of this index for 2003, and the last column contains the values for 1996/1997, as presented in DD.

¹⁰ The values for each of the region's countries and their evolution in recent years are presented and analyzed in Chapter 5.

**Table 2.4 Trust in political parties
(% of people who indicate they have “much”
or “some” confidence)**

Country *	Average 1996/2003
Guatemala	16.57
Nicaragua	20.06
Costa Rica	20.48
Honduras	21.19
Panama	21.78
El Salvador	24.30
Region	20.73

Estimate based on data from LB2003 and DD, p.148

* There is no information for the Dominican Republic

Hondurans believed that their elections were clean, a percentage that had fluctuated throughout the period, but with a trend towards improvement. In the three remaining countries (data for the Dominican Republic are unavailable), the final values for the period are clearly positive. In all cases, 70 percent or more of the people believe that their elections are clean. But the trends in this belief have varied during the period under study. In Costa Rica, the legitimacy of electoral processes has been high throughout the entire period, although with fluctuations and a certain downward trend. In Panama, there is a “U,” with high values at the beginning and end of the period, especially at the end, and an upward trend; in Guatemala, there is a clear, systematic upward trend from the beginning to the end of the period.

Trust in the cleanness of elections is systematically higher than trust in parties, and also varies substantially more than trust in parties (in round numbers, the averages for trust in parties vary between 17 and 22 points, and opinions about the cleanness of elections vary between 41 and 73 points).

Table 2.5 Percentage of public opinion that perceives elections as clean

Country *	1996	1997	1998	1999/2000	Average 1996-2000
El Salvador	42.50	40.54	-	39.91	40.99
Guatemala	38.42	38.51	48.09	70.34	48.84
Honduras	42.80	56.54	-	51.91	50.42
Nicaragua	74.32	52.11	-	43.89	56.77
Panama	62.99	49.34	50.22	76.68	59.81
Costa Rica	79.41	62.27	74.87	73.83	72.60
Region	56.74	49.89	-	59.43	54.91

According to data from Latinobarómetro presented in DD, p.149.

* Information for the Dominican Republic is unavailable.

Organizational strength of parties

“In an institutionalized party system, party organizations matter. They are not subordinated to the interests of ambitious leaders; they acquire an independent status and value of their own. The party becomes autonomous vis-à-vis movements or organizations that initially may have created it for instrumental purposes. It is a sign of greater institutionalization if party structures are firmly established, if they are territorially comprehensive, if parties are well organized, and if they have resources of their own. In addition, there is a tendency toward routinization of intraparty procedures, including those for gaining control of the party” (Mainwaring and Scully, 1995, p.5).

These ideas are widely accepted and underscore the importance of the organizational dimension. But *the strength* of organizations in general, and parties in particular, is a difficult attribute to measure with simple, easily accessible concepts and instruments. For that reason, this dimension was explored qualitatively in the recent study and in DD; for the same reasons, it is impossible to address the issue here. Nevertheless, as will be seen, this is a very important aspect to take into account when considering some of the issues to be addressed in the next two chapters.

Index of institutionalization of party systems

To construct the index of institutionalization of party systems, which summarizes the preceding dimensions, the procedure followed in DD has been maintained. This allows a comparison of the results. First, the values obtained for each country in each of the measurements of the three dimensions under consideration are reorganized (for the dimension of stability, electoral volatility; for the dimension of rootedness of parties, the stability of competition and citizens' identification with parties; finally, for the dimension of legitimacy of political parties and elections, trust in parties and in the cleanness of the electoral process). Reorganization of the values for these measurements begins as follows: the values of each of the measurements are redefined so that all range from 1 to 3, where 1 represents the *least* possible institutionalization and 3 the greatest (Table 2.6 shows the values assigned to the extremes in each case). The other values are then recalculated proportionally, taking into account the original data and the new extremes of the distributions. For example, the *lowest* volatility (Honduras, 7.2) is assigned a value of 3, because it is the value associated with the greatest institutionalization in that dimension, while the highest volatility (Guatemala, 48.7) is assigned a value of 1 (because it is the value associated with the least institutionalization). Intermediate values are then assigned proportionally, based on those extremes.

In dimensions having more than one indicator (or “measurement”), the final value for the dimension is obtained by calculating the simple average of the measurements that constitute it. After the final values for each dimension are calculated, the index of institutionalization is the simple average of all the dimensions (Table 2.7). The index cannot be calculated for the Dominican Republic

because there is insufficient information for any of the measurements in the third dimension: no series exist, as they do for the other countries, but only measurements at the beginning and end of the period, or at only one of those moments.

Table 2.6 Dimensions of the Index of Institutionalization

Dimension	Measurement	Point value assigned to the lowest value in the initial measurement	Point value assigned to the highest value in the initial measurement
Stability	Volatility	3	1
Rootedness of parties	Stability of competition	3	1
	Identification with parties	1	3
Legitimacy of parties and electoral processes	Trust in parties	1	3
	Trust in legitimacy of the electoral process	1	3

According to these results, the most institutionalized party system in the region is that of Honduras (with an index of 2.56), and the least institutionalized is that of Guatemala (1.08). These were also the most and least institutionalized systems in the region according to DD; the extreme cases remain the same.

In several countries, however, a comparison of the last two columns of Table 2.7 shows that the new values for the index of institutionalization differ from those reported in DD (p.154), sometimes considerably. In two of the six cases (Nicaragua and Panama), the differences are broad (0.48 and 0.36, respectively; considering that the index ranges from 1 to 3, these differences represent between one-fourth and one-fifth of the index's entire range of variation, and can therefore be described as “broad”). In two cases (Costa Rica, -.14, and Guatemala, -.24) the variations are quantitatively moderate, although, as is argued below, they may be politically significant. Only in the two remaining cases (El Salvador, .07, and Honduras, -.09) are the differences irrelevant. Nevertheless, not all of these variations reflect “genuine” changes resulting from the updating of data from DD (i.e., from subsequent elections and more recent surveys). Some values change because, since only Central American countries are being studied here, the ranges that form the basis for defining the values for each dimension can change, and as a result the values for each dimension in each country, once standardized, also change (this can occur even if there are no new data to be analyzed). In addition, this report does not consider a third indicator for the dimension of legitimacy, the evaluation of parties as indispensable agents of progress, an indicator that does appear in DD. The data available for this indicator date from 1997; it seems unreasonable to include them in an index that updates all other public opinion indicators (except the perception of the cleanness of elections, but here the data used is from 2000).

With these reservations in mind, the comparison of the values for the indices of party institutionalization alone reveals little, especially when the differences are

slight. Even so, these results suggest that party systems in the region *are changing*, because their relative degrees of institutionalization vary substantially, even in the short term. The systems in Nicaragua and Panama currently appear to be almost as institutionalized as that of Honduras. The Costa Rican system, which in this regard used to be considered similar to that of Honduras, is now in an “intermediate” zone, closer to that of El Salvador than to the more institutionalized systems. One of the factors that most influences this change of relative positions is the parties' rootedness among their electorates, and it should be noted that the two indicators that attempt to capture this rootedness (the electoral “permanence” of established parties and the degree of party affinity or identification), although very different in nature (the first uses “hard” data in the form of electoral results, and the second is measured with opinion polls), both point in exactly the same direction: Nicaragua and Panama score significantly higher than Costa Rica.

2.2 Fragmentation

Both Mainwaring and Scully (1995) and DD are based, conceptually, on Sartori's definition of fragmentation: “a party system is not considered fragmented unless, when it has many parties, none of them approaches an effective majority” (Sartori 1976, p.159). Fragmentation refers to the number of parties that a system includes and the relative weight of those parties in the system (or, in approximately equivalent terms, the dispersion of the voters' party preferences). In practice, to measure the degree of fragmentation of a system, an index proposed by Laakso and Taagepera (1979), the “effective number of parties,” is usually used; the index reflects how many parties there are in the system, weighted according to their size. This is calculated by dividing 1 by the square of the sum of the proportion of seats controlled by each party. As Mainwaring and Scully (1995) point out, if each party has the same number of seats, the “effective number of parties” will actually be equal to the number of parties with parliamentary representation. To classify party systems on the basis of the effective number of parties, these authors proposed the following categories: if the value of the index is 1.7 or less, it is considered a system with a predominant party; between 1.8 and 2.4, it is considered a two-party system; between 2.5 and 2.9, “two and a half parties;” between 3.0 and 3.9, moderate pluralism; and 4.0 or greater, extreme pluralism.

Table 2.8 shows the effective number of parties calculated for the most recent election, as well as the average for all elections during the period included in the study. Based on the preceding criteria, according to the results of the most recent elections, Costa Rica, El Salvador and Panama are moderate pluralisms; the Dominican Republic has two and a half parties; and Honduras, Guatemala and Nicaragua are two-party systems. The differences between the averages and the most recent elections suggest opposite trends of change among the different party systems in the region, trends that are consistent with changes observed in institutionalization. In Costa Rica, where the system *no longer* appears among the most institutionalized in the region, the trend points to a significantly larger effective number of parties; in the last Costa Rican elections, the position of a third party, the

Country	Table 2.7 Index of institutionalization										DD Index
	Dimension 1		Dimension 2			Dimension 3			Index	DD Index	
	Volatility (2003)	Stability (2003)	Identification with parties (1996-2003)	Average D.2	Trust in parties (1996-2003)	Legitimacy of electoral process (1996-1999)	Average D.3				
Honduras	3,00	2,67	2,89	2,78	2,20	1,58	1,89	2,56	2,65		
Nicaragua	2,75	2,78	2,79	2,79	1,91	2,00	1,96	2,50	2,02		
Panama	2,19	3,00	3,00	3,00	2,35	2,19	2,27	2,49	2,13		
Costa Rica	2,63	2,21	1,42	1,82	2,02	3,00	2,51	2,32	2,46		
El Salvador	2,33	1,99	2,41	2,20	3,00	1,00	2,00	2,18	2,11		
Guatemala	1,00	1,00	1,00	1,00	1,00	1,50	1,25	1,08	1,32		

Adaptation and updating of DD, p.154.

Partido Acción Ciudadana (PAC), was consolidated, as the party won nearly 25 percent of the presidential votes. In that election, the Costa Rican system moved from “two and a half parties” to moderate pluralism. Panama and Nicaragua show the inverse combination: their party systems have become relatively more institutionalized and less fragmented, because voters have chosen to focus their votes more on the larger parties or coalitions. In Nicaragua, in particular, the system moved from “two and a half parties” to a two-party model. In the Dominican Republic, there was greater dispersion of the vote, which is reflected in the change of format (from a true two-party system to “two and a half parties”).

Table 2.8 Effective number of parties (according to seats) *

Country	Period	Number of elections	Average for period	Most recent election
Costa Rica	1978 - 2002	7	2.51	3.65
El Salvador	1985 - 2003	7	3.16	3.50
Panama	1994 - 1999	2	3.86	3.26
Dominican Republic	1978 - 2002	7	2.48	2.77
Honduras	1981 - 2001	6	2.15	2.39
Guatemala	1985 - 1999	5	3.19	2.35
Nicaragua **	1990 - 2001	3	2.27	1.98
Region			2.80	2.84

* All systems are unicameral except for that of the Dominican Republic, where the seats considered are those of the lower chamber.

** The coalitions that ran in the Nicaraguan elections in 1990 and 1996 are considered one party. Updating of DD, p.156.

The importance of the fragmentation of party systems stems from its relationship with what tends to be called “good governance.” Relatively more fragmented systems (“two and a half” or more) normally require the formation of a governing coalition, a task that can be substantially more problematic in presidential systems, such as those in the Central American region, than in parliamentary systems.

2.3 Polarization

As has been noted, *polarization* refers to the ideological distances between the parties in a system (that is, the concept applies only to party systems). These distances tend to be calculated by first estimating the parties' *position* on the left-right continuum - according to the judgment of experts, opinions of party leaders (usually where they place themselves on that continuum) or views of voters (also with ideological self-positioning, registered through public opinion polls) - and then calculating the distances between these positions.

For this report, the only information available was that presented in DD. There, given the lack of adequate data for measuring polarization in the sense defined

here, an approximate estimate was made based on the dispersion (strictly, the standard deviation) of voters' responses to questions about ideological self-positioning in the Latinobarómetro surveys (between 1996 and 1999; for each country, the average of the standard deviation of the various surveys was recorded). Because parties do not appear in these calculations, the correlation between dispersion and polarization is only *approximate*. Taking into account this significant limitation, greater dispersion (standard deviation) of the voters' self-defined positions on the left-right continuum should correspond to greater ideological polarization in the party system. With due caution, then, the results presented in DD suggest that the level of polarization is high to moderate in Nicaragua and El Salvador; moderate in Guatemala, Panama and Costa Rica; and low in the Dominican Republic and Honduras. Table 2.9 shows a classification (tentative, given the limitations noted above) of the Central American party systems based on their degrees of fragmentation and polarization.

It is generally accepted¹¹ that the greater the polarization of a party system, the greater the risks of crisis and a possible institutional breakdown (that is, of the political regime). High polarization involves additional risks for young democracies that are in the process of consolidation. From that standpoint, the “structurally” more difficult situations in the region, as Table 2.9 shows, would be those of Nicaragua and, especially, El Salvador. Both have moderate to high levels of polarization, and this would be a “risk” factor in both cases. In Nicaragua, however, both fragmentation (low: it is a two-party system) and the institutionalization of the party system (relatively high) can help counterbalance the risks of polarization. That is not the case in El Salvador: the fragmentation is greater (moderate pluralism) and there is less institutionalization than in Nicaragua.

Table 2.9 Fragmentation and polarization of party systems in the region				
		Polarization Ideological distance		
Fragmentation Effective no. of parties		Low	Moderate	Moderate to High
	Two-party (1.8-2.4)	Honduras	Guatemala	Nicaragua
	Two and a half parties (2.5-2.9)	Dominican Rep.		
	Moderate pluralism (3.0-3.9)		Costa Rica, Panama	El Salvador

Jpdating of Mainwaring and Scully 1996, p.25.

¹¹ With the usual caveat: all other conditions being approximately equal.

2.4 Summary

The information available allows an evaluation of the degree of institutionalization of six of the seven party systems studied (Table 2.7). It is possible to classify those six systems in three groups: those with relatively high institutionalization (from more to less institutionalized, Honduras, Nicaragua and Panama), those with moderate institutionalization (Costa Rica and El Salvador, in the same order), and those with low institutionalization (only Guatemala). This classification is not arbitrary, because the *intra*-group distances are, in all cases, less than the shortest distances *between* groups.¹² In the group of the three most institutionalized systems, the maximum distance between members is seven hundredths of a point, and in the moderately institutionalized group, the distance is fourteen hundredths of a point. But the distance between these two groups is greater than any of the internal distances (seventeen hundredths), and the distance between the groups with moderate and low institutionalization is much greater (110/100ths). Table 2.10 summarizes this classification.

Table 2.10 Levels of relative institutionalization of party systems		
Low	Moderate	High
Guatemala (1.08)	Costa Rica (2.32), El Salvador (2.18)	Honduras (2.56), Nicaragua (2.50), Panama (2.49)

According to data from Table 2.7

If the last tables (2.7 to 2.10) are re-examined and their content is compared with the descriptions of the region's party systems at the beginning of this chapter, both continuities and changes are apparent.¹³ On the one hand, the oldest party system in the region, that of Honduras, remains the most institutionalized, and the Guatemalan system continues to be the least institutionalized. But Nicaragua and Panama now appear with party systems that are almost as institutionalized as the Honduran system; this is new. And in both cases, the fragmentation of the system is decreasing (in Honduras, on the other hand, it is slowly increasing). In Costa Rica, the system is changing in the opposite direction: institutionalization is decreasing and fragmentation is increasing.

¹² This characteristic is important here, because the standardization procedure used in the construction of the index preserves the proportionality of the distances.

¹³ Assuming that the levels of polarization of these systems, about which this report adds nothing new, remain reasonably stable.

These considerations are consistent with what is known about the evolution of other indicators that are less studied in the literature, but which are also very important. The degree to which each *party* receives a similar level of support in all regions of the country is generally referred to as its “nationalization;”¹⁴ the sum of the “nationalization” of all parties in a system reflects the nationalization of the system.¹⁵ Jones and Mainwaring (2003) studied the nationalization of party systems in seventeen American countries during the period from 1979-2001, including most of those studied in this report (except for Panama and the Dominican Republic). Considering only the Central American party systems, the results of Jones and Mainwaring show that the most and least “nationalized” systems in the region are precisely the most and least institutionalized (Honduras and Guatemala, respectively). Although according to these data the Costa Rican system is the second most nationalized, its degree of nationalization has been slowly but systematically decreasing since 1986, and toward the end of the period its nationalization was lower than that of the Nicaraguan system (which is on an upward trend). The association between institutionalization and nationalization, therefore, is positive, as can be expected. When party systems are in the process of change (and institutionalization therefore *decreases*, all other conditions being equal), some established parties lose their positions and/or new parties of significant weight appear. It is unlikely, however, that the losses of some (or the gains of others) will be homogeneous throughout the country. These processes have some starting point, an initial fissure, that is usually consolidated in some context initially, and while that is occurring, the “nationalization” of the party system (like institutionalization) also decreases until a new point of equilibrium is reached.

At least in the *short term*, therefore, the Honduran and Guatemalan party systems maintain their relative positions (they are, respectively, the most and least institutionalized in the region), the Salvadoran system is the one that is changing least in this regard (Table 2.7), and the other systems in the region (except for the Dominican Republic, for which the data necessary for this analysis are not available) are changing, but in opposite directions. The Costa Rican party system is becoming somewhat more unstable, and the Nicaraguan and Panamanian systems are moving in the opposite direction. This underscores the fact that relative prosperity and the consolidation of democracy do not ensure the stability of party systems. Costa Rica is substantially more prosperous than its neighbors in the region, and is also the region's only “historical” democracy, but its party system has changed rather rapidly. The image of its parties has deteriorated, and with this deterioration some Costa Ricans have begun to seek elsewhere what, in their view, they are not

¹⁴ For these purposes, whether the party is large or small is irrelevant; what is important is the degree to which it attracts similar numbers of votes throughout the country, and if not, in how many regions (few? some? many?) and to what degree the numbers are relatively larger or smaller.

¹⁵ Here the size of the parties does matter; the nationalization of a *system* is estimated by calculating the weighted sum of the “nationalization” of all parties in the system (*weighted* according to each party's electoral weight in the entire country).

finding in the established parties.¹⁶ The result is a decrease in the degrees of institutionalization and nationalization of the system and an increase in its fragmentation. Political histories matter and provide some degree of anchorage and stability (more in some cases than in others), but the party systems in the region are changing.¹⁷

¹⁶ According to Sibaja Quesada (2003, p.127), “the breaking point represented by the last elections (2002) reveals a certain degree of citizen discomfort with the political system.”

¹⁷ On this point, almost 10 years ago Rodolfo Cerdas (1995, p.19) indicated that “the fluid and transitory nature of parties and political coalitions, as well as of the respective party systems that are recently emerging in Central America, gives an air of temporariness to the whole and the parts, and exacerbates various aspects of the crisis of credibility suffered by the parties and their leaders.”

Institutional self-portraits

This chapter describes and analyzes the principal characteristics of political parties in Central America according to the way they view themselves. All of the parties with parliamentary representation were asked to fill out a form about various aspects of party life, including certain foundational characteristics, their presence and activity in the current legislature, party organization and operation, ideological positions and platforms, and ties with other organizations. Each form is a party “self-portrait.” This chapter is based on those self-portraits, except in the case of certain parties (indicated at the end of section 3.1) for which it was not possible to obtain this information. In those cases, when the available information permitted, the “self-portrait” was replaced with bibliographic material about the respective party. The principal sources of information were those mentioned in Chapter 1, especially the compilation by Alcántara and Freidenberg (2001) and DD. Party by-laws and the interviews with leaders that are examined in Chapter 4 were also taken into consideration. These sources complemented the information provided by the parties.

In the seven countries included in the study, thirty-nine parties obtained parliamentary representation in the balloting that elected the legislatures that were in office in November 2003.¹ During the terms of these legislatures, four parties lost their representation because all of their deputies decided to join other parties. Of the thirty-nine initial parties, therefore, by November 2003 thirty-five still had legislative

¹ That is: elections held in 1999 in Guatemala and Panama, 2001 in Honduras and Nicaragua, 2002 in Costa Rica and the Dominican Republic, and 2003 in El Salvador. Guatemala held elections in November 2003, but the legislature in office in November was still the one that was elected in 1999. On that date, final data were not yet available about the allocation of seats resulting from the 2003 election.

representation. At the same time, during these legislative terms, four new parties arose, formed by legislators who abandoned the parties for which they had been elected. In short, in November 2003, there were thirty-nine parties in the region with parliamentary representation: thirty-five with representatives elected in the most recent parliamentary elections, and four others born during the terms of the legislatures that were in office on that date. In Costa Rica, there were five political parties with parliamentary representation, and in El Salvador there were five. In Guatemala there were ten. Eight parties ran in the 1999 legislative elections (four of them formed two coalitions, meaning that the seats were distributed among six parties and/or alliances). All of the deputies from two of the parties migrated to others, meaning that their respective parties of origin lost representation, leaving six of the eight initial parties. To these were added the four new Guatemalan parties formed by legislators from other parties. In Honduras, there were five parties in the legislature, while there were four in Nicaragua, six in Panama (eight won representation, but two lost it afterward), and four in the Dominican Republic.

Not all of these parties carry the same weight in their respective systems. There are parties with a large electoral following, as well as many smaller ones. Some are (or will be) ephemeral, as in the case of parties (usually small ones) that disappear between elections. There are parties with more than a century of history and others that were formed for the last elections. Given this heterogeneity, it is useful to separate the analysis into at least two parts, so as not to confuse the attributes of politically decisive parties with those of smaller (and sometimes passing) ones that *could* become more influential politically, but *currently* are not. This means considering two groups of parties: the largest and the smallest. This criterion is very simple, and perhaps too schematic, but it leads to an empirically reasonable classification of the thirty-nine parties studied. In the analysis that follows, “large parties” are those with parliamentary representation that obtained one-fifth (20 percent) or more of the vote in the last presidential elections held in their respective countries. According to this criterion, in the region there were (as of November 2003) seventeen “large parties,” slightly less than half the total. These are the ones that garnered the most votes, and for that reason, in the government or in the opposition, they are the most politically influential parties.² The smallest of the large parties won almost one-fourth of the vote in the last presidential elections (the PLD in the Dominican Republic, which, as indicated below, received 23.58 percent of the vote).

The twenty-two remaining parties with parliamentary representation are substantially smaller. Three parties are new; they were formed during the current legislature (and their electoral strength is therefore unknown), and their legislative blocs are small. Three other parties did not present their own presidential candidates. Of the remaining sixteen parties, eight obtained less than 2 percent of the total number of votes in the last presidential elections, five received between 2 percent and 10 percent of the vote, and the other three obtained more than 10

² The criterion of “party relevance” that is perhaps most frequently used in the literature, that of Giovanni Sartori, was not designed for presidential systems like those in Central America. Nevertheless, as will be clear in the following analysis, a classification of parties based on an adaptation of Sartori’s criteria (the most important of which is size, measured by the number of votes) will almost certainly lead to results similar to those summarized below.

percent. Strictly speaking, only two parties, considered individually, won more than 10 percent of the vote; the other party formed a coalition that polled more than 10 percent. Of these parties and coalitions that won more than 10 percent of the vote, none obtained more than 13 percent. Of the twenty-two small parties, therefore, none exceeded 13 percent of the vote in the last presidential elections, while each of the seventeen large parties obtained at least 23 percent of the vote. Between these two groups of parties, therefore, there is an empty space amounting to ten percentage points. There are no medium-size parties that obtained between 13 and 23 percent of the vote.

3.1 The thirty-nine parties in the region

According to the criterion defined above, the large parties are as follows:

Costa Rica:

- Partido Unidad Social Cristiana. This is the party whose candidate won the presidency. It garnered 38.58 percent³ of the vote in the first round of the presidential balloting and 57.95 percent in the runoff (2002).
- Partido Liberación Nacional. Won 31.05 percent of the vote in the first round of the presidential election and 42.05 percent in the runoff.
- Partido Acción Ciudadana. Received 26.19 percent.

El Salvador:

- Alianza Republicana Nacionalista. This is the governing party, which won 51.94 percent of the vote in the 1999 presidential election.
- Frente Farabundo Martí para la Liberación Nacional. Received 29.04 percent.

Guatemala:⁴

- Frente Republicano Guatemalteco. This is the governing party resulting from the 1999 elections. It won 47.72 percent of the vote in the first round of the 1999 presidential election and 68.32 percent in the runoff.
- Partido de Avanzada Nacional. Received 30.32 percent of the vote in the first round of the 1999 presidential election and 31.69 percent in the runoff.
- Unidad Nacional de la Esperanza. This is the only large party formed during the term of the legislature that was still in office in November 2003. The UNE won 26.36 percent of the vote in the 2003 presidential election and lost to the GANA alliance in the runoff.⁵

³ Unless otherwise indicated, the source for electoral results is the appendix of electoral results in DD.

⁴ Guatemala held its presidential elections while this research was under way. For that reason, the decision was made to include the relevant parties as of the 1999 election, and, to the extent possible, also those that arose from the 2003 election.

⁵ Gran Alianza Nacional (GAN) is an alliance formed by the Patriota, Solidaridad Nacional and Movimiento Reformador parties, along with some deputies who split off from other parties, to promote Oscar Berger's candidacy. This coalition won 34.46 percent of the vote in the first round of the 2003 presidential election and 54.13 percent in the runoff, giving it the presidency. As of the time this report was drafted, it had not operated or established itself as a political party, but it was expected to do so shortly. For that reason, it is not included in this analysis. Data from the last elections in Guatemala are official data.

Honduras:

- Partido Nacional de Honduras. This is the governing party. It garnered 52.22 percent of the vote in the 2001 presidential election.
- Partido Liberal de Honduras. Received 44.26 percent.

Nicaragua:

- Partido Liberal Constitucionalista. This is the party whose candidate won the presidency. It received 56.28 percent of the vote in the 2001 presidential election.
- Frente Sandinista de Liberación Nacional. Received 42.34 percent.

Panama:

- Partido Arnulfista. This is the party whose candidate won the presidency. It alone won 28.77 percent of the vote in the 1999 presidential election. The coalition that it led garnered 44.81 percent of the vote, winning the presidency.
- Partido Revolucionario Democrático. It alone received 31.57 percent of the vote, and the coalition that it led won 37.82 percent.

Dominican Republic:

- Partido Revolucionario Dominicano. This is the governing party. It won 44.84 percent of the vote in the 2000 presidential election.
- Partido Reformista Social Cristiano. Received 24.6 percent.
- Partido de la Liberación Dominicana. Received 23.58 percent.

The smaller parties are:

Costa Rica:

- Partido Movimiento Libertario. Received 1.69 percent of the vote in the 2002 presidential election.
- Partido Renovación Costarricense. Received 1.07 percent.

El Salvador:

- Centro Democrático Unido. Received 7.5 percent of the vote in the 1999 election.
- Partido Demócrata Cristiano. Received 5.68 percent.
- Partido Conciliación Nacional. Received 3.82 percent.

Guatemala:

- Partido Unión Democrática. Received 1.15 percent (in coalition with Partido Los Verdes) in the 1999 elections.
- Partido Democracia Cristiana Guatemalteca. Did not present a presidential candidate.
- Unidad Revolucionaria Nacional Guatemalteca. Received 12.36 percent (in coalition with Desarrollo Integral Auténtico).
- Partido Libertador Progresista. Received 3.10 percent.

- Partido Unionista. Arose after the 1999 elections.
- Alianza Nueva Nación. Arose after the 1999 elections.
- Partido Patriota. Arose after the 1999 elections.

Honduras:

- Partido Innovación y Unidad Social Demócrata. Received 1.45 percent of the vote in the last presidential election (2001).
- Partido Unificación Democrática. Received 1.11 percent.
- Partido Demócrata Cristiano de Honduras. Received 0.97 percent.

Nicaragua:

- Partido Conservador. Received 1.38 percent of the vote in the 2001 presidential election.
- Camino Cristiano. Did not present its own presidential candidate. Supported the candidate of the Partido Liberal Constitucionalista, joining an alliance with that party and the Partido Resistencia Nicaragüense (the latter did not win parliamentary representation).

Panama:

- Partido Popular (formerly Democracia Cristiana). Received 11.05 percent of the vote in the 1999 elections.
- Partido Movimiento Liberal Republicano Nacionalista. Received 10.97 percent.
- Partido Liberal Nacional. Received 2.82 percent.
- Partido Solidaridad. Received 1.84 percent.

Dominican Republic:

- Fuerza Nacional Progresista. Did not present its own presidential candidate. Supported the presidential candidate of the Partido de la Liberación Dominicana.

As mentioned at the beginning of this chapter, “self-portraits” were not obtained (or those obtained were too incomplete) from four of the seventeen large parties analyzed in this chapter, but substitute information was available in some areas. These parties are: Frente Republicano Guatemalteco, Frente Sandinista de Liberación Nacional of Nicaragua, Partido Arnulfista of Panama, and Partido Revolucionario Dominicano. Nevertheless, for some issues that are particularly controversial in Latin America (for example, where they position themselves on the left-right scale and other aspects addressed in section 3.10 of this chapter), only the party self-portraits were used.

For one of the twenty-two smaller parties (Guatemala's Partido Libertador Progresista), no “self-portrait” was obtained, but in this case the sources already mentioned did not provide even an approximation of the substitute information necessary, so it was impossible to consider it in this chapter.⁶ To sum up, the

⁶ The form for El Salvador's Partido Conciliación Nacional was received too late to incorporate its data into this chapter's analysis, but it is included in the database in Appendix 5.

following analysis examines data corresponding to thirty-seven of the thirty-nine parties (the seventeen largest and twenty of the twenty-two smallest parties).

3.2 Foundational characteristics of the parties

Large parties

The average age of the large parties (as of mid-2003) was 37 years, but the founding dates varied considerably (Table 3.1). Two of the large parties are less than five years old, five are between 5 and 20 years old, six are between 21 and 40 years old, and the other four have been in existence for more than four decades. The Partido Liberal in Honduras is the oldest, at 112 years. The large parties tend to be older than their respective democracies. Except for Costa Rica, which has been a representative democracy since 1949, at the time of the study the countries in the region had been democracies, on average, for two decades.⁷ Comparing the founding dates of the parties with those of their respective democracies shows that more than half of these parties (nine) already existed when democracy was established in their respective countries. In Honduras, Nicaragua and the Dominican Republic, all of the large parties *already existed* before democracy arrived. Panama can also be included in this group, since the only large party registered has having been founded after the arrival of democracy, the Partido Arnulfista (1991), has actually existed since 1939. Since then, it has been reconfigured and has changed its name, but has continued to recognize its continuity as the party founded in 1939; this recognition seems to be sufficient grounds for considering that date to be its true founding.⁸ Assuming, then, that the Partido Arnulfista actually predates its official registration in 1991, ten of the seventeen large parties that exist today (59 percent) predated their respective democracies. In El Salvador, one of the large parties predates and the other postdates the arrival of democracy, and in Guatemala and Costa Rica, all of the parties considered were born as such after democracy was established.

Most of these parties, then, were established *before* representative democracy in their respective countries, and in one way or another they participated actively in its construction. Collectively, they are the principal (though not the only) institutional actors responsible for the establishment of democracy that are still politically active. That is how the parties themselves understand the situation. Among the reasons that led to their foundation, the motives most often mentioned were: to strengthen democracy, to present alternatives for government, and to constitute an opposition. Some parties indicated that their main interest was simply to participate in the national political process. From their own point of view, the parties were born to build representative democracy and/or its central dimensions, participation and opposition.⁹ That is also how the main political leaders

⁷ On average; it should also be noted that there is not unanimous agreement on all the dates. The dates considered here are those cited in DD.

⁸ From here on, 1939 will be considered the year of the founding of the Partido Arnulfista.

⁹ According to the classic model of Dahl (1971).

understand it; as the next chapter shows, nearly half of those consulted said spontaneously that the principal virtue of parties is their role in the construction and/or consolidation of democracy.

Table 3.1 Founding dates of the large parties

	Year of birth of major parties	Relationship to establishment of democracy
Costa Rica	1951, 1983, 2000	All parties postdate democratization
El Salvador	1981, 1992	One party predates and one postdates democratization
Guatemala	1989, 1989, 2001	All parties postdate democratization
Honduras	1891, 1902	All parties predate democratization
Nicaragua	1967, 1979	All parties predate democratization
Panama	1939, 1979	All parties predate democratization
Dominican Republic	1939, 1963, 1973	All parties predate democratization

Based on information provided by the parties and data from DD and Alcántara and Freidenberg, comps. (2001).¹⁰

More than half of these parties were founded in capital cities. Two Dominican parties founded by exiles were born outside the country. Ten of the seventeen parties owe their origin to the presence of a *caudillo* or founding leader. All of these cases seem to involve charismatic leaders with a great deal of influence over the party's direction and broad roots among the population. Even today, the ideas and/or doctrines of the founding *caudillos* persist in the parties' visions, intact in some cases and with modifications or *aggiornamentos* in others. The *caudillos* and their histories are a central part of the identities of the parties they founded.

The major parties in Honduras and Costa Rica were all founded by a leader or *caudillo*. In the other countries, some parties were founded by strong leaders, and others by prominent figures or citizens under relatively equal circumstances, except in Nicaragua, where the two major parties that exist today arose from a confluence of groups. Some parties split off from or were born as divisions of other parties. Two parties were launched by military or guerrilla groups that decided to transform themselves into political parties and compete at the polls. In almost half of the large parties (eight), the founding group was clearly heterogeneous, including people of

¹⁰ The founding date of Nicaragua's current Partido Liberal Constitucionalista (PLC) is debatable, and in that sense it poses problems that are similar, though not identical, to those already mentioned in the case of the Partido Arnulfista in Panama. Nevertheless, all of the possible dates are prior to the start of democratization, simplifying the analysis in Table 3.1. For some observers, the PLC should be considered a historical continuation of the Partido Liberal that was founded in the 19th century. Others say that its origin lies in the Movimiento Liberal Constitucionalista, which was founded in 1967 or 1968 (the two dates are mentioned in different references), which was transformed into the current party in 1983. In the compilation by Alcántara and Freidenberg (2001), Santiuste Cué says that the PLC split off from the official Somocista party and was founded in 1967. The extent to which splits represent continuities or breaks (and in the latter case indicate a new founding date) can be highly controversial among experts within a country. The PLC's founding can also be viewed, as indicated below, as a result of the coalescence of various groups. In this case, the decision was made to register 1967 as the PLC's founding year, but as can be seen, that date is debatable.

different social backgrounds and with different degrees of prior involvement in politics and party life. A significant number of the large parties today, therefore, were fairly *inclusive* (that is, they embraced a relatively broad social spectrum) from the time of their founding.

At first, most of these parties did not have the support of external social, religious or ethnic-cultural organizations. Nine of the fourteen largest parties with data in this area (64 percent) received no support from this type of organization. Among those that did receive support, the organizations that are always mentioned are social (six parties); religious or ethnic organizations have a very limited presence. This suggests a relatively modest presence of organized corporate interests that could capture party structures, turning them into channels for the demands of a *limited* sector. At present, as they themselves note, none of the parties considered here draws clearly distinguishable support from a social sector or territory. They draw from broad sectors of the population, although some claim to especially seek and/or capture the vote of women or young people. When this occurs, however, it seems to reflect an effort to grow through the vote of sectors that are traditionally reluctant to participate in elections (that is, they are not, nor do they attempt to be, “feminist” or “youth” parties). This is consistent with the nature of the motivations stated by the parties themselves: in all cases, they refer to general objectives, mainly related to the consolidation and strengthening of democracy. Among these parties, those that express the interests of *tightly* defined social sectors or groups appear to be rare or non-existent.

Most of the largest parties in the region, therefore, are “direct” parties: the support of their sympathizers and voters is *not* decisively influenced by loyalties to other organizations (for example, social organizations such as trade unions, or religious organizations) that are placed ahead of their support for the party. When such influence does exist, one can speak of “derivative” parties. The distinction is important, because if all other conditions remain more or less stable, “direct” parties (and party systems formed mainly by parties of this type) should be more stable than “derivatives.” In the latter case, party loyalty depends on processes that the parties themselves do not control (Mair 1983, p.424).

The smaller parties

The average age of the smaller parties in mid-2003 was 25 years, twelve years less than that of the largest parties. This average includes a certain dispersion of dates, but less than that observed in the case of the large parties (Table 3.2). Here too, in some cases, problems of interpretation affect the average age considerably. One noteworthy case is that of the Nicaraguan Partido Conservador.¹¹ If instead of the founding date given by the party in its self-portrait (1823), the date mentioned in the Parlamento Latinoamericano's manual is used (more than a century later:

¹¹ In its “self-portrait,” Nicaragua's Partido Conservador defines itself as a continuation of the Partido Legitimista, tracing its history to Nicaragua's independence; from that standpoint, the party was founded in 1823. The Parlamento-IRELA manual (1997) considers the party one “of the various conservative formations with roots in the old Partido Conservador;” its founding date, then, would be 1956. Table 3.2 makes no judgment about this debate. Because this chapter (as long as information permits) is a “self-portrait,” the founding date noted in the table is the one indicated by the party.

1956), the dispersion of the founding dates is reduced considerably, and the average age of the small parties would be seventeen years, nineteen years less than the average age of the large parties. Except in Costa Rica, where the two small parties with parliamentary representation postdate democratization, in the other countries some precede and others postdate it.

Table 3.2 Founding date of smallest parties

	Year of birth of parties	Relationship to date of establishment of democracy
Costa Rica	1994, 1995	All parties postdate democratization
El Salvador	1960, 1999	One party predates and one postdates democratization
Guatemala	1957, 1993, 1998, 2002, 2002, 2002	One party predates and five postdate democratization
Honduras	1968, 1970, 1992	Two parties predate and one postdates democratization
Nicaragua	1823, 1996	One party predates and one postdates democratization
Panama	1960, 1982, 1993, 1997	Two parties predate and two postdate democratization
Dominican Republic	1980	One party postdates democratization

Based on information provided by the parties and data from DD.

In many of the foundational characteristics examined in the study, the smaller parties resemble the large ones. They were mainly founded in national capitals; the motives for foundation most frequently mentioned by the parties are related to the basic dimensions of democracy (or “polyarchy”: participation, opposition). In half of the small parties, a *caudillo* or founding leader stands out; in the Dominican Republic, the only small party with parliamentary representation was founded by a *caudillo*, and in Nicaragua, the two small parties were formed by *caudillos* or leaders. In the other countries, the small parties are not homogeneous in this regard.

Social organizations participated in the founding of small parties in all of the countries except Nicaragua. The involvement of religious organizations is mentioned in parties in Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, but not in Panama or the Dominican Republic. Finally, ethnic-cultural organizations were involved in the founding of small parties in most of the region's countries, except for Costa Rica and the Dominican Republic.

Differences between larger and smaller parties

The dots in Figure 3.1 represent all the parties, large and small. The vertical line represents the year in which the current democratic regimes were established in each of the countries included in the study (according to DD); a party's location to the left (or right) of the line indicates that the party was born before (or after) the democratic regime that exists today. The distance from that line (measured along the horizontal axis) indicates how many years before (or after) the party was born.

The vertical axis indicates the percentage of votes obtained by each party in the last presidential election.¹²

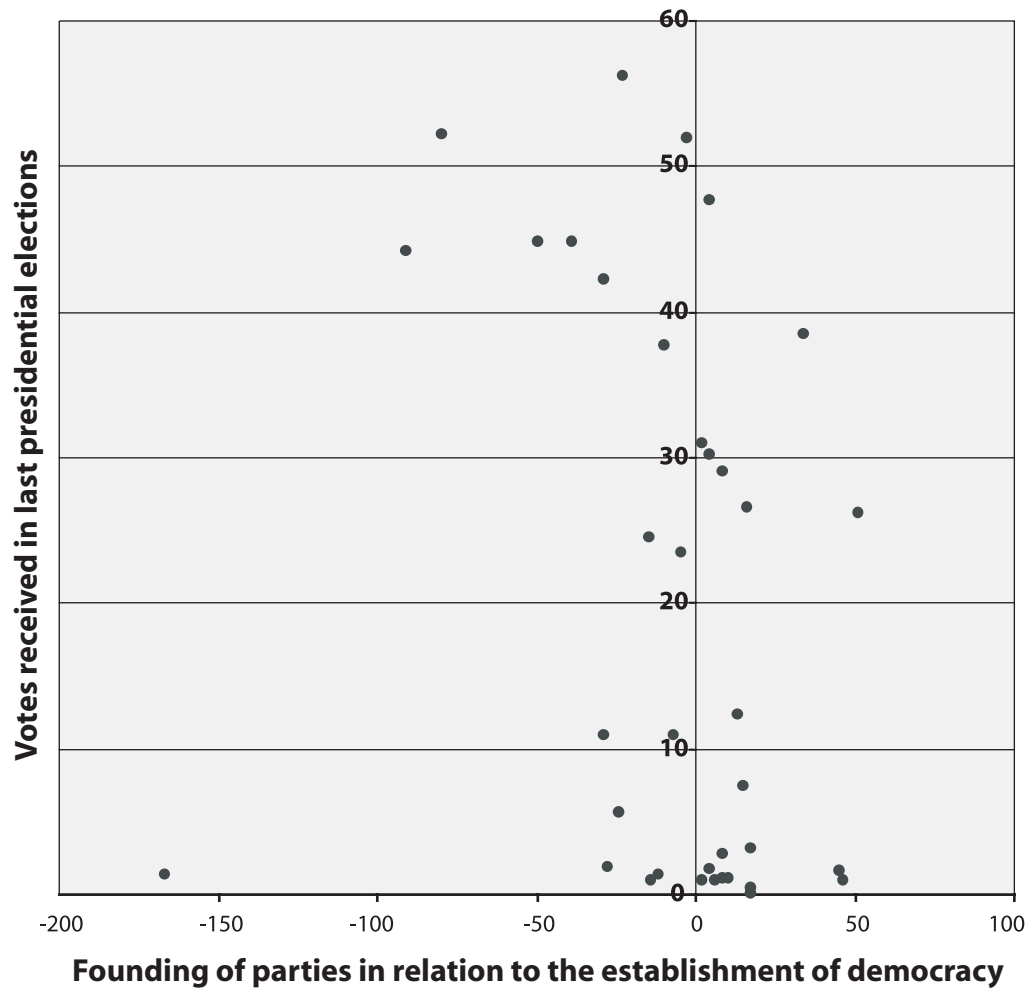
Of the thirty-seven parties in the region (large and small) for which data are available, seventeen (slightly less than half: 46 percent) were founded before democracy arrived in their respective countries, and the other twenty were founded afterward. Contrary to the case of the larger parties, most of the smaller parties (thirteen in all, of the twenty for which information is available) *postdated* democratization. Figure 3.1 clearly shows this relationship between the size of the parties (according to votes garnered), their founding dates and the establishment of democracy. This relationship between size and age is particularly visible for the largest of the larger parties. Of the eight parties with the greatest electoral weight (more than 40 percent of the vote), seven were founded before democracy was established in their respective countries (88 percent); of the nine parties that obtained between 20 percent and 40 percent of the vote in the last presidential election, three (33 percent) predated democratization, and the percentage is similar among the smaller parties (35 percent). This is reasonable for several reasons. One is that, if other conditions remain approximately equal, the longer the party's history, the greater the intensity of identification with the party (Converse 1969), and the larger the size of its potential electorate.

A second important difference between the larger and smaller parties is the presence or absence of support from various types of organizations (but *not* political-partisan organizations) in their founding. As has been noted, that presence is not very significant in the case of the largest parties, but it is among the smaller ones. In all, fifteen of the nineteen small parties for which information is available (79 percent) received support from non-political organizations in their founding. In most cases (ten of those fifteen parties), there was support from more than one type of organization. Eleven of the twenty small parties for which data are available mention the active participation (formal in five cases, informal in six) of social organizations in their founding. Nine small parties mention the participation of ethnic-cultural organizations (also with different forms and degrees of formality), and nine mention the participation of religious organizations.

In the case of the larger parties, the organizations that participated in their founding were social in nature. That is not true of the smaller parties; religious and ethnic-cultural organizations participated on equal footing with social organizations. And if only *formal*, institutional participation is considered, religious organizations participated most in the founding of parties; in six cases, their participation was formal, while in the other three, the participation was informal, not institutional. Informal connections occur, as in the case of the larger parties, through the participation of leaders of those organizations in party life. The participation of social and ethnic-cultural organizations in the founding of small parties normally occurs through informal ties.

¹² The percentages of votes graphed for the Guatemalan parties (Unidad Nacional de la Esperanza and Partido Unionista) correspond to the elections held in 2003, not 1999. The percentages graphed for the parties that did not present their own presidential candidates (Democracia Cristiana Guatemalteca, Camino Cristiano Nicaragüense and Fuerza Nacional Progresista in the Dominican Republic) correspond to the proportion of seats that those parties obtained in the last legislative elections considered in the report: 1999, 2001 and 2000, respectively.

Figure 3.1 Founding of parties in relation to the establishment of democracy, according to votes received in the last presidential elections. Includes all parties with information available in this area (large and small)



3.3 The decision-making process

Larger parties

All of the larger parties have a national presence and are organized (although with differing degrees of structure) to maintain and foster that presence at all levels.¹³

¹³ The preceding chapter mentions some aspects of the “nationalization” of Central American parties and party systems.

In their by-laws, all detail the functioning of and linkages among their party structures, but they do not always operate that way in practice. For example: while by-laws tend to provide for broad participation by and consultation of the grassroots, in practice this is only done for the election of party officials and candidates (only when these procedures are established in the by-laws or legally), and there are generally low percentages of participation by party members.

Everyday decisions (as well as many politically important ones) are left in the hands of boards of directors or small groups of leaders. Thirteen of the seventeen parties indicate this. Only three parties (one in Guatemala, one in Costa Rica and a third in El Salvador) say they turn to broad-based consultation that includes some sort of vote when making “politically significant decisions.” Party by-laws usually establish that national or general assemblies or conventions are the highest authority,¹⁴ but in the great majority of cases those responsible for major decisions are the parties' everyday leadership bodies (which for obvious operational reasons cannot include all party members). In almost all of the countries (except for El Salvador and the Dominican Republic), there is some type of regulation governing the existence, functions, composition and means of electing these leadership bodies. This regulation is more or less lax, depending on the case; it sometimes includes only allusions to party by-laws, and it sometimes involves specific, detailed national legislation on the subject (party laws, electoral laws).

Smaller parties

The great majority of these twenty parties (fifteen: 75 percent) claim to have a national presence. Two others have representation only in certain regions, and there is a lack of information on this subject for the other three. There are many very small parties, and others that are very new, leading to the assumption that in at least some cases their structure is probably not fully consolidated at the national level.

Considerations similar to those for the larger parties can be applied to the smaller parties' decision-making processes, with even greater caution. The processes outlined in the by-laws are not always followed in practice. At the same time, small parties, with a relatively small number of cadres (many of whom presumably have little party or organizational experience), *cannot* maintain very broad channels of participation. In almost all of the small parties (eighteen out of twenty), decisions about important political matters are made by a formal body, usually a meeting of the party's Board of Directors or Executive Committee. Only two parties (one in Guatemala and one in Panama) indicate that important decisions are made through some pre-established voting process.

¹⁴ It is likely that different parties use the same term, “assembly” (or “convention”), to refer to somewhat different things, and that the same thing may be called an “assembly” by some parties and a “convention” by others. In this chapter, the two terms are used interchangeably to refer to bodies and/or widely attended meetings (*many* people participate: it is substantially broader than the party leadership or board of directors) of *representatives* of the party members or affiliates or other lower-level representatives (but which never include, at least in theory, all of a party's members or affiliates).

3.4 Election of party officials

Larger parties

In two of the sixteen large parties for which information on this subject is available, the members of the principal bodies are chosen through voting that is open to all affiliates. In twelve other parties, they are chosen using mechanisms that include participation and voting by party *representatives* at all levels; this usually takes place at assemblies or conventions. Only one party said that it chose its main authorities based on the decision of party leaders.

According to these data, in most cases the process is relatively open: party officials are elected by those who perform representative functions within the party, so the result should somehow reflect the preferences of the grassroots, or at least of mid-level leaders. Nevertheless, in several cases the election is directly influenced by national leaders, because they propose the names of the people who will compete (they act as selectors or as a filter). This limits internal democracy, and the description of formally established methods does not clarify how extensive this practice is, although based on the information gathered, it could be fairly frequent.

As Table 3.3 shows, in only three countries do the respective parties follow the same practices (through conventions) for selecting party officials: Costa Rica, Panama and Nicaragua. In Costa Rica, this is because the procedure is established by law.¹⁵ Panama's Electoral Code allows parties to decide how they will elect their leaders, as long as the procedure does not violate general provisions of the law, and Nicaraguan law does not address the issue. In this area, then, the convergence of the practices of Panama's parties, on the one hand, and those of Nicaragua, on the other, is not due to the nature of their respective legislation. In Guatemala, on the other hand, where the Electoral Code establishes that party authorities must be elected through conventions, two parties do so, but the rest state that they hold closed elections to choose party officials. If this is true, the party would not be complying with the letter of the law, but would be replacing it with a more participatory mechanism.

Nine of the parties analyzed here have explicit policies for including women in party leadership bodies, five do not, and there is no information about the other three. In all of the countries except the Dominican Republic, at least one large party sets quotas for women's representation. Costa Rica is the only Central American country in which all of the larger parties have mechanisms to ensure women's participation in party bodies, because this is established by the Electoral Code.

Seven parties ensure the representative of youth in their party structures; seven others have no mechanisms for this. Less frequently than for women, youth quotas are established in party by-laws (not legislation) in Guatemala, Costa Rica,

¹⁵ In Costa Rica, electoral law stipulates that the highest assembly is the body responsible for political direction. It also establishes that the National Assembly (the highest-level body for parties with national representation, such as those included here) must be made up of provincial delegates who are elected locally, although parties can also choose to include other members. This assembly chooses an Executive Committee charged with implementing the agreements reached by the assembly. Thus the selection of National Assembly and Executive Committee members follows a procedure that must include voting by party representatives. All of Costa Rica's parties follow the same procedure in this regard.

Table 3.3 Procedures for election of party officials in larger parties, by country

Country	Closed voting	Conventions	Chosen by leader or leadership	Other method	No data
Costa Rica	-	3	-	-	-
El Salvador	1	1	-	-	-
Guatemala	1	2	-	-	-
Honduras	-	1	-	1	-
Nicaragua	-	2	-	-	-
Panama	-	2	-	-	-
Dominican Rep.	-	1	1	-	1
Total	2	12	1	1	1

Nicaragua, El Salvador and the Dominican Republic. Among traditionally excluded groups, finally, there is virtually no affirmative action for ethnic groups. As in the case of young people, there are no legal provisions guaranteeing the inclusion of representatives of ethnic groups in party leadership bodies, and only one Guatemalan party establishes explicit criteria for this. In summary: affirmative action for the inclusion of women, youths and indigenous people in party leadership bodies varies greatly and has different legal status depending on the country and the type of group involved. Affirmative action aimed at greater participation by women is the most widespread and successful; in Costa Rica, in particular, this is established by national legislation. Ethnic groups are at the opposite extreme.

In larger parties, procedures for designating party officials are participatory and inclusive in principle, but in practice they grant current leaders considerable discretion. This probably contributes to difficulties in the turnover of leadership (which is consistent with the comments of the elites consulted, as will be seen in the next chapter).

Smaller parties

The procedure most often used by small parties for the election of party authorities is the convention: fourteen parties use this method. In four parties, elections are held (closed in three cases and open in the other). One of the other two parties said that the choice is left up to party leadership, while the other uses a combination of different methods (Table 3.4).

In countries that have legislation in this area (Costa Rica and Guatemala), all of the small parties follow it, electing their party authorities through established procedures. In the other countries, they do not follow uniform guidelines. As with the larger parties, the predominant practices are participatory in principle (conventions, elections).

Seven parties have mechanisms to ensure women's participation in party leadership bodies, twelve have no such mechanisms, and there is no information about the other party. In Nicaragua and the Dominican Republic, there are no small parties that engage in this type of affirmative action (nor do larger parties in the

Dominican Republic do so). In Costa Rica, the two small parties do, as established by law. Nineteen of the twenty small parties considered lack affirmative action for the inclusion of youths or ethnic groups among party officials; there is a lack of information about the other party.

Table 3.4 Procedures for election of party officials in smaller parties, by country

Country	Closed voting	Conventions	Elected by leader or leadership	Other method	No data
Costa Rica	-	-	2	-	-
El Salvador	-	-	1	-	1
Guatemala	-	-	6	-	-
Honduras	1	-	2	-	-
Nicaragua	1	1		-	-
Panama	1	-	3	-	-
Dominican Rep.	-	-		1	-
Total	3	1	14	1	1

3.5 Selection of candidates for elected office

Larger parties

The convention is also the main mechanism for choosing candidates for the legislature: this method is used by nine of the seventeen larger parties. In five others, elections are held among party affiliates, but in two of these cases the result of the balloting must be ratified by the party convention.

Only in Guatemala do all of the larger parties follow the same procedure for electing their legislative candidates: all hold conventions, as required by law. In Costa Rica, electoral legislation stipulates that, whatever the procedure established for the selection of legislative candidates, the result must be ratified by the party's National Assembly, which is its highest authority. Two of the larger Costa Rican parties hold elections whose results must be ratified by the Assembly, and the third elects its candidates directly in the National Assembly (a meeting of party representatives with voice and vote in decision-making).

In eleven of the fourteen parties for which information is available, there are explicit rules to ensure that women are included on slates of candidates for legislative office. In all of the countries, there is at least one large party with such rules. In Costa Rica and the Dominican Republic, this is required by law, and all of the larger parties have mechanisms of this type to comply with the law. Affirmative action for including youths and representatives of ethnic groups among candidates is rare and is not covered by current legislation; only three parties ensure the former in their by-laws, while two include the latter.

The actual make-up of the parties' parliamentary blocs is a more direct indicator of participation by traditionally excluded sectors. It is a result, rather than a declaration of intent (however formalized that might be in the party by-laws), and it aids in evaluating the relevance and effectiveness of affirmative action mechanisms. The only data available on this subject for all of the larger parties is the gender composition of the parliamentary blocs. In slightly more than half of the parties (nine), women make up less than 15 percent of the parliamentary bloc; in four parties, their presence varies from 15 percent to 30 percent, and in the other four parties it exceeds 30 percent. In the Dominican Republic, where legislation governs the inclusion of female candidates, between 15 percent and 30 percent of all parties' legislators are women. Costa Rican law also establishes a quota system; there the presence of women in all parties' legislative blocs exceeds 30 percent, with one party having twice that number. At the opposite extreme are Guatemala and Panama, which have no legislation in this area: women never make up more than 15 percent of the larger parties' legislative blocs.

The degree of women's participation in the legislative blocs of parties that have quota systems varies considerably. In three of these parties, women constitute less than 15 percent of the legislative bloc; their quota systems, therefore, have modest effects on the actual election of women. In four other parties, women make up between 15 percent and 30 percent. In eight parties, women constitute more than 30 percent of the legislative bloc. The two largest parties that do not have established affirmative action measures for the inclusion of women have legislative blocs in which women constitute less than 10 percent of the total; one of them has no female legislators. The quota system for candidacies, therefore, actually does increase the presence of women in the legislature, although with different degrees of effectiveness (depending on the details of the rules). And in countries where quotas for women are established by law, the proportion of women in the parties' legislative blocs is significantly greater than in the others. The greater the degree of formalization of the measure, the more effective the result.

Table 3.5 Procedure for election of presidential candidates in larger parties, by country

Country	Closed voting	Conventions	Voting among pre-selected candidates	Voting ratified by party authority
Costa Rica	-	1	-	2
El Salvador	1	-	-	1
Guatemala	1	2	-	-
Honduras	1	-	1	-
Nicaragua	1	1	-	-
Panama	2	-	-	-
Dominican Rep.	2	1	-	-
Total	8	5	1	3

The way candidates for *the presidency* are selected is governed by law in three of the seven countries. Costa Rican law establishes that, as with candidates for the legislature, whatever the procedure followed for selection of presidential candidates, the result must be ratified by the National Assembly of each party. Two Costa Rican parties hold internal elections that are later submitted for ratification by the Assembly, while in the third the Assembly elects the candidates directly. In Panama, internal elections are mandatory. This is also true in Honduras, but only when the party “has movements, schools of thought or trends in contention,”¹⁶ a matter that is decided by the party leadership. This means that leaders could legally agree to skip internal elections.

In practice, as Table 3.5 shows, the most common procedure is the closed primary election, a method that allows greater grassroots participation. But the pre-selection of the candidates who compete in these elections is normally done by party leaders, which limits options and, as a result, freedom of election. Party leaders can influence this process in many ways. The definition of support for pre-candidacies is not a small factor; the backing of high-level leaders clearly makes a difference, gives candidates a boost and is sometimes a necessary condition for effective competition. Stories about the “rise” and “fall” of candidates based on leaders' preferences or their changes of mind are not uncommon. In practice, unless they are highly divided, party leaders have veto power over presidential candidates. This limits the possibility for turnover of party leadership.

Nevertheless, from a medium- and long-term standpoint, there is a trend towards openness and greater participation by mid-level leaders and party members in the selection of party officials and candidates for elected office. For those who also value democracy within parties, the overall *trends* are positive. Nevertheless, there is still substantial room for improvement. As will be seen in the next chapter, this is the view of most political leaders. The elites believe that turnover of party leadership is one of the most problematic aspects of party life.

Smaller parties

As in larger parties, the convention is the main mechanism for selecting candidates for the legislature: this procedure is used by nine parties (Table 3.6). Less common procedures are closed voting (four parties use this method) and direct designation by leaders (three parties). In Guatemala and Costa Rica, legislation governs the procedure for selecting parliamentary candidates, but practices are not uniform. In Costa Rica, the law requires that candidates be ratified by the party's National Assembly, but does not state how they should be elected; both parties, in different ways, comply with the law's requirements. In Guatemala, there are two parties that do not follow the procedure; this could be a problem of legal interpretation (a vote ratified by a party body could, under certain conditions, be similar to designation in a convention), but in the other (choice made by the leader) the practice and the norm do not appear to coincide.

In the area of affirmative action for women, five of the small parties take such

¹⁶ Article 19 of the Honduran Electoral and Political Organizations Law.

Table 3.6 Procedure for the selection of candidates to the legislature in small parties, by country

Country	Closed voting	Conventions	Elected by leader or leadership	Voting among pre-selected candidates	Voting ratified by party authority	Other method, no data
Costa Rica	-	1	-	1	-	-
El Salvador	1	-	-	-	-	1
Guatemala	-	4	1	-	1	-
Honduras	1	1	1	-	-	-
Nicaragua	-	2	-	-	-	-
Panama	2	1	-	-	-	1
Dominican Rep.	-	-	1	-	-	-
Total	4	9	3	1	1	2

Table 3.7 Procedure for the selection of presidential candidates in small parties, by country

Country	Closed voting	Conventions	Voting among pre-selected candidates	Voting ratified by party authority	Elected by leader or leadership	Other method, no data
Costa Rica	-	2	-	-	-	-
El Salvador	1	-	1	-	-	-
Guatemala	-	3	1	1	-	1
Honduras	1	1	-	-	1	-
Nicaragua	-	2	-	-	-	-
Panama	2	1	-	-	-	1
Dominican Rep.	-	1	-	-	-	-
Total	4	10	2	1	1	2

measures, while nine do not and data are unavailable for the other six. The small parties in Nicaragua and the Dominican Republic have no quotas for female legislative candidates; nevertheless, Dominican law establishes that the parties must ensure the presence of women. In Guatemala there are no data for four parties, and neither of the other two has quotas for women. In both Panama and Honduras, at least one party uses quotas, and in Costa Rica the two small parties use them, as established by law.

With regard to youths, there is information for only fourteen small parties, and of these, only one, in Panama, has explicit criteria for including youths among parliamentary candidates. That party is also the only one to establish rules for including representatives of ethnic groups among its candidates. As with larger parties, affirmative action mechanisms more often refer to women's candidacies, but they do not always accomplish their goal. The presence of women in the legislative blocs of smaller parties is modest, but it must be remembered that the small parties' blocs are also small; in many cases, they have only one or two legislators. Information is available for seventeen of the twenty small parties; of them, only five have women in their legislative blocs. Two of these parties are Honduran, two are Panamanian and the other is Guatemalan.

Half of the small parties (ten) elect their presidential candidates in conventions (Table 3.7). In this they differ from the larger parties, in which the most common method is the closed primary. This is the second most common procedure among small parties (four parties use it).

3.6 The functioning of blocs, internal cohesion and party-switching

Larger parties

In most of the larger parties, decisions about how the legislative bloc will vote are made by a formal party body. A meeting of the bloc is the most common procedure, although in some cases, especially for important decisions, the position is determined directly by the party's leadership. In most cases (eight of the thirteen parties for which information on this topic is available), the head of the party bloc is also elected within the bloc or by the party's leadership, but always by a formal body. The formalization of these decisions does not mean that the blocs always vote as one. Only three parties (of the eleven that reported data on this subject) say that their blocs *always* vote according to their parties' formal decisions. In three other parties, the bloc "almost always" votes as one, and in two parties the bloc votes as one "most of the time." In three parties, about one-fourth of those reporting data on this topic, the legislative bloc "sometimes" votes as one. In El Salvador, the two largest parties state that their respective blocs always vote as one. Available information suggests that in Nicaragua, they often also vote as one; this is consistent with the results noted in the preceding chapter. Nicaragua and El Salvador have the two most polarized systems in the region, and the greater the polarization, the greater the cost of crossing party boundaries (in these cases, the word "treason" is sometimes used).

If they request prior authorization, lawmakers from the parties that say that their bloc always votes with one voice do not suffer sanctions for voting contrary to the party's position. On the other hand, in two of the three parties whose blocs “sometimes” show a united front, the deputies suffer some sort of punishment if they do not follow the party line. It is possible that these mechanisms exist because of the lack of discipline that is common in the blocs, rather than the reverse. It is not that the blocs are disciplined because sanctions do or do not exist; rather, sanctions may exist because the blocs are relatively undisciplined. Thus, there may be parties that do not sanction a lack of discipline because this is not a frequent occurrence; on the other hand, some parties may punish a lack of discipline among legislators in an effort to decrease it.

Party-switching or bolting is the migration of a political leader from one party to another. The terms are used especially for legislators who, after having been elected on the ticket of one political party, leave it to join another (new or pre-existing), or to remain in the legislature as independents (although there is a lack of precise data about this, it appears to be far less common).

Table 3.8 Number of episodes of party-switching in the previous legislature, larger parties, by country

Country	Number of parties receiving party-switchers	Number of parties losing party-switchers	Total parties with episodes of party-switching
Costa Rica	-	-	-
El Salvador	0	2	2
Guatemala	2	1	3
Honduras	-	-	-
Nicaragua	1	1	1 party (2 episodes)
Panama	1	0	1
Dominican Republic	0	1	1
Total	4	5	8 (9 episodes)

Party-switching does not affect all party systems equally. According to the information provided by the larger parties (fourteen of them provided data), during the legislature preceding the one that was in session in 2003,¹⁷ episodes of party-switching occurred in five countries in the region: El Salvador, Guatemala, Nicaragua, Panama and the Dominican Republic (Table 3.8). Two Guatemalan parties received legislators from other parties (seven in one case, one in the other). One Nicaraguan party received three legislators from other parties and lost one of

¹⁷ The parties were asked about this type of behavior “during the legislature preceding the current one” to ensure that all responses referred to a similar and reasonably broad time frame.

its own. In Panama, one party took in two legislators who had been elected on the ticket of another party. Two Salvadoran parties indicated that some of their legislators bolted (six in one case, one in the other). Finally, one party in the Dominican Republic lost ten legislators. In all of these episodes, the larger parties said that they lost a total of twenty-three legislators. These accounts of party-switching and the number of seats lost, however, must be considered indicators of trends rather than precise data.¹⁸

As will be examined in greater detail in the next chapter, party-switching by legislators is associated with voter volatility, which was examined in the preceding chapter: four of these five countries have the highest indices of electoral volatility in the region. From the establishment of democracy to the most recent elections included in this report (2003, except for Guatemala, where the most recent elections considered are those of 1999), the average volatility is 49 points in Guatemala, 24 in Panama, 21 in El Salvador, and 20 in the Dominican Republic. Substantially below these levels, Nicaragua has an average electoral volatility of 12.4.

Guatemala also registers the lowest proportion of citizens who feel an affinity for political parties. According to LB2003, only 5 percent of Guatemalans feel close to a political party, and 23 percent say they are merely sympathizers. The averages for Central America are 9 and 31 percent respectively. As a consequence, the lack of citizen involvement in political parties (as voters, as the volatility data show, and also as members or sympathizers, as polls indicate) varies, as does the fragility of legislators' party loyalties.¹⁹ These results are consistent with the political elites' opinions about party-switching: the Guatemalans who were interviewed expressed the greatest concern about this, followed by the Panamanians. The fragility of citizens' party loyalties, reflected in the rates of electoral volatility and percentages of citizens who feel close to parties, facilitates party-switching.

In sixteen of the seventeen relevant parties, an Ethics (or Honor or Discipline) Tribunal is charged with overseeing, judging and, if necessary, sanctioning the conduct of party members. The only party that does not have such a body says that those functions are carried out by party officials. The nearly universal existence of such an oversight body may indicate, *a priori*, the parties' interest in enforcing (and ensuring respect for) certain values among their members (and also, when necessary, their willingness to purge party ranks). Nevertheless, the lack of information about what these tribunals actually do makes it impossible to

¹⁸ Unless a legislator leaves his or her party to become independent, in each country, and in the countries as a whole, the number of legislators "lost" by the parties should be approximately equal to the number "gained" (considering all of the parties, both large and small: what one loses, another gains). But only "approximately," because some parties (all of them small) disappeared. In counting the total number of seats won and lost (taking into account all of the parties, large and small), overall the parties declared 28 seats "lost" but only 17 seats "gained." The difference seems too great. The problem probably has several causes, including incomplete data (some of the parties did not report this information, some parties disappeared), errors or confusion in the responses (for example, a certain party may have reported its gains or losses for the current legislature, rather than the preceding one), and perhaps a certain reluctance to report seats won in this way, partly because most political leaders take a dim view of party-switching.

¹⁹ According to data from a survey of legislators in 1999 (Torres-Rivas and González, 2001), 38 percent of the deputies said they did not trust Parliament, and 62 percent did not trust the parties that had elected them. Olascoaga (2003) cites and comments on these results, adding that these attitudes and behaviors are not limited to legislators: "the study of presidential candidates in 1995 shows that they have belonged, on average, to three different political parties" (op.cit., p.78).

appropriately evaluate their real role. The available data suggest that the effectiveness of these tribunals varies. In some cases, they play an important role in overseeing the conduct of party members, but in others their existence appears to carry little weight in party activities.

Smaller parties

The small parties also have small legislative blocs that fluctuate between one and nine legislators; only one holds as much as 9 percent of the seats in its legislature and the others have relatively small blocs. The large majority of them (fifteen out of twenty, 75 percent) have a maximum of 4 percent of the seats in their respective legislatures. As with the larger parties, the most common procedure for deciding how the bloc will vote is a decision by a formal body: a meeting of the bloc or the party leadership. This method is used by fourteen parties, while four use an informal procedure; of the other two, one varies the procedure depending on the situation, and there no information is available about the other. The election of the leader of the bloc is also done by a formal body (a meeting of the bloc or party leadership); eleven of the fifteen parties for which information on this subject is available use this method.

Twelve out of sixteen small parties for which information is available (75 percent) say that their blocs “always” vote as one, but three of those blocs consist of only one legislator; here there is a problem of interpretation. Only two of these sixteen parties say that their blocs rarely or never vote as one. More than half of the small parties (eleven) punish undisciplined legislators in some way. Such punishment occurs in both parties whose blocs always vote together and those that rarely do so (as well as those that sometimes vote as one). Nevertheless, the largest concentration occurs in parties whose blocs always vote with a united voice; in this case, unlike that of the larger parties, there is a positive relationship between voting together and sanctions.

According to the information provided by the small parties, during the legislature preceding the current one, four received legislators who had switched from other parties (Table 3.9), and five parties lost legislators because of party-switching. Two parties both lost and gained legislators. In El Salvador, more episodes of party-switching were registered: three episodes, which occurred in two political parties (one of the parties lost one legislator but incorporated another). In Panama, there were two episodes of party-switching; the same was true in Nicaragua. Guatemala and Honduras registered only one episode each. With regard to *episodes* of party-switching, therefore, the small parties do not follow exactly the same pattern as the larger ones. Nevertheless, episodes of party-switching occur in the three countries that have the highest electoral volatility, and where the elites are most concerned about the issue: Guatemala, Panama and El Salvador.

Nineteen of the parties have an Ethics Tribunal or disciplinary body (only one of the small Guatemalan parties has no such tribunal). As in the case of the larger parties, there is little information about how these tribunals actually function.

Table 3.9 Number of episodes of party-switching in the previous legislature, smaller parties, by country

	Number of parties receiving party-switchers	Number of parties losing party-switchers	Total parties with episodes of party-switching
Costa Rica	-	-	-
El Salvador	1	2	2 parties (3 episodes)
Guatemala	-	1	1
Honduras	-	1	1
Nicaragua	1	1	1 parties (2 episodes)
Panama	2	-	2
Dominican Republic	-	-	-
Total	4	5	7 (9 episodes)

3.7 Affiliates, contributors and volunteers

Larger parties

Of the eleven large parties for which information on this topic is available, three say they have *more than one million* affiliates.²⁰ Four other parties have, according to their reports, between 300,000 and 500,000 affiliates, and the four remaining parties have between 64,000 and 100,000 affiliates. The number of affiliates reported by the parties is highly heterogeneous, much more so than for their electorate.²¹ No data are available about the number of affiliates of seven of the larger parties. Several say they lack such information, or that the information they have is not current; some are in the process of gathering data. There is no information about how current the information provided by the parties about this topic is or whether they distinguish between dues-paying members and people who simply have some affinity for the party.

The less that is known about party members, the more difficult it is to develop sensible policy regarding them, including in areas that are basic for party organization and survival, such as collecting contributions. Of the six parties for which there are no membership data, two also lack data about members' contributions or dues; in the case of two others, it is known that their members do not make contributions, and the other two have a dues policy only for members

²⁰ Taking into account the number of voters in each country, as well as results of public opinion polls about party affinity, this figure appears to be excessive.

²¹ The largest parties that receive the most votes could have slightly more than twice the number of voters as those receiving the fewest votes (as noted at the beginning of section 3.1). With regard to membership, however, a few could have *fifteen* times as many affiliates as other large parties.

who hold positions of responsibility (those who hold elected offices). Clear information is also lacking for parties that do have membership records. Of these eleven parties, four do not provide information about their members' contributions, one says its affiliates do not contribute, and four others indicate that only some affiliates contribute, and that these are “voluntary” contributions rather than pre-established amounts. Only one party says that its affiliates contribute with a set amount of dues, and another says that only those holding positions of responsibility in the party contribute.

In summary: normally there are no policies for collecting contributions from affiliates, and when such policies do exist, they appear not to function in practice. In some cases, party members who hold elected positions make mandatory or voluntary contributions. This suggests either that most of the relevant parties do not consider members' contributions to be an important source of funding, and therefore have no incentive to regularize or enforce them, or that parties have organizational problems that prevent them from developing an effective policy for collecting dues from members. Both of these factors may be true. Organizational problems and administrative inefficiency were mentioned by the parties as weaknesses.

In all of the countries included in the study, the parties receive public financing by law. In El Salvador and Honduras, there are no legal thresholds for qualifying for financing, and in the other countries, all of the larger parties meet any requirements, so they all receive these contributions. The thresholds are usually related to size; to qualify for financing, the party must exceed a certain threshold of votes. Panama has the highest limit, at 5 percent of the electorate; in the other countries it is 4 percent (in the Dominican Republic this requirement does not exist, but the party must have participated in the last *two* elections). In Honduras and Nicaragua, state financing covers only campaign activities; in the rest of the countries, other activities related to day-to-day party operation are also funded.

All of the parties have the possibility of receiving private funds, which is permitted throughout the region, although with certain restrictions. In Costa Rica, foreign funding and anonymous contributions are prohibited;²² in Honduras and Nicaragua, contributions from anonymous sources and government contractors are forbidden, and the Dominican Republic prohibits contributions from foreigners and government contractors.²³ Although parties can seek other sources of financing besides public funding, their operating costs are high, especially during electoral campaigns. Although efforts are made to control campaign spending and ensure the transparency of private contributions, party financing is a complex, problematic issue. As will be seen in the next chapter, that is the view of the political elites who were consulted.

²² In all cases in which anonymous contributions are prohibited, an exception is made for funds contributed through public collections.

²³ DD, p.172. Chapter 7 of DD provides details about all of these aspects, particularly Tables 7.5 and 7.10. The most recent work focusing exclusively on this issue is the compilation by Manuel Carrillo, Alonso Lujambio, Carlos Navarro and Daniel Zovatto (2003), *Dinero y contienda político-electoral*. It includes, among other contributions, an overview of the problem (José Woldenberg), an analysis of the Latin American case (Daniel Zovatto), and a contribution by Humberto de la Calle, which presents what is now a well-known “decalogue” on party and campaign financing.

Volunteer labor in electoral campaigns helps overcome funding limitations and is another way in which affiliates and members collaborate with their parties. Information on this topic is available for only eight parties, and the number of volunteers who collaborate with each of them varies from 15,000 to 150,000. The data suggest that the number of volunteers that a party can mobilize during an electoral campaign is approximately proportional to the results of the election related to that campaign: the parties that obtained more votes in the last presidential elections were, in general, the ones that mobilized more volunteers during the campaign. This seems reasonable: the parties that have more voters usually have more sympathizers or members (although the correlation is not perfect), and could presumably mobilize more sympathizers. Data also suggest (although the relationship is not completely clear) that in their last campaigns, the parties with the fewest *affiliates* obtained more support from *volunteers*. This could suggest that the information provided by the parties is not very current, but it could also indicate that what really matters in these cases is not the volunteer's formal relationship with the party, but the party's ability to mobilize the grassroots, whatever the nature of its ties to these people (active members, affiliates or merely sympathizers).

Smaller parties

Sixteen out of twenty small parties provided data about their affiliates; the number varies from 5,000 to 500,000 people per party. The party with the most has 100 times as many affiliates as the one with the least. In this regard, the same problems arise that were noted for the larger parties (it is not known whether the records are current, or if these are members, people who feel some affinity for the party, or sympathizers). The same situations occur with regard to collecting contributions from affiliates: in only two cases do party members (all or most) contribute an established amount, and in four others the affiliates contribute “voluntarily.” Seven of the smaller parties say that only their leaders contribute. The small parties, therefore, seem to have more information about their affiliates than the larger parties, but they do not collect funds from them.

Half of these parties (ten) did not provide information about the participation of volunteers in the last campaign. Of those that did provide such data, the number of volunteers varied between 300 and 10,500; the situations were very heterogeneous. In this case, it seems that the parties with the most affiliates also mobilized the most volunteers in the last electoral campaign, the reverse of the trend seen among the larger parties. As with the larger parties, however, there was a slightly clearer and more positive relationship between the number of volunteers in the last campaign and the percentage of votes obtained in the last presidential elections.

3.8 Training of cadres and professional advice

Larger parties

Training is important for party members and for the parties' political work, and

may be even more important for the quality of the parties' government administration. Twelve of the seventeen larger parties studied currently have ongoing training programs, two others hold occasional specific training activities, and there is no information about the other three. The contents of these educational activities differ, and they have different objectives and are aimed at different audiences. The predominant subject matter in these courses is the party's thinking and philosophy: eleven of the parties offer seminars or workshops on these topics. The second most common subject is the performance of electoral tasks; six of the seventeen parties offer training on this topic. The main audience for these courses is the membership at large, although they are sometimes aimed particularly at women, young people and mid-level leaders. Finally, and with less intensity, courses are also offered on government, party operation, current events and leadership. These mainly seek to train mid-level party leaders, with an emphasis on educating young people.

According to the information available, only one of the parties aims training programs at top party leadership, and these exclusively address electoral tasks. Considering that the top leaders are the ones who make the most important party decisions, this seems to be a significant shortcoming. If training is one of the necessary means of strengthening parties, as the elites interviewed for this study state,²⁴ parties should not give short shrift to the training of their principal decision-makers.

Professional advice on political administration is also important, because it involves the inclusion (or at least the possibility of the inclusion) of technical criteria in decision-making. The parliamentary blocs of the larger parties for which information is available (a total of twelve) receive some sort of advice; in nine cases this is ongoing, and in the other three it is occasional. In some cases, it involves advice provided by the Legislative Assemblies in their respective countries, and in others it involves personnel exclusive to the parties' blocs. In any case, this could be a positive indicator of professionalism, as long as the advisers provide genuine input into decision-making, an aspect that could not be evaluated on the basis of the data available.

Smaller parties

Almost all of the small parties also have training programs. Sixteen parties have ongoing training activities; in two parties, these activities are occasional. Only two parties lack training programs. As with the larger parties, the topic most frequently covered in these courses is party thinking and philosophy (fifteen parties). Training for electoral tasks was mentioned by nine parties, and government administration and party operations were also mentioned frequently (seven and six times, respectively). Other topics, such as leadership and current events, were also mentioned.

²⁴ As will be seen in the next chapter, about one-fourth of those consulted spontaneously mentioned training as one way of strengthening parties in the region.

These courses are aimed at heterogeneous audiences: the membership at large, mid-level leaders, youth, women and, to a far lesser extent, top leaders. Unlike the characteristics noted for the larger parties (including the different types of programs aimed at different audiences), in small parties the courses on different topics are offered equally to both members and leaders. The group most often targeted, however, is mid-level leadership. Top leaders (again, as with the larger parties) are not the target of training except in two parties; in one, they receive leadership courses, and in the other training on electoral tasks.

The large majority of the smaller parties' parliamentary blocs receive professional advice. In sixteen parties, this counseling is ongoing, and in three it is specific, used only at certain times. Only one of the small parties lacks professional advice for its legislative bloc.

3.9 Parties, governments and social organizations

Larger parties

The parties were asked about their position with regard to their respective national governments. One of the large parties, the Partido Unidad Social Cristiana of Costa Rica, which won the presidential election and should therefore be a “governing” party, now expresses “critical support” of the government.²⁵ The same is true of the Partido Liberal Constitucionalista in Nicaragua. Although the party won the presidency, in its self-portrait it says that with regard to President Enrique Bolaños and his government, the party has publicly declared itself to be “constructive opposition.” In these cases, therefore, at least one of the two players (the president or the leadership of his former party), or both, have distanced themselves from the party grassroots and/or electoral platform. These situations are obviously problematic for government administration, and also demonstrate that the opening up (“democratization”) of processes for selecting candidates can have a down side. In the case of Costa Rica, for example, the presidential candidate was elected through primaries (and ratified by the party's National Assembly). In more general terms: the preference of the grassroots is not necessarily shared by the leadership, and ballot-box support from the party's members may not coincide with support from the party leaders running the government. The freedom of voters (to elect the presidential candidate) *may* enter into tension with governance. Here, too, there are challenges for the parties: to consolidate internal processes of openness and democratization without affecting their ability to govern.²⁶

²⁵ The party's response to this question was “support for the government, and criticism when it distances itself from the principles and political platform.” This response indicates that the party does not see itself simply as the “governing party” (given that this option was explicitly suggested in the questionnaire), and it was therefore interpreted as “critical support.”

²⁶ This could also be true in other cases besides those of Costa Rica or Nicaragua. The Partido Arnulfista of Panama did not provide a self-portrait; it could be (for various political reasons) that it does not consider itself the “governing party,” and that it defines itself according to nuances similar to those of the above-mentioned parties.

Of the other eight large parties for which data are available, almost all (seven) consider themselves “constructive” opposition, and only one describes itself as “radical” opposition. In six of the seven countries (Costa Rica, El Salvador, Honduras, Nicaragua, Panama and the Dominican Republic), there are constructive opposition parties; in Guatemala, one party considers itself “radical” opposition, and there are no data on this topic about the large parties in Nicaragua. At least conceptually, in most of the countries, the principal opposition parties appear to be open to dialogue with the government.

This willingness to dialogue is also apparent in other ways. Six parties participate in national dialogues, one does so only through the legislature, and three parties said they do not participate in this sort of dialogue. There is a lack of information about the other seven parties. In line with these results, in two countries - Panama and Guatemala - dialogue or national consensus-building actions have been implemented, in the former through Panama Vision 2020, and in the latter within the framework of the Shared National Agenda. In both cases, these represent efforts to reach agreement on major national issues and appropriate approaches to development.

Available information about bonds that exist between parties and civil society organizations is very limited (data are available for only eight parties). Of these, five have formal ties with community or grassroots organizations. According to the parties' own responses, in Panama, Honduras and the Dominican Republic, none of the large parties has a *formal* relationship with community or grassroots organizations. Nevertheless, several parties mention the existence of informal ties, generally specific in nature, with various organizations.²⁷

Information about relations with international organizations is also limited. Nine of the seventeen large parties belong to more than one international partisan organization, such as the Socialist International or COPPAL, two belong to only one organization, and one says it belongs to none; there is no information about the others.

Smaller parties

Eighteen of the twenty small parties provided data about their positions with regard to their respective national governments. None of the small parties defines itself as “governing;” in presidential systems, this would be practically impossible, because the governing parties are the ones that win the presidency, which is, by definition, extremely difficult for a small party (only conceivable in the case of an accident or a very exotic political alliance). But two are “allies” or belong to coalitions (none of the large parties saw itself in this light), and two others provide “critical support” to their respective governments. Fourteen small parties consider themselves opposition, basically “constructive” (ten parties); three parties define themselves as constructive or radical opposition, depending on the issue or circumstances, and only one sees itself simply as radical opposition.

²⁷ Counting all of the connections registered for these eight parties: three have relationships with trade unions, two with business or professional associations, two with religious organizations, one with ethnic-cultural organizations, and four with other civil society organizations. Three parties have ties to several organizations.

Thirteen small parties participate in some type of national dialogue: six with other parties, five with parties and non-partisan organizations, one only with non-partisan organizations, and one only in the legislature. In all of the countries, there is at least one party that participates in some sort of dialogue. Of the seventeen parties about which information on this topic is available, seven of the small parties have formal relationships with civil society organizations. Five have relationships with trade unions, three with business or professional associations, two with religious organizations, and four with other community or grassroots organizations (but none has formal ties with ethic-cultural organizations). These formal links between parties and civil society organizations vary considerably from country to country in the region. None of the small parties in Costa Rica, Panama or the Dominican Republic has formal ties with community or grassroots organizations.

Twelve small parties are members of international organizations of parties (eight belong to only one organization and four belong to several). Only two parties are members of international non-partisan organizations. Finally, two parties have ties with an international development agency or organization, and two others have links with more than one such organization.

3.10 Ideological positions and platforms

Larger parties

As Table 3.10 shows, considering only the thirteen large parties that described their positions (the others are registered as “no data”), one-third of the relevant parties in the region are difficult to classify on the liberal-socialist continuum (four parties considered this schema inappropriate or provided responses that did not make it possible to classify them on this scale). The “social market economy” category was not explicitly mentioned as a possible response, but various parties (four) spontaneously responded that it was the one that best defined them, and they are listed in the table (which shows a “self-portrait” in the strict sense of the term) according to their own definition.

Table 3.10 Self-positioning of larger parties on the liberal-socialist scale	
Liberal	1
Pragmatic	2
Difficult to classify	4
Social Market Economy	4
Social democrat	2
Socialist	-
No data	4
Total	17

As Table 3.11 shows (like Table 3.10, which is a self-portrait in the strict sense), the larger Central American parties cover the entire ideological spectrum, and most of the groups place themselves at the center or center-left. There is a certain bias (in the number of parties) to the left: five large parties place themselves at the left (one) or center-left (four), and only two place themselves on the other side of the scale (one at center-right and two on the right). This bias is common among many western political elites in recent decades, including various elites in Latin America.²⁸

Table 3.11 Self-positioning of larger parties on the left-right scale

Left	1
Center-left	4
Center	4
Center-right	1
Right	1
Schema not appropriate, no response	2
No data	4
Total	17

In El Salvador, none of the larger parties places itself at the center. This is consistent with what was noted in the preceding chapter: El Salvador and Nicaragua appear to have the two most polarized party systems in the region.

Table 3.12 Ideological self-positioning with regard to growth-distribution, larger parties

	Growth	Distribution	Equidistant	Difficult to classify	No data
Left	-	-	1	-	-
Center-left	-	-	3	1	-
Center	-	2	2	-	-
Center-right	1	-	-	-	-
Right	-	-	-	1	-
Model inappropriate	1	-	-	-	-
No data	-	-	1	-	4
Total	2	2	7	2	4

²⁸ The classic analysis is perhaps that of Converse and Pierce (1986) for the French elites; it examines several possible causes of this “shift to the left” (at least in political rhetoric).

The parties *do not* adhere to traditional definitions, with the right emphasizing growth over distribution, and the left stressing distribution over growth (Table 3.12). Nor are inconsistencies found; what is observed, however, is that the parties do not classify themselves on the two wings, left and right. The only party on the left with data in this area considers itself “equidistant.” Of the four center-left parties, three also consider themselves “equidistant,” and the rest are difficult to classify.

None of the left-wing parties opts for distribution; on the right, on the other hand, one opts for growth (and the other is “difficult to classify”). In line with these results, the available bibliography indicates that various parties propose or take specific measures that contradict their ideological positions. The information presented in Tables 3.10 to 3.12 could be interpreted as an indicator (indirect and approximate) of a lack of precision and/or consistency in ideology or party platform, or as a sign of strong pragmatism, or both. In either case, these results suggest that the parties’ electoral concerns could be (for many of them) more important than their overall ideological orientation.

Liberal	4
Difficult to classify	6
Social Market Economy	3
Social democrat	5
Socialist	1
No data	1
Total	20

Like the larger parties, many of the small parties do not place themselves in the categories on the liberal-socialist scale (Table 3.13): six parties do not categorize themselves on that spectrum. Among the parties that do define their positions, social democrats predominate (five), followed by liberals (four) and those that define themselves as “social market economy” parties (three).

The smaller parties do not cover the entire ideological spectrum (Table 3.14); no parties identify themselves as rightist in the strict sense, although there are two center-right parties. Positioning at the center is most frequent (seven parties), followed by the left (four). The imbalance between the two wings is the same as that observed among the larger parties: the left wing (left and center-left) includes six parties, while only two are found on the opposite wing.

The only Costa Rican party that takes a position on this scale places itself at the center. The same is true of the two Panamanian parties for which information is available. Half of the smaller Guatemalan parties place themselves at the center, one at center-left, one in the center, and one is difficult to classify. In Honduras, Nicaragua and the Dominican Republic, there are no small parties at the center. In Honduras, they lean to the left or center-left, in Nicaragua both are at center-right, and the Dominican party says that it does not follow this schema.

Table 3.14 Self-positioning of smaller parties on the left-right scale

Left	2
Center-left	4
Center	7
Center-right	2
Right	-
No data	5
Total	20

The combination of right-left and growth-distribution positions is somewhat more consistent for the smaller parties than the larger ones (Table 3.15). Of the six left-wing parties, three choose distribution and none chooses growth. The two right-wing parties do not opt for growth, but also do not choose distribution. The parties at the center are split: one prefers growth, the other distribution, and four consider themselves equidistant.

Table 3.15 Ideological self-positioning with regard to growth-distribution, smaller parties

	Growth	Distribution	Equidistant	Difficult to classify	No data
Left	-	2	-	-	-
Center-left	-	1	3	-	-
Center	1	1	4	-	1
Center-right	-	-	1	-	1
Right	-	-	-	-	-
Model inappropriate	-	-	1	1	-
No data	-	-	2	-	1
Total	1	4	11	1	3

3.11 Problems identified by the parties

Larger parties

The problems that the larger parties mention most frequently are related to the distancing between citizens and parties: the parties' lack of credibility and representativeness, and low voter turnout. Parties perceive that they are distanced from the people. If representing citizens is one of the central tasks of parties, this is an extremely serious problem. As will be seen in Chapter 5, people also perceive

this distancing, and think (and act) based on that perception. Under these circumstances, as several interviewees said, the space not occupied by parties is disputed (or filled by) by other actors, mainly civil society organizations that assume roles and become involved in areas that used to be the exclusive domain of parties. The relationship between these organizations and parties is not always one of cooperation, and certain tensions are visible that may be increasing.

Problems are also perceived within parties. Some interviewees mention aspects related to internal operation and suggest that there is a need for greater internal democracy. Others point to more practical problems related to day-to-day party operation, such as organization, administration and finances. Problems of corruption are also mentioned occasionally.

The parties take an ambiguous view of political patronage. Only one party says explicitly that patronage is a problem. The *practice* of patronage, however, seems substantially more widespread. Of the activities that the parties describe, most observers would consider two to be strong examples of patronage and eight others to constitute patronage to (at least) “some degree.” This suggests that many parties may not see patronage as a problem. There is patronage, but that is not negative, or it may be considered inevitable, in which case it is useless to make value judgments about it. As will be seen in the next chapter, the elites consulted for this project expressed much more concern about this issue than the parties did. The available bibliography about parties is also substantially more critical on this point than the party self-portraits.

Smaller parties

The problems identified by small parties point in other directions, in part more directly linked to their growth and consolidation as party organizations, and in part toward a critical view of larger parties. The problems mentioned most often are party finances (six parties mentioned this), lack of ideological definition (six), and problems related to internal operation (five). They also mentioned, although less frequently than the larger parties, the parties' lack of credibility, low voter turnout and the parties' lack of internal democracy.

3.12 Conclusions

The larger Central American parties are, to a great extent, the builders of democracy in their respective countries. Most of these parties (ten out of seventeen) were born *before* the establishment of democracy. All of them, from the time they became parties, have been (with different emphases and roots) pluralistic: democracy must be multi-partisan. The consolidation of Central American democracies is inconceivable without them. The smaller parties, on the other hand, are considerably younger; most were formed after the arrival of democracy.

From the standpoint of the party typologies already indicated, larger parties are usually “direct” parties, founded independently of other non-political organizations (most received no support from other organizations). Many of them have profiles

similar to those of old parties “of notables”²⁹ that later transformed into (or are in the process of transforming into) “catch-all” parties³⁰ - pragmatic parties with little ideological differentiation that appeal to highly heterogeneous audiences. The political space in which the smaller parties were born, barely two decades ago (or a generation ago, in the classic sense) on average, was already populated by established parties with that profile (ruling parties and their traditional opposition), and those parties tended to block the development of new parties with similar profiles. Perhaps for that reason, the foundational characteristics of the smallest parties are different: although they are not necessarily “derivative” parties in the strict sense (built on other, non-political organizations), the majority (eight out of ten) received support from grassroots, religious or ethnic-cultural organizations to a much greater extent than the oldest and largest parties. In short, the smaller parties tended to appear where there were “holes” or more available space.

Parties, according to their own view, have many pending problems: “internal” and also “external,” in their bonds with the electorate. The presence and relevance of political patronage is perhaps the “oldest” trait of today's parties. The elites consulted, as will be seen, take a negative view of patronage. But the parties, to judge by their self-portraits, are more cautious; with regard to political patronage, they seem to be agnostic at best, at least publicly. Any changes in this area will not be easy.

The parties must progress in their definitions and in the consistency of their ideologies and platforms. The elites consulted tend to say this explicitly, and the party self-portraits (and outside observers) suggest that the interviewees are right. Clarity about where they want to go is part of the parties' identity and a precondition for political leadership. The parties also need organizational modernization. This is easily seen in the party self-portraits. First and foremost, parties must be *permanent* organizations, reasonably large, and capable of thinking collectively about their countries, themselves and their future. Otherwise, parties may be more or less effective electoral machines (at least in the short term), but not institutions with their own personality, and their role may be limited to being a tool for whoever is in leadership at the moment. To have their own personalities, parties must know their grassroots members (number, identity, profile); they need budgets that balance spending and income; they need to monitor the source and use of their funds (although it would be too easy to assume that these latter two points involve only organizational modernization); they must provide training and professional updating for their cadres, and they must help with the training of their leaders.

²⁹ In the sense of Duverger (1957).

³⁰ According to Kirchheimer's definition (1966).

The voices of leaders

The terms “leaders” and “elites” are usually used to refer to people who occupy the positions of greatest influence in the various spheres of society. People speak, for example, of social, business, trade union or political elites (or leaders). In this report, the term refers to the region's political elites, understood as *politicians* in the strict sense (the great majority of the people consulted for this study: approximately seven out of every ten), as well as *observers* of politics (academics, analysts, communications professionals). This chapter analyzes the views of the region's political elites about the parties in their respective countries.

The boundary between those who are members of the elites and those who are not is fuzzy. It is impossible to define the boundary precisely, as it ultimately depends on definitions whose details are a matter of opinion and, to a certain extent, arbitrary. There is, however, a relatively small core group of people who clearly belong: whatever the precise definition, these people should necessarily be part of the political elite. In each of the countries in the region, this core group probably includes at most forty or fifty people; the politicians interviewed in all of the countries belong to this “internal core group.” These are the people who were consulted about the state of political parties. All of the consultations were done by one of the authors of this report in personal interviews in the interviewees' countries. The interviews were carried out between June and November 2003, and included seventy-eight well-known members of the political elite in the seven countries included in the study (approximately ten interviews in each country).¹

The focus of the study was essentially qualitative. The purpose was to

¹ This means that the people consulted represent a relatively significant fraction of this “internal core group”: perhaps about one out of every five members of that group. Annex 1, in the attached CD-ROM, includes the names of all the people consulted in each country.

determine viewpoints and mindsets reflected in the leaders' spontaneous responses; for that reason, possible alternative responses were never suggested in the interviews. The interviewees were selected in an effort to reflect, to the extent possible, the spectrum of the most influential political opinions in each country. Front-line leaders of the most important political parties were interviewed, including those of governing and opposition parties. For many reasons, this does not ensure that the data obtained are statistically representative. But that was not the objective: the goal was to identify the political elites' basic opinions and views about parties.

The lack of statistical representativeness makes it impossible to use the usual quantitative methods to analyze the surveys, but this does not mean that the principal results cannot be summarized in figures. In fact, this is indispensable, given the relatively large number of consultations. When figures are mentioned, however, certain precautions must be taken in interpreting their significance. The overall results (those summarizing the opinions of all of the people consulted) provide a reasonably good assessment of the thinking of the "internal core group" of the political elites and are most reliable:

- when they coincide with the opinions of the various groups of people interviewed, considered separately. For example, when the politicians' opinions coincide with those of observers, and when the opinions of politicians from governing parties tend to coincide with those of members of opposition parties. And also
- when they coincide with information obtained from *other independent sources*.

These caveats are even more important when considering the results of the consultations in each country, because the number of interviews per country is very small (about a dozen). Under these conditions, there is always the possibility that a different selection of interview subjects, even using the same criteria and procedures, might have produced different results.

All of the consultations used the same interview guide; the topics in the guide were addressed in practically all of the interviews.² The emphasis, accents and other issues that arose in the interviews directly reflect the concerns of the people interviewed.³ The consultations focused on two major issues:

- (i) an assessment of the current state and functioning of political parties in the interviewees' countries, and
- (ii) what must be done, in the interviewees' judgment, to strengthen the parties and improve their performance.

Given the study's objectives, these were the natural focal points for the

² The text of the guide is included in Annex 2 in the CD-ROM.

³ Annex 2 transcribes a broad range of opinions of the people consulted, indicating their countries of origin but not their names. One of the basic rules of this type of consultation is the confidentiality of the interviewees' individual opinions.

interviews. Political elites play a decisive role in shaping policies (especially measures aimed at influencing or modifying the way parties function). The demands and pressures that arise from the electorate and the general population are certainly more powerful influences than those of the elites, but this is true in the medium and long term - “in the long run.” In addition, although it is powerful, popular influence marks major directions but rarely defines the strategies and details of policies. This is the task of leadership: to shape the various demands and pressures, usually acting as representatives of different sectors, including the elites (in the broad sense) of which they are part. Leaders “express” these demands and negotiate among themselves with varying degrees of polarization and conflict. There is almost always some room for negotiation, because the “general directions” tend to allow more than one possible approach (although the existence of such maneuvering room does not mean that the elites will necessarily use it).⁴

The characteristics of the people consulted, overall, reflect what could be expected about the composition of the region's political elites. Substantially fewer than one out of every ten interviewees are women.⁵ The group is extremely male, and also older: about half of those consulted are mature adults (between fifty and sixty-five years of age), three out of every ten are sixty-five or over, and only the remaining fifth are adults under age fifty.

Of the politicians consulted, somewhat less than two-thirds are members of opposition parties, almost twice as many as belong to governing parties. This is an inevitable result of the small number of consultations in each country and the decision to interview leading figures from all of the most influential parties. Simply because the number of relevant opposition parties in the region is larger than the number of governing parties, the latter are under-represented in comparison to their electoral strength. This makes it necessary to control the opinions of the interviewees as a whole according to their party affinity. To attribute a particular opinion to the political elites as a whole, the opinions of the governing and opposition parties must essentially coincide. Otherwise, the apparent “opinion of the elites” could be an artificial result of the way in which the interviewees were selected. For example: it could reflect the opinions of the majority of opposition leaders, along with those of a minority of leaders of governing parties. In that case, however, a different selection criterion (for example, selecting the interviewees in approximate proportion to their parties' electoral weight) would also have produced different results.

4.1 Party performance

The first question in the consultations was the following: “In modern democracies, political parties must play a central role. Here in [interviewee's

⁴ They also try to influence (for better or for worse) these major *directions*. But that influence has limits because of the action of competing leaders and because even a large public has a degree of autonomy.

⁵ Naturally, it would have been possible to interview more women. In that case, however, they would no longer have been only “leading figures,” and it would have been impossible to develop the type of analysis that is presented in the following pages.

country], do you think that parties are performing this role adequately?" The question is very general, and from the responses it is clear that for the interviewees, the parties' *performance* includes political and socio-economic aspects: in short, democracy and development.⁶ In the consultations (except in Costa Rica), the problem of poverty and social inequality is usually mentioned; even when the references are not very explicit, it seems clear that these are overarching issues in the conversation. For the elites, it is an element of their reality.⁷ Because of the study's objectives, however, the following discussion will pay particular attention to political aspects.

Two-thirds of the people consulted (67 percent) responded that parties are not performing adequately; only slightly more than one out of every ten (14 percent) believe that their performance is adequate, and one-fifth (18 percent) said the answer was partly yes and partly no.⁸ That opinion is frankly negative. Does it genuinely reflect the opinion of the region's political elites? First, this result confirms the conclusions of similar, earlier consultations (UNDP, 2004). Attitudes toward parties today appear to be as negative as those observed a year before these consultations. Second, as the next chapter shows, these opinions *coincide* with negative attitudes toward parties registered by surveys in all of the countries in the region, including the opinions of the most educated and politically active sectors of society, which are normally the cultural frame of reference for most political elites. These opinions are also becoming more negative.

Third, these opinions are shared by the different sectors of the elites consulted. The least critical are the older interviewees (age sixty-five and up), and the most critical, as could be expected, are the youngest, but all express highly critical opinions. Observers are more critical than politicians, but even about two-thirds of the politicians, express negative opinions. Finally, members and sympathizers of governing parties are as critical as the opposition (Table 4.1). The opinions of the various sectors of the elites consulted are similar, thus meeting the requirements outlined in the preceding section. In summary: the simultaneous convergence of all of these criteria indicates that the results of the consultations genuinely reflect the opinions of the region's political elites: the performance of political parties is unsatisfactory.

Given this negative opinion of the parties' performance, several interviewees draw serious conclusions. One Honduran said,

“We are facing a crisis of representation in the democratic system. Today, members of Parliament are questioned, people don't believe in their leaders

⁶ As can be seen in Annex 2.

⁷ Put a different way: there are no fundamental discrepancies about the criteria that should support the assessment. The important differences could begin with the *evaluation* of performance, the *causes* of the shortcomings observed, and appropriate *methods* for addressing these shortcomings.

⁸ The interviews were taped (audio only), and at least three independent readers examined the transcripts of all the interviews. It was clear that some of the people consulted did not define the parties' performance as positive or negative, because they mentioned both positive and negative aspects and gave approximately equal weight to both. As a result, in summarizing the sense of the responses, it was necessary to include an intermediate category, “partly yes, partly no.” Not doing so would have meant forcing a definition of what the interviewees had said, a definition with which different readers might have disagreed (and sometimes did disagree).

or their parties (...) they don't feel proud of their government or their leaders (...) [so] it is not just a problem of political parties; it is a problem of democracy itself.”

**Table 4.1 Are political parties performing adequately?
Opinion of Central American political elites consulted
in June-November 2003**

	Principal activity		Party membership or preference *		All those consulted
	Politicians	Observers	Governing party	Opposition party	
No	64	80	69	68	67
Partly yes, Partly no	18	10	15	18	18
Yes	18	5	15	14	14
No data	-	5	-	-	1
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

The vacuum being left by political parties may be filled by other organizations that replace or complement parties in some of their functions. Some of these functions, such as representing the interests of certain groups, are being performed by NGOs . In El Salvador, for example, one interviewee said that

“because the parties are unable to solve problems (...), they end up being solved by NGOs or some other type of institution (...). Thus political parties do not [satisfy the] population's demands, which definitely leads ordinary citizens to wonder why political parties exist.”

In summary: the conclusion is clear (the performance of parties is unsatisfactory), and this, in the opinion of many of those consulted, could have very negative consequences for democracy (and for the parties themselves). Nevertheless, this does not necessarily mean that responsibility for this poor performance falls solely or mainly to the parties. The parties' *performance* could be unsatisfactory for various reasons. Some plausible arguments are:

- It could be that the constellation of problems that parties must address is really very complicated; if that is the case, in countries where the accumulated human and social capital is clearly modest, why should parties be expected to show outstanding performance? Why should political leaders be expected to demonstrate performance that is

significantly better than that of other regional elites? One Nicaraguan interviewee, for example, said:

“[one] problem of the political class here is the lack of preparation. The lack of both culture and education necessarily results in incompetence (...) when I was a deputy, most of the other deputies didn't read newspapers because the Assembly did not pay for them.”

In the eyes of one Salvadoran interviewee, the situation could be even worse, because a process of negative self-selection could be under way:

“politics has been turning into a dumping ground for the unemployed, for those who [cannot] earn a living doing something else. It has become full of incompetents, since we all know that a successful professional doesn't get involved in politics.”

- because these democracies are very young (except Costa Rica), as are their parties (except the traditional Honduran parties), it could be said that to achieve truly satisfactory performance, difficult and prolonged collective learning processes are needed - processes that are still under way. The region may be in the initial stages of this learning curve. According to one Panamanian interviewee, Panama,

“being a new democracy, is made up of new people, and the parties cannot be expected to do perfect political work if those who belong to them have not completed their political education (...) we need a democratic political culture (...) the cadres aren't functioning, except in the case of parties that have ties with the large internationals, such as the social democrats or the Christian democrats”;

- it could also be that the impact of the influence of and assistance from wealthy countries, which is unquestionably considerable, is actually ambiguous (or sometimes directly negative). Recent debate about the possible merits of some of the policies suggested by the Washington Consensus demonstrates that even some observers who are not hostile to what that Consensus represents have doubts about it. The impact of the actions of wealthy countries is also mentioned in unexpected situations. According to one Dominican interviewee,

“the issue of drugs is serious here and has become even more aggravated since the deterioration of Haiti (...) the Haitian Army, which used to be a retaining wall on the border, was destroyed by the United States. So there is a free transit zone for drugs to the United States that even the United States did not foresee”;

For one Salvadoran interviewee, reflecting on the place of parties and politics in Salvadoran society,

“part of [the poor image has been] fabricated by international organizations. When you define civil society as pure and politics as the sphere of corruption, that gives a false view of reality.”

In the situations described here (and the list is not meant to be exhaustive), dissatisfaction with the parties' performance does not necessarily reflect general condemnation.⁹ The fundamental problem could lie not so much in the political parties themselves, but in the *circumstances* surrounding them (which were not of their choosing).

Nevertheless, the reasons for the parties' unsatisfactory performance may be of a different nature. For example:

- the parties could be patrimonial and/or corrupt. For one Costa Rican interviewee,

“Politics is generally associated with a few people getting rich through deals and patronage. On the other hand, (...) problems aren't solved, resulting in constant failure to meet expectations”;

- they could prolong the influence of old (and not so old), more or less oligarchic elites. One Guatemalan interviewee said,

“[what] we could call economic oligarchies (...) have made it impossible to [avoid] state financing of political parties, [making them] dependent [on the oligarchies] and therefore keeping them from fulfilling [their] central role as intermediaries among the various actors of society”;

- it could be that the parties themselves are not very democratic. Partly for this reason, instead of reflecting the demands of relatively broad grassroots social sectors, they might represent the interests and preferences of the small minorities that control them. According to one Honduran interviewee,

“if you travel around Honduras, most local councils or committees are closed; people aren't consulted in any way.”

If the parties' unsatisfactory performance stems from these or similar factors, the problems would lie not so much in the circumstances, but in the defects and shortcomings of the parties themselves. The problem, or a large part of it, would lie *within* the parties.

Based on the interviewees' views, therefore, there are at least two families of arguments that could explain the parties' unsatisfactory performance. One emphasizes circumstances that affected them by chance, circumstances that the

⁹ The list is not exhaustive, and the arguments are not exclusive; a combination of them could be true.

parties did not choose and for which they are not responsible. The other family of arguments points directly to possible defects in the parties; both groups include arguments that merit consideration. They are not easily rejected *a priori*, nor are they mutually exclusive: unsatisfactory party performance might be explained by a combination of arguments from the two families.

On the other hand, the “explanations” in question are not mechanical or deterministic. At least in the short and medium term, what the parties *are* (their individual characteristics, including their shortcomings) does not necessarily determine what they *do* (including the bulk of their policies and the results of those policies - that is, their performance). For example, honest people may be incompetent, and rogues can be lucky.

4.2 Reasons for the parties' poor image

The interviewees were also asked about the reasons for the parties' poor image.¹⁰ As will be seen, this allows a slightly more detailed examination of the issues discussed in the preceding section. Those consulted indicated many possible reasons for the parties' poor image, but only six were mentioned spontaneously by at least one out of every ten people interviewed. They are, in order: corruption in the parties; their demagoguery or irresponsibility (“making promises they don't keep”); their incompetence; that they only represent themselves; that they do not respond to the people; and that the media attack and/or slander them. Some of these factors allude to the parties' *performance*: incompetence does not lead to good performance. “Making promises they don't keep” also alludes to performance, but in a subjective context: real performance as compared to promises. In addition, slightly less than one out of every ten interviewees (8 percent) referred explicitly to the parties' performance (“they don't solve the country's problems,” or similar ideas).

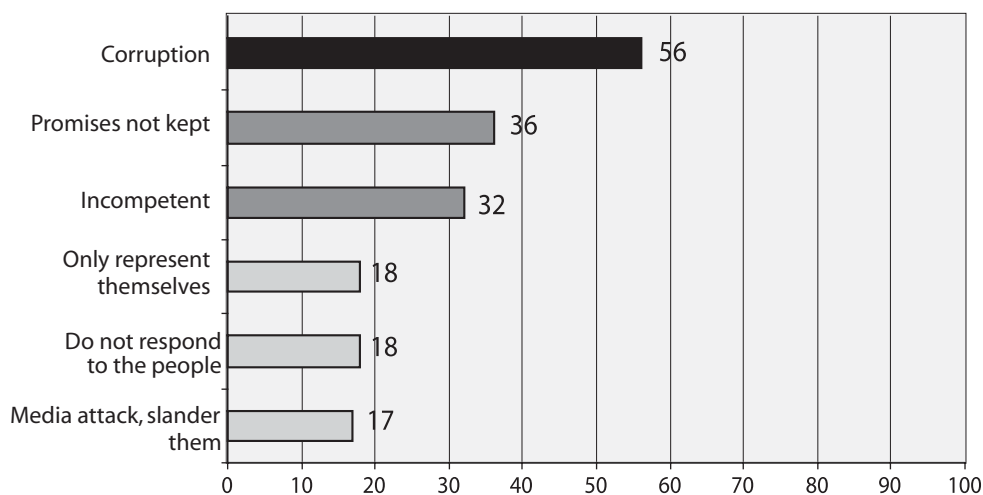
Most of the reasons indicated in Figure 4.1, therefore, could be classified in one of the two “families” of arguments in the preceding section. Under normal conditions, no one would choose to be attacked or slandered, and in principle no one would deliberately choose incompetence; these factors seem to be more closely linked to the parties' circumstances than to their defects. Conversely, corruption or shortcomings in representation would be failings of the parties.

These correlations (for example, between incompetence and circumstances surrounding the parties; between corruption and the parties' own shortcomings) are certainly *not* perfect. Incompetent officials may be appointed or promoted (even though there are others who are better trained), because the priority is trust or the payment of political debts. If this occurred frequently, incompetence would be the result not merely of circumstance, but of deliberate choices. Conversely: parties could be corrupt because they are immersed in a culture that tolerates (or fosters) corruption; in that case, the circumstances would certainly carry a great deal of

¹⁰ The elites know the results of surveys done in recent years and know of the parties' poor image among voters; this is not new to them.

weight. Even when the correlation is imperfect, however, the responses show that the interviewees see problems in both areas.

Figure 4.1 The causes of the parties' poor image. Opinion of Central American political elites consulted in June-November 2003 (spontaneous mention, all interviewees, in %) *



* The percentages do not add up to 100 because the interviewees mentioned all the causes that they considered relevant. For each cause, the figure indicates the percentage of the total

Given these considerations, it could be that, in the interviewees' judgment, at least two groups of factors (the circumstances surrounding the parties and their own defects or shortcomings) negatively affect the parties' public image. The distinction between these two types of factors is important, because they have different implications for possible actions or responses by parties to their image problems. Parties could address both their circumstances and their shortcomings. Circumstances are external, however, and in the *short* term are independent of the parties' actions: basic training of available human resources; cultural guidelines that are not particularly helpful or that make the consolidation of effective, reasonably transparent organizations difficult; the media's animosity. Their shortcomings, on the other hand, are internal, and the parties supposedly have more control over them.

4.3 Problems of parties at the national level: party-switching

The interviews also directly addressed four issues that had already appeared as problems in some previous studies: party-switching (as observed in the preceding chapter, this consists of leaving one party and joining another; the term tends to be

used especially in the case of legislators), political patronage, the lack of turnover of party leadership, and corruption.

The results of the interviews show that these problematic aspects are of different natures. On the one hand, in the view of those interviewed, party-switching is *not* a regional problem. About one-fifth of the people consulted consider party-switching a problem in their respective countries; for the majority (two-fifths: 40 percent), it is only a problem *sometimes*. But these opinions for the region sum up very different national experiences. In Guatemala, nine out of every ten people consulted consider party-switching to be a real problem, an opinion shared by about half of those interviewed in Panama. In a distant third place are the responses of those consulted in El Salvador (slightly more than one out of ten share that opinion). In the other four countries included in the study, at most one out of every ten interviewees holds the same view. The responses of the people interviewed in Panama, and especially in Guatemala, are very different from the rest.

The basic problem of party-switching lies in the permeability or porousness of the boundaries between parties. If the elites and voters placed more importance on these boundaries, crossing them would have a high cost and party-switching would be relatively rare. “Significant” boundaries, of course, are those that separate well-defined parties that have strong identities. If legislators can move easily from party to party, the parties cannot be very “different;” this facilitates efforts to “capture” or seduce legislators. This capturing or seduction is particularly profitable when the party-switching legislators take their party blocs with them and add them to the new party, as occurs throughout the region. What makes party-switching (and these strategies for capturing legislators) viable, the “facilitating” condition, is the relative lack of differentiation among parties. When rates of party-switching are high, many leaders complain about it in abstract terms (and also when they are victims), but in practice, many actively foster it (trying to lure other legislators to their parties).

Typically, in countries where switching party loyalties is not common, the “peaks” of party-switching occur at times of relatively severe political crisis (including party schisms and the birth of new parties or coalitions). Under normal conditions, party identities and boundaries are clear, and party bolting is the exception rather than the rule. Conversely: if party-switching seems to be more the rule than the exception, party identities and boundaries are not necessarily weak, but are in a state of flux, and a reasonably institutionalized party system has not yet been established.

With this in mind, the available evidence indicates that the opinions of the people consulted reflect genuine national realities. The authors of this report are unaware of comparable sets of data about the “bolting” of legislators from one party to another, but as seen in the preceding chapter, it is possible to get an overview of the situation in each country from the parties' own comments. At the same time, there are indicators related to the problem that underlies party-switching. As indicated in Chapter 2, electoral *volatility* is a simple but powerful indicator of the nature of interparty boundaries: the greater the volatility, the greater the fragility of party boundaries. The highest volatility in the region (and extremely high on the international scale) is that of Guatemala (from 1985 to 1999, on average for all

elections during that period, including presidential and parliamentary, 49 points).¹¹ Considering the same averages, the second highest rate of volatility in the region is that of Panama (from 1994 to the present, 24 points), far behind that of Guatemala (half its rate).¹²

If the preceding discussion is correct, based on the electoral volatility of parties in the region it is reasonable to conclude that party-switching in Guatemala (and to a lesser extent in Panama) is a serious problem. But it may be only one aspect of a more general phenomenon: it could be a sign that the Guatemalan party system has not yet crystallized; its parties may be malleable and their identities may still be developing. That is what the results of the index of institutionalization presented in Chapter 2 indicate. On a scale of 1 to 3, where 1 reflects the least institutionalization and 3 the greatest, Guatemala, with a value of 1.08, has the least institutionalized party system in the region.¹³ This distinctive trait of Guatemala's party system is also mentioned directly by those interviewed. In the words of one Guatemalan interviewee:

“the political party system in Guatemala (...) has not become consolidated. The (...) parties have been very short-term institutions ... [their] average age is 15 years, and therefore they have not managed to become institutions that can truly mediate between society and the government.”

Another Guatemalan interviewee made comments along the same line:

“the political party structure in Guatemala is very fragile. Most of the political parties are relatively young ... [those that exist today] were founded in the last twenty years. Perhaps the only exception (...) is the Christian Democrat party; but while this was once an important party that won the presidency, it is now fairly marginal.”

The opinions of the people consulted on this subject, therefore, coincide with the available evidence and correctly indicate that this problem is particularly severe in Guatemala.

4.4 Internal problems of parties throughout the region

Unlike party-switching, the other problems of parties addressed in the interviews (political patronage, the lack of turnover of leadership, and corruption) appear to be general problems throughout the region. This means that in one way or another, they are present in most or all of the *countries* included in the study, although they obviously do not necessarily affect all or most of the *parties* considered individually.

¹¹ Chapter 2, Table 2.1.

¹² The third-highest rate of volatility in the region, very close to that of Panama, is that of El Salvador (21 points).

¹³ Chapter 2, Table 2.7.

Political patronage

Those consulted have different ideas about the precise meaning of the term “political patronage.”¹⁴ In some cases, the concept of “recipients of patronage” appears to be almost synonymous with party “members” or “sympathizers,” as when one interviewee states that

“we've never been in the government, but we still have political patronage, even when we've never given anything away,”

or from another perspective, but with the same conclusion,

“the issue of political patronage isn't important here. The proof is in the fact that we used to be the governing party and we had a political clientele, and now that we aren't, we still have it.”

Nevertheless, the predominant sense of the term is sociological: an exchange of favors between a “patron” (the politician) and a “client,” who are socially unequal (employment, for example, in exchange for party membership or activism). One recent study defines it this way: “political patronage is a way of establishing ties ... between a patron and a client, built on the foundation of asymmetrical transactions, where the former controls significant resources of power and guarantees, as a 'guardian,' that clients can gain access to them in exchange for loyalty and political support ... [this relationship includes the exchange of] jobs, contracts, positions of power and personal ties for political support, especially votes.”¹⁵ One of the people consulted put it this way:

[political patronage] “fulfills an immediate function (...) trying to alleviate problems for people immersed in the deepest poverty, who can't wait for solutions. These people get an immediate solution to their problem. They obtain a favor and promise something in return (...). If you want to get close to people who live in the kind of poverty that we have here, you have to give them something.”

Sometimes the concept of an exchange of favors exists, but the relationship between patron and client is not the vertical link (between two very unequal parties) described in the sociological concept mentioned above. In this view, political patronage

“is like an endemic evil (...) the only thing that has changed is the form patronage takes and the way it is handled. I believe it is no longer patronage derived from populism, but it has become a more important patronage, which is also the most dangerous. The offer of facilitating business and that

¹⁴ The quotes in Annex 2 show the variety of meanings used by those consulted.

¹⁵ Rehren (2002), p. 132-133; the classic references in the literature about political patronage (including specifically Latin American ones) are cited here.

sort of thing ... [is difficult] to detect. (...) I think there has been a significant change, because now it's a matter of getting fraudulent money for campaigns, rather than seeking votes in exchange for a kilogram of rice.”

In these cases, the bond continues to be an exchange of favors between a politician and a “contributor” (the politician receives money from the contributor in exchange for policies, administrative decisions or appointments that benefit the person giving the money). But there are no urgent needs related to the client's poverty. Instead, the opposite is true: the person giving the money (it is difficult to call this person a “client”) may be much wealthier than the politician with whom the favors are being exchanged (the supposed “patron”). Under certain circumstances, it may be said that the roles are reversed: the politician, who is the patron in the traditional relationship, now seems to be a “client” whose “patron” is the person contributing the money. In the classic sense, the patron is the politician and the relationship is vertical (the person who is in the higher social position is the politician). In these new situations, the relationship may be horizontal (with the politician-patron and the client-contributor both on approximately the same social level), or it may still be vertical, but with the social order inverted (the politician-patron on a social plane or level of influence *lower* than that of the client-contributor¹⁶).

It is possible that this particular type of exchange is called “patronage” only in certain cases (for example, when it is assumed that the money received by the politician is used only in a political campaign). In other circumstances (for example, when the money goes into the politician's pocket), it may simply be seen as “corruption.” This would draw a distinction that is ethically debatable but real in many places in Latin America: corruption that “lines one's own pockets” is *not* morally equivalent to that which contributes “to the party” (to “the cause”). According to available comparative evidence, it is also very reasonable that for many of the people interviewed, “patronage” and “corruption” are concepts that are at least partly overlap. As Rehren concludes, “political patronage creates conditions conducive to the development of corruption. Comparative literature shows, based on the most paradigmatic cases such as those of Italy, Mexico and Spain, ... [a close] complementarity between political patronage and corruption” (Rehren 2002, p.139). Patronage in a competitive political context requires more and more resources; in Italy, for example, it has been said that political corruption gained ground because politicians needed to buy more votes to stay in the race (Della Porta and Vanucci, 1997).

Not all of the people consulted view political patronage in a negative light, however. For some, it is inevitable, and for others it has positive aspects. For example,

¹⁶ If the contributor is a respectable, successful businessperson with “old” money (several generations), that person could be on a social plane and/or level of influence higher than that of the politician. But if the money is new and there is little or no respectability (the extreme case would that of someone who has made a fortune in drug trafficking), then the contributor could, in fact, be much wealthier and more influential than the politician, but that does not mean the person's social status would be much higher.

“[patronage] is neither good nor bad (...). People ask for jobs, and that's natural,”

or also,

“patronage is always going to exist, since people who get involved in politics [do so] because they want something (...) patronage definitely serves a purpose, and (...) there's a place for it.”

Anticipating these different opinions, the interviewees who said there was a great deal of patronage in their countries (omitting those who responded “little” or “very little” or who did not answer the question) were also asked “and is this [patronage] positive or negative for the country?” This question, regardless of the exact sense in which the term is used (and whatever its causes), distinguishes between patronage as a behavior to be condemned (when the person consulted says that patronage is negative or very negative for the country) and patronage as a practice that is at least partly positive and perhaps necessary (the other responses).

As Table 4.2 shows, most of the opinions about the effects of patronage are critical or very critical, even among those who consider it a historical legacy that is difficult to change. For example,

“political patronage exists in all the countries. Here in Nicaragua, I can say that there is a lot of patronage; it's part of Latin American culture. You could even say that political favors exist in every country in the world ... [but] patronage itself is very negative.”

Table 4.2 Prevalence of political patronage and the nature of its effects on the country. Opinion of Central American political elites consulted in June–November 2003 (%)

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Patronage exists and is negative	64	60	54	71	62
Patronage exists and is neutral, positive or don't know	16	25	23	11	21
Don't know whether or not patronage exists	13	10	15	14	11
There is little or very little patronage	7	5	8	4	6
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

In summary: slightly more than six out of every ten people consulted believe that political patronage exists in their respective countries and that this practice is negative. Two out of every ten also think that patronage exists, but say that its net effects are positive or neutral (or difficult to establish). One out of every ten does not know whether patronage exists, and a few others believe that there is little or very little patronage. These critical opinions are shared by observers and politicians. Members of opposition parties are more critical than those of governing parties, but even among the latter an absolute majority believes that patronage exists and is negative. These opinions are held by a wide majority of people in the countries included in the study, except in Guatemala and the Dominican Republic. It seems reasonable to conclude that this critical view of political patronage accurately reflects the thinking of Central American political leaders, with the possible exception of the Guatemalan and Dominican elites.

The elites, therefore, have well-defined opinions (held by the majority) about the prevalence (great) and effects (negative) of political patronage. Several of the people consulted commented spontaneously about visible *trends* in this area, and their opinions differed sharply. For some, patronage is decreasing because of legal restrictions or because of budget crises in the region's countries ("there's less to give away"):

"patronage has been dropping off here, because the political parties are faced with laws like the civil service law ... [which] have created obstacles to the removal of personnel" [a reference to the well-known practice of firing members of the losing party to open up space (and jobs) for members of the winning party];

"political patronage has peaked and has begun to decline, little by little, because of a lack of resources."

For others, however, patronage is relatively stable or may be increasing.

"there is a great deal of patronage, and I think the worst thing is that this type of situation fosters submissiveness, since the beneficiary gets used to it and wants it to continue, and it definitely becomes a vicious circle."

This difference of opinion about trends in patronage in the region may be linked, at least in part, to the different meanings that the elites give to the term. The information available does not allow for definite judgments about this, but analysis of the interviews suggests that the people consulted who think in terms of "classic" political patronage tend to see it as decreasing, while others, who give new meanings to the term (in which the link between patron and client is horizontal or inverted), tend to see it as being on the rise.

The lack of turnover in party leadership

The more open, competitive and democratic the context in which parties act, the more important their *internal* democracy. Without this, it is more difficult for

them to understand and respond to the demands of their constituencies and, ultimately, to the population as a whole. The lack of turnover of party leadership is problematic because it normally reflects a lack of internal democracy.

In particular, certain ideas and available data suggest that the parties that developed in pre-democratic contexts, and in which, partly for that reason, internal procedures and practices were also short on democracy, tended to maintain these procedures after the establishment of democracy in their countries (Taylor-Robinson, 2001). That *could* be significant for the Central American region, because as the preceding chapter showed, the vast majority of the most influential parties (those with the greatest electoral weight) were formed substantially before the arrival of democracy.

The consultations included the following question: “In many interviews done throughout Latin America during the past year, the issue of the lack of turnover of party leadership arose. In your opinion, here in [the interviewee's country], is there a problem of a lack of turnover of party leadership?” The responses (unlike those for “patronage”) indicated no conceptual problems or differences. Omitting a small minority of interviewees who did not answer the question or who answered, but whose responses were unclear (7 percent), the answers of those consulted fall easily into three main groups: those who think that it is not a problem (slightly more than one-fifth of the responses); those who believe that it is a problem (slightly less than three out of every ten interviewees); and those who consider it a *serious* problem (the largest group, more than one-third of those consulted). There is also a small group, with a more balanced view, that states that it is sometimes (but not always) a problem. Table 4.3 summarizes these results: the responses of those who consider the lack of turnover of party leadership to be a “serious” problem are added to those who consider it just a problem, and (so as not to overestimate the critical views), the responses that say that it is “sometimes” a problem are added to those of the group that says turnover of party leadership is not a problem.

Slightly less than two-thirds of those consulted (64 percent) believe that the turnover of party leadership in their respective countries is indeed problematic. Politicians (who supposedly observe closely what occurs in this area) are somewhat more critical than observers, and politicians of opposition parties are somewhat more critical than those of governing parties. In all cases, however, at least six out of every ten interviewees in each of these groups believe that the turnover of party leadership does not work as it should. This view is held by a large majority of those consulted in all the countries studied, except Costa Rica, where only a minority (slightly less than two out of every ten interviewees) holds this view. In Panama, most respondents are critical, but opinions are very divided. In each of the five remaining countries, seven out of every ten people consulted, or more, believe that the turnover of party leadership is a problem. Here, too, this critical view of the difficulty of renewing party leadership seems to adequately reflect the opinions of the region's political elites (except for those in Costa Rica and, perhaps, Panama).

What are the possible reasons for this lack of turnover among party leaders? Many interviewees assume that top leaders are reluctant to give up power; this would be a natural tendency:

“it's hunger for power - nobody wants to give it up; everyone thinks they're going to govern for life, like Balaguer did.”

**Table 4.3 Is turnover of party leadership problematic?
Opinion of Central American political elites consulted in
June-November 2003 (%)**

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Yes, it is a problem	64	60	61	68	64
Don't know	4	5	8	4	7
No, it is not a problem, or is only problematic at times	31	35	31	29	29
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

This factor is a constant all circumstances and countries, however, so it alone cannot explain why there are differences even within the region. Additional factors that emerged from the interviews could explain those differences. One is the influence of institutional frameworks,

“the idea that institutions are needed hasn't taken hold”;

but the institutional framework may be less important than the cultural:

“leadership becomes entrenched around a charismatic figure. Leaders here have become *caudillos* (...). People want a leader”;

along the same line, in another country,

“the lack of turnover (...) is also related to the cultural pattern of *caciques*.”

The impulse (“hunger for power”) may be universal, but what enables that impulse to actually restrict the turnover of leadership may lie in “cultural patterns” and in the characteristics (and shortcomings) of institutions. Cultural patterns allow “*caudillos*” to be (or be considered) “normal;” for that reason, leaders who do not aspire to be *caudillos* (or the type of personality that would aspire to that leadership style) may not have a future, because they do not meet prevailing expectations. Cultural patterns act as a filter: they allow the rise of a certain class of people or styles and block others.

Corruption

“Critics claim that in *politics* in the region's countries, there is a *great deal of corruption*. In your opinion, here in [the interviewee's country], are these critics correct?” The great majority of those consulted believe they are, for many reasons:

“influence-peddling, buying and selling votes in the Legislative Assembly, buying and selling positions in the government (...). All of those situations occur here.”

One recurring theme is the lining of politicians' pockets:

“as you can see, there are people who go into politics with nothing, and before long you see the money; they buy nicer houses.”

And in another country,

“perhaps the most serious aspect of corruption in politics is the use of [state] information, both for business and to benefit aggressively and ostentatiously. As they say, 'there are no poor politicians here.'”

Eight out of every ten people consulted believe that there is indeed political corruption in their respective countries; slightly more than one in every ten believe that criticism of corruption is only partly correct, and the rest believe it is not correct or have no comment. As Table 4.4 shows, politicians and observers share this critical view. Those who are members of or show a preference for opposition parties are more critical than those who opt for governing parties, but even among the latter, six out of every ten express critical views. Moreover, in *all* of the countries in the region, at least six out of every ten people interviewed shared that opinion.

**Table 4.4 Is there much political corruption here?
Opinion of Central American political elites consulted in
June-November 2003 (%)**

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Yes, quite a bit	78	80	62	86	81
Yes and no	13	20	23	11	14
Don't know	2	-	7	-	1
No, not much	7	-	8	4	4
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

Finally, this image of widespread political corruption in the countries studied is also visible in the comparative studies available. In recent data from Transparency International, only one of the region's countries is on the less corrupt side of the scale: classifying the countries in order of increasing levels of corruption, Costa Rica ranks 40th among 91 countries; all the others are in the more corrupt half. Very similar conclusions emerge from the other frequently consulted international compilation, which is prepared for the World Bank (Kaufmann et al., 2003). The critical view of the region's elites about the presence of corruption in national politics, therefore, coincides with that of external observers. There apparently is political corruption, and it is not easy to combat because of the interests involved and because

“there is a great fear of exposing it, of getting involved, partly because we are a very small society and power is highly concentrated.”

The consequences of political corruption may be many and deep. Politically, it tends to undermine legitimacy:

“influence-peddling and abuse of power mean that many politicians who start with nothing get rich quickly. So I believe that this party-ocracy of ours is going to keep losing credibility and that at some point, completely apart from the phenomenon of internal fragmentation, the party system is going to collapse;”

It could also have direct negative consequences for development:

“corruption can be seen as the appropriation of public goods to benefit private interests. We can't view the problem of corruption [only] as a moral problem (...) it has to do with productivity, with efficiency, with following the basic rules of capitalism (...). Capitalism is based on competition, but that competition has to be fair. No businessman, however large or small, can compete against someone who flouts the law. That's something I think we haven't understood.”

Internal problems of parties

The preceding pages have shown that for most of the region's political elites, political patronage, the lack of turnover of party leadership and corruption are genuine problems affecting parties. They exist in most or all of the countries included in the study, although naturally they do not affect most or all of the parties considered individually. As has been noted, these internal shortcomings or defects of parties have something in common. Precisely because they are “internal,” their remedy should be more within the parties' reach (certainly more within their control than external circumstances). It therefore makes sense to add up *how many* “shortcomings” the parties have, in the opinion of those consulted. Because this exercise involves adding up the elements whose solution is within the parties' reach,

the greater the number of “unresolved” factors, the greater the parties’ “shortcomings” or problems. Taking into account the nature of these three problems, it seems reasonable to assume that the interviewees who see shortcomings in the parties in all three spheres are *very critical* of the parties. Those who see problems in two of the three areas can be considered simply *critical*, and the remaining interviewees (who see problems in only one or in none of these areas) are moderately critical or not critical.

Based on these definitions, nearly eight out of every ten people consulted (77 percent) are critical or very critical of parties. The largest group consists of those who are critical (42 percent), followed by those who are very critical (35 percent). Those who are not critical or only moderately critical form the smallest group (24 percent).¹⁷ Politicians and observers, members or sympathizers of governing or opposition parties, all are mainly critical or very critical, although with different emphases. Criticism is more moderate among those belonging to governing parties and stronger among members of opposition parties; observers hold a middle ground.

Table 4.5 Internal problems of parties (corruption, turnover of leadership, patronage). Opinion of Central American political elites consulted in June–November 2003 (%)

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Very critical	33	35	39	36	35
Critical	44	35	15	54	42
Moderately critical or not critical	22	30	46	11	24
Total**	100	100	100	100	100

Interviewees who are “very critical” are those who express critical opinions about all three of the problems examined (corruption, turnover of leadership, patronage). Those who are “critical” express critical opinions in two of these three areas. The remaining interviewees are “moderately critical” or “not critical” (only one critical opinion, or none, about the three topics).

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

Those who are very critical carry similar weight in the four groups examined, but as has been noted, there are substantially more moderate critics (or interviewees who are not critical) among members of governing parties. As a result, the intermediate category, those who are “just” critical, is smaller among members of governing parties than in the other three groups. Among members of governing parties, opinions are *polarized*: the opinion expressed less frequently (by a wide margin) is that of those who are “just” critical. In the other three groups, and among

¹⁷ Those who are “not critical” in the strict sense (those who express no critical opinion regarding these three problems) are a very small minority: barely 4 percent of those consulted. The great majority of the latter group of interviewees are those who are moderately critical (critical in only one of the three areas).

the interviewees as a whole, the most frequently expressed opinions are the intermediate ones, those who are “just” critical: the opinions are *not* polarized. The difference means that on the one hand, among the elites in governing parties, there is a core group of people who are very critical of parties; the size of this group is approximately the same as it is in the other elites. On the other hand, as Tables 4.2 to 4.4 show, members of governing parties are less critical than others about patronage and especially about corruption.

4.5 The parties' performance and internal problems

Opinions about the parties' performance are somewhat related to opinions about their internal problems, but that relationship is *not* very close. As Table 4.6 shows, interviewees who were critical or very critical have a more negative opinion of the parties' performance, but even among those who are moderately critical (or *not* critical), an absolute majority also has a negative view of the parties' performance. This result is perfectly consistent with the initial discussion in section 4.1. In the short and medium term, what parties *are* (their individual characteristics, including their shortcomings) does not necessarily determine what they *do* (including most of their policies and the results of these policies - that is, their performance in the areas of democracy and development). As noted before, honest people may be incompetent, and the rogues can be lucky.

Table 4.6 Party performance according to parties' internal problems. Opinions of Central American elites consulted in June-November 2003 (%)

Do parties carry out their role appropriately?	Opinions of people consulted about parties' internal problems *			All the people interviewees
	Very critical	Critical	Moderately critical, not critical	
No	72	70	53	67
Partly yes, partly no	16	23	12	18
Yes	8	7	35	14
No data	4	-	-	1
Total**	100	100	100	100

* Interviewees who are “very critical” are those who express critical opinions about the three problems examined (corruption, turnover of leadership, patronage). Those who are “critical” express critical opinions in two of these three areas. The remaining interviewees are “moderately critical” or “not critical” (only one critical opinion, or none, about the three topics).

** Does not necessarily add up to 100 because of rounding.

¹⁸ The elites' opinions about the parties' performance can be summarized in an index ranging from 1 (greatest possible satisfaction) to 3 (no satisfaction). The averages of the point values assigned by the interviewees to the parties in each country are: Panama, 1.89; Dominican Republic, 2.08; Nicaragua, 2.50; El Salvador and Guatemala, 2.75; Honduras and Costa Rica, 2.85. Opinions of the parties' internal problems can also be summarized on a scale of 1 (moderately critical and not critical) to 3 (very critical). The average point values in this case are: Costa Rica, 1.62; Guatemala, 1.75; Dominican Republic, 2.08; Panama, 2.22; Honduras, 2.23; El Salvador, 2.50; and Nicaragua, 2.56.

The next chapter, which analyzes the voices of the people, shows that different attitudes and opinions about parties “classify” the region's countries (in the opinion of their people) in different ways. It is not possible to list the countries in a single way, from those whose populations are “more negative” about parties to those whose citizens are “less negative.” The same is true of the elites' opinions of the parties' performance and internal problems. Upon examining the opinions of those consulted, according to their countries of origin, it is clear that the political elites who are least satisfied with their parties' performance are not the ones who are most critical of the parties' internal problems. In particular, the elites who are *least critical* about their parties' internal problems are the Costa Ricans, but the elites who are *most dissatisfied* with the performance of their parties are the Costa Ricans and the Hondurans, in a dead heat.¹⁸

4.6 Party financing

The overwhelming majority of people interviewed (almost nine out of every ten) believes that party financing causes problems. This view is shared by politicians, observers, and members of both governing and opposition parties (Table 4.7); no less than three-quarters of each of these groups believes that party financing is a problem. This is therefore an opinion widely shared by the region's political elites.

Table 4.7 Does the way parties and campaigns are financed cause problems? Opinions of Central American elites consulted in June–November 2003 (%)

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Yes	84	90	77	86	88
No	13	-	23	11	4
Don't know, no data	2	10	-	4	4
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

This is a particularly important issue because, as experience shows, in many countries party financing is one of the sources of political corruption. The interviewees who *spontaneously* relate political corruption to a shortage of resources and lack of adequate regulation of the financing of party activities are a minority. About one out of every four interviewees says that contributions to parties from businesspeople create commitments that “must be repaid” later. Many also believe that such

contributions “are made to all the parties;” the practice is seen as “an investment” by those making the contributions:

“the same businessman who gives something to the Sandinistas later gives something to the liberals. And the businessman knows that the Sandinistas know that he gave to the liberals, and the liberals [know] that he contributed to the Sandinistas.”

This could be a normal means of supporting party activities, especially electoral campaigns. Very few people state that these practices are examples of corruption, but some responses are harsh. One Panamanian interviewee said,

“we don't have political parties here; we have corporations designed for electoral processes (...). I say corporations ... because they only seek to meet one very specific objective, out of either political or economic interests: their goal is to be in power.”

Nevertheless, there is an issue that introduces additional complications and differentiations. The problems that could be caused by money from legal businesses are different from the problems stemming from drug trafficking. Nearly one out of every five people interviewed stated, always with concern, that drug trafficking (or “organized crime” in general) contributes to the funding of certain politicians or parties. This practice could be relatively recent, and it seems to be growing. It is not described in detail in any of the interviews, but it is clear that it is raising very serious concerns.

The financing “of parties and campaigns” is clearly problematic. The remuneration of party cadres and activists can also create problems, but in the opinion of the people consulted, those problems are of a very different nature. Almost nine out of every ten interviewees said that the financing of parties and campaigns is a problem, but just slightly more than four out of ten said the same about the remuneration of party cadres and activists. A few others hold the opposite view; opinions are very divided. As Table 4.8 shows, this divided view generally characterizes all of the groups of interviewees (politicians, observers, members of governing parties, members of opposition parties).

These very different schools of thought (regarding financing of parties on the one hand and party cadres on the other) suggest that, for many of the interviewees, either parties do not need permanent cadres, or they do need them, but they already have financing. In the former case, the parties, at least implicitly, are not viewed as stable organizations with a permanent life of their own. Rather, they may be seen as “electoral machinery” that shifts into gear at appropriate moments, then “sleeps” until the next campaign; some of the interviewees said this explicitly. In the words of one person,

“political parties in El Salvador, including ours, have been mere electoral apparatuses. Once the election is over, the party dies. Not even a study center or anything like that remains.”

Table 4.8 Does the form of remuneration of party cadres and activists cause problems? Opinions of Central American elites consulted in June-November 2003 (%)

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Yes	44	50	54	50	43
No	40	30	38	43	40
Don't know, no data	16	20	8	7	17
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

In the second case (permanent cadres are necessary but already have funding), the cadres should have their own means of supporting themselves. Therefore: (a) either they are wealthy or, if not, (b) if their funding does not depend on politics, then they cannot be *professional* politicians, dedicated exclusively to politics, or (c) their funding does depend on politics, which leads directly to certain patronage practices mentioned by various interviewees: employment in the public sphere as a way of maintaining political organizations. As one interviewee in Honduras put it,

“they finance themselves with public jobs; they employ people, then use those people for activism (...). It's an issue that doesn't attract attention, because the winning party does it, then the next, and so on. Parties that don't get into power, where there is no compensation in the short term [for] for active members, end up with a vacuum.”

4.7 The virtues of parties

Despite their problems, parties have virtues. That view is held by eight out of every ten people consulted, and is shared in similar proportions by the various groups of interviewees: politicians, observers, and members of both governing and opposition parties (Table 4.9). The parties' principal virtue is that they try to build democracy. Almost half of the people interviewed spontaneously mentioned democracy-building as one of the principal contributions of parties.

In the case of Costa Rica, this construction is fairly advanced:

“I see as a virtue the institutional legacy that [the parties] have left us. I believe that they have achieved the development of stable state of democratic institutional. Good public institutions have been created, especially in the area of citizens' rights.”

**Table 4.9 Do parties have virtues?
Opinions of Central American elites consulted in
June-November 2003 (%)**

	Principal activity *		Party membership or preference *		All those interviewees
	Politicians	Observers	Governing party	Opposition party	
Yes	84	80	85	82	81
No	11	10	8	14	10
Don't know, no data	4	10	8	4	10
Total**	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

In contrast, according to most of the politicians and observers interviewed, in the other countries in the region democracy is still “in process,” and in some cases only the foundation has been laid. However limited the construction, however, the credit goes to political parties. One Nicaraguan interviewee put it concisely:

“what democracy there is [in Nicaragua] has been built by political parties.”

In a region that has recently experienced very intense conflicts, parties are also valued because, unlike other groups in society, they seek dialogue and consensus. They prefer peace to war and try to pacify belligerent groups. They play this peacemaking role because they need a minimal level of institutional stability in order to function, but also because politicians “naturally” work to reach agreement, and in the process they educate society about the advantages of seeking consensus. In the words of one Dominican interviewee,

“another virtue of parties is that even if they tend toward internal chaos, they are able to sit down and talk. That indicates that there is a minimal degree of friendship and trust among the parties, some unwritten rules that definitely give the country a certain stability.”

To build democracy, it is necessary to represent the people. Few interviewees (about one in five) spontaneously mentioned that one of the virtues of parties is that they at least *try* to represent the interests of all voters; most of those who commented on this subject tend to believe that much remains to be done in this area.

In summary: no one, not even the most critical interviewees, suggests that there are possible paths that do *not* include parties. Nearly all of those consulted see parties as vital institutions for political development and democracy-building. If

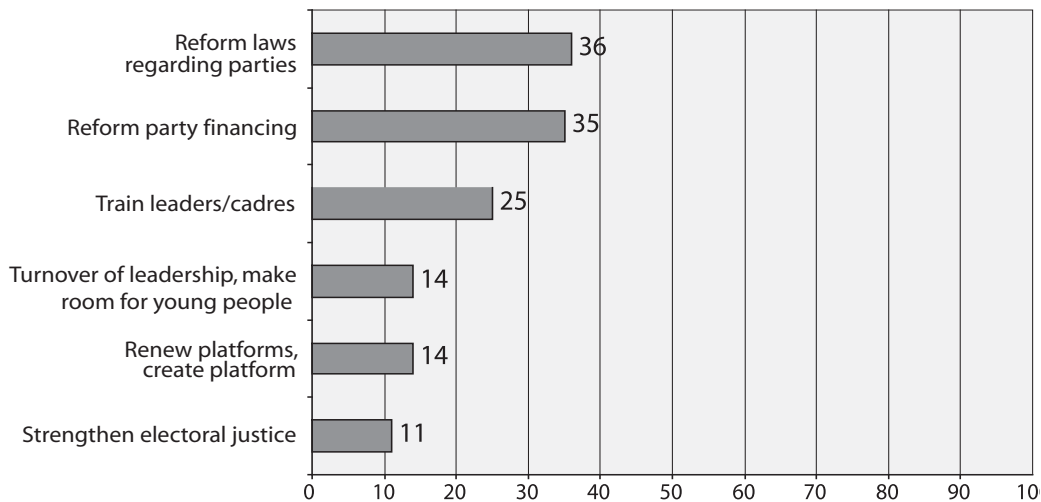
asked for an overall evaluation, most of the interviewees might agree with the conclusion of one of the Guatemalan interviewees:

“parties are bad, but we'd be much worse off without them.”

4.8 Toward the future: priorities

The interviewees were also asked what, in their opinion, should be “the principal steps to follow to strengthen the political parties” in their respective countries. This produced a broad range of responses, but only six were mentioned spontaneously by at least one out of every ten people interviewed (Figure 4.2). The two measures mentioned most frequently (both by slightly more than one-third of the interviewees) were “reform of laws regarding parties” (in general terms; 36 percent of the interviewees expressed this idea) and specifically “reform of party financing” (35 percent). The latter is the concrete measure mentioned most frequently, and there is certainly a confluence of different motives. For some, it is necessary to “level the playing field,” making the parties' chances less unequal and trying to avoid *de facto* control by established economic powers. For others, it reflects concern (clearly visible only in a minority, as has been observed, but within that minority a matter of serious concern) about “organized mafias,” especially drug trafficking

**Figures 4.2 Principal steps for strengthening parties
Opinion of Central American political elites
consulted in June-November 2003
(spontaneous mention, all interviewees, in %) ***



* The percentages do not add up to 100 because the interviewees mentioned all the measures that they considered appropriate. For each measure, the figure indicates the percentage of the total number of people interviewed who mentioned it spontaneously.

One out of every four interviewees referred to the need to train party leaders and cadres, and slightly more than one in every ten mentioned three additional issues: facilitating the turnover of party leadership (and/or making more room for young people); renewing platforms, placing more emphasis on areas related to the party's plans and positions; and strengthening electoral justice.

All of these responses, taken individually, are sensible and reasonable. Two characteristics, however, are particularly noteworthy. First, the vast majority of the responses in the two families of “solutions” most frequently mentioned (reforms: of laws regarding parties and of party financing) are very generic and not well developed. Second, and in even more general terms, in most of the interviews there is a clear contrast between the richness and nuance of the *assessments* of the situation, on the one hand, and the lack of detail about *solutions*, measures aimed at addressing the problems identified in the assessment, on the other.¹⁹

Most of the people consulted were fairly critical of parties. Their opinions on these subjects seemed clearly defined. In meetings at which the initial results were presented, however, there was a similar reaction in all of the countries: a certain *surprise* at the characteristics of the collective assessment. What seemed clear to the majority of interviewees individually was surprising when it was presented as the shared opinion of national and regional leadership. What seems to surprise most of the interviewees is the extent to which ideas that they thought were personal opinions are shared by the majority of their peers throughout the region. That surprise may help explain the contrast between the clarity of the assessments and the relative paucity of solutions proposed: in-depth reflection only makes sense when issues are actually seen as problems. Whatever the reason, this seems to be one of the central problems. Collectively, political leaders have not yet internalized the fact that the parties have problems. If this is true, at least a significant part of the problem lies in the failure to see that there is a problem.

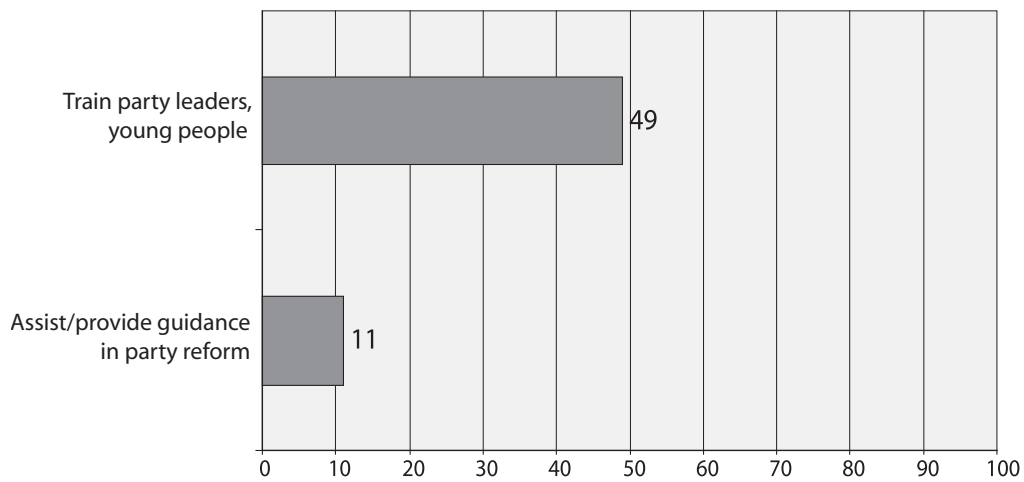
4.9 Toward the future: external assistance

The last question posed to the interviewees was the following: “besides direct financial support, what could *cooperation agencies* and *international bodies* do to *help strengthen parties*?” Here the spectrum of responses shrank significantly, and only two were mentioned spontaneously by at least one out of every ten people interviewed (Figure 4.3). Half of those consulted (49 percent) said they could help with the training of young people and party leaders. This response is consistent with the issues that the interviewees considered priorities, and is also consistent with a recurring concern about human capital in the parties and in the region's societies. The second most frequently mentioned area, considerably behind the first (it appears in barely 11 percent of the responses) is helping and advising in party reform. This is also clearly consistent with the interviewees' priorities.

¹⁹ The transcripts in Annex 2 illustrate both aspects.

In short, regional elites do not pretend that international cooperation will solve their problems, but they would welcome assistance with tools that they consider vital for addressing these problems - first and foremost assistance in the preparation of necessary and scarce human resources.

Figure 4.3 What could international cooperation organizations do to help strengthen parties? Opinions of Central American political elites consulted in June-November 2003 (spontaneous mention, all interviewees, in %)



* The percentages do not add up to 100 because the interviewees mentioned all the measures that they considered appropriate. For each measure, the figure indicates the percentage of the total number of people interviewed who mentioned it spontaneously.

The voices of societies and relatively excluded groups

This chapter examines current public opinion in Central America about political parties and their development in recent years. Most of the information comes from the 2003 Latinobarómetro survey (LB 2003), comparing its results to those of previous years. Latinobarómetro is an annual survey that is carried out in all countries in South America and Central America using the same methodology. This allows comparison of the results obtained in the various countries in the region. Many of the questions are changed from year to year, but a group of basic indicators (for example, trust in parties and other institutions, attitudes toward democracy) have been repeated in many of the surveys. Because the methodology is the same, it is possible to compare trends in these indicators since 1996 (the first Latinobarómetro survey). In some cases, this report also includes information about the Dominican Republic from the third National Survey of Political and Democratic Culture in the Dominican Republic, Demos 2001.

The discussion begins with a brief description of how the public perceives the current economic and political situation in the region; it then examines the value that Central Americans place on democracy as a political regime; third, it analyzes opinions about how parties and their leaders function; and last, it explores the attitudes and opinions of three social groups that have traditionally been marginalized politically (“relatively excluded”): young people, women and indigenous people.

5.1 Perception of the economic situation and political situation

In 2003, Central Americans had a very negative opinion of the economic situation. On average in the region, only 1 percent said that the economic situation

was “very good,” and barely 6 percent considered it “good;” 65 percent considered it “bad” or “very bad,” and 28 percent said it was “fair.” The result of this evaluation (subtracting the negative ratings from the positive ones) is -58 percentage points. National figures differ little from this negative regional average. The three countries where opinions are less critical are Panama, El Salvador and Costa Rica, with negative values of -51, -52 and -52, respectively. The most critical opinions are found in Honduras, Guatemala and Nicaragua, with ratings of -59, -60 and -75 percentage points, respectively.

The perception of the family economic situation, measured by what is called “subjective income” - that is, how the respondent rates the family's situation at the end of the month with the income received - is equally problematic. Sixty-one percent of Central Americans said their household income “is insufficient to cover the month's expenses,” while another 30 percent said it was “just enough, with great difficulty,” and scarcely 7 percent said it was “sufficient, and it is possible to save some money.”

In comparison with the economic context, the political situation is viewed in somewhat less negative terms (Figure 5.1). Twelve percent of Central Americans said the political situation was “very good” or “good,” but politics is not an issue that interests the population. Only 19 percent said they were “very” or “somewhat” interested in politics. This percentage reached its highest levels in Panama and Costa Rica (23 percent and 22 percent, respectively), and was lowest in Guatemala and Honduras, 13 percent in both cases (Figure 5.2)¹.

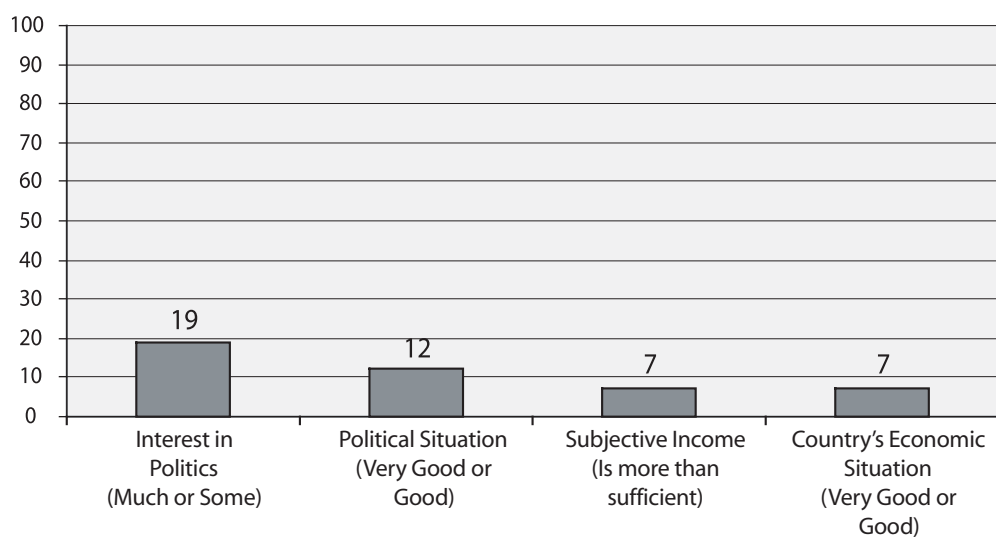
5.2 The value of democracy

For the first time in history, almost all the Latin American countries have free, regular, transparent elections whose results are widely accepted; political regimes with more than one party; and civil and political rights that are enshrined in the constitution. Although there are shortcomings and serious problems in many cases, they are democracies “under construction.” This is one of the greatest changes in Latin America in the past twenty years. Nevertheless, this political progress has not been accompanied by comparable progress in the economic sphere.

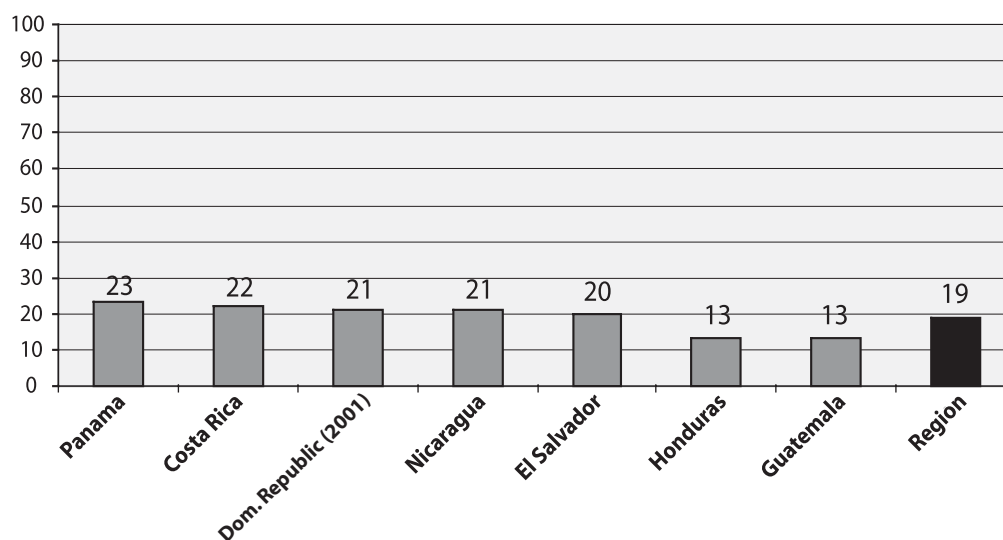
In analyzing the current political situation and the state of democracy in the Central American countries, it is important to take into account the weight of the recent past. All of the countries have put an end to violent conflicts that pitted their citizens against one another, in some cases for decades. The time that has passed since the beginning of the transition to representative democracy is (historically) very short: barely a generation. Except in Costa Rica, where democratization began much earlier, it is generally accepted that the first “transitions” began in the Dominican Republic in 1978 and in Honduras in 1982 (DD). These dates

¹ The question asked in the Demos 2001 survey in the Dominican Republic is not exactly the same as that of Latinobarómetro. To make them compatible, the people who fell into the “fair” category in the Dominican Republic survey were distributed between the categories of those who were “very interested” and “not interested” in politics, according to the relative original weight of these latter two categories.

**Figure 5.1 The voice of the population in the six countries of the isthmus.
LB 2003**



**Figure 5.2 The voice of the population. Interest in politics
(% who responded "much or some") LB 2003**



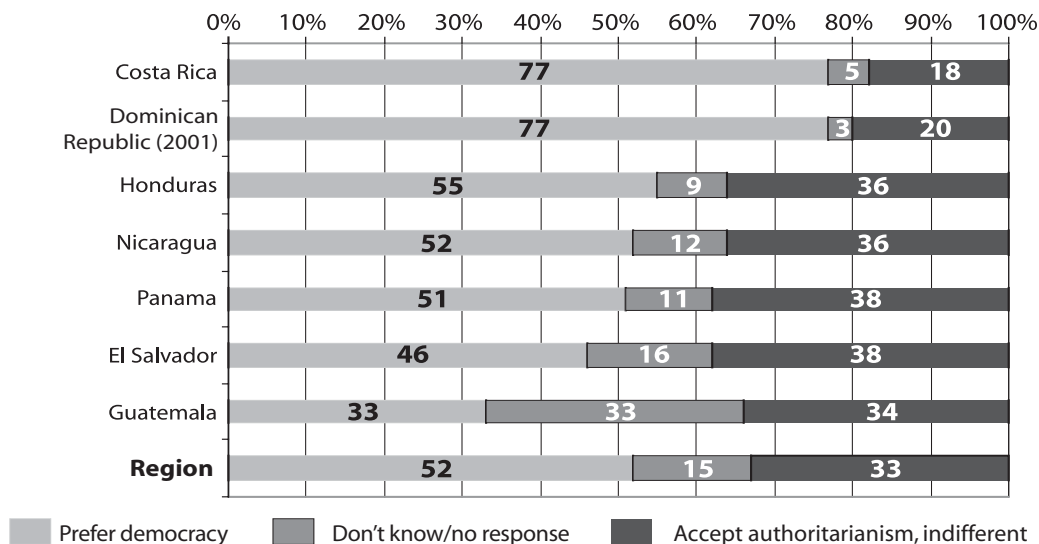
correspond to the main political event of the transition (the inauguration of a democratically elected president), but even after these dates, the emerging political regimes had to coexist with elements of the authoritarian past. This means that citizens' experience of and exposure to democratic life in these countries has been brief.

Democracy as a system of government

According to the data from LB2003, 52 percent of Central Americans “prefer democracy to any other form of government,” 33 percent believe that “in some circumstances, an authoritarian government could be preferable to a democratic one” or “it makes no difference,” and another 15 percent do not know or did not respond to the question. These results show slightly greater support for democracy than in 2001, when less than half (44 percent) preferred democracy, but are substantially below the level recorded in 1996-2000, when an average of two-thirds of the population (64 percent) believed that democracy was always preferable to other forms of government.

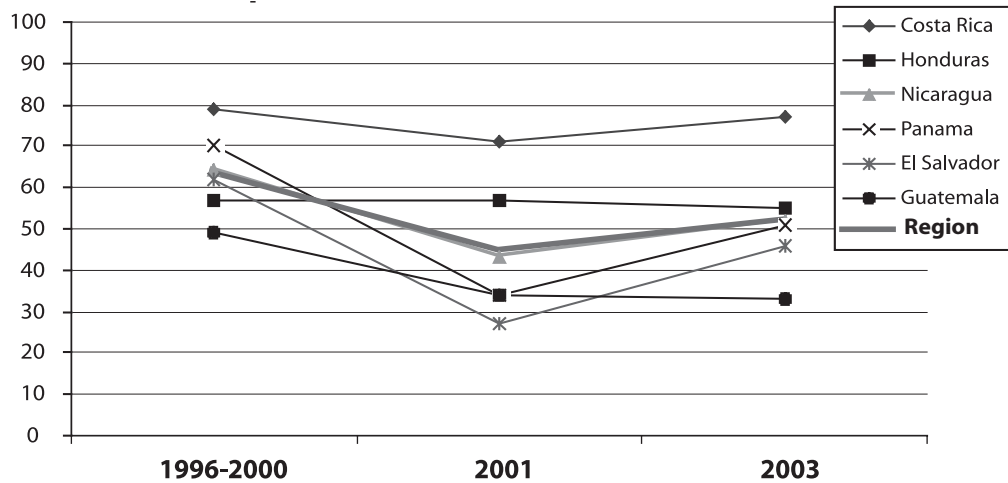
Costa Rica and Honduras are the two countries in the region with a greater proportion of citizens who prefer democracy (77 percent and 55 percent, respectively), and the opinions expressed in those countries in the past seven years have also been more stable. Two years ago, the Dominican Republic also had a high percentage of support for democracy (77 percent of its population supported democracy, the same as in Costa Rica).

Figure 5.3 The voice of the population. Support for democracy. LB 2003



In all of the countries except Guatemala, the proportion of those who believe that “democracy is preferable to any other form of government” is greater than the total of those who believe that “in some circumstances, an authoritarian government could be preferable to a democratic one” plus those who said it “makes no difference.” Three out of every ten Central American citizens, however, still believe that authoritarian governments are acceptable, or even preferable. Costa Rica and Guatemala are the two extremes: in Costa Rica, barely 18 percent of the population believes that democracy is not always the best form of government; in Guatemala, 34 percent holds that view (Figures 5.3 and 5.4).

**Figure 5.4 The voice of the population. Support for democracy
(% “democracy is preferable to any other system”).
Latinobarómetro 1996-2003**



The functioning of democracy

Central Americans believe that democracy is the best system of government, but they are not satisfied with the way it actually functions in their respective countries. As has been noted, an absolute majority of the region's population (52 percent) prefers democracy “to any other form of government,” but only somewhat less than one-third (32 percent, 20 percentage points less) are satisfied with the way it actually functions (Figure 5.5). The trend in this latter indicator is also negative: the percentage of people satisfied with the way democracy functions has decreased since 1997, although according to the data (and as observed in attitudes toward democracy), the worst moment came two years ago; there is now a slight improvement (Figure 5.6).

Once again, Costa Rica and Honduras are the countries with the greatest proportion of citizens who are satisfied with democracy, and Guatemala is at the opposite extreme. In all of the countries, the proportion of people who are dissatisfied is substantially higher than that of people who are satisfied; in most, the latter figure is two to three times the percentage of satisfied citizens. In the Dominican Republic, 35 percent² of the population was satisfied with democracy in 2001, a somewhat lower percentage than is found in Costa Rica and Honduras today. The dissatisfaction that is so prevalent throughout the region is perhaps the main reason why half the Central American population (50 percent) “would accept a non-democratic government coming to power if it could resolve the economic

² The question asked in the Demos 2001 survey in the Dominican Republic is not exactly the same as that of Latinobarómetro. To make them compatible, the people who fell into the “fair” category in the Dominican Republic survey were distributed between the categories of those who were “very interested” and “not interested” in politics, according to the relative original weight of these latter two categories.

Figure 5.5 The voice of the population. Satisfaction with democracy. LB 2003

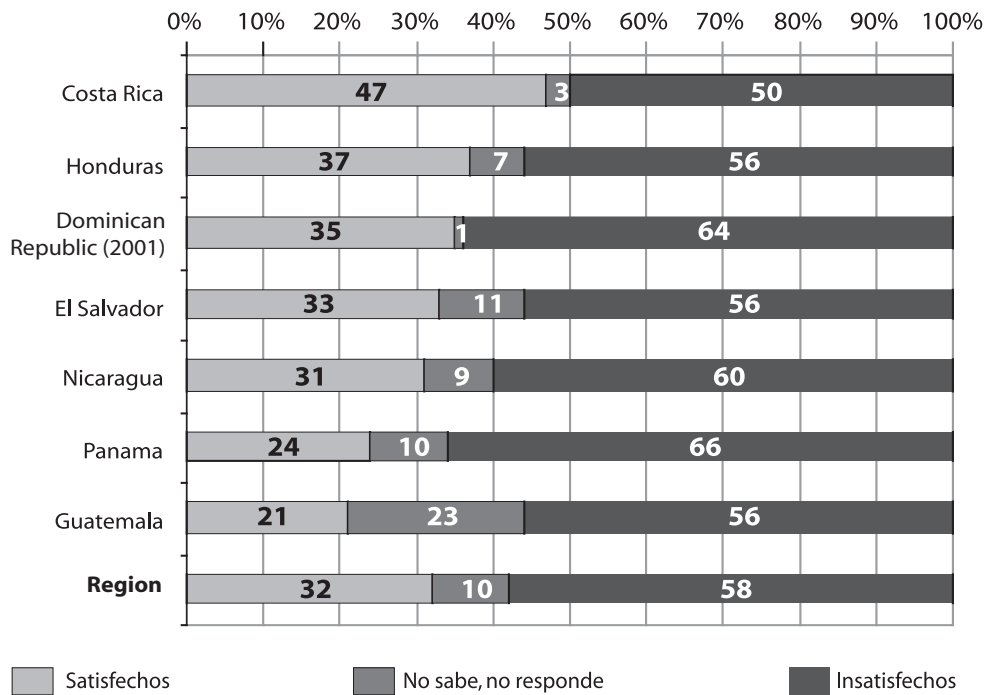
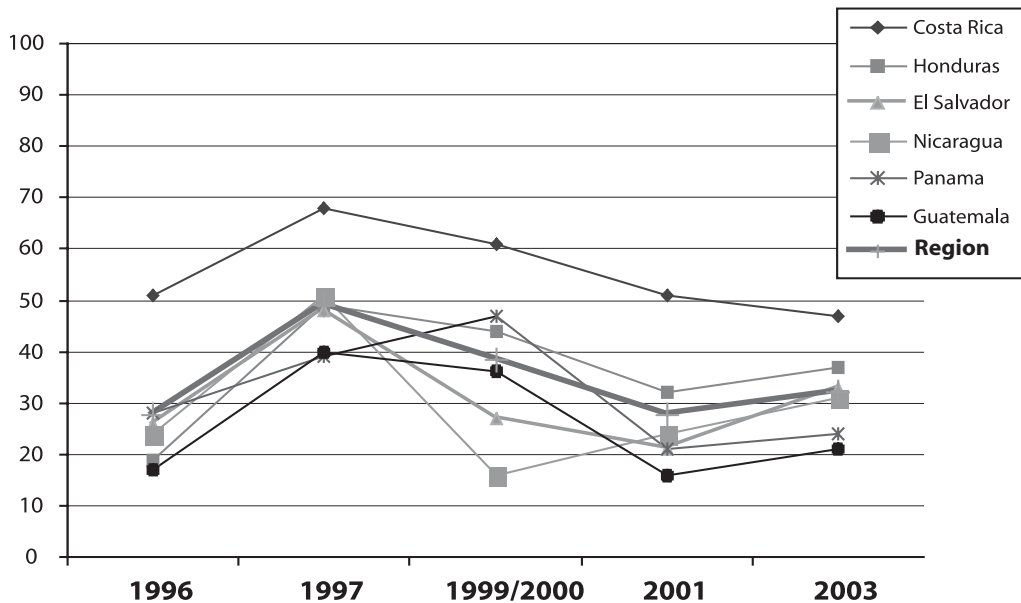


Figure 5.6 The voice of the population. Satisfaction with democracy (% "very satisfied" and "fairly satisfied") Latinobarómetro 1996-2003



problems” (only slightly more than one-third, 35 percent, disagrees with that idea).

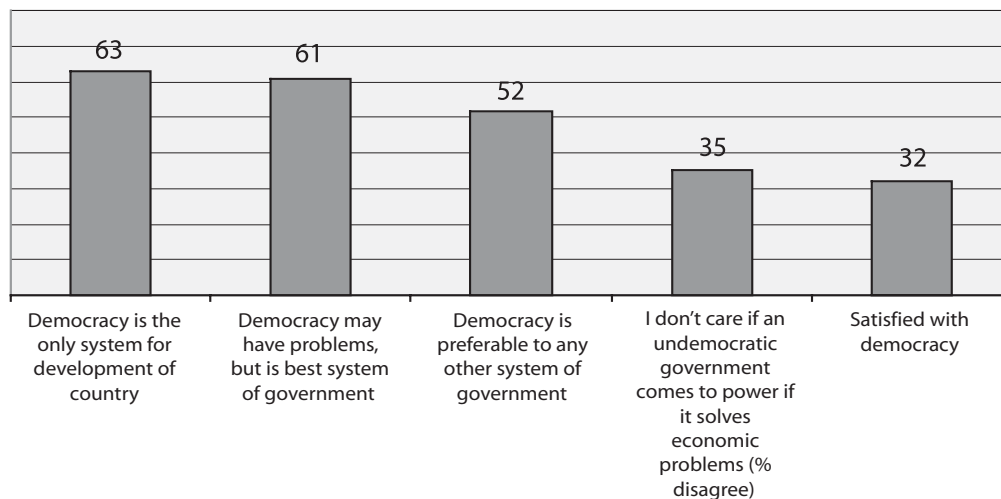
Nevertheless, the absolute majority of the Central American population (61 percent) agrees that “democracy may have problems, but it is the best system of government,” and a similar percentage (63 percent) believes that “democracy is the only system with which the country can achieve development” (Figure 5.7). These are the most favorable indicators of democratic culture for the region as a whole. Because an absolute majority (52 percent) also believes that “democracy is preferable to any other system of government,” it can be concluded that *in principle* democracy is the political regime that Central Americans want for themselves.

Here “in principle” means “if all other conditions remain equal.” On the one hand, people in the region tend to agree that democracy is the best of the possible governing regimes; on the other, the majority would support a non-democratic regime if it were capable of resolving economic problems. These diverging opinions reflect what Sartori has called the universalization of democracy as an ideal. Democracy is defended as an ideal, as a *goal*, but for most Central Americans, the political regime is less important than meeting their economic needs.

5.3 Political parties

Political parties are vital institutions for the functioning of democracy as we know it. They listen to the demands of society, articulate them in concrete policies, and recruit and train political personnel to represent the population in the legislative and executive branches of government. The health of representative democracy depends on the strength of *parties* and the proper functioning of party *systems*; there is broad consensus about this in the academic literature. Weak parties find it difficult to articulate citizens' demands, guide political opinion and mobilize the population when necessary. Weak parties also have substantially greater difficulty in resisting corporative demands and pressures from undemocratic agents.

Figure 5.7 The voice of the population. Opinions about democracy (in % for the entire region). LB 2003



The strength of parties depends, among other things, on their leadership, their structure and organization, their financing, their age (all other conditions being approximately equal, the older they are, the stronger they will be), their electoral results, their operational transparency and their internal capacity for renewing themselves. It also depends on what people think of them, and on people's willingness to participate in party activities. From this standpoint, do Central Americans feel close to their parties? Do they trust them? Do they accept their leaders? Do they believe that they function relatively well?

Confidence in parties

The year 2003 marked the lowest level of confidence in political parties in the past seven years. The trend in annual surveys since 1996 shows a significant decline in all the countries in the region (Table 5.1, Figure 5.9). Barely one out of every ten Central Americans (10 percent) has “some” or “much” confidence in the parties in their countries, while an overwhelming majority (86 percent) says it has “little” or “no” confidence. To reach this degree of distrust in parties, the proportion of Central Americans who do have confidence in them has decreased to one-third of the highest level registered, from a high of 32 percent (in 1997) to 10 percent in just six years.

The situation is very similar in the six countries for which information is available, and all of them show very high percentages of distrust and the same downward trends. Ninety percent of Nicaraguans do not have confidence in their parties; the same is true of 90 percent of Costa Ricans, 87 percent of Hondurans, 85 percent of Salvadorans, 82 percent of Guatemalans and 81 percent of Panamanians (Figure 5.8). In the Dominican Republic in 2001, barely 6 percent of the population trusted parties. While each country has its own specificities and unique political history, the results show that this serious crisis of confidence in parties is a common problem throughout the region.

**Table 5.1 The voice of the population. Confidence in political parties
(% of people who say they have “much” or “some” confidence)**

Country	1996	1997	1998	1999/2000	2001	2003
Guatemala	21.78	23.80	19.40	17.40	9.20	7.81
Nicaragua	33.66	30.54	-	9.79	18.80	7.52
Costa Rica	15.29	25.72	28.90	23.68	19.70	9.56
Honduras	22.65	39.56	-	17.95	14.20	11.58
Panama	16.12	28.11	18.30	27.40	25.90	14.84
El Salvador	24.63	45.35	-	23.98	17.00	10.53
Average	22.36	32.18	-	20.03	17.47	10.31

Updating of DD, p.138.

Figure 5.8 The voice of the population. "How much confidence do you have in political parties?" LB 2003

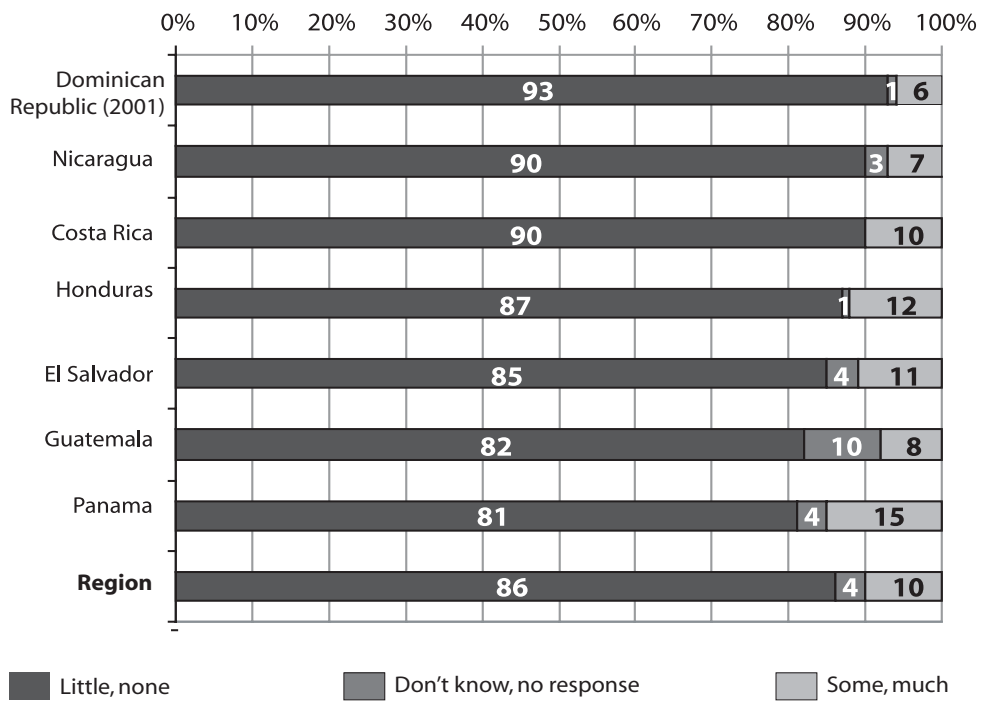
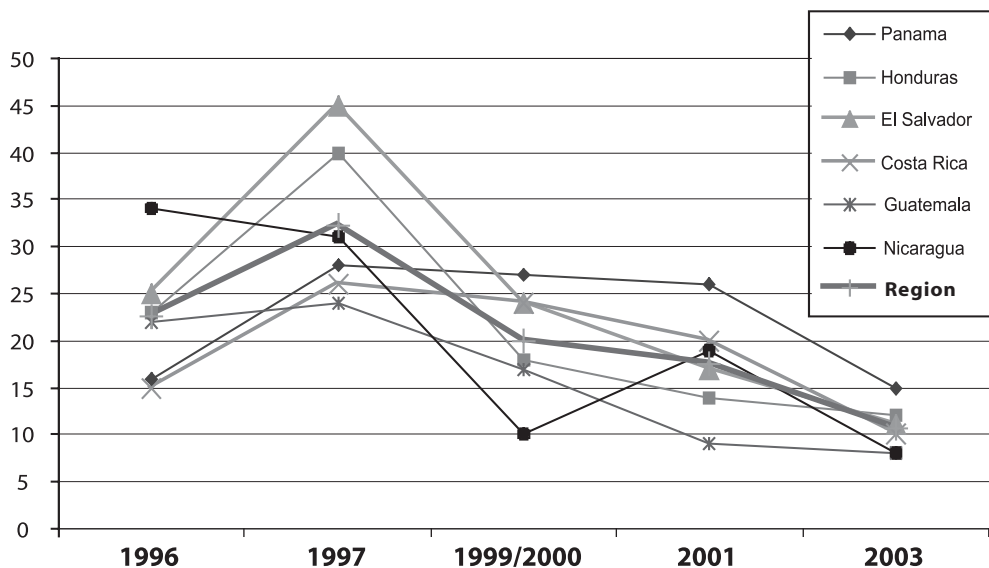


Figure 5.9 The voice of the population. "How much confidence do you have in political parties?" (% responding "much" or "some") Latinobarómetro 1996-2003



The lack of confidence in parties is visible at all levels of society. In the upper spheres of Central American societies, in particular, that distrust is as high as or higher than the level observed among the population as a whole. Among Central Americans who have some university education, 91 percent express little or no confidence in parties, and the same percentage is found among those with a higher socio-economic level. Among people who pay a great deal of attention every day to political news on the radio or TV or in the press, and who *also* have a university education, 90 percent distrust parties. As Table 5.2 shows, this is true in most of the countries of the isthmus, with the partial exception of Nicaragua, Honduras and Guatemala.

In general terms, all of these social groups (the most educated, those in the upper and middle-to-upper socio-economic levels, those who pay the most attention to political information) are reference groups for (and belong to) the majority of political elites. As a result, it seems reasonable that the region's political elites would also be critical of parties, as shown in the preceding chapter.

This lack of confidence in political parties is characteristic of all of Latin America. The country that scores best in this area is Uruguay, but even there barely 18 percent of the population expresses confidence in parties. Panama ranks third in Latin America (15 percent of its population trusts parties).

Table 5.2 The voice of the population. Confidence in political parties (% responding "none" and "little"). LB 2003

	Entire population	Population with university education	Population in upper or middle-upper socio-economic level	Population that pays much attention daily to political news and has university education
Costa Rica	90	93	92	91
Guatemala	82	87	92	82
Panama	81	89	90	97
El Salvador	85	90	89	88
Nicaragua	90	94	83	85
Honduras	87	86	89	77
Region	86	91	91	90

Closeness to parties

With these high levels of distrust, it seems natural that an absolute majority of Central Americans (54 percent) does not feel close to any political party, as Figure 5.11 shows. Despite their lack of confidence in parties, however, many voters (40 percent of the regional total) still do feel close to some party. In this area too, however, there has been a downward trend in recent years: parties have lost citizens' trust and *simultaneously* have lost citizens who feel affinity for them (Figure 5.10).

Figure 5.10 The voice of the population. "Do you feel close to any political party?" (% of "very close," "close" and "sympathizers"). Latinobarómetro 1996-2003

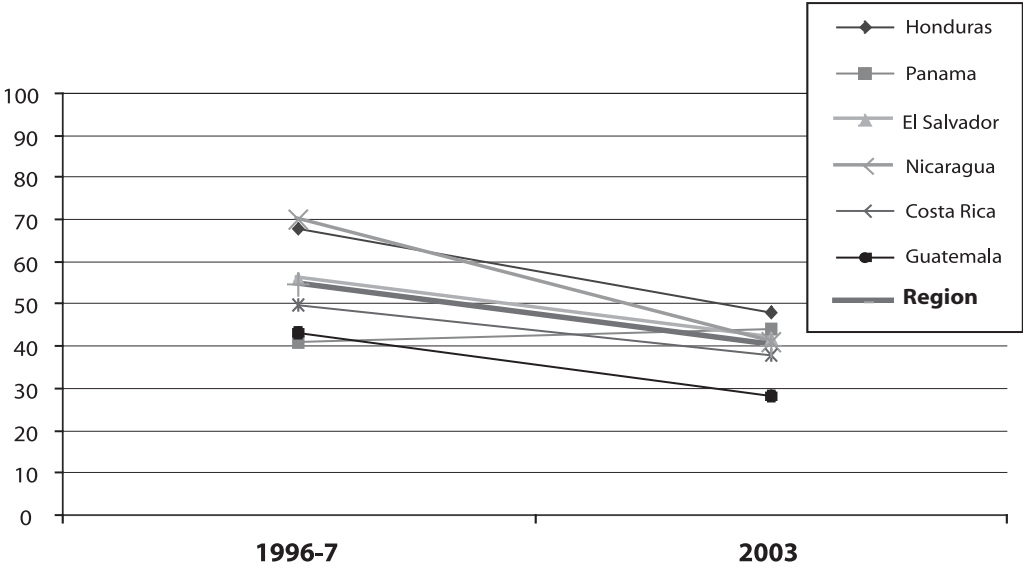
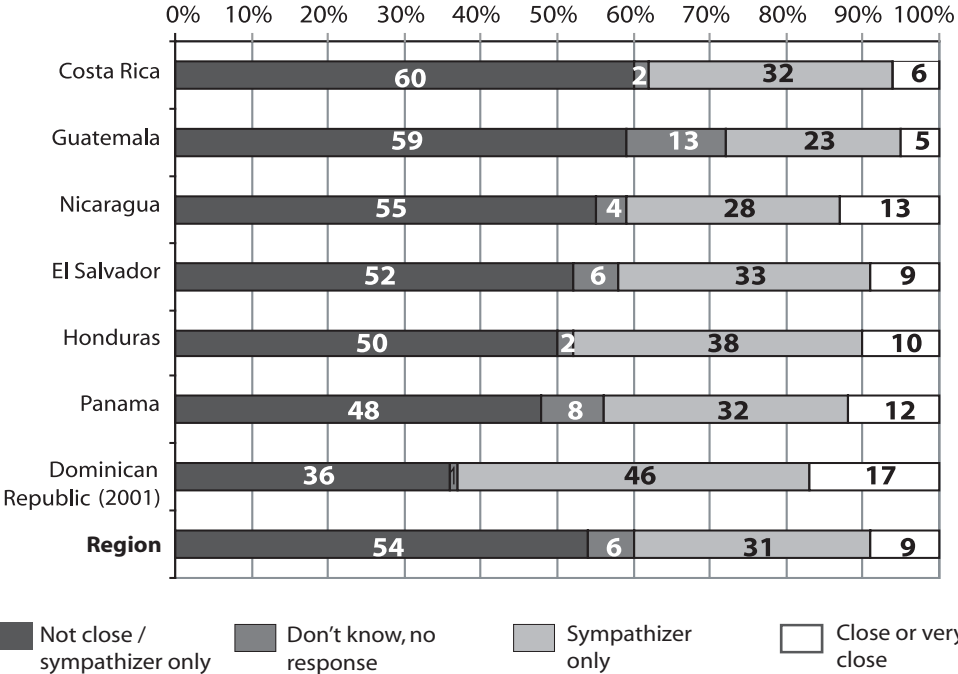
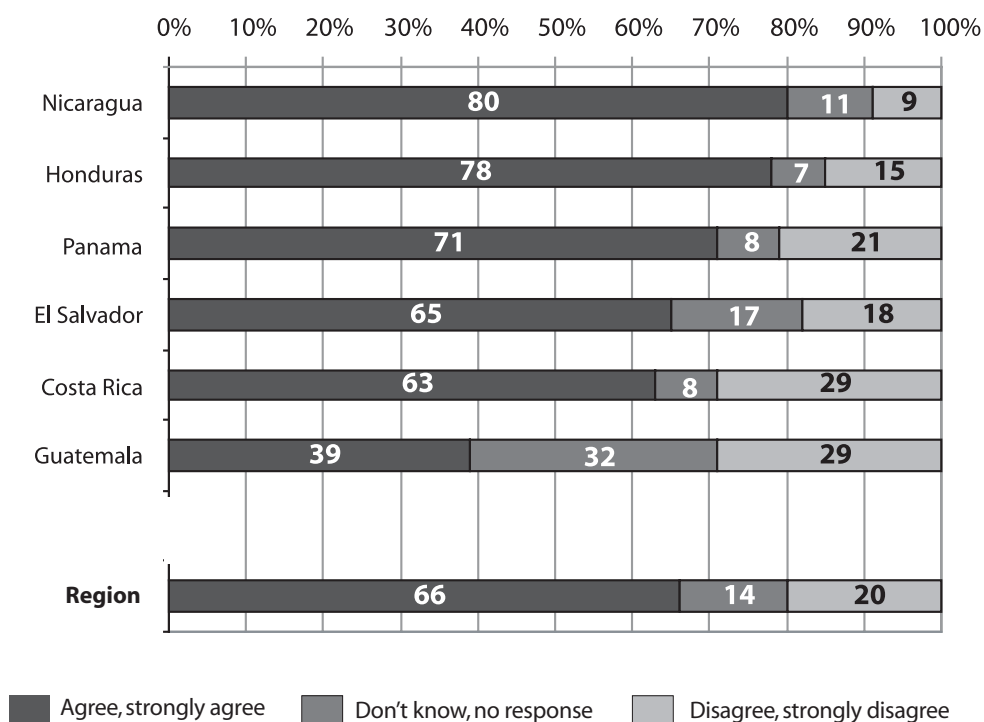


Figure 5.11 The voice of the population. "Do you feel close to a political party, are you a sympathizer or do you not feel close to any party in particular? LB 2003



The two countries in the region that show relatively better results in this area are Honduras and Panama. Dominicans, Hondurans and Panamanians express “party identification” (both affinity and sympathy) in greatest numbers. Panama is the only country in which this identification has not decreased in recent years. Panamanians and Hondurans also show the greatest levels of confidence in parties (15 percent in Panama, 12 percent in Honduras).

Figure 5.12 The voice of the population. “More than parties and Congress, there’s a need for a decisive leader who will solve problems.” LB 2003



In comparative terms political parties score worse on trust and credibility than the other institutions studied by Latinobarómetro. The church is the most trusted institution in the region (68 percent of Central Americans, except Dominicans, express this), but the armed forces, Congress, the judiciary and television are also more trusted than parties. Data available for the Dominican Republic show the same situation: since 1997, parties there have been viewed with “the greatest distrust” of all institutions (Demos 2001, p.69). Just as parties inspire little confidence, party leaders (politicians and legislators) are also among the groups with the least credibility (barely one person in 20 believes in them), ranking worse than the police and military. In comparison, priests are the most trusted people in society (37 percent mention them as trustworthy).

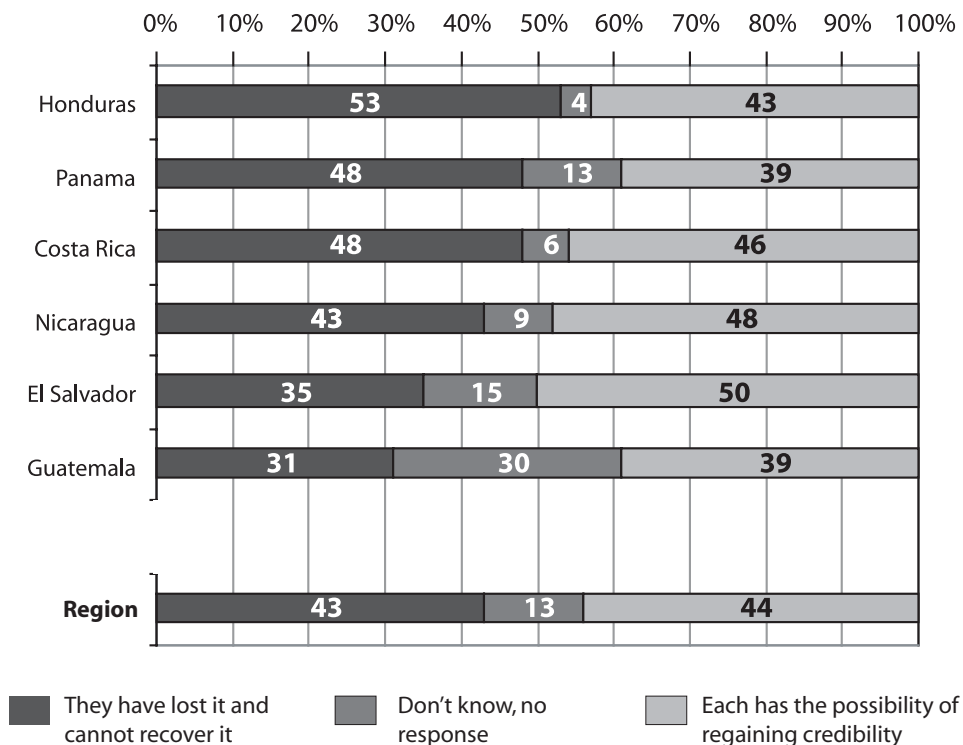
Party leadership

The lack of trust and low rates of voter identification with parties is conducive to the emergence of strong leadership from outside parties. In the Latin American experience, these leaders tend to be highly critical of established parties and show little interest in the practices necessary for democracy. In this area, only a small minority of voters (13 percent) would agree to “give a blank check to a leader-savior who can solve problems.” But this is a rather extreme way of phrasing the case. When the general idea is expressed in language that is less dramatic and closer to people’s experience, two-thirds of the population (66 percent) believe that “more than political parties and Congress, what we need is a decisive leader who works at solving problems” (Figure 5.12).

The future of parties

Central Americans’ negative opinions of their political parties are still not “final” judgments. Despite all the negative results described here, 44 percent state that parties *could* regain their credibility in the future (Figure 5.13). It is not an optimistic forecast (it is only stated as a possibility), but at least it acknowledges the possibility of redemption. Opinions are split, however: 43 percent of Central Americans

Figure 5.13 The voice of the population. “Politics and parties have lost credibility, and...” LB 2003



believe that parties can no longer regain the credibility they have lost (although they probably are thinking more of “these” parties - today's parties - than in the institution in a generic sense). In line with these results (although perhaps even more negatively), a scant 35 percent believe that parties are “an indispensable institution for democracy,” similar to the percentage of people who see Congress as an indispensable institution for democracy (36 percent), and far below those who place importance on the presidency (66 percent) or even the police (44 percent). On this topic (parties as *necessary* institutions for democracy), voters' opinions are much harsher than those of political elites and academics. This result is consistent in all the comparative data available.

5.4 Excluded sectors and politics: youth, women and indigenous people

Youth

Central American youth express opinions that are very similar to those of the population as a whole, but that fluctuate: as Table 5.3 shows, in some cases they express slightly more positive attitudes toward politics and institutions, and in other cases their opinions are slightly more negative. Of three of the four indicators in Table 5.3 that are directly linked to parties, young people's opinions of parties are slightly more positive than those of society as a whole.

Table 5.3 The voice of youth LB2003

	All	Youth 16-25 years
Democracy is preferable to any other system	52	49
Parties and politics can regain credibility	44	47
Closeness to political parties (very close, close, sympathizer)	40	38
Satisfaction with democracy (very, somewhat)	32	30
Interest in politics (much, some)	19	21
More than parties and Congress, a leader is needed (disagree)	20	19
Lack of confidence in Congress / Parliament (much, some)	15	17
Confidence in political parties (much, some)	10	12

Women

To foster gender equality and self-determination for women, appropriate policies must be developed and implemented. No policy will be effective enough, however, if women themselves do not play a leading role. It is certainly better to have rights than not to have them, but people who are the passive subjects of rights normally do not exercise them, either because they are unfamiliar with them, or out

of fear, or because they believe, perhaps rightly, that trying to do so is useless. For women to be protagonists, they must participate more in politics, in parties and, through them, in the places where decisions are made.

In Central America today, slightly less than one-fifth of all parliamentary seats (17 percent) are occupied by women. In Costa Rica, the law requires political parties to give 40 percent of elective posts to women, and in the 2002 elections women won 35 percent of the seats; in Nicaragua, women occupied 23 percent of the seats in parliament in the 2001 elections. The proportion of women in other legislatures in the region is about 10 percent. Overall, the percentage of women's participation in legislatures in the region has increased in recent years. In addition, two women won the presidency in the 1990s: Violeta Chamorro in Nicaragua and Mireya Moscoso in Panama, although both are examples of what feminists, with mixed feelings, tend to call "relatives of" - that is, spouses, widows or daughters of a man who was a particularly successful political leader, so that when he died or distanced himself from politics that leadership was somehow "transferred" to these women.

Opinion indicators systematically show that women in the region are less integrated into politics than men (Table 5.4). They are substantially less interested in politics, they identify less with parties, they are more dissatisfied with democracy, they are more critical of democracy as a system, they more likely to demand a leader who can solve problems, and they are more skeptical of political parties. While in most of these areas the differences between men's and women's opinions are slight, the important thing is that, unlike the case of young people, these differences appear in all dimensions and in the *same* direction. Women are even more disenchanted than men with politics, with democracy in general and with parties in particular.

Table 5.4 The voice of women LB 2003

	Men	Women
Democracy is preferable to any other system	56	48
Parties and politics can regain credibility	46	42
Closeness to political parties (very close, close, sympathizer)	44	37
Satisfaction with democracy (very, somewhat)	35	30
Interest in politics (much, some)	22	16
More than parties and Congress, a leader is needed (disagree)	22	19
Confidence in Congress / Parliament (much, some)	16	15
Confidence in political parties (much, some)	11	10

Women's general attitudes toward politics are similar to those of men. But in all cases, women are somewhat more distant and more distanced from politics than men. Where men and women differ most is in their opinion about whether democracy is the best system of government. While a significant number of Central

American women have a favorable opinion, the figure is substantially lower than for men. Guatemala and El Salvador are the countries with the smallest percentage of women who prefer democracy to any other form of government (Table 5.5).

In all the countries, men are more satisfied than women with democracy. Men also have more confidence (although not much more than women) that politics and parties can still regain credibility (Table 5.6). Costa Rica seems to be the country with the least difference of opinion between genders in all the attitudes examined.

Table 5.5 The voice of women LB 2003

	REGION		Costa Rica		El Salvador		Guatemala		Honduras		Nicaragua		Panama	
	H	M	H	M	H	M	H	M	H	M	H	M	H	M
Democracy is preferable to any other form of govt.	56	48	80	74	52	39	39	28	58	51	57	46	51	51
Satisfaction with democracy (very or somewhat satisfied)	35	28	48	46	38	28	21	20	37	36	36	26	27	22

Table 5.6 The voice of women LB 2003

	REGION		Costa Rica		El Salvador		Guatemala		Honduras		Nicaragua		Panama	
	H	M	H	M	H	M	H	M	H	M	H	M	H	M
Closeness to political parties (very close, close, sympathize).	44	37	38	38	46	38	33	23	52	44	45	38	47	41
Political parties could regain credibility	46	42	45	46	55	44	52	36	42	44	54	43	38	40

These systematic differences of opinion between men and women probably arise from women's constant, daily experience of gender inequality. Constant exposure to inequalities does not lead to generalized "demand-based feminism" because, among other things, "it has always been that way" or perhaps "it used to be even worse;" from an egalitarian feminist perspective, "we're making progress" now, although the speed and limits of that progress may be debatable. This everyday experience of inequality weakens women's social capital and makes them more distrustful. Women, to a greater extent than men, are "formal" citizens: passive subjects of rights that exist, but that are not necessarily practiced. It seems natural that even when other conditions are approximately equal, women are more skeptical than men about democracy.

Indigenous people

The indigenous proportion of the population varies greatly from country to country in the region. Guatemala has the highest (43 percent); in the other countries, the proportion is substantially lower. This analysis includes only data from Guatemala. Of all the national surveys, which consisted of about 1,000 interviews and approximately self-weighted samples, only in Guatemala did indigenous people represent a large enough group for their responses to be statistically reliable.

In 1995, the Agreement on Identity and Rights of Indigenous Peoples was signed in Guatemala, recognizing the country as “multicultural, pluriethnic and multilingual.” Among the three large indigenous populations currently living in the country (Maya, Xinca and Garífuna), there are approximately 24 different groups totaling nearly 5 million people. To identify the voice of this segment of the Guatemalan population, the responses of the interviewees who responded that their native language was an indigenous language were examined.

The proportion of indigenous people who said they did not know or did not want to respond to the survey questions is significantly higher than for the rest of the population. This is reflected in the high proportion of “don't know, no response” answers in the country's aggregate data. For example, 23 percent of the indigenous people in Guatemala did not respond to the question about confidence in political parties (for the rest of the population this figure was only 7 percent), and 63 percent of the indigenous interviewees did not respond to the question, “More than parties and Congress, what we need is a decisive leader who solves the problems” (while the non-response rate for the rest of the population was 24 percent³). Naturally, when the non-response rate is very high, the percentage of positive or negative responses for the question is lower.

As Table 5.7 shows, indigenous Guatemalans are much more skeptical than their fellow citizens about democracy and the credibility of parties, and express much less sympathy with and affinity for parties. In all of these areas, the differences are considerable. Nevertheless, and despite the always higher non-response rates, they show slightly more confidence in parties and the legislature, and slightly more interest in politics than other Guatemalans. Overall, these results suggest that a relatively large sector of the indigenous population (perhaps slightly more than one-fifth) is as interested in politics as the rest of the Guatemalan population and participates in politics with equal or greater enthusiasm. This hypothesis could explain why the last three indicators in Table 5.7 show that the responses of indigenous people are similar to those of other Guatemalans. If that is true, indigenous Guatemalans' political participation *could* begin to follow courses similar to those already seen, for example, in Bolivia and Ecuador.

³ It is possible, however, that the high non-response rate to the second question may indicate problems or fears specifically linked to this particular question.

Table 5.7 The voice of indigenous people LB 2003 – Guatemala

	Mother tongue	
	Spanish	Indigenous
Parties and politics can regain credibility	44	21
Democracy is preferable to any other system	36	20
More than parties and Congress, a leader is needed (disagree)	32	19
Closeness to political parties (very close, close, sympathizer)	31	18
Satisfaction with democracy (very, somewhat)	22	18
Interest in politics (much, some)	13	14
Confidence in political parties (much, some)	7	11
Confidence in Congress / Parliament (much, some)	9	10

In summary: excluded sectors

The attitudes (and, in part, also behaviors) of these three sectors (youth, women, indigenous people) toward democracy and toward parties are very different. Young people, at least at the aggregate level, do not appear to be significantly excluded. Their attitudes in these areas are very close to those of the population as a whole and fluctuate around them; in several cases they show greater levels of interest and participation, not less, as would be expected if they were excluded.

As perhaps could be expected, gender and ethnic background involve differences of another sort. In all the aspects considered, women are more distant from politics and parties than men. In most of these areas, the differences between men and women are small, but they exist in all dimensions and in the same direction (“away from” politics). Women are even more disenchanted than men with politics, democracy and parties.

In the case of indigenous people, the differences are great, rather than slight, and vary considerably depending on the issue. The most notable characteristic is the high non-response rate. This may be partly due to practical problems in the field surveys, because of the specific nature of the situation in Guatemala (the only one that could be examined based on the information available). But it probably reflects more general circumstances of the situation of indigenous people in the region. In any case, indigenous people seem to be more skeptical than other Guatemalans about democracy and parties.

It seems clear that it will be impossible to consolidate and deepen the region's democracies unless much greater progress is made in the inclusion of traditionally excluded groups, most of which are mainly “formal” citizens, entitled to rights that they often do not exercise. This argument is normative, but it is not the only one in favor of an ongoing effort to include these citizens. It is evident that potential economic growth is seriously limited when significant sectors of the population can only dedicate themselves to work that has relatively low productivity, as is currently

true of the vast majority of excluded sectors. In more general terms, looking to the future, in Latin America (and in the region in particular) sustainable “globalization” can only occur in the context of societies without exclusion, which are much more open and “informationalized” than they currently are.⁴

5.5 Conclusions

Central America has been building democracy for more than two decades. During the past decade, people's attitudes toward democracy in general have deteriorated moderately, but overall the majority continues to believe that democracy is the ideal and the goal. Central Americans, like all Latin Americans, are substantially less satisfied with the way their democracies actually function.

This dissatisfaction is related to their dissatisfaction with the economic situation, although it is not an automatic reflection of it. Dissatisfaction with the economy is much stronger; dissatisfaction with politics, and especially with democracy, is substantially less radical. This partly reflects Central Americans' priorities: economic problems are more pressing and important than the question of the nature of political regimes. In the medium and long term, however, the consolidation of democratic legitimacy requires results, both in people's living conditions and in the way political institutions function.

With regard to parties, in particular, it can be concluded that in recent years, Central Americans increasingly view them as “part of the problem” rather than “part of the solution.” Overall, the indicators examined show that:

- Voters have a very low opinion of parties. In only *one* of the indicators studied (credibility) do positive indicators now exceed (in some cases) negative ones, but “positive” here means only that what is bad (credibility) *could* improve (“everyone has a chance to regain it”: at least there is hope). This hope is expressed by the majority in only three countries in the region. In all other indicators, the situation is negative, and it is particularly critical in the most important of them: confidence in parties. Not only is this the most negative; it is the most *uniformly* negative;
- In all cases where comparable information is available, the image of parties today is substantially more negative than it was a few years ago, and this is true in all the countries in the region. Twenty-two percent of Central Americans expressed “much” or “some” confidence in parties in 1996-2001, a proportion that dropped to 16 percent in 2002 and 10 percent in 2003;

⁴ This is one of the arguments made by Fernando Calderón and Manuel Castells in their comments on an extensive discussion of these issues (in F. Calderón, coord., 2003, pp.313 and subsequent, and in the essay by Castells, loc.cit, “Panorama de la era de la información en América Latina: ¿Es sostenible la globalización?”).

- Affinity for or sympathy with parties has also fallen: 14 percent of Central Americans felt “close” or “very close” to some party in 1996-97; in 2003, that figure fell to 9 percent;
- The indicators examined reflect different attitudes, which do not vary in the same way among the different countries. The countries *do not* line up the *same* way (from “most critical” to “least critical”) according to people's attitudes toward parties; and
- In particular: taking into consideration only the most important of the indicators (confidence in parties), neither wealth, nor quality of life, nor quality of the democracies alone can explain the lack of confidence in parties. Dominicans, Nicaraguans and Costa Ricans are those who have the least confidence in parties, but in all of the aspects that have been mentioned, the three countries are very different (especially Costa Rica in relation to the other two).

CHAPTER 6

Bringing all voices together: Assessment and pending reforms

6.1 The Central American paradox

As summarized in the preceding chapter, an absolute majority of Central Americans¹ tells pollsters that democracy is preferable to “any other form of government.” By an even wider margin, they state that “democracy may have problems but it is still the best system of government.” An even more positive opinion of democracy states that “democracy is the only system by which the country can develop.” In principle, therefore, democracy is the ideal and the goal for most Central Americans.

It has also been observed that, according to most (or all) observers and analysts, there is “more democracy” today than there was fifteen or twenty years ago. As a result, the region could be approaching what people envision. Nevertheless, as also summarized in the preceding chapter, people today are significantly less satisfied with democracy, its institutions and political parties. Central Americans feel that the region is moving away from its goals. In short: there is more democracy and less satisfaction with democracy, institutions in general and *political parties* in particular. For the purposes of this report, this could be called the *Central American paradox*.² It is also, naturally, a warning sign.

¹ In this report, “the region” studied includes seven countries: the Dominican Republic and the entire Central American isthmus except Belize (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama). To avoid tedious repetition, this report refers to these seven countries collectively as “the region” or the “Central American” countries (or populations). This is a useful convention for explanatory purposes, but does not coincide with the customary use of these terms: no one includes the Dominican Republic in Central America, and Panama does not form part of Central America (although the isthmus, in the *geographical* sense of the term, does include Panama).

² The objection could be raised that these considerations ignore the precise nature of the democracy that Central Americans envision. It is perfectly possible, for example, that for most Central Americans, democracy is closer to

The region's political elites are also dissatisfied with political parties. The available information does not allow for a systematic evaluation of how the leaders' opinions have evolved,³ but the consultations done for this study show that they are not satisfied with parties: they are dissatisfied with their performance and with some of their characteristics (Chapter 4). Finally, the parties as such, institutionally, are substantially less critical of themselves (at least publicly) than their constituents, their own leaders and most external analysts and observers. They do offer some self-criticism, however, and several problem areas emerge from the information they provide (Chapter 3). Therefore, all of the directly interested voices (the voices of the population, the leaders and the parties themselves) come together in a critical judgment of political parties, although with different intensities and emphases.

Public opinion in the region's countries is shaped by those countries' respective experiences. Nevertheless, the paradox and the negative opinions about parties in particular are found throughout the region, which is very heterogeneous. It is likely, then, that the specifically national factors act to accentuate or buffer a negative image that results from common causes that exist in *all* of the countries in the region. To understand the paradox, these common factors must be identified. It is known that wealth, quality of life and the quality of the respective democracies are unlikely to be decisive factors, because, for example, lack of confidence in parties is greater in Nicaragua and Costa Rica (Table 5.2), and these two countries differ greatly from one another in all of these aspects. The Central American paradox must have other roots.

First, as was seen in the preceding chapter, most Central Americans today give greater *priority* to the economy than to the political regime. Half of the population (50 percent) "would accept an undemocratic government coming to power if it could solve the economic problems;" only one-third disagrees with this idea. An even wider majority (two-thirds: 66 percent) believes that "more than parties and Congress, what we need is a decisive leader who goes to work to solve the problems." The option for democracy is valid only "if other conditions are equal." Under the current circumstances, most Central Americans, in principal, *could* support an undemocratic government headed by a decisive leader "who solves economic problems, "who "solves them effectively," or who has the necessary attributes and resources to make a large sector of the population believe that this will be done.

what O'Donnell has called "delegative democracy" (O'Donnell 1997, Chapter 10) than to the ideas of constitutionalists and philosophers (the "experts"). Such delegative democracy is clearly insufficient in the eyes of the "experts," and for solid reasons; therefore it would not be correct to simply say that democracy (or "representative democracy") is the ideal and goal of most Central Americans today. Because the thinking of "analysts and observers" who agree that there is more democracy now than there was twenty or thirty years ago is closer to that of the "experts" than that of the average citizen of the region, there may not be a paradox, since the two groups (the analysts who see more democracy and the Central Americans who are less satisfied with it) are talking about different things.

Nevertheless, the image that "experts" and analysts have of democracy imposes *much* stricter requirements than those of delegative democracy or its possible variants (for example, for the Central American people, "democracy" may refer to civilian governments, elections, competition among parties and just a few very basic rights). In this case, analysts and the public may be talking about different things, but if the more demanding version (that of the "experts") improves, it is impossible for the more lax one to deteriorate.

³ The little that is known suggests that political elites may also be becoming more critical of parties.

Second, people's *expectations* (economic and social) have increased substantially more than the capacity to meet them. The new democracies open up much more space for dissidence, criticism and the expression of demands by different sectors. Competition leads to more or less unrealistic promises. The expansion of the media and advertising and the globalization of their content show worlds and situations that are, in principle, accessible and much more attractive than everyday reality. Radio's reach is nearly universal, even in the rural areas of the region's poorest countries. Emigrants to the United States, who stay in touch with (and sent remittances to) their families, multiply the effects of the media's expansion and, above all, personify the viability of the dream of access to a better world. All of this has been reinforced by the region's relative economic sluggishness or stagnation in recent years. For Latin America as a whole, ECLAC speaks (in early 2004) of an additional lost "half decade" of development. These circumstances probably accentuate people's economic concerns. The economic situation is the priority, expectations increase and political institutions (and *parties* in particular) are unable to satisfy them. Central Americans no longer even seem to believe that the institutions are really trying (and for that reason they do not inspire confidence).

Third, despite all the institutional reforms and progress, democracy is still a work "in progress." It does not seem reasonable to speak of *consolidated* democracies in the region, except in the case of Costa Rica. In *all* the countries, many problems remain. The sum of these factors leads to disenchantment with democracy, a disenchantment that is visible in opinion polls. It also helps reinforce Central Americans' current priorities: the economy first. This dissatisfaction with democracy naturally affects its main institutions and political parties. Because they are now in charge of governing (and have been since the arrival of democracy), the parties have become "part of the problem," rather than part of the solution.

The conclusion is simple and harsh. Although there is more democracy now than there was before, it does not address the Central American people's priorities. It addresses them less than before, if only because expectations are greater. And the accumulation of these unmet expectations could erode support, not just for real institutions, but for the very *idea* of democracy (Figure 5.4). These considerations are consistent with what conceptual analysis and comparative evidence suggest. With regard to the former, as Felipe González pointed out in Davos in early 2003, "the problem of legitimacy is always a dual one: legitimacy of origin and of practice, and [in Latin America] that of origin, won at the ballot box, has not been accompanied by the implementation of the promised programs ... [and therefore] it is natural that the erosion of confidence in democracy has extended throughout the continent, with very few exceptions."⁴

With regard to the comparative evidence: during the decade from 1992-2001, according to data from ECLAC, the lowest per-capita GDP growth rates in the seventeen countries of continental Latin America plus the Dominican Republic were those of Ecuador, Venezuela and Paraguay, in descending order. At the beginning of the next decade, extremely acute political crises occurred in those three countries

⁴ Felipe González is speaking here of *all* of Latin America, including the Central American region. It is possible that the Central American paradox may simply be the regional version of a larger, Latin American paradox. Verifying this conjecture would require a study that would far exceed the possibilities of this report.

that were among the most serious in the region.⁵ It is not reasonable to think that this was a simple coincidence: rather, it seems that the absence of the legitimacy “of practice” (or negative legitimacy), which had built up steadily over a decade, was one of the principal factors that finally led to a crisis of the respective democracies.⁶

6.2 Implications of the paradox and the parties' problems

From the preceding discussion, it could be concluded that the goals and models (social, economic and political) of the Central American people, and ultimately of their elites, are much more ambitious than what reality can offer. If the entire region “still has a long way to go” to approach these goals, progress must be made (in addressing the people's priorities) if only so as not to lose the legitimacy “of results.” The only thing that could calm or attenuate the dissatisfaction and frustration is *sustained* change in the desired direction: cumulative changes, year after year, over a period of time sufficient for the progress to be clearly visible and for fears and insecurities to diminish. These collective images, like personal reputations, take many years to grow (although they can be destroyed quickly).

Added to the consequences of the paradox are the parties' problems. Criticism of the parties' internal problems (patronage, leadership turnover, corruption) is essentially political (or ethical-political), and *a priori*, at least in the short term, should be relatively independent of an evaluation of the parties' performance (including the economic and social results of their policies). In the opinion of the elites, this is true (Table 4.6). Of the three aspects, the one most often mentioned as a problem by the interviewees was political corruption; it is also the one that has the greatest influence on the index of internal problems of parties presented in Chapter 4. The principal results described there are consistent with information from other sources (for example, Kaufmann et al., 1999, 2003).

6.3 The assessment

Approximately two decades after the democracy-building process got under way in the region, initial progress stalled. From the perspective of the Central American people, the main fault lies not in the nature and characteristics of political institutions, including parties, but in their inability to address the people's priorities (economic problems). For Central Americans, the *economic* and social policies of the democracy builders are failing. Although democracy's attractiveness has decreased, it is still seen as a goal, as the best of the possible governing regimes. But most people tend to see it as a luxury that can perhaps be postponed until better times arrive. If an undemocratic alternative offered “reasonable assurance” that it would solve the priority problems, democracy and parties could somehow be left

⁵ Of these three crises, in early 2004 the one in Paraguay appeared to be on its way to stabilizing, although still precariously; the Ecuadorian crisis continued, and the outcome was uncertain, and the one in Venezuela seemed to be worsening.

⁶ “One of the principal factors;” these are not absolute determinations.

“on stand-by” or “in suspense.” Historical experience shows that these “suspensions” (of democracy, of parties) tend to be presented as a requirement, as a necessary condition for addressing the “real problems.” This mindset favors the emergence of extra-partisan leaders or of undemocratic leaders who arise within parties.

It does *not* follow from this that democracy is in serious danger in the short run.⁷ The answers that dissatisfied or even angry citizens give to opinion pollsters do not, in themselves, foreshadow the future of the political regimes in which they live. First, however, they can demonstrate (as seems to be the case) that there is the potential in the region for political instability and a risk for democracy that is not insignificant, and which is growing. Second, they indicate that at least in the short term, responsibility for the consolidation of democracy falls increasingly on political leaders.

Like other citizens, the elites are clearly dissatisfied with political parties (with their *performance*: their management, their policies and the results of these policies). Unlike voters, however, practically none of the leaders consulted seems to believe that democracy or parties are luxuries that can be put off until better times.⁸ For the prospects of democracy, that is undoubtedly a very positive outcome of the study. It alone, however, does not ensure a favorable future course of events for democracy, because relatively small minorities of the elites, under the right circumstances, can act decisively *against* the will of the majority. And one of the potentially most important “right circumstances” is the climate of public opinion that today, as has been indicated, represents a “potential for political instability and a risk for democracy” that cannot be taken lightly. That is why the consolidation and institutionalization of parties is so necessary (because it decreases the likelihood of anti-democratic leaders emerging within parties), and why the possible emergence of strong extra-partisan leaders is so problematic (as Latin American history has shown).

6.4 Toward the future

The Central American countries have carried out many reforms in the past two decades of democracy building.⁹ To more firmly establish and consolidate democracy, and to improve the functioning of its political systems, all of them have designed and implemented specific policies aimed at:

- Increasing the transparency of party financing;

⁷ Ultimately, the Ecuadorian, Paraguayan and Venezuelan crises mentioned above have been extremely serious and prolonged, but have not yet ended, and one or all of them could still end with the respective democracy recovering its balance.

⁸ As these ideas are now quite politically “incorrect,” it is possible that some of the interviewees have not been completely frank on these subjects. In the judgment of those who conducted the consultations and those who read them carefully, however, the great majority appears to be sincere, and that more general mindset is reflected in the text.

⁹ The principal sources of information used here are DD and the special State of the Region reports by the UNDP (1999, 2003).

- Stimulating participation in elections;
- Increasing voters' freedom of choice;
- Strengthening the institutions responsible for oversight;
- Fostering opportunities for dialogue; and
- Making the armed forces more democratic and ensuring their submission to civilian authority.

Since beginning their democratic transitions, all of the countries have reformed their constitutions, refined some of their rules for electing legislators or presidents since 1988, created oversight institutions such as Ombudsmen's Offices between 1985 and 2001, and except for Costa Rica, which had them much earlier, introduced mechanisms for financing political parties with public funds between 1974 and 1997. Between 1988 and 1999, all of the countries reduced their arsenals and their military budgets, and during that period the number of military personnel was reduced by approximately 125,000. Panama went even further, becoming the second Central American country to abolish its armed forces. In short, the region experienced a vigorous process of institutional reform,¹⁰ and largely because of that reform process there is substantially more democracy now than there was two decades ago. This is a consensual view held by both internal and external observers. These reforms, however, did not keep the region from arriving at the situation that was summarized schematically in the assessment in the preceding section. It is therefore reasonable to ask: still more reforms?

It is possible that some or many of the reforms of the past two decades (certainly not all: it would be senseless to think that they were all on target and did not contain a normal number of errors) have been more useful than they might appear at first glance. Experienced politicians sometimes say that what is avoided (the things that do not happen) may be as important as or more important than what actually occurs. It could be argued that without the impetus of the reforms carried out in recent years, the situation would have been more difficult (or much more difficult) than the current state of affairs. People's disenchantment with democracy and parties could have increased more rapidly; and in some Central American countries the situation might have led to a crisis of the sort that occurred in Ecuador, Paraguay or Venezuela. These reflections are highly relevant, but impossible to prove. The case for reform should (and can) be based on other arguments.

First, the argument that democracy should be put off until a better time, to facilitate the arrival of that better time, is popular among many people who aspire to save the nation, but is fallacious. Democracy is not a panacea (it does *not* guarantee more development); nevertheless, based on simple but strong definitions, such as those used in this report, the evidence accumulated during the second half of the last century shows a clear case (economic and social) in *favor* of democracy, even in poor countries. Democracies and countries that are not democracies show similar levels of growth, but in democracies per-capita GDP grows more, there is

¹⁰ Basic references about the institutional framework of parties and the situation addressed in this report can be found in Bendel (1999), Inter-American Institute of Human Rights (2000), Jost (1997), and Nohlen, Picado and Zovatto (2000).

better income distribution, and there is also a better quality of life for citizens (especially women).¹¹

Second, neither democracy nor good governance is a luxury reserved only for the rich. A growing body of research shows empirically that the *quality* of institutions is somehow “measurable,” and that this quality is very important for development. There is debate over many details of the argument and over its instruments, but overall, the strongest critics of this literature do not claim that its conclusions are completely false or irrelevant; rather, they state that *other* factors (such as geography and climate, for example) are more important.¹² Econometric analyses of a vast database (cited above) created for the World Bank have tried to measure the magnitude of the impacts of various aspects of “good governance” on the economic and social spheres, with some noteworthy results. For example: an improvement in control of corruption, from relatively poor performance to barely “average,” could lead in the long run to an approximately fourfold increase in per-capita income and reduce infant mortality by a similar rate, as well as resulting in significant gains in literacy (Kaufmann 2003).¹³ This example is relevant because, according to many of the leaders consulted for this study, corruption may be one of the most significant flaws of Central American parties.

Finally, the nature of institutions, political parties or people cannot be changed by decree. What can be changed is the framework in which they act. This framework must include a series of appropriate stimuli, and the framework's effectiveness must be real and visible (including strong sanctions for deviant behavior). These changes are never simple, because they usually have a cost for those who implement them. Sometimes, however, these costs may be lower than those of the alternatives, and this may be the case for the region's parties. Even if that is true, in a democracy only the parties themselves can implement changes of this nature, and the first step is a discussion and clarification of the problems. The objective of this report is to contribute to such a debate.

¹¹ These are the principal conclusions of a study of 135 countries between 1950 and 1990. GDP growth was approximately equal in the two types of regime (democratic and non-democratic), but because population growth in democracies was lower, per-capita GDP growth was higher (Przeworski et al., 2000).

¹² Some basic references for non-specialists interested in the political situation in Central America are Acemoglu, Johnson and Robinson (2001), and Rodrik, Subramanian and Trebbi (2002), both of which favor the argument of the importance of institutions, and Sachs (2000) for a diverging opinion.

¹³ It may be prudent, or even advisable, to view the results of these econometric arguments with some skepticism. But there is growing evidence that consistently points in this direction, supported by arguments that merit consideration; arguments to the contrary are aimed more at relativizing their consequences than at refuting them.

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II

The Paths to Political Democracy in Central America

Edelberto Torres-Rivas

1. The democratic transition as institutional implantation

This essay on democracies in Central America¹ will examine the immediate causes of their emergence in the last quarter of the 20th century and how they functioned during the final years of the century. It is simplistic to view the process of change in this region as just part of the “wave” of modernization that began to spread over the undeveloped West in 1974² as a cultural and political force of external origin. The “wave” was bolstered by unequal social forces at the local level. As will be explained below, in these societies the internal influence of international factors cannot be ignored, nor can the decisive role played by national actors and structures be taken lightly.

This explanation is based on two Central American experiences that reflect assumptions that are demonstrated throughout the essay. One is the recognition that democracy, which is essentially electoral, is preceded by situations that are extremely ambiguous. This occurs in a political regime that, as it changes, is no longer a military dictatorship but is not yet a democracy. Or as Morlino argues, it is no longer an authoritarian system, but has not yet fully entered into a *democratic genus*.³ Throwing off dictatorship is not the same as entering into democracy. The transition is a gradual regime change that occurs because of the convergence of various factors, but whose common traits are the erosion of autocratic power, a crisis

¹ In this essay, references to Central America include Panama. In conventional language, the Central American “region” refers to the five countries that signed the Common Market treaty in 1960 and formed the Federal Republic in the years following independence. Because of the nature of this study, references to Costa Rica will be less frequent.

² The date and the processes inherent to a third wave of democratization appear in S. Huntington’s book, *The Third Wave: Democratization in the Late Twentieth Century*, University of Oklahoma Press, 1991.

³ L. Morlino, “Los Autoritarismos,” in G. Pasquino et al., *Manual de Ciencia Política*. Madrid: Alianza Editorial, 1993, p. 131, cited by S.R. Grajeda, *El Derecho a la Información: análisis del proceso de discusión y gestión en Guatemala*. Guatemala: Sedem/NORAD/Doses, 2003, p.17.

in top leadership and the mobilization of the grassroots, along with repression and lack of respect for human rights. This is a temporary historical moment that we call a “(pre) democratic situation.” This state of democracy, which is limited and confusing at first, is nonetheless the basis of or condition for another factor, the implantation of democracy.

The conversion of military dictatorships into political democracies came late to Central America, beginning in the 1980s, with variations from Guatemala to Panama and with the exception of Costa Rica. With the end of the Cold War came some experiences that were conducive to democratization, such as the end of internal armed conflicts, the decreased emphasis on political and ideological polarization, and the easing of the anarchy of illegitimacy. With the shadowy pretext of combating communism gone, military functions were redefined. And free, non-fraudulent elections took place in a climate of competition that already reflected a certain degree of pluralism, with civilian candidates, freedom of expression and some degree of tolerance. This series of novelties was unprecedented in the region’s history, and the events pointed towards an eventual unsettled modernity. They represented a break with the past and ushered in a new era in Central America. This was clearly the *establishment of something new, not the restoration of forgotten practices*.

Speaking of such an *establishment* on the one hand, and a *break with the past* on the other suggests that there is a moment of transition that consists more of the implantation of democratic institutions than the practice of citizenship. A deeper understanding of the process reveals that the transition includes elements of implantation. This does not imply a new model of change, but a variation on transition, a particular transit route in which the concept of *implantation* is useful because of the role played by the external dimension. The idea of implanting refers graphically to bringing something in, implementing institutions and processes that are new but can be adapted to a situation that does not reject them. The idea of implantation is based on the concept of the emergence and expansion of the modern state, the old historical phenomenon that the liberal state and political institutions first emerged in what O’Donnell calls the countries of Northwestern Europe,⁴ and from there were transferred, adapted and used in places where socio-economic and political-cultural development were different.

Two theoretical concepts complement this idea. One is the concept of process as the behavior of social actors in scenarios that they have only partly constructed. Socio-political processes are historical creations of those actors, which must not be viewed as inevitable results of structures of which the actors are merely the bearers. The second is the idea that the actors are social classes or forces with some degree of organization, recognizable interests and historical weight, capable of exerting influence that has visible results through social projects, important for the history of the society in which they act, but ultimately operating within boundaries that they cannot cross.

⁴ Guillermo O’Donnell, *Acerca del Estado en América Latina Contemporánea, Diez Tesis para Discusión*, text prepared for the Challenges of Democracy in Latin America Project, UNDP, 2003, p.25. The author develops these ideas in other documents.

The uniqueness of politics lies in the fact that it is a historical contingency, but is also associated with what could be called “the migration of politics,” a direct and not always desired result in which the unequal exchange between industrial countries and developing societies involves not only goods, but also ideas. Beliefs and values, models of political institutions traveled along with books and material goods. There has been an unequal migratory process whose virtue is that material and cultural goods traveled together, first by boat, then by plane and now by magnetic waves.

“*Democratic development*” is related to the fact that it is quicker and easier to reproduce than to achieve widespread practices of citizenship. Quality of government is more important, but achieving it is slower than copying its form. In the context of current international integration, there is a universal movement toward democracy as a political system, which places democracy ahead of local socio-economic conditions in a kind of historical leap. Modernization is first and foremost a political process that is initially formal. In Central America, the history of recent democracy harks back to the concept of the processes, opportunities or situations that facilitated the implantation of democracy. The ways in which institutions are implanted are forms of singular adaptation. For that reason, democracy and its implementation in Central America must be considered *particular historical experiences*.

But the foreign origin of the catalyst for modernization finds an echo in internal factors. The democratic processes in our countries are also the result of demands and struggles by local social forces interested in political change; these efforts were frustrated for long periods of time, especially when possibilities existed, as in the climate following the second post-war period. Beginning in those years, it is possible to trace the possibilities for democracy in the region, as shown by the civic movements that ended the era of military *caudillos* between 1944/47.⁵

Based on the preceding assumptions, the democratic regimes implanted in Central America are more the result of socio-political processes that included constant grassroots struggle against military dictatorships than the product of socio-economic structures that would support the modernization of political life. The (in)determinations of the preceding paragraph are largely explained because external actors play a powerful role in the implantation of democracy. It must be remembered that the theory of modernization, which has been discredited by history, postulated an association between socio-economic progress in society and democratic political changes. In other words, capitalist modernization and democracy go hand in hand in the sense that they are seen as having a certain relationship out of necessity.⁶ There are many experiences that contradict that

⁵ This refers to the fall of the dictatorships of Generals Hernández, Ubico and Carías in El Salvador, Guatemala and Honduras, respectively.

⁶ The original postulation of this explanation was made by S.M. Lipset in his classic, *Political Man*, Doubleday, Garden City, NY, 1960. Experiences of democracy in Latin America have introduced elements of debate in which political results behave autonomously in relation to economic determinations. This would seem to refute the Marxist position, but the “theory of modernization” repeats the idea that democracy requires various economic conditions. It is a debatable matter that, in extreme situations, could confirm what Lipset and his followers propose.

necessity, positing instead a certain independence of the political sphere — in other words, of the group of actors whose interests or efforts at mobilization are independent of or fall outside of recognizably structural conditions. The following explanation holds that democracy is trying to become consolidated in societies that have the most extensive levels of poverty ever witnessed, and at a moment when the change of economic models reinforces critical aspects of economic modernization. Contrary to the so-called classics, it should be noted that political democracy can be “built” under adverse conditions, although it is still true that democratic actors are stronger and institutions are more stable in a more developed economy.

Social struggles and the call for political democracy occurred in societies that were oligarchic in nature, in which power was based more on land ownership than on the use of capital, and which depended more on relationships of forced labor than on free wages, more on the use of force than on ideological methods such as education. The power of Central America’s oligarchies was neither inclusive nor democratic, because force through military mediation was sufficient to ensure social control and political order. This went on a long time, until the second post-war period, when social and political discontent began to manifest itself in new ways, with new actors and methods, marked by an anti-communist emphasis, with renewed instruments of repression.

The authoritarian culture’s intolerance, reflected in the rejection of any form of opposition, became a powerful force. When primary democratic demands (freedom of expression and organization, elections, political parties) were expressed, they were viewed as criticism of the oligarchic-military order. They were formulated by middle-class intellectuals, labor activists and service workers. The democratic actors became subversive forces in schools and universities, in factories and poor neighborhoods, and in the streets. But not in the countryside. Peasant farmers were the implicit allies of a social order that had always excluded and exploited them. In the 1960s, everything began to change with the effects of the social breakdown of subsistence economies triggered by the modernization of the agricultural economy. The diversification of raw export goods (cotton, sugar, meat) and the introduction of manufacturing had contradictory effects on the modernization of these societies. Except in Costa Rica and Panama, they were incomplete modernizing reforms that did not touch the oligarchic underpinnings that continued to maintain the state and the relationships between those in power and the rest of society.

2. Do all roads lead to democracy?

In the 1970s, the political order was in crisis in the region, and as always, more seriously in some countries than in others. The state protected the social order by using brutal violence against the opposition; this, along with other socio-economic factors — the poverty of peasant farmers, the increase in inequality and exclusion — fed a spiraling political crisis. State repression encouraged disorder by increasing, rather than impeding, the mobilization/participation of grassroots groups that responded enthusiastically to the “appeal” of revolution. The influence of the

Cuban revolution was a strong example of the victory of a middle- and lower-class insurgency; and discontent exploded in successive revolutions in Guatemala, Nicaragua and El Salvador. Why not in Panama, Costa Rica or Honduras?

It is not possible to do a regional analysis here of the similarities in the recent histories of the six societies. It is true that there are homogeneous traits throughout the region that make generalizations possible. But the overall result is enhanced by local singularities. Central America is homogeneous in its common condition of underdevelopment, but diverse in its shared geopolitical destiny. There are also peculiarities in the forms of transition to political democracy in the various countries.⁷ That is what concerns us here.

There are different national experiences of the implantation of electoral democracy in Central America. The change of democratic institutions and formalities, which is regime change, began in the first half of the 1980s, which was also the worst moment of the “external debt” crisis. The circumstances are somewhat paradoxical, because the serious political crisis of the 1970s occurred amid a long period of economic growth that was especially significant in the first half of that decade, with 5.1 percent GDP growth.⁸ No easy conclusion can be drawn from these contradictory circumstances, because the political crisis is not a consequence of the economic one, nor does stagnation create opportunities for democracy.

Let us first examine the extreme cases, in which the change of political regime occurred in an authoritarian environment, with military dictatorships that entered into crisis as they did in El Salvador, Guatemala, Honduras and Nicaragua. These transitions do not resemble the South American model that put an end to authoritarian-bureaucratic regimes, which O’Donnell and associates have analyzed so shrewdly. At first, it was a transition in which the leaders and their plans were not clearly democratic. The conversion of the military regime occurred with variations that led to proto-democratic situations. They were no longer dictatorships, but in their gradual metamorphosis or in the complex process of implantation, they resembled what are called, somewhat inaccurately, “illiberal democracies,”⁹ and what in this essay we will consider to be societies temporarily experiencing a provisional state of democracy.¹⁰ It is in this scenario that a democratic implantation occurred, whose success depended on the establishment of a more defined democratic regime, an electoral democracy. These were two moments in the same process, but with a gradual replacement of the actors involved.

⁷ Because of the heterogeneity of the situations, Costa Rica must again be excluded from this part of the explanation. We will return to it, as the oldest democracy in Latin America, in the last part of this essay.

⁸ After 1958, the region’s GDP grew by an overall average of 5.0 percent, growth that lasted until 1977/78. Between 1970 and 1975, it grew by 5.1 percent. The rate then began to drop, falling to -0.1 percent in 1985 and 1.5 percent in 1989. *Centroamérica en Cifras*, IICA-FLACSO, San José, 1991, Table 1.1.2, p.25.

⁹ F. Zakaria, *The Rise of Illiberal Democracy*, *Foreign Affairs*, 76 (Nov.-Dec. 1997), p. 22, also cited by Edmundo Jarquín in his essay, “Democracia y Desarrollo,” published in “Nuevas cuestiones sociopolíticas en el escenario interamericano,” Ed. TRILCE, Celia Barbato, coordinator, Uruguay, 2002.

¹⁰ In another essay, to be published, we call this *pre-democratic situation* the “first stage of transition,” as distinguished from the second stage, which is electoral democracy.

a) Conflicts and war: pre- or proto-democratic situations

Based on the experiences of Guatemala and El Salvador, it can be argued that the establishment of *pre- or proto-democratic situations*¹¹ explained by the fact that the authoritarian military regimes themselves called reasonably democratic elections amid fratricidal war, without having completed the process of political democratization, without having dismantled the institutions of the old regime, with an active military predominance, with continued human rights violations, and still without the full participation of the majority of citizens. In short, the state had not changed. The recomposition of the state as authority and organizer/manager of social life, as the organic representative of the nation and society, legal guarantor of order and legitimate user of force, had not occurred.

The *pre- or proto-democratic situation*, which was temporary and too weak to survive on its own, could and did evolve as a result of complex and closely connected phenomena: the end of the armed conflict, which assumed a change in the guerrillas' demands, changes in the military elite and in alliances with the business bourgeoisie, new relationships between states, and the urgent need to rebuild the economy. Two phenomena explain the transformation of the ambiguous move toward democracy: the implantation of a political-electoral structure and the holding of successive elections and support from the international community, in which U.S. backing for the new actors was decisive. Variations among the countries depend not only on their previous histories, the weight of their legacies as reflected in the nature of their actors and their interests, but also on the international situation. Here we introduce a possible explanation, which goes beyond hypothesis and is actually an inductive generalization: in Nicaragua, El Salvador and Guatemala, *the nature and the particular details of the civil war (or armed conflict) and the ways in which these conflicts were ended explain the particular characteristics of the democratization process occurring in each country.*

i) Nicaragua

The most complex case is that of Nicaragua. A long series of peaceful struggles against the dynastic Somoza regime, dating back to 1943, gave rise to a political-military organization, the Frente Sandinista de Liberación Nacional. The FSLN's military action was also prolonged, only gaining strength in late 1977 as successful actions spread throughout the country.¹² For the purposes of this essay, it is important to note the breadth of the social forces that joined the fight against the dictatorship: middle classes, middle bourgeoisie, laborers and others involved in various types of work, as well as other grassroots sectors, and partial support from peasant farmers. The "Carter effect" was also important as an expression of support that was also critical of the Somoza bourgeoisie and the regime.

¹¹ Discussion of (pre)democratic situations in this essay always takes into consideration their inherently temporary nature.

¹² In July 1977, General Somoza suffered a heart attack, which created political problems related to eventual succession. It is not possible to go into detail here about the fragility of the alliances surrounding Somoza.

The multi-class coalition headed by the guerrilla forces, especially by the Third Way faction of the FSLN, politically isolated the regime, which also had to contend with a combination of various forms of violent action. The murder of Pedro Joaquín Chamorro changed the opposition's class balance of classes. Urban insurrection and the expansion of battle lines throughout the country, which put the National Guard on the defensive, were particularly decisive. Amid this crisis of a highly questioned political order, the state's weakness was especially evident; this explains how the withdrawal of U.S. support (July 16, 1979) triggered the flight of Somoza and a group of top officials and the subsequent collapse of the regime. The Sandinistas entered Managua on July 19 of that year.

For the purposes of this essay, it is relevant to ask: What was the Sandinista revolution's contribution to democracy? In its programs, the FSLN always favored participatory democracy, which led it to organize *in extenso* almost all of the country's social interest groups. It created an extensive grassroots civil society that was strongly influenced by the state, which is a conceptual contradiction. It initially formed a corporative State Council, which did not work. In 1984, forced by the mercenary war that the United States had begun fomenting in 1982, which weakened the regime's legal and political foundations, it entered half-heartedly into an experience of representative democracy. Parliamentary and general elections were held in October 1984, in the worst moment of the interventionist war. The elections, with extensive international oversight, were considered free, competitive and fair. Dr. Arturo Cruz, who was the candidate of an important opposition sector, withdrew at the last minute.¹³

These were the first democratic elections in the history of Nicaragua, and they took place in a scenario that was not fully democratic. The unprecedented grassroots organization and participation achieved by the Sandinistas and the 1984 elections created a typical *pre- or proto-democratic situation*. Participation broadened and the peace negotiations led (see below) to the 1990 elections, in which the FSLN, in conceding defeat, recognized the uncertain nature of results in a democracy, thereby making an important contribution to democratic culture. With these elections, the country entered the phase of electoral democracy on the road to institutionalization.

ii) *El Salvador*

As in the preceding case, the political crisis in El Salvador had also been brewing for quite some time, although the guerrilla organizations did not form until the 1970s and even then they contradicted conventional wisdom, as the country was small and had no mountains.¹⁴ They emerged as the result of long years of bloody social and political struggles for democracy and participation, all of which were initially peaceful protests that had been frustrated and repressed. The

¹³ Today, twenty years later, it is known from his own statements that he withdrew under strong pressure from the United States. Source: personal information.

¹⁴ For a long time, the blueprint of the Cuban "model" held that the strategy of insurrection could only be successful in countries with extensive rugged terrain and protective mountains. The Salvadoran example merits greater study, because it involved a decade-long civil war carried out in an area of 25,000 square kilometers.

scandalous electoral fraud of 1977¹⁵ convinced many people that there were no legal means of opposing the dictatorship; an intense, violent urban mobilization gained strength, culminating with the assassination of Archbishop Romero in 1979. The climate of insurrection made it clear that the system had lost the support of significant sectors of society. The coup by the colonels in 1979 and the formation of a civilian-military junta heralded the end of military dominance and the beginning of a crisis within the business/military elite. In a display of maturity, the scattered military groups formed the Frente Farabundo Martí para la Liberación Nacional (FMLN) in July 1980; on January 20, 1981, they hurriedly launched what they called their final offensive. This was the beginning of a true civil war, with all its tragic elements, which lasted for more than a decade. There was fighting in almost all parts of this tiny country, with significant support from peasant farmers and the backing of the urban masses.

The brutal confrontation was never one of “the nation against the state,” as the battle against the dynasty in Nicaragua was described. Nor was it always a guerrilla war, as it took on the adult trappings of a war of positions and sometimes left the impression of being a class struggle because of the interests at stake. The national army could resist the FMLN’s initiatives because of a complete technical overhaul made possible by U.S. aid, as well as financial support for the regime, which made it the most expensive democracy in Latin America. After the guerrillas took the city of San Salvador in November 1989, it was clear that victory there would be neither quick nor easy for either side. The murders of the Jesuits at the Catholic University isolated the military and made U.S. support difficult. Peace talks had already started and would end in January 1992.

In the political sphere, there was a repetition of the paradox of the liberalization of a regime in the midst of war. The Apaneca Pact (March 1982) signed by the political parties, which elected Alvaro Magaña president, in a way granted legitimacy to the counterinsurgency. From then on, the anti-authoritarian divide led to a *pre- or proto-democratic situation* with the election of the Constituent Assembly in 1982 and the subsequent election of the head of the Christian Democrats, Napoleón Duarte, in March 1984. These were also the country’s first democratic elections in the 20th century. Later, in 1989, Alfredo Cristiani of the right-wing ARENA party was elected. While the rationale of the war was one of brothers/enemies, political society was moving toward democracy based on the concept of brothers/contenders, forcing the institutional implantation that also denoted a *pre- or proto-democratic situation*. Neither Duarte nor Cristiani was a dictator, and their elections were not marked by fraud, but because of the war many authoritarian institutions and practices persisted, including the massacres of peasant farmers, students and priests.

¹⁵ On that occasion, a broad civic movement presented a candidate, General Claramount, who was vetoed by his fellow officers because he had not been hand-picked by the top military leaders. The elections were won by General Romero. Earlier, in 1972, Colonel Molino won the presidency through fraud.

iii) Guatemala

The experience in Guatemala was different, because the roots of social discontent fed on the defeat of Arbenz's national-popular plans (1954) and the difficulties and the fierce anti-communist repression used by successive military governments to legitimize their power (1954-1970).¹⁶ Instead of a civil war, this country had two guerrilla uprisings, a short-lived one (1965/68), spurred by the Debreyan version of foquism, and another, longer one driven by three guerrilla organizations,¹⁷ which suffered a strategic defeat at the hands of the army in 1982, although they maintained an endemic presence for 14 more years. After the defeat, in 1983, they joined together as the Unión Revolucionaria Nacional Guatemalteca (URNG). What the country experienced for 36 years was not an "internal armed conflict," but ongoing repression, a state with totalitarian characteristics that also systematically murdered the peaceful, democratic, civilian opposition.

The military's "victory," if it can be called that, was not over the guerrillas *per se*, but over the indigenous communities that sympathized with them. A "scorched earth" campaign was waged brutally in rural areas, with a genocidal total of more than 600 villages burned and more than 50,000 deaths.¹⁸ The army organized (1982) Civilian Self-Defense Patrols (*Patrullas de Autodefensa Civil*, PAC), forcing nearly a million peasant farmers to join the fight against the guerrillas, an effort that had two pernicious effects. It turned the PACs into systematic human rights violators, and it turned the conflict into a confrontation among indigenous people. Even without a civil war, Guatemala's death toll was four times that of Nicaragua and twice that of El Salvador. The murders of hundreds of political cadres and leaders of community and grassroots movements left the URNG without ties to the masses; it was isolated until the peace negotiations gave it a significant political role.

The isolation and international discrediting of the military leadership, the excesses and power struggles, and corruption within the regime led to a split within the army's leadership that was reflected in two successive coups: one against General Lucas García (March 1982), and another against his successor, General Ríos Montt (August 1983). Amid this situation of illegitimacy, repression and crisis, the new coup leader, General Mejía Vítores, called elections for a Constituent Assembly (1984) and presidential elections (1985). Here the crisis of authoritarian power also created possibilities for democracy. The new Constitution and the fraud-free election of Christian Democrat Vinicio Cerezo ratified the breakdown of the military dictatorship, creating in Guatemala another version of what we have been calling a *pre- or proto-democratic situation*. The implantation of institutions such as the Supreme Electoral Tribunal and the Court of Constitutionality marked a difference from the military dictatorship, although human rights violations continued at nearly the same level.

¹⁶ A premature guerrilla effort emerged here, launched by military officers around 1962. After several ideological shifts, the so-called Movimiento 13 de Noviembre became the FAR, the guerrilla organization of the second half of the 1960s. *Vid supra*.

¹⁷ The most important were the Ejército Guerrillero de los Pobres (EGP), la Organización del Pueblo en Armas (OPRA) and the Fuerzas Armadas Rebeldes (FAR); a sector of the Partido Guatemalteco del Trabajo also participated. It is not possible to provide an in-depth description of these organizations here.

¹⁸ Comisión de Esclarecimiento Histórico, *Memorias del Silencio*, Guatemala, 1999, Vol. V, p. 41.

b) Transitions induced from outside

It is clear that in the history of Central America, the role of external actors has always been decisive in multiple ways, to such an extent that some believed that the region was not merely dependent, but was in a colonial state. This is not just the result of what could be called geopolitical destiny, the fact that these *independent national states* lie within the first sphere of strategic U.S. interests,¹⁹ making them particularly vulnerable to that country's various influences. It is also a consequence of the adaptability of the dominant political-military groups, which are sensitive to that external subordination, and of the way in which these elites exercise their power as administrators of a dependency.

In local political culture, one clear source of legitimacy lies in the special treatment given by national states to foreign economic interests, as well as its diplomatic and political submissiveness to its giant neighbor, to which there is no alternative.²⁰ In other words, as the "concept of dependence" once stated, this is not a confrontational relationship between the local state and the foreign power, but a particular way of organizing local power to receive external influence. The theory of imperialism was something else.

The two cases analyzed here, Honduras and Panama, are not extreme paradigms of these dependent relationships, because *the entire region has experienced this*. They are considered separately because while there was no civil war in either country, they felt some of war's effects and revived, in their political life, imperialistic forms that had been considered a thing of the past. This parabolic condition contributed to the particular paths that led them to the *singular pre- or proto-democratic situations* that facilitated the institutional implantation that later led to the establishment of democratic regimes.

i) Honduras

This was a country of weak military and civilian authoritarianism backed by a two-party system that grew out of the wars between liberal and conservative factions in the late 19th century. Its political history has been marked by coups and disloyalty among rural *caudillos* who practiced armed patronage inside the country and passive submissiveness to the United States on the outside. The 1970s were different because of the patriotic sense of national unity brought about by the war with El Salvador (1969). The result of this civic upheaval was a pact between the Partido Liberal and the Partido Nacional, which set aside their individual rivalries, allowing the election of Ramón Cruz as president of Honduras in March 1971. Electoral democracy seemed to be a substitute for military power, which had become more consolidated with the creation of the Superior Council of the Armed Forces (*Consejo Superior de las Fuerzas Armadas*, CONSUFAR).

¹⁹ Various authors have studied the role of the United States in its immediate surroundings, Central America and the Caribbean. After the Clayton-Bulwer Treaty of 1851, the sovereignty of this region remained under U.S. "protection." One of the latest works on this subject is developed *in extenso* in John H. Coatsworth, *Central America and the United States, The Clients and the Colossus*.

²⁰ For example, for some years, U.S. anti-drug policies have placed new demands on partner states. Drug trafficking is of increasing importance, and with it comes a powerful call for multi-party collaboration that the Central American countries accept, even in clear violation of their sovereignty.

But popular fervor was no match for a political culture characterized by the politicians' and military officers' lust for power. The pact-based, proto-democratic state symbolized by Ramón Cruz ended with the coup of December 4, 1972, which brought the *caudillo* General Oswaldo López Arellano to power again.²¹ This step backward was also based on a "pact," because the populist general's usurpation was openly supported by business organizations and the trade union-peasant farmer movement.

The 1970s, which in the three neighboring countries were characterized by a social crisis that fed explosions of revolutionary violence, had a different outcome in Honduras. Here there were military-led agrarian reforms, which partly explains why there was no revolutionary crisis. There are several objective reasons that enabled the country to avoid that fate. First, there was no domination by a powerful landholding oligarchy of the sort that existed in El Salvador and Guatemala. That political space was occupied by powerful banana-growing interests. The absence of large landholdings was accompanied by the existence of an extensive group of small subsistence farmers who had precarious but undisputed ownership of their lands, who were isolated from one another, and whose only demand was legal recognition²² of their holdings. Social demands came from the agrarian proletariat on the banana plantations, who clamored for wages and other modern rights.²³ An archaic social polarization and the absence of an urban middle class are also factors that explain the weakness of the social protests²⁴ and their channeling/representation by traditional parties.

Another factor that explains Honduras' exceptional situation lies in the fact that the military dictatorships, even those of the 1970s, were only slightly repressive, far from the model of Guatemala's terrorist state. General López Arellano, who at the time was said to have "*velasquista*" tendencies,²⁵ made substantial reforms in the countryside to benefit poor peasant farmers. After he accepted a bribe from UFCO, CONSUFAR forced him out of office in 1975, and he was succeeded by Colonel Juan Alberto Melgar, who was accused of drug trafficking and replaced in 1978 by Colonel Policarpo Paz García. Intrigue and corruption marked the maneuvering within the military, in which the difficult political problem of succession was solved by CONSUFAR, which was the real seat of power during those years. As fate would have it, Colonel Paz García took on a new political role when an urgent call from Washington (March 1979) forced him to accept commitments related to the anti-Sandinista offensive.

²¹ This information is found in various texts. See L. Bethell (ed.), *Historia de América Latina*, Vol. 14, *La América Central desde 1930*. For Honduras, Chapter 4, prepared by V. Bulmer-Thomas.

²² In the 1950s, 31 percent of the land belonged to the state and 17 percent was in communal *ejidos*, cf. Mario Pozas, *El Movimiento Campesino en Honduras*, Guaymuras, Tegucigalpa, 1981, p.12.

²³ The most intense social explosion was the banana strike of May 1954, which mobilized 25,000 workers for months. Because of its social effects, it was a watershed for the country, marking the beginning of the chain of events that saw the legalization of the trade union movement, the liberalization of labor laws, the emergence of the peasant farmer movement, etc.

²⁴ In the late 1970s, there were three guerrilla efforts. This was pure "foquism," and therefore had little military strength or popular support. As will be seen, elections were the channel for popular participation.

²⁵ This is a reference to the Peruvian experience in those years, especially the period of General Velasco Alvarado, who implemented a strong anti-oligarchic policy, expropriating coastal estates and benefiting the people in the highlands with policies that were termed populist.

This was the end of the Carter administration and the beginning of the Nicaraguan revolution; the military was arranging to turn over the government to civilians in free elections in exchange for significant U.S. financial and technical aid for the military, especially for modernizing the air force. For the Honduran military, the humiliation of the war with El Salvador weighed more heavily than becoming involved in anti-Sandinista activity. The military ushered in the 1980s with free elections for a Constituent Assembly in April 1980, without giving up its role as the most important element of power. The legalization of power revived the two-party system, and for the fourth time in Central America there occurred a paradoxical *pre- or proto-democratic situation*, the forerunner of the democratic regime that would follow.

Two crucial contradictory movements occurred in Honduran society. One was the militarization of social life, which began in 1981 when the “contras”²⁶ set up their camps on the border and the country was filled with U.S. air and naval bases as part of a visible counterrevolutionary strategy. Nearly all of the conditions for an invasion were met with the establishment of the huge base at Palmerola, near the city of Comayagua, and others in Puerto Lempira, along the Coco River. In Puerto Castilla, a Regional Military Training Center was set up, and there were so many foreign soldiers and aircraft that people referred to the country as a “non-submersible aircraft carrier.”²⁷

The Honduran military ran the country and civilians managed the government, doing so with reasonable respect for democratic norms. The other movement consisted of electoral processes — after two decades of military governments — that occurred regularly and successively with the (Liberal) victories of Roberto Suazo Córdoba (November 1981) and José Azcona Hoyo (1985), and later Rafael Eduardo Callejas (1989, of the Partido Nacional). Toward the end of the decade, the U.S. military presence began to disappear, and with it the Honduran military lost its *de facto* support. In 1993, the Liberals returned to power with the victory of Carlos Roberto Reyna, with whom a new regime, an electoral democracy, would be consolidated.

ii) Panama

Let us finally examine the history of Panama, which is marked by its peculiar geographic condition as the transit route between two oceans. This situation conditioned the country’s economy, the nature of its political forces — values and behaviors — and the institutional structure of the state, all of which are tied to trade and services. The country’s condition as a transit route also defined the nature of the presence of the United States in Panama as the builder and owner of the canal

²⁶ A large contingent of former Somoza Guards took refuge in Honduras; they were known as *contrarrevolucionarios* (“contras”) and were organized as an intervention force by the United States on the border with Nicaragua.

²⁷ By 1985, the “contra” forces (later called the Resistencia Nacional) totaled more than 15,000 men. According to official Nicaraguan sources, between 1980 and 1985 the “contras” launched 309 attacks, bloody incursions that went deeper and deeper. Data cited by A. Rouquier, *Guerra y Paz en América Central*, FCE, Mexico, 1994, p.207, 215 and others.

and the surrounding area.²⁸ During most of the 20th century, the country's politics were dominated by the Partido Liberal and its infighting factions, a group that represented the interests of a small business elite and, later, a dominant service sector. The strong U.S. influence on national politics led to contradictory results: there were no military dictatorships similar to those in the rest of the region, but rather unstable civilian governments with authoritarian traits. There was a long period during which there were always elections, proving, as if that were necessary, that elections do not make a political regime democratic if people cannot participate freely.

Before 1970, the electoral game, with its tricks and traps, reflected an unstable conflict with overtones of personalism and *caudillismo* of an elite permeated by the interests of the United States, which intervened militarily in the elections of 1906, 1908, 1912 and 1918 and closely supervised the ones that followed, especially, and most importantly for this essay, those of 1984 and 1989, when its presence was direct, unmistakable and decisive. Between 1931 and 1968, the hegemony of the merchant aristocracy was challenged by emerging middle class groups, represented by the populist *caudillo* Arnulfo Arias (five times president) and his friends. After that, from 1968 to 1981, the military was finally the political player with the greatest protagonism. In each of these periods, there was a fluctuating relationship between institutions and authoritarian and democratic practices. In fact, there was never a military dictatorship. In any case, although this was not an upward path to the construction of a democratic regime, it did not constitute a violent authoritarian tradition.

The last coup against Arnulfo Arias, led by General Omar Torrijos in 1968, initiated what is called, paradoxically, an authoritarian transition to electoral democracy. Torrijos' rule was contradictory, reflecting the peculiarities of Panamanian history, and his government was marked by an upheaval of the traditional order and, for the first time, the mobilization and participation of grassroots sectors. In his first term (1970-78), in a Bonaparte-like effort,²⁹ Torrijos dismantled the political party system and replaced the legislative body with an assembly of representatives of *corregimientos*,³⁰ created a National Legislative Council and outlawed the opposition. At the same time, in an effective ratification of deep Panamanian nationalism, he called for national unity and signed the 1977 treaties with the Carter administration, setting dates for the U.S. withdrawal from the military bases and the return of the Canal to Panamanian control. His contribution to liberal democracy was uncertain, but he created the conditions for it to emerge. *As a result, a fatal Panamanian contradiction arose between the values of nationalism (military) and those of democracy (of the political parties).*

²⁸ The United States intervened in Panama's secession from Colombia in 1903, which facilitated the canal concession, a monumental construction project that was finally completed in 1914.

²⁹ The reference to Bonaparte is symbolic of Torrijos' willingness to be at the service of the Panamanian nation, supported by grassroots sectors but "above" dominant interests.

³⁰ This is the local administrative equivalent of a municipality; briefly, it was a more direct mode of representation, in which rural society participated in the direction of the state, but outside of parties and without the presence of an opposition. There has been much debate about this effort at direct democracy, which occurred within a military and authoritarian setting but nevertheless had subsequent effects. Cf. Marco A. Gandásegui, *La Democracia en Panamá*, Ed. Mestiza, Mexico, 1989, p. 20 and subsequent, and Juan Materno Vásquez, *Sociedad y Estado en la nación panameña, Teoría sobre el comportamiento de los grupos humanos panameños*, Li. Enan S.A., Panama, 1987, p.239 and subsequent.

With the signing of the Treaties and after 1978, Torrijos forgot his popular social policies, but he also ordered the National Guard back its barracks, legalized parties, called legislative elections in 1980 and founded his own party, the Partido Revolucionario Democrático (PRD). On July 31, 1981, he died in a highly questioned airplane accident. But the process was under way. The problem of succession was solved, in this emergency, by the promotion of General Manuel Antonio Noriega as head of the new Defense Forces of Panama, thanks to solid backing from the United States. In 1984, the Assembly of Representatives of Corregimientos was replaced by the Legislative Assembly, and the first free presidential elections since 1968 were held. The lack of civilian leadership, the weak party system and military interference led to a series of imposed, unstable civilian regimes in the 1980s: the civilians Royo, De la Espriella and Illueca were successively appointed, rather than elected. In 1984, Nicolás Ardito Barletta won a fraud-plagued victory and was replaced almost immediately by Del Valle, then Solís Palma and Rodríguez, taking us up to 1989. The appointment of more than seven presidents through General Noriega's influence proved not only that this was not a democracy, but that the real power lay, behind the facade of civilian presidents, in the military elite.

By then, social conflict was serious, Noriega's relations with the merchant and financial bourgeoisie were disastrous, and worse yet, a long deterioration of relations with the United States reached its peak after 1987.³¹ Accused of corruption and drug trafficking, Noriega resisted a fierce financial, economic and diplomatic onslaught³² that forced him to call presidential elections in May 1989, which were won by Guillermo Endara of the Arnulfista party. Electoral fraud led to intervention by the United States, which installed the winner on December 20 of that year at a U.S. military base.³³ There was no transition here, but rather an intervention for democracy.

3. Low-intensity democracy

The processes of democratization in Central America set in motion actors, procedures and values that were not always oriented toward liberal-democratic principles. The series of interests prompted by conflict and war and, which increased with the peace processes in the first three countries mentioned, paradoxically facilitated a three-stage transition: from an authoritarian military regime to a special (pre)democratic situation that evolved as a result of electoral processes, and from

³¹ Orlando J. Pérez, *Elections under Crisis: Background to Panama in the 1980s*, in M. Seligson & J. Booth, *Elections and Democracy in Central America, Revisited*, The University of North Carolina Press, Chapel Hill, 1995, pp.123 and subsequent.

³² As part of a fierce offensive, in July 1987 the United States suspended aid to Panama, and in March 1988 it froze US\$50 million that the National Bank of Panama had in banks in New York, causing serious problems for the country's economy. The offensive against Noriega had the effects of a war against Panama. Repudiated by the opposition, Noriega brandished the nationalist banners so costly to popular sensibility. Raúl Leis, personal communication (January 14, 2004).

³³ The stated purpose of the military intervention was to capture General Noriega on charges of drug trafficking, which was finally accomplished. This stage of Panamanian democracy began with a clearly interventionist action.

there to the establishment of a political democracy, a democratic electoral regime. One common element is that elections were held before peace was established, although its greatest implantation occurred with the arrival of peace. These stages differed in the degree to which the regime changed, the way in which citizen participation occurred, and the way in which social representation arose from political authority.

The cases of Nicaragua, El Salvador and Guatemala are only somewhat similar to one another. In the latter two, the crisis had more an anti-oligarchic and anti-authoritarian bent than the trappings of a well-developed plan for democratization. And where the crisis did not have violent expressions, democratization took on an air of anti-militarism and the establishment of electoral practices, as in Honduras and Panama. In all five countries, elections were called by military regimes, and the balloting, which was not marked by fraud, opened up a process in which there had already been at least three general elections per country.

In these societies, the 1980s were crucial for various reasons. It is worth taking a closer look at the political actions that led to the construction of democracy. One common characteristic was decisive: all experienced the powerful influence of external actors in their conflictive processes of internal democratization. The outcome was possible because of the way in which the internal actors engaged in actions conducive to the implantation of democracy. The general assumption is that *processes of peace and democracy can only be fully understood within the general framework of the end of the Cold War*, just as the military dictatorships and armed violence can only be understood in the context of multiple confrontations between the United States and the Soviet Union.³⁴

Although there is truth in Whitehead's caution that dichotomizing the analysis of a country's history between domestic and international factors may be artificial,³⁵ in the history of the last twenty-five years, U.S. foreign policy was so decisive in these parts that not only is it possible to identify moments and behaviors, but it is also possible to specify results in which Cold War interests dictated policies in Central America. Electoral democracy began in Panama with the invasion by U.S. forces in December 1989. They captured Noriega and turned the government over to Endara — at a U.S. military base! The role of the National Endowment for Democracy was crucial in Ms. Chamorro's victory in Nicaragua. The list of examples goes on and one.

a) *Peace gives democracy a hand*

Guatemala, El Salvador and Nicaragua experienced two historical paradoxes, in the literal sense of absurd situations containing a contradiction, which have been

³⁴ It is a simplification to speak of the Cold War as a multiple conflict between the two great powers. Of course, the confrontation was more complex when viewed as a conflict between two social and political systems, two ideologies, two strategies for world domination. But in Central America, the U.S. presence predated the Cold War and continues now that the Cold War is over. As mentioned earlier, we are simply part of the first geopolitical sphere of U.S. interests. In similar terms: Michael Shifter, *The US and Latin America Through the Lens of Empire*, Inter-American Dialogue, Washington, Working Paper, 2003.

³⁵ Laurence Whitehead, *Three International Dimensions of Democratization*, in *The International Dimension of Democratization, Europe and the Americas*, Oxford University Press, New York, 1966.

mentioned here with no examination of the consequences. One is that *the first democratic elections were held at a time when the wars were increasing in intensity and/or producing negative effects*. The other is that *democratic processes began before peace accords were signed — that is, people went to the polls before the cease fire*. The destinies of peace, war and democracy were intertwined in a way that appears not to correspond to the natural order. One negotiates peace, not conflict. How can one explain the fact that, contrary to historical logic, the peace processes came after the initial accomplishments of democracy?

In the 1980s, in societies in conflict such as Angola, Namibia, Eritrea, Mozambique, Cambodia, Ethiopia and South Africa, the parties first laid down their arms, and once the peace was signed the dates were set for the first elections. *Peace was a condition for democracy*. In Central America, the political moment was different, and in a short period of four years in the 1980s, free, open and competitive elections (characteristics that are unquestionably relative in Central America) were held. These were the first democratic elections in the history of El Salvador (1982) and Nicaragua (1984), and the first without fraud in thirty years in Guatemala (1985).

Not by chance did the openings for citizen participation (parties, elections, freedom of the press) coincide with an escalation of warfare. Why, then, were the elections held? For several reasons, of which we will mention two: one external reason suggests that elections were part of a counterinsurgency strategy. War undoubtedly conditioned the form and identity of the authoritarian political regime, but elections altered those characteristics and legalized the circumstances that allowed the conflict to continue. *The objective was to legalize, to have civilian governments so as to weaken the justification for armed insurgency weakened*. The leftist guerrillas' democratic argument lost steam in Guatemala and El Salvador and undermined the legitimacy of the "contras" in Nicaragua. U.S. policy inspired this shift: the Senate only voted military aid for the counterinsurgency when there was an elected civilian government in El Salvador (Duarte); economic aid only flowed to Guatemala when a civilian government was legitimized (Cerezo). In Nicaragua, aid to the anti-Sandinista forces and their success proved not only the democratic quality of the revolutionary regime, but also the extent of its popular support.

The second reason was internal. What we have called *authoritarian transitions to democracy* began in El Salvador and Guatemala when there were symptoms of a breakdown of the military's political control, a power that always reflected the alliance between the business elite and top army officers. The military leaders split, and a breakdown of the authoritarian regime ensued, exposing its illegitimacy and inability to bring order to society even with violent excesses. Having the government in civilian hands facilitated peace negotiations, more in Guatemala than in El Salvador. Negotiations to end the mercenary war in Nicaragua resulted from a change of heart on the part of Sandinista leaders because of the seriousness of the economic anarchy and its disastrous social effects.

The precursor to the peace processes was the creation of the *Contadora Group* on January 5, 1983, an initiative of Mexico, Venezuela, Colombia and Panama to stem the regionalization of the conflict in Central America and encourage dialogue and conditions for peace, development and democracy. It had a decisive influence

by creating a climate that facilitated the presidential summits that ended with the signing of the second Esquipulas Accord or “Procedure for Establishing Firm and Lasting Peace in Central America” (August 7, 1987). This document formed the basis for all the negotiation mechanisms set in motion in the region.

In the three societies where the crisis led to armed violence, there were always elements of U.S. national security doctrine, anti-communist ideology and Cuban interest in encouraging revolution. With the collapse of socialism, the end of the “evil empire,” U.S. foreign policy lost interest in containing communism and sought democratic order in its backyard. The election of Bush in November 1988 facilitated the shifting of support from armies to political parties and civilian governments. Toward the mid-1980s, Cuban leaders gave up actively supporting their Central American partners, convinced by then that military victory was impossible.³⁶

Another factor that carried internal weight was the loss of morale among the civilian population as a result of the war, which left more than 300,000 people dead and 2 million refugees and displaced people and destroyed a significant amount of basic infrastructure. Another important factor, somewhat more profound but little studied, is what we will call a change of heart — or a change in the classist nature — of the bourgeois groups, which began to see that the costs of democracy were lower than the price of war. In all three countries, intervention by Catholic Church leaders was a moral force for national conciliation.

The new role played by the United Nations, especially the secretary general,³⁷ merits a pair of observations to help understand the peace processes. In El Salvador first, and later in Guatemala, the parties to the conflict invited the United Nations to play an active, comprehensive role in mediating various aspects and later in oversight,³⁸ which was decisive for the organization’s moral strength and prestige. Its success in America Central was due to its respect for the “axiom that *peacekeeping should not be separated from peace-building*,” while a military mission was tried in Nicaragua, in El Salvador and Guatemala the three approaches were combined.³⁹

The results of the peace negotiations mobilized various political resources, both national and international, that were conducive to democratic life. Without the presence and oversight of ONUSAL or MINUGUA, the peace process in El Salvador and Guatemala and the honoring of the accords by the military and the conservative governments that signed them would have been more difficult and prolonged. The oversight and monitoring represented a new form of positive intervention in sovereign states. This was less effective in Nicaragua, where the

³⁶ These statements require documentary support; they are the result of interviews with people who were key players at the time. The reader is free to accept or question such assertions. We have also been told that Havana wanted democratic, anti-U.S. governments in Central America, in line with what had been its policy in Latin America during those years.

³⁷ The new element of the U.N. role was that it served not only as an intermediary, but as a negotiator, with its own initiatives and with the capacity for oversight and monitoring.

³⁸ Enrique Sánchez Airas, *Guatemala y Mozambique ante el reto de la paz. Un análisis comparativo de los procesos de mediación*, Univ. Rafael Landívar, Guatemala, 2001, contains a theoretical section that is important for understanding these issues. An analysis of decisive mediation experiences appears in Luis Pásara, *Paz, Ilusión y Cambio en Guatemala, el proceso de paz, sus actores, logros y límites*, IJ-Univ. Rafael Landívar, Guatemala, 2003.

³⁹ Stephen Baranyi, Minugua, “U.N. verification achievements, limitations and prospects,” in Rachel Sieder (ed.) *Central America Fragile Transitions*, McMillan, London, 1996, cited by Pásara, op. cit., p.272.

problem was not one of a mercenary guerrilla force, but the political problem of replacing one social system with another.

Peace in Nicaragua was not the result of the threat of the so-called Resistencia Nacional, which the Sandinista Army contained militarily. It was the other way around; once the military victory was achieved, they were not sure what to do politically, because the goal of low-intensity warfare is not military victory, but the demoralization of the enemy, and that was its success. The decision to win the war had a high cost for the Sandinistas, who lost popular support and plunged the economy into complete bankruptcy around 1988. Peace was the condition for governance, and when the FSLN agreed to negotiate directly, it was extremely weak. Meeting in Sapoa (March 1988), the FSLN offered to call elections in exchange for a cease fire and the demobilizing of the RN. The real negotiations took place at the presidential summits: at Costa del Sol (February 13-14, 1989), knowing that the "burden of proof" was on the Sandinistas, President Ortega offered to move elections up by ten months, to February 1990,⁴⁰ a proposal that the opposition accepted.⁴¹

There was already talk of an electoral victory by the opposition, organized in the Unión Nacional Opositora (UNO), which forced the country's leaders to arrange a transition process. The so-called Protocol of Procedures for the Transition of Executive Power (March 27, 1990) between the FSLN and UNO was an agreement on areas related to the demobilization of the RN and respect for the integrity of the armed forces. Because the RN was not part of the political opposition, it had to sign the Toncontín Accord for Disarmament and Demobilization, which paved the way for the general demobilization of the mercenary forces. The RN demanded the collaboration of CIAV and ONUCA, which helped somewhat in achieving real demobilization. In fact, a cease fire and end to hostilities were not achieved until 1994. Thus peace arrived in fits and starts, with the Sandinistas already in the opposition. A new phase of democracy was beginning in Nicaragua, with elections in 1996 in which the anti-Sandinista forces organized themselves under the banners of the Partido Liberal Constitucionalista and the leadership of Alemán and, later, Bolaños.

The Chapultepec Accord, signed on January 16, 1992, was the culmination of three years of negotiations between the FMLN and the government of El Salvador. The talks only began in earnest after the election of Alfredo Cristiani, the right-wing ARENA candidate. In September 1989, at a meeting in Mexico, the two parties requested the mediation of a U.N. representative to begin talks. Two events forced the government to negotiate: the offensive by the FMLN, which took the city of San Salvador twice, and the murder of the Jesuits of the Central American University, a criminal act that isolated the army and led to restrictions on U.S. support.

The first accords with specific objectives were reached in Geneva (April 4, 1990) and Caracas (May 21, 1990), and a month later the San José Accord was

⁴⁰ This was more than a symbolic gesture. According to the Constitution, general elections had to be held in November 1990 and the new authorities had to take office in January 1991.

⁴¹ At the summit in Tela (1989), the creation of the OAS International Support and Verification Commission was requested, and later the U.N. Observation Group for Central America (ONUCA); these aided in the pacification of the country.

signed, establishing mechanisms for full respect for human rights, and the creation of the U.N. Observer Mission in El Salvador (ONUSAL) was proposed; the mission was formally established on July 26, 1991. The talks were stalled by a serious crisis caused by disagreement over the need to reform the Constitution to include the political and economic recommendations. Just as the deadline for approval was about to expire, the Mexico Accord (April 27, 1991) accepted the political reforms and excluded the economic ones, especially the reference to agrarian reform. There was another delay when the FMLN demanded reforms in the army as a condition for ending hostilities and a guarantee for its reincorporation into society.

The details that led to the signing of the final accord on December 31, 1991, in New York, included strong pressure from the United States and Soviet Union on President Cristiani, who was facing the army's refusal to accept a reduction in forces and the establishment of a Truth Commission. With those disputes resolved, peace was reached on January 16, 1992. The FMLN became a political party, and democratization moved ahead with elections in March 1994 in which Armando Calderón Sol was elected, followed by Francisco Flores in March 1999 and Antonio Saca in 2004, all from the rightist ARENA party, but in a fierce electoral battle with the FMLN, which had gained a majority in mayoral offices and Congress. Electoral democracy is stable despite various elements that make it fragile, such as low voter turnout, increasing poverty and dependence on the millions of dollars in remittances sent home by emigrants in the United States.

The peace process in Guatemala was slower and more complex, and its results had less to do with the end of the conflict than with the type of society to which the parties were agreeing. It took nine years, spread out over four governments and three negotiating commissions. During that period, dialogue turned into substantive negotiations, while the parties' interests and the international context changed. On September 11, 1987, the National Reconciliation Commission was established, headed by Bishop Rodolfo Quezada Toruño, who made initial contact with the URNG. In Oslo (March 29, 1990), the two parties established the first basic agreement for seeking peace. That was followed by a long stretch during which the army (which always sought a military solution) and the guerrillas (who did not believe in the talks until 1995) became convinced that a political solution was inevitable. A second stage began with the Global Accord on Human Rights (Mexico, March 29, 1994), which sought protection and international oversight from the United Nations, which established an oversight mission (MINUGUA).

President Alvaro Arzú's determination was decisive in the last year (1996), when the most important accords were approved, including those dealing with Identity and Rights of Indigenous Peoples, the Strengthening of Civilian Power, the Army's Role in a Democratic Society, Socio-Economic Aspects and the Agrarian Situation, which outlined an ideal future for Guatemala. These agreements met with opposition and debate from the business sector, the military and other conservative groups. A Truth Commission was not established; instead there was a general mandate to determine the crimes committed, without naming the perpetrators. There was an equally flawed decision to reduce the size of the army by only 33 percent. When the Accord for a Firm and Lasting Peace was signed on December 29, 1996, the cease-fire had been in effect for nine months. Because the conflict had

de-escalated, addressing aspects related to the war was less time-consuming than dealing with those related to peace-building. The importance of this peace process was that it ended an armed conflict and led to the dismantling of a counterinsurgency regime.

After Arzú was elected in 1995, elections were held in 1999, won by Alfonso Portillo of the FRG, a center-right party under the wing of *caudillo* General Ríos Montt, and in 2004, won by Oscar Berger, the weak leader of an alliance of small parties, whose victory was largely due to solid backing from the business sector. The democratic regime is still inadequate to meet the needs of a pluriethnic society in which cultural differences demand creative and more inclusive democratic policies.

The conflicts and the war ended successively, leaving a legacy of destruction and distrust, deaths and resentments from which it is not easy for any society to recover and settle into democratic coexistence. In the countries where there was no war (or peace process), the change of regime and the formation of democratic actors has come more quickly. In Honduras, there has been a series of elections that turned the country into a stable political democracy built on a socio-economic foundation of needs and crises. And in Panama, after Endara, Torrijos' party, the PRD, won with Ernesto Pérez Balladares in 1994, followed by Mireya Moscoso de Gruber, of the *arnulfista* opposition, who headed the Coalición Unión por Panamá. This is probably the most stable democratic regime and the one that, along with Costa Rica, best handles its social responsibilities despite socio-economic limitations.

b) An unequal challenge: the building of political democracy

The modification of authoritarian structures is a complex process of regime change that has taken place in these countries since the early 1980s. One aid for analysis is O'Donnell's definition of political regime as the patterns that determine channels of access to governmental positions, the characteristics of the actors who are included or excluded, the resources or strategies that allow such access and the institutions through which that access is processed.⁴² The modification of authoritarian regimes generally occurs under contradictory and sometimes clearly adverse conditions. Several factors, which have been identified throughout this essay, determine the patterns of access by new actors to positions of power.

One is the definition of the nature of the military presence when the political crisis begins, and the way in which that presence decreases. Here there is a broad *continuum* ranging from the bloody military dictatorships of Guatemala and El Salvador to civilian governments under military control, such as those of Honduras and Panama. In the former, the peace processes ended by defining their functional existence as a state bureaucracy, still with a great deal of military influence in Guatemala. In the latter two, the role of political parties and elections as ways by which new actors can gain access to power has left the military subordinate to

⁴² G. O'Donnell and P. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, Baltimore, Johns Hopkins University Press, 1986, p. 73. Cited in "Notas sobre el Estado de la Democracia en América Latina," manuscript, p.4.

civilian control. This has been an uphill battle won in Honduras' recent history. The Manichean civilian/military condition is fallacious for explaining democratic change as the return of the army to its barracks, and can only be relatively useful if the analysis does not ignore the fact that the military's authoritarian culture cannot be exercised without a civilian presence. In almost all of these countries, there was debate, with effective results in Honduras, Nicaragua and Panama, about *military reconversion*, national security and democratic security.

A second factor, already discussed, is the nature of the local political crisis and its determining factors, ranging from civil war or repressive conflict, as in Nicaragua, El Salvador and Guatemala, to less tragic situations, such as the milder authoritarian civilian-military relationships in Honduras and Panama. The experience of these years proved that it is not easy to move from bloody conflict to democratic coexistence. Democracy does not come at gunpoint.

A third factor is the vitality of the implantation of electoral institutions, which is under way, and the role played by grassroots political actors at the beginning, during and in the outcome of the crisis. Here there are also diverse situations, from the ideological, political and emotional polarization of political/military organizations, as in Nicaragua, Guatemala and El Salvador, to the reappearance of politicized but legal and peaceful grassroots movements, as in Honduras or Panama. It is obvious that the guerrillas who had the backing of the masses and maintained their ties with grassroots organizations appeared on the political scene with electoral force. Their transformation into parties required overcoming "mental and psychological blocks" so that a commander could become a political leader. In Guatemala, this did not happen.

Finally, as actors whose presence was decisive in unleashing the crisis and in its outcome, there is the role of big capital, the business sector and their corporatist apparatus. Their cultural and political change was important in El Salvador and Nicaragua, less so in Honduras and Panama, and negative in Guatemala. This change is not easy to explain, because it is virtually assumes the metamorphosis of an authoritarian caterpillar into a democratic butterfly. Or perhaps it is a process of metempsychosis, by which the soul transmigrates from the cadaver of an oligarchic landowner to the living body of a progressive bourgeoisie. There is no research that explains what occurred, except for the fact that small, renovating groups emerged to form a small, modernizing elite that understands that the competition for power occurs on the electoral playing field. Their alliances and conflicts with the military and the Catholic Church follow no discernible pattern, but it is clear that the breakdown (and later the end) of the anti-communist pact that led three of these countries into violence laid the groundwork for certain transitions.⁴³ In El Salvador, there are better-defined modern business groups, and similar groups emerged with less strength in Panama and Honduras. In Guatemala, the change is still imperceptible, and Nicaragua is a special case in which the business sector is still forming.

A common element in the three cases that have been examined most closely is that from *the violent offensive against an authoritarian past there arose*,

⁴³ Business and military actors played significant roles in the critical outcome apparent in the peace negotiations.

paradoxically, the current possibilities for democracy. In general, what type of democracy can be built in these poor, heterogeneous societies, with their heavy legacy of military dictatorship and their weak democratic political forces? The important thing is that elections have been held in all the countries since 1982/84, defining new actors, resources and strategies, all of which points to the emergence of a political regime that is no longer authoritarian. Democracy is no longer defined in negative terms (of what democracy is not), but in positive terms of how much democracy there is.

What is the relationship between elections and democracy? There is a current tendency to identify elections with democracy and to see the procedure as routine, as T. Karl warns. Coming out of a long authoritarian tradition, elections alone do not qualify, because the extensive and repeated practice of “authoritarian elections” is well known.⁴⁴ It is necessary to specify the quality of elections since the 1980s, because those elections defined the regime as democratic, although in Guatemala and El Salvador they served as an initial means of “legalizing” the regime more for military than for political ends.

Under what conditions do elections lead to democracy or are they democratic? Is there perhaps a “gray” area in which democratic credibility is in doubt? No, the boundaries must be exact, although in the Central American experience there were democratic elections in a clearly repressive climate. *There were anomalies, but there was no fraud.* And they met the minimum requirements because of their results, marking not only a break, but also a starting point. Elections do not make full citizens, but *in an initial pre- or proto-democratic situation, the exercising of political rights can pave the way for the establishment of civil and social rights.* Election after election, over time, creates a routine, a tradition, the *democratic inertia that is so useful in consolidated democracies.* This is the true sense of effective democratization, because citizens are made by expanding the exercising of citizens’ rights. There is no other way.

In summary, beginning in the early 1980s, political democracy in Central America passed through various stages ranging from authoritarian regimes to a *pre- or proto-democratic situation* (elections amid war or under a strong military presence), and that situation, with its possibilities for implanting institutions, led to a democratic regime, a *political democracy.* The driving force behind this historical-political movement, which could also be called the first and second stages of regime change, was the democratic electoral process. Why?

The first and most important reason is that it was an effort to move the crisis off the battlefield and into the sphere of political competition. This encouraged political actors to appreciate the fact that the price of peace and democracy as a means of gaining access to power was lower than the cost of war. Third, the actors and their strategies were of a civic nature: elections stimulate pluralism, peaceful grassroots participation and organization in political parties. That is, there is a redefinition of the other, of new political actors, who are now seen as competitors instead of enemies. There is a contingent possibility of defining new scenarios in which they can present platforms and compete for the loyalties of various social interests.

⁴⁴ See the excellent essay by Andreas Schedler, “Elections without Democracy, the Menu of Manipulation,” in *Journal of Democracy*, Vol. 13, No. 2, April 2002.

Elections are also the result of the implantation of (new) institutions characteristic of a democratic regime under construction; they help establish commitments among competing forces in substantive aspects related to the political struggle. *They teach that power is up for grabs in an exercise in which it can be lost.* And as Schedler argues, in an electoral democracy, the final arbiters of the game are no longer military leaders, but citizens. The military has the power to abort the process with the use of force; citizens have the power to subvert it by their vote.⁴⁵ In short, the idea of democracy, although imprecise and contradictory, wins hearts and minds, and despite the weak affinity for politics, most people believe in it. What Garretón called democratic desirability is important for the consolidation of institutions; unfortunately, this contrasts with increasingly skeptical public opinion.⁴⁶

4. The national state and democracy

The virtues of elections lead to the acknowledgement that they have made an important contribution to the formation of democratic regimes. The reverse is also true, because a regime is democratic if it establishes the possibility for new actors to gain access to power through new channels, which must also be used for the benefit of all. Since 1981, there have been more than twenty-eight elections in Central America, with the victory always going to conservative forces, some of them clearly right-wing, which have also received the backing of the United States. The elections have been competitive, pluralistic, free and fair. Independent electoral tribunals have been established, although citizen participation is not great in most cases. The current social, economic and cultural conditions limit the expansion of citizenship, which is unquestionably the relevant test for the consolidation of democracy. The effective implementation of citizens' rights requires both a structural context that facilitates the exercising of those rights and a state that protects them and guarantees their legality.

The state must be democratic in the sense of inhibiting factors connected with authoritarian tradition and the effects of the conflict. But we have weak states that are not yet functionally able to represent the nation, or which have ineffective institutions or a legal system of limited effectiveness. Central American states are feeble and incompetent, with little democratizing power, except in the sphere of political rights related to voting and electoral institutions. With a weak state, democracy is merely electoral. It acts with little autonomy in the face of *de facto* powers that are capable of operating illegally and violating the public will. Its extractive capacity is weak, and it survives as an underfunded, unstable power that is fiscally impotent. It is therefore unable to implement social policies that would benefit the large majority of poor citizens.

The most important conclusion that can be drawn from these years is that when exercised in a society undermined by profound social inequalities, severe forms of structural heterogeneity and great cultural contrasts, electoral democracy adapts to

⁴⁵ A. Schedler, *Elections Without Democracy*, op.cit., p. 49.

⁴⁶ M.A. Garretón, *Hacia una nueva era política, estudio sobre las democratizaciones*, FCE, Mexico, 1995, p.24.

the situation and produces contradictory results that negate the very principles of democracy. There are two generic conditions that weaken democracy; one is physical, related to the breadth of the state's jurisdiction, and the other is social, related to the depth of the nation's social structure. Because of these limitations, civil, social and political rights are not effectively enforced in the entire geographic area, for all inhabitants, or in the entire class structure, for all social groups. The result is a serious democratic deficit, and democracy becomes an incomplete system catering only to a minority.

The physical and social limitations that exist to a greater or lesser extent in these societies result in a form of democratic life that is centrifugal and elitist. On the one hand, democratic rights, such as the vote, are exercised better in urban areas than in rural areas, more in cities than in villages. On the other hand, the middle classes and, in general, social groups with a better education and higher income have conditions for experiencing democracy more fully, as citizens. In short, in the dynamic of democracy, there is a strong tendency toward marginality/centrality in the exercising of citizens' rights, a tendency for which the state is responsible.

In its practical manifestations, this is reflected not only in weak forms of participation, but in the poor quality of the benefits stemming from rights. The contrasting examples are obvious, based on physical and social differences. How do a middle-class, urban man who is literate and well informed, and a poor, illiterate peasant woman "live out" electoral participation? Poverty, ignorance and neglect do not coexist well with democracy. How much more inequality can Central American democracy stand?

Finally, there is another cause for concern in these fragmented societies, especially those where the armed conflict left open wounds. There are areas where the state's legal force is weak or non-existent, and where "other" rights are practiced under other forms of power. These are areas controlled by drug traffickers, organized crime groups or the remnants of paramilitaries. They are places where informality and patrimonial practices rule instead of the law, justice and state authority.

The reasons are different, but the consequences may be the same in these multiethnic societies. We are not referring to the practice of customary law, the norms and customs of indigenous culture, which are part of the legitimate recognition of differences. We are alluding to the extensive abuses committed against indigenous people, who are officially equal but who exercise a reduced form of citizenship precisely because of cultural differences that serve as an excuse. In several countries in the region, there is a need to build an ethnic democracy by fostering a pluricultural state. This is particularly necessary in Guatemala because of the importance of the indigenous population, whose full incorporation is the best guarantee of the democracy that is under construction.

To evaluate the strength of democracy, it is necessary to consider citizen performance, the stability of institutions, the strength of the political system, and the existence of an integrated civil society that plays an active role in public debate, an army and intelligence systems under civilian control, and democratic governance. In light of the elements mentioned, these countries score unevenly. In subjective order, from lesser to greater democratic conditions, the countries would fall into the

following order: Guatemala, Nicaragua, El Salvador, Honduras, Panama and Costa Rica.⁴⁷

In general, despite the flaws of the political systems and the weakness of their structural foundations, Central America has moved into a new era. War and natural disasters (which have battered Nicaragua and El Salvador as badly as the armed conflict) make the problems even more serious now than they were before. The democracy under construction is more a byproduct of the Cold War than the result of efforts by strong local democratic forces. U.S. aid was more important in war than in peace, but it has been decisive for establishing these conservative democracies. Because the democracies are not irreversible facts, they now play a negative card abroad.⁴⁸ The sum of all the preceding arguments lies in the role of the state, which must be a democratic state of law that facilitates effective participation by all significant political forces, whose access to power is assured as a means of satisfying their interests. That is not yet the case. If there is no economic growth, and if the state continues to weaken, criminal violence could ignite the already present danger of social breakdown. Public institutions must guarantee physical security, create conditions for effective exercising of citizenship, mobilize public savings and correct income disparities. Without a strong state, there will be no democracy.

⁴⁷ The following table, taken from the most recent analysis by Freedom House, confirms this assessment

Comparative measures of freedom in selected countries

Country	Political rights	Civil liberty	Classification by freedoms
United States	1	1	Free
Costa Rica	1	2	Free
Panama	1	2	Free
Mexico	2	2	Free
El Salvador	2	3	Free
Honduras	3	3	Partly free
Nicaragua	3	3	Partly free
Guatemala	4	4	Partly free
Cuba	7	7	Not free

Note: The best score is 1 and the worst is 7. The classification consists of three categories: free, partly free and not free.

Source: The 2003 Freedom House Survey, in *Journal of Democracy* (January 2004).

⁴⁸ As historian Arthur Schlesinger pointed out in the *New York Review of Books* (October 23, 2003), President Bush has replaced a policy of peace through the prevention of war with a policy of peace through preventive wars. Many in the international sphere reject this, but in Latin America the fear is greater, because the practice of preventive military actions has a long history, especially in Central America and the Caribbean. The U.S. invasions of Grenada (1983) and Panama (1989) are examples of preventive U.S. actions.

III
The Crisis of Political Parties in
Latin America

Ricardo Córdova Macías

Introduction

Given the current importance of the issue of the crisis of political parties in Latin America, this essay reviews the principal explanatory factors that have been identified in the academic literature. The purpose is not to offer an explanation for the phenomenon, but, more modestly, to systematically present the principal findings of the literature reviewed. Because of time and space limitations, I have focused basically on studies of a regional or sub-regional scope; that is, I have not attempted to review the vast literature that examines the national situation in each of the countries.

To identify the principal works published in this area, I consulted colleagues who are experts on Latin American politics, as well as experts in various Latin American countries. I am grateful for the time they took and for their kindness in helping me identify the most relevant recent literature on the subject.

As may be expected, this is a fairly broad, complex area in which various approaches have been taken. The existing literature is extensive, but characterized by significant differences in the rigorousness and depth with which the issue is addressed. For that reason, once the extensive bibliography was identified initially, a detailed reading ensued to select the works that, because of the type of argument presented, exemplify with greater clarity and precision the principal factors that explain the crisis of political parties in Latin America.

Special mention is due the section dedicated to the Central American region, where the approach to the issue has been more tangential; this meant that a more careful process was needed to select the works, because of the limitations in the quantity and quality of the literature.

In short, this is not meant to be an exhaustive review of all the literature published about the crisis of political parties in Latin America; nevertheless, an effort has been made to seek material representative of both the main approaches to the issue and the works produced in various countries, so as to reflect the greatest possible diversity.

This essay consists of three sections. The first reviews the literature from a Latin American standpoint; the second examines the more specific debate about the Central American region; and the third presents final reflections about the crisis of the parties and academic challenges. The bibliography consulted is included at the end.

Finally, I would like to acknowledge the collaboration of research assistants Nayelly Loya and Javier Urrea, and Carlos Guillermo Ramos's comments on a preliminary version of the essay. Of course, none of them is responsible for the ideas presented here.

1. The Latin American academic debate

This section is divided as follows: as a preamble, the first part examines citizens' attitudes toward democracy and confidence in Latin American institutions. The second part addresses the issue of the crisis of the political parties, and the third part presents factors that explain the crisis of parties in Latin America.

1.1 Democracy and confidence in institutions in Latin America

The literature on Latin American politics recognizes that there has been significant progress in the democratization processes that have been under way since the early 1980s, with the institutionalization of periodic free and competitive elections. To a certain extent, it could be said that electoral processes have been the main focus of analyses of the progress of democracy. In studying the contribution of elections to democratic governance, Booth (1995) has suggested analyzing six elements: a) the range of political participation, which indicates the level and quality of opportunities for ensuring popular participation; b) the breadth of participation; c) the depth of political participation, which implies the quality of the participants' real potential to have an influence and the degree of autonomy in participation; d) the environment conducive to the free exercising of full participatory rights and the holding of fair elections; e) the contribution to the consolidation of a stable regime under democratic rules; and f) the contribution to a political culture based on participation and democratic norms.

Two issues have been at the center of the debate in recent years: (1) the nature and depth of democratization, and (2) the direction of these processes: toward possible reversals of an authoritarian nature, the stabilization of flawed democracies, or evolution toward the consolidation of democracy.¹

¹ These possible scenarios for the Central American region are developed in Maihold and Córdova, 2001.

Citizens' perceptions of the progress of democratization in Latin America are two-edged: on the one hand, they reflect significant support for democracy as a system of government: for the 1996-2000 period, about 60 percent of those surveyed preferred democracy to any other form of government; there was a sharp drop to 48 percent in 2001, a recovery to 56 percent in 2002 and another decrease to 53 percent in 2003.² On the other hand, citizens are dissatisfied with the way democracy functions: in 1996, that figure was 65 percent, dropping to 56 percent in 1997, then increasing to 59 percent in 1998, to 60 percent in 1999-2000, and to 64 percent in 2001, dropping to 60 percent in 2002 and rising again to 66 percent in 2003. Comparing data gathered between 1996 and 2003, we find that satisfaction with democracy has decreased in eight countries, held steady in two and increased in seven.³

Latin Americans' opinions about democracy are paradoxical and somewhat contradictory, as they simultaneously show strong support for the democratic system of government and dissatisfaction with the way democracy functions. This is an issue that requires future in-depth analysis. Nevertheless, we can venture a hypothesis that argues that dissatisfaction with the way democracy functions is related to questioning of the effectiveness of political institutions in general and a loss of credibility among political parties in particular.

The "Latinobarómetro" surveys done in seventeen Latin American countries from 1996 to 2001 have asked about citizens' confidence in various institutions that are important to the life of our countries: churches, the media (television), the armed forces, the presidency, the judiciary, the police, public administration, the legislature and political parties. Table 1 shows the average percentage of survey respondents who said they had "much" or "some" confidence in the various institutions, for each year between 1996 and 2001; it also notes the average for the 17 countries for the 1996-2001 period, although it must be noted that there are significant differences among them.

In Table 1, in the column showing the average for 1996-2001, three levels of citizen confidence in institutions can be identified. In the group of institutions with the highest levels of trust, the church ranks first⁴ (76 percent), followed in second place by television (47 percent), although this figure is lower, and in third place by the armed forces (44 percent). In the group with a moderate level of trust, we find the presidency (36 percent), followed by the judiciary (34 percent) and the police (33 percent). The institutions with the lowest levels of public confidence are public administration (29 percent), congress (28 percent) and political parties (22 percent). Ironically, the institutions receiving the lowest levels of trust among Latin American citizens, the congress and political parties, are among the most important for the functioning of representative democracy. It should be noted that political parties systematically receive the lowest confidence ratings of any institution in the various Latinobarómetro surveys: 21 percent in 1996, 28 percent in 1997, 22 percent in 1998, 20 percent in 1999/2000, and 19 percent in 2001.

² Source: Latinobarómetro 1996-2003.

³ Ibid.

⁴ Opinions about the church are used for comparison, as the church obviously is not an institution of a political nature.

**Table 1 Latin America: Confidence in institutions
(Average percentage)**

	1996	1997	1998	1999/2000	2001	Average 1996-2001(*)
Church	76	75	79	77	72	76
Television	51	46	46	42	49	47
Armed Forces	45	47	42	45	39	44
Presidency	28	39	38	39	35	36
Judiciary	33	37	32	34	32	34
Police	30	36	32	35	33	33
Public Administration	30	---	---	---	28	29
Legislative Branch	27	36	27	27	23	28
Political Parties	21	28	22	20	19	22

Note: Average percentage for 17 countries. (*) Averages for the 1996-2001 period. Source: *Latinobarómetro 1996-2001*.

Taken from: Payne, Mark J., Daniel Zovatto G., Fernando Carrillo Flórez and Andrés Allamand Zavala. *Democracies in Development: Politics and Reform in Latin America*. Washington, D.C., Inter-American Development Bank and International Institute for Democracy and Electoral Assistance, 2003, p.39.

Table 2 shows the levels of confidence only for political institutions that are relevant for the functioning of democracy: the presidency, congress, the judiciary, public administration and political parties. The average for the period is indicated for each of these institutions, with a breakdown of the data by country, along with the average overall level of confidence in these institutions for the period in each country.

I would like to highlight two aspects of the information presented in Table 2. First, there are significant differences among the countries, as can be seen in the last column on the right, which shows the average for the five political institutions considered, with figures that range from Uruguay, with the highest level of confidence (44 percent), to Ecuador, with the lowest (22 percent).

Second, with regard to confidence in parties, these generally show the lowest levels in comparison to other political institutions; nevertheless, there are also significant differences among the countries. In ranking the distribution of the countries from a higher to lower level of confidence in political parties, three groups can be identified: a confidence level greater than 30 percent for the entire period exists only in Uruguay (37 percent); in the 20 percent band we find El Salvador (28 percent), Chile and Mexico (27 percent), Honduras and Paraguay (24 percent), Costa Rica and Panama (23 percent), Venezuela and Peru (20 percent); and below that level are Brazil, Argentina and Guatemala (18 percent), Colombia (17 percent), Bolivia (16 percent) and Ecuador (13 percent).

The *Latinobarómetro* data show low levels of confidence in political institutions

Table 2. Latin America: Confidence in democratic political institutions (%), by country

Country	Legislative branch	Political parties	Judiciary	Public administration	Presidency	Average for democratic political institutions (*)
Uruguay	43	37	52	43	46	44
Chile	42	27	38	44	56	41
El Salvador	35	28	35	29	35	32
Costa Rica	30	23	44	27	33	31
Honduras	33	24	35	25	39	31
Venezuela	28	20	36	25	41	30
Panama	25	23	31	34	35	30
Mexico	30	27	28	27	34	29
Paraguay	29	24	31	27	35	29
Brazil	22	18	40	29	31	28
Nicaragua	28	23	30	32	26	28
Guatemala	24	18	27	29	29	25
Peru	27	20	21	27	33	25
Colombia	23	17	34	20	26	24
Argentina	24	18	22	21	29	23
Bolivia	23	16	25	22	28	23
Ecuador	17	13	24	26	28	22
Latin America	28,1	21,9	32,4	28,7	34,5	29,1

(*)Averages for the 1996-2001 period.

Source: Latinobarómetro 1996-2001.

Taken from: Payne, Mark J., Daniel Zovatto G., Fernando Carrillo Flórez and Andrés Allamand Zavala, Democracies in Development: Politics and Reform in Latin America. Washington, D.C.: Inter-American Development Bank and International Institute for Democracy and Electoral Assistance, 2003, p. 41.

in general, figures that are accentuated in the case of political parties, the institution with the lowest levels of public confidence for the entire period examined.⁵ The data clearly illustrate the paradox of citizens who support the democratic system of government, but who do not feel satisfied with the way democracy functions, probably, among other things, because of a negative opinion of the performance of political institutions.

1.2 The crisis of political parties

As a consequence of the processes of democratization and the significant progress toward building democratic regimes in Latin America, many observers over the past 10 to 15 years have focused on the growing public discontent or disenchantment with some aspects of democracy; more specifically scholars speak of a “crisis of political parties.” For example, it is argued that “one of the greatest problems in the democratization process lies in the crisis of party organizations” (Perelli and Zovatto, 1995, p. xvi); from a broader perspective, it has been said that “while parties and their leaders were the principal protagonists of the first stage of the transition to democracy, during the 1992-1996 period one of the main problems facing the process of democratization in Latin America was the crisis of parties, a crisis that continues today” (Álvarez, Rial and Zovatto, 1998, p.765).

Some have suggested that “parties have been criticized for their oligarchic tendencies. Now, however, the criticism goes further. The de-ideologization that has been mentioned has led to talk of a true crisis of political parties, understood as the incongruity between the functions attributed to parties in traditional concepts of political theory and everyday reality” (Murillo, 1995, p.132).

Others, meanwhile, insist that it is not possible to speak of a general crisis of Latin American political parties; one of these is Rivas Leone, who quotes Ramos Jiménez: “we cannot speak of a generalized crisis of political parties; it is better to speak of the crises and decline of certain parties” (2002, p.6). Nevertheless, surveys show that low levels of confidence in political institutions in general and parties in particular are found not only in certain countries, but throughout the region, even though this is a region with a very recent democratic history in which political processes have taken different paths. That is, we are witnessing a political trend that, while it responds to the specific situation in different countries, is also generalized throughout the region.

Pasquino refers to this as part of a broader crisis of democracy: “the crisis of parties and party systems has preceded, accompanied and coincided with the crisis of their respective democracies” (2001, p.4). While Murillo, expanding on and complementing this idea, states that: “in the current crisis of democracy, we believe that the crisis of political parties and discussion of other intermediate institutions is of the greatest interest, because as we have noted, the main problem of the current democratic system is how to channel conflict and the public’s demands” (1995, p. 131).

⁵ For a broader discussion of citizens’ views of democracy in Latin America based on the Latinobarómetro data, see: Lagos, 2003.

Finally, César Cansino quotes some who argue that “parties will tend to disappear as institutions for mediating interests and will be replaced by other political forces” (1995, p. 52).

1.3 Explanatory factors in the crisis of parties in Latin America

While it is acknowledged that “saying that political parties are in crisis is a commonplace not only in Latin America, but in the entire world” (Borea, 1995, p.601), there has only been a relatively modest effort to analyze this political phenomenon in depth. Latin America’s academic literature has posited the existence of a crisis of political parties, although the explanations presented are often relatively simple and lack theoretical rigor. While there is relative consensus in the literature about the importance of the issue, “there is a great lack of empirical studies and interpretive models (...)” (Cansino, 1995, p.52). Additionally, there are few comparative studies.

This is an issue that merits attention from the academic community because it is not possible to envision the consolidation of representative democracy without the existence of political parties. Political parties are a basic to the functioning of democracy, because they fulfill various functions: they recruit and select aspiring candidates for public office, they organize and compete for political power in electoral processes, they structure public support for certain policies or programs, and they form governments.⁶

The purpose of this essay is to contribute to this discussion, reviewing the principal factors that explain the crisis of political parties in Latin America as identified in the academic literature. Although emphasis has been placed on reviewing regional or sub-regional approaches to the issue, this does not mean that these trends or factors apply equally to all the countries, as this largely depends on the historical points of reference on which the authors have based their analysis when developing their explanatory theories.⁷

In reviewing the literature, I have been able to identify seven sets of factors that explain the crisis of parties, from the more general to the more specific. I will begin by addressing those factors that are related to the deepest transformations that have occurred in the international context, as well as in the spheres of economics, politics and societies in our countries. There has been broader debate here with regard to viewing the crisis of parties within the framework of transformations that have occurred in “politics,” and which some authors refer to as a crisis of politics. Second, there is an analysis of factors related to the economic reform processes that have had an impact on the state. Third, there is a review of the debate over the functions that parties fulfill in political systems. Fourth, there is an examination of the

⁶ On this subject, see: Lipset and Rokkan, 1967:, and Sartori, 1976. In Sartori’s original approach, political parties present candidates in elections for public office; nevertheless, a broader approach is needed that also considers cases in which the parties cannot present candidates for elected office because they have been outlawed or because elections are not held.

⁷ Thus, for example, Cavarozzi states that “the trends analyzed (...) are mainly inspired by five cases: Chile, Brazil, Uruguay, Argentina and Mexico,” although there are also “specific references to other countries, such as Colombia, Peru, Venezuela and Bolivia” (2001, p.189).

discrediting of politics as a result of corruption. Fifth, there is a discussion of the emergence of other competitors: civil society and the media. Sixth, there is an analysis of the characteristics of the party system. Seventh, there is a discussion of the nature and organization of parties.

- a) *Factors related to deep transformations in the international context, as well as in economics, politics and society in the national states.*

Norbert Lechner argues that not only has the context of politics changed,⁸ but these changes have also had an effect on politics: “it is time to analyze the changes in the way of doing and thinking about politics itself. The central argument is that the great transformations that are under way lead to a transformation of politics itself” (1996, p.105).

He highlights two trends of change in Latin America that have had a deep impact on politics:⁹

a) The new social complexity. Modern societies are experiencing a profound process of social and functional differentiation, one consequence of which may be the loss of the central place of politics in societies.¹⁰

b) The market society. Lechner points out that “Latin American countries not only have a capitalist market economy, but are also taking fairly large steps toward a market society; that is, a society with norms, attitudes and expectations in accordance with the market. The commercialization of the most diverse social relationships molds a new type of sociability. (...) At the same time, a process of privatization is taking place, a withdrawal toward ‘the private’ as a privileged sphere of social life. This displacement can be viewed as both cause and effect of the neoliberal interpellation with individual interests, breaking with the community tradition that revolved around the public sphere and public goods” (1996, p.106). As a result, “the public sphere tends to be defined far less by politics than by the market” (Lechner, 1996, p.107).

Latin America has undergone significant transformations in its politics: “politics isn’t what it used to be. One notable characteristic has already been mentioned: the loss of the central role of politics. That is, the central place that politics occupied in social organization is weakening. There is limited maneuvering room for institutionalized politics because the available resources are more limited and it is riskier to bet on the foreseeable outcome of a decision (that is, it is more difficult to determine the viable options). In addition, political capacity to intervene in other

⁸ Lechner calls attention to the transformations that have created a new context: “the absolute predomination of the capitalist market economy and globalization processes, the collapse of communism and the bipolar system, the downsizing of the state, the new ‘cultural climate’ and the very preeminence of liberal democracy create a new frame of reference for any politics.” (1996, p.104).

⁹ In another work, Lechner presents the crisis of politics in the following terms: “The crisis of the political-ideological maps exacerbate citizens’ lack of identification with political parties. Because of their increasing bureaucratization and, above all, the deep worldwide transformations, political parties no longer offer citizens interpretive guidelines that enable them to structure their interests and values, their preferences and fears, in collective identities. Political parties are left without rhetoric and citizens without the references with which they used to organize social processes and their place in them.” (1994, pp. 41-42).

¹⁰ “In terms of social space, their central place is in dispute. The new structural diversity jeopardizes the integrative function of politics, which loses strength as a vertex for organizing society.” (Lechner, 1996, p.106).

areas is limited because these increasingly obey specific precepts that are beyond the control of politics” (Lechner, 1996, p.111). Moreover, “the loss of that central place is accompanied by the informalization of politics. By this I mean that the politics that really exists exceeds the capacity of the political system’s formal relationships, permeating the boundaries between the political and the non-political. (...) Informalization shortens the distance between politics and society, but at the same time it causes a certain emptying of political institutions. They are no longer the scenario for great alternatives for national development” (Lechner, 1996, pp.111-112).

For Lechner, therefore, political parties “regardless of their ideological orientation, are going through a critical phase of redefinition, because they lack rhetoric and strategies for facing the great transformations that are under way. They have been left without rhetoric that offers a global interpretation that would enable them to organize reality into an intelligible panorama and structure the diverse interests and options around some basic axes. They lack not only ‘ideological rhetoric,’ but also ‘platform rhetoric’ regarding proposals for the future” (Lechner, 1996, p. 112). Lechner says, “[p]araphrasing a well-known thesis by Downs, it could be said that parties do not win elections to carry out their plans; they formulate platforms to win elections, and once they are in office, they’ll see what can be done from day to day. It is not the parties’ fault, however; they only express, in an especially crude way, the perplexity of the times.” (Lechner, 1996, p.112). Within this perspective, the challenge is a redefinition of politics, in the sense “of a fuller understanding of the ‘mindsets’ that condition political action in our democracies” (Lechner, 1996, p.113).

Another view of the crisis of politics is provided by Calderón (2002), who argues that “the fundamental problem of politics in these societies is associated with the inability of democracy to process the changes that are under way. We find (...) societies that become more and more complex and diversified in multiple specialized spheres of power, while the political forms that accompany these changes become obsolete or tend to become instrumentalized. It is impossible for pre-existing political resources and instruments to accompany a trans-societal mutation that is increasingly internationalized; for that reason, systems of representation throughout the world are in crisis, and political apathy appears to be a result of the times in which we live” (Calderón, 2002, p.33).

Calderón believes that political discontent is not only attributable to failures in the functioning of the political system, but that it also responds to problems related to the new global society: “it cannot be said that the problem is solely related to the crisis of legitimacy of political parties, the government’s management ability or the chronic institutional weakness that characterizes the region. Rather, these processes (...) respond to structural factors that are related to an increasingly complex global society, from which the region cannot escape” (Calderón, 2002, p.50).

b) Factors related to economic reform processes that have affected the state.

This approach seeks to explain transformations in politics and parties based on the political consequences of economic reform processes that were implemented in

Latin America as a result of the so-called Washington Consensus. Several of the authors reviewed refer to this phenomenon as the catalyst for neoliberal policies in the region, whose goal was to reduce the role of the state and foster an opening up to the outside world, deregulation and privatization.¹¹

The starting point for this approach is the replacement of the worn-out import substitution industrialization development model in Latin America, which was characterized by a high degree of state interventionism, with a model that implemented neoliberal economic adjustment and restructuring policies. This explanatory factor seeks to link the role played by economic reform within the framework of the implementation of neoliberal policies, with the redefinition of the role of the state, which led to a transformation in political representation. The working hypothesis is that the breakdown of the state-centered model led to a change in political representation, because the extant world views entered into crisis and lost their frame of reference.

Obviously, this is a broad subject to which there are different approaches. I would like to review a pair of recent works of regional scope that exemplify arguments in this direction. The first, by Cavarozzi (2001), focuses on economic restructuring and its political consequences; the second is the work by Roberts (2002) on the transformation of political representation in neoliberalism.

Economic restructuring processes and their political consequences

Cavarozzi argues that during the 20th century in Latin America there emerged “a variant of political capitalism that implied that these societies were in part created and in part radically reorganized by the state” (2001, p.191).

Cavarozzi calls this emphasis on the state’s central role in politics the “state-centered” model. He says that: “In state-centered societies in Latin America, politics, organized around state intervention and regulation permeated most social spaces” (2001, p.192).

The 1980s witnessed the beginning of the breakdown in the state-centered model (or the disarticulation of the state-centered model, in Cavarozzi’s words); while this responded to economic factors, it had serious political consequences by affecting “ways of doing politics that, despite their perverse effects, had imbued citizens’ everyday lives with meaning.” Politics has seen “its ability to contribute to the organization of individuals’ everyday lives” eroded (Cavarozzi, 2001, pp.195-196).

The return to democracy coincided with economic reform processes that fostered the breakdown of the state-centered model. As a result, “... the return to and/or emergence of democracy coincided with the crisis of (...) the normal tasks of politics or, put another way, of what was collectively at stake through politics within the framework of the state-centered model. If politics was organized around the state, it was no accident that the state’s retreat disorganized politics” (Cavarozzi, 2001, p.197).

¹¹ The so-called “Washington Consensus” refers to 10 economic policy instruments: fiscal discipline, reordering public expenditure priorities, tax reform, liberalization of interest rates, a competitive exchange rate, trade liberalization, liberalization of inward foreign direct investment, privatization, deregulation, property rights. On this, see: Williamson, 2003.

The breakdown of the state-centered model brought the collapse of “forms of association of the various sectors of society, as well as a ‘common sense’ of politics that implied that everything was channeled through the state, understood as a series of public agencies and patterns of interaction internalized by organizations and private individuals” (Cavarozzi, 2001, p.212).

Within this framework, Cavarozzi’s work represents a novel effort to analyze the role of parties in the process of economic restructuring, distinguishing three levels of this restructuring: the macro-reform, the meso-reform and the micro-reform, each of which responds to a different time frame.¹²

The transformation of political representation by neoliberalism

Kenneth Roberts begins by stating that the “wave of democratization coincided with the worst economic crisis in half a century, forcing parties to cope with the collapse of state-directed development models and the difficult transition to market liberalism. The combination of hyperinflation, economic austerity and market-oriented structural adjustments transformed social relationships, frequently breaking the bonds that parties had forged with actors in society in the mid-20th century during the import substitution industrialization (ISI¹³) stage. Throughout the region, parties have made efforts to adapt their platforms and organizations to the fragmented social situation and the state’s diminished role in the neoliberal era” (Roberts, 2002, p.55).

Nevertheless, there are those who state that with this macro process — in which similar economic policy measures were implemented — as a background, the political results differed among countries in Latin America:¹⁴ (a) in certain cases, political breakdown ensued, “where the established parties began to decline and new parties or patterns of representation emerged to fill the vacuum;” (b) in other cases, “the party systems experienced a realignment in which political actors adapted to the demands of the new era and reconfigured the model of competition among parties and of social mobilization;” (c) in other cases, “little change is evident, because traditional parties maintained their political domination with

¹² At the macro-reform level, for example, the parties “had little or almost no participation. This situation is characterized by the predominance of the executive powers and, particularly, of presidents” (Cavarozzi, 2001, p.203). While parties “did not play a leading role in the implementation of [the reforms], they obviously experienced profound transformations. Neither the parties nor the party systems emerged intact from this reform process” (Cavarozzi, 2001, p.204).

In the meso-reform stage, the predominance of the executive branch continues, but parties reassume a much more active role, especially in channeling the protests of social actors who consider themselves particularly affected by the implementation of these reforms. There is a reemergence of party activity.

In the micro-reform stage, “the state again takes on a much more active role in economic development, although in a selective manner and through different policy instruments than those used in the past.” (Cavarozzi, 2001, p.207). Because of its scope, there are limits to hyper-presidential model’s ability to respond, and the author states that in this stage there is a need for negotiation among the various political and social actors. He therefore hypothesizes that “parties have the opportunity to play a central role in a return of politics.” (Cavarozzi, 2001, p.190).

¹³ The term (ISI) used by Roberts refers to what this essay calls the import substitution industrialization development model (ISIM).

¹⁴ Roberts suggests that “there have been few systematic efforts to develop a comparative framework for explaining the differences in political results among these countries. This work is an initial effort to develop such a comparative framework.” (2002, p.56).

relative continuity in competitive dynamics and party-society relations;” (d) in other countries, “the party systems were virtually reconstructed from the ground up; (e) while in other cases, they seem to be “living museums,” where “political competition continues to revolve around parties rooted in archaic oligarchic disputes from the 19th century, which preceded the emergence of mass democratic participation” (Roberts, 2002, pp.55-56).

How can these significant differences in the abilities of parties and party systems to adapt or transform during the transition from ISIM to neoliberalism be explained? Roberts argues that “previous efforts that tend to categorize Latin American party systems are of limited usefulness for understanding these different capacities for adaptation” (Roberts, 2002, p.57); he therefore proposes “classifying party systems according to their sociological attributes or their way of establish links between parties and society. Party systems are a form of institutional mediation between the state and societies and exist in a relationship of reciprocal influence with their social and political contexts. That is, party institutions are modeled and constrained by the socio-political panorama in which they compete, even as they act to transform (or support) existing social relationships” (Roberts, 2002, p.58).

The study by Roberts develops a typology of party systems built around the distinction between elitist party systems and those based on the mobilization of workers.¹⁵ He argues that “party systems were associated with distinctive patterns of political organization, social mobilization and economic management during the ISI era, and were affected differently by the crisis of that model and by the subsequent free-market-oriented reform process. The change in development models was especially traumatic and disruptive in countries with party systems based on worker mobilization, which experienced more profound political transformations than countries with elitist party systems” (Roberts, 2002, p.56).

Structural adjustment caused greater political and economic shock in countries where the state-centered model was more fully developed, having a greater impact on party systems that were based on the mobilization of workers; while in “the elitist cases, the new era of market liberalism not only required less severe economic adjustments, but also brought about less traumatic change in patterns of organization and representation” (Roberts, 2002, p.69).

In party systems based on the mobilization of workers, there was significant change in the ways in which parties established ties with society. Although “class-based worker parties differed greatly in their levels of institutional development as party organizations, they shared significant characteristics. All were mass organizations that mobilized popular support around promises of state intervention to provide collective benefits, the redistribution of resources and the promotion of industrial development. They therefore built and maintained strong political ties with worker movements and other organized civil society groups, and they attracted electoral support from captive blocs of voters within their affiliated secondary associations” (Roberts, 2002, p.70).

¹⁵ Roberts distinguishes two types of elitist party systems: (a) oligarchic, and (b) patrimonialist; he also distinguishes two types of party systems based on the mobilization of workers: (a) class-based, and (b) populist.

The economic crisis and economic reform processes “of the past two decades have altered the social landscape dramatically and — quite probably — irreversibly. In the process, they have undermined the organizational mindset of worker parties and the stratified cleavage structures of the party system in which they were anchored. At the center of these changes lies the erosion of the political ties that linked the parties to large-scale secondary associations, such as trade unions and peasant organizations, under the old economic model. As social relationships have been restructured according to market principles, these secondary associations have been severely weakened. The relative number of stable jobs in strongly unionized sectors of the economy, such as large-scale industry and public services, has decreased, while there has been dramatic expansion of the work force in small businesses and the informal sectors” (Roberts, 2002, p.70).

On a more general level, Roberts identifies three dominant trends:

- (1) “[T]here has been a de-institutionalization of political representation, as voters have become increasingly independent of party organizations” (Roberts, 2002, p.74).
- (2) “[T]he de-massifying of political representation. This trend can be identified in different areas, including the decline of large-scale secondary organizations, such as trade unions, the atrophying of grassroots organizational structures, and the death of the concept of political militancy. It can also be seen in the increased professionalism of party organizations and electoral campaigns, the expansion of technocratic ways of doing politics, and the growth of ‘associative networks’ around specific political issues, with highly dispersed forms of collective action” (Roberts, 2002, p.75).
- (3) “[T]he last trend, a concomitant of the de-massifying approach, is the increasingly vertical nature of the bonds between parties and society. This is more evident in the change from corporatist to clientelist models of incorporation, by which horizontal forms of organization based on class interests and solidarity give way to vertical, multi-class networks that depend on the exchange of individualized material and political favors” (Roberts, 2002, p.75).

c) *Factors related to the functions fulfilled by parties in political systems*

In the literature reviewed on the subject of the crisis of parties, several authors call attention — from different standpoints and with varied emphases — to the argument that parties are not adequately fulfilling their functions.

Rivas Leone posits that the functions of “socialization, mobilization, participation and legitimation that lie at the heart of political parties are extremely worn out. This gives rise to a process of increasing delegitimation whose magnitude depends on the depth of an eventual crisis of governance, to the extent that parties stop preparing and creating citizens” (2002, p.4).

Other authors refer to a contraposition between the functions of political parties and reality. Murillo mentions that the parties’ functions are the “seeking of

objectives through ideologies and platforms, the linking and aggregation of social interests, the mobilization and socialization of citizens and recruitment of elites and formation of governments.” In juxtaposition with reality, political parties “are no longer representative institutions dedicated to defending the interests of their constituents, but autonomous entities that protect their own interests” (1995, pp. 133-134).

In this section, I would like to focus on the identification of certain elements to explain the crisis of parties, which revolve around the difficulties or problems that keep parties far from fulfilling their basic functions. Six main functions of political parties can be identified: (a) socialization, (b) mobilization, (c) participation, (d) legitimation, (e) representation, and (f) administration or operation of the political regime (Alcántara, 1995). In the literature reviewed, however, there is a greater diversity of elements, which can be grouped around three issues: (a) representation, intermediation and aggregation of interests, (b) the legitimacy and effectiveness of government administration, and (c) the operation of the political regime or governance.

Representation, intermediation and aggregation of interests

Many of the works reviewed point to the problem of the way in which parties establish ties with or relate to society. For example, it is stated that “the crisis of political parties is nothing more than the reflection of a deeper questioning of the forms of political representation, the relationship of individuals with society, of individuals with the state, and of society with the state” (Marván, n/d, p.20); it is also stated that “today there is a serious distortion, which is on the rise, between the classic supply of the barely inalterable world of parties and the demands of society” (Alcántara, 1995, p.8); or there has been a change in “the speed, intensity, location and form of political demand, and our parties’ organizational system has not responded to any of these challenges” (Borea, 1995, p. 610).

There are those who believe that in Latin America between 1992 and 1996, both political parties and politics “entered a profound crisis in most of the countries, characterized by the increasing distance between politics and society. (...) Citizens view parties and politicians with distrust, as inept and corrupt, as lacking transparency and social sensitivity” (Álvarez, Rial and Zovatto, 1998, p.765).

Moreover, various authors note a distancing between parties and society. We can think in terms of a sense of political discontent on the part of citizens with regard to political institutions and political parties: “currently (...) Latin American societies (...) feel increasingly let down by the ineffectiveness of the political system, and they increasingly question the legitimacy of the system to represent their interests while demanding greater efficiency and effectiveness from the state and public spaces for participation, dialogue and decision-making” (Calderón, 2002, p.50). Another author argues that: “Citizens’ perceptions of politics and politicians have gone hand in hand with the loss of politics’ central role. Additionally, there is a discrediting and a lack of confidence, which widen the gap between citizens, the government, the state and political parties” (Martínez, 2000, p.10).

Unfulfilled promises have helped erode confidence in parties: “In previous

years, parties pursued votes not through responsible incorporation into the system, but by making easy promises that initially drew people to those who promised most in a sort of market of hope, but which quickly led to great disillusionment as government after government (the one taking office promised more than the one that was leaving after failing to fulfill its promises; the new administration blamed its predecessor for the very failure of which it would also eventually be guilty) offered only promises, and what was supposed to happen in return for the votes, the public works offered, never appeared.” (Borea, 1995, p.608).

The issue of the decline of political representation is addressed by Bodemer (2001), who formulates the following working hypothesis: “as a consequence of the parallel process of democratization and economic liberalization, social interests have become disorganized and disconnected from networks of political representation. This has had two consequences: (a) trade unions have lost their monopoly on the representation of their members or suffered structural changes that distracted them from the political sphere; (b) at the same time, citizens identify less and less with political parties and often are not even interested in voting” (Bodemer, 2001, p.6). As a result, the decline of political representation is not seen as a temporary phenomenon, but “instead there are many indications that it is of a structural nature” (Bodemer, 2001, p.7).

The decline of political representation is due to various factors: “(a) public dissatisfaction with weak economic results; (b) the impact of television; (c) the dispersion of the decision making process: from the centralized state of the post-war era there has been a shift to multiple decision-making centers that include sub-national governments, more or less autonomous agencies of the central government and external arenas, leading to the transformation of popular representation in associative networks; (d) the collapse of the ‘state-centered’ political and economic model that had served as the framework for post-war representation networks; (e) the decrease in the state’s distributive and regulatory capacity, which substantially reduced the potential of political parties without platforms to compete in elections and mediate interests through traditional corporatist channels and clientelism” (Bodemer, 2001, p.6).

Francis Hagopian formulates the following hypothesis: “... in the aftermath of the processes of democratization and marketization that have gripped Latin America in the past decade, societal interests have become disorganized and disjoined from the networks of political representation that buttressed populist democracies and hybrid regimes in the past. This disorganization manifests itself in two specific, significant ways. First, corporatist unions are either losing their monopoly of representation over their members or undergoing structural changes that divert their attention away from the political arena. Second, at the same time, citizens are failing to identify with parties and often do not even vote” (1998, p.109).

The results of her study lead Hagopian to conclude that: (a) “corporatism is in decline”; (b) “partisan and electoral ‘dealignment’ has proceeded farther and faster in more countries than has ‘realignment;’ and (c) “there is not yet evidence that voluntary associations and NGOs have mobilized many more citizens than when they ‘first’ appeared in the 1970s and 1980s, respectively” (Hagopian, 1998, p.126).

There is also a warning that “(w)hile disengagement from some networks of representation (such as stifling state corporatism and traditional clientelism) might conceivably signal an advance toward the formation of new and better forms of political representation, it has more often contributed to a growing gap in representation. (...) At the moment, we urgently require a framework for understanding when, how, and why the reorganization of societal interests and their reattachment to political institutions take place” (Hagopian, 1998, p.126). Hagopian therefore concludes that the only certainty is that the nature of political representation is changing.

From another perspective, one explanation for the generalized discontent with political parties is that parties “(...) have not been able to adjust their functioning to the demands and expectations of the population, which has cast doubt on their central function in the political system, that of being structures for mediation” (Lazarte, 1992, p.82). Lazarte understands parties’ mediating function to include three essential tasks: representing, expressing and channeling. Nevertheless, he believes they fall short in performing these tasks: (a) “the population does not feel represented by parties;” although “parties have institutional political representation, (...) they lack social representativeness;” (b) “parties generally believe themselves to be the voice of those who have no voice, but in the end it is their own voice that they hear or make heard;” and (c) “people are not convinced that their opinions and demands will be heard, channeled and transmitted to the political system” (Lazarte, 1992, p.82).

Lazarte argues that a political party that functions exclusively on the basis of power will be unable to adequately perform its role as a mediating structure between society and the political-state system. The main problem of political parties lies in the fact that “they cannot give up the pure rationale of power by which they always functioned. If in the past the rationale of politics put priority on power and strength, and therefore ignored society or did not take it seriously into consideration, citizen democracy has incorporated its own rationale as a principle for action, casting doubt on parties that were almost exclusively based on the rationale of power” (Lazarte, 1992, p.84).

Reyna (n/d) returns to Marcelo Fabián Sain’s comments when he says that political parties ceased to be “primary bodies for channeling the principal socio-political demands. This definitely signifies a deep crisis of political-social representativeness and intermediation”.

Finally, certain authors suggest looking beyond the role of intermediation. The role of political parties, therefore, “is not only one of intermediation between citizens and the state power apparatus, but of giving the latter direction and content. Parties legitimate the power of the state and give meaning to public order. This intermediation serves to channel, represent and respond to demands and conflicts that originate in civil society. It organizes social diversity in the unity of political representation, thus providing a continuous connection between citizens and the state, a constant flow from civil society to the political-state sphere and vice versa” (Torres-Rivas, 1995, p.306).

This discussion takes us back to the issue of the parties’ relationship with society, in which one overarching element certainly seems to be the autistic stance

that parties adopted upon losing their ability to enter into dialogue with and relate to the various social actors.

The legitimacy and effectiveness of government administration

For Mainwaring and Scully, “parties have not met the challenges of representing interests, providing sustained support for governments, and generating legitimacy. Politicians have failed to deliver what people hope for. Personalism, unbridled clientelism, and corruption have eroded the legitimacy of particular parties and often of democratic institutions more broadly” (1995, p.462).

Some authors focus on the parties’ functions and actions to explain the parties’ legitimacy. Crespo (n/d) believes that political parties must meet at least two basic conditions in order to perform their functions: (a) have institutional capacity to incorporate broad sectors of society, that is, they must be parties of masses; and (b) enjoy enough legitimacy for citizens to feel represented by the parties in public power. “When one of these two conditions no longer exists (...) then massive social mobilization will create constant pressure against governance and political stability. People begin to speak of a ‘crisis of political parties’ because in many cases parties no longer have sufficient institutional structure to make room for increasing political participation, or because their legitimacy as intermediaries between society and the state is increasingly questioned” (Crespo, n/d).

Based on the argument that in Latin America “a restructuring of the structures and processes of political legitimacy is under way, a task that mainly corresponds to political parties,” Torres-Rivas warns that “institutions and the exercising of power are not legitimate by virtue of their legality, but because of what is done with the legal mandate. Their acceptance does not depend on what the mandate is, but on the consequences or probable results of its application” (1995, p.302).

This points to the need to consider both dimensions of the legitimacy of governments: their legitimacy of origin — at the ballot box — which must be accompanied by legitimacy in the exercising of government administration — effectiveness in the results of public administration — since citizens expect those who govern to solve problems so as to improve their living conditions.¹⁶

Operation of the political regime or governance

“Strict reduction to the parties’ electoral function is one of the major characteristics of the new situation. Turning parties into mere electoral machinery makes them unable to perform (...) classical functions” (Alcántara, 1995, p.16).

Turning parties into machines for winning elections, to the detriment of the establishment of permanently functioning structures, has had significant consequences, limiting their ability to perform the rest of their functions in society. For example, it has been noted that parties no longer engage in work related to the socialization or political education of citizens.

¹⁶ “(...) under current conditions in Latin America, governance is the quality of the political community in which its institutions act effectively, in a way that citizens consider legitimate because these institutions and their policies provide security, integration and prosperity, and give the system order and continuity.” (Torres-Rivas, 1995, p.304).

Some authors have explored the implications of the presidential form of government for Latin American political systems. For example, Cansino argues that the erosion of parties' functions is due to the presidential system that dominates in Latin America, because "political parties are, above all, machinery that mobilizes loyalties and feelings for electoral battle, rather than instruments of government". To Cansino, "the principal factor that explains this secondary role of governing parties in Latin America lies in the dominant form of government in the region (...) in the Latin American presidential systems, the principal decision maker is the executive branch and, more specifically, the president. (...) In this sense, it can be established (...) that the role played by political parties, as well as by other actors, such as parliament or trade unions, is one of subordination in decision making" (Cansino, 1995, p.55).

Based on the discussion in this section, it can be understood that the relationship between political parties and society deteriorates "when political parties are reduced to mere electoral machinery whose only function is to organize the selection of candidates, engage in propaganda and obtain votes, parties forget about society and social processes (...)" (Marván, n/d).

d) Factors related to the discrediting of politics as a result of corruption

Some authors view political corruption as another factor that contributes to the crisis of political parties: "In Latin America, the issue of political financing is closely related to disenchantment with politics. The constant scandals involving corruption, bribery, influence peddling and sometimes drug trafficking reinforce the aversion that many citizens feel toward political activity and political leaders. In addition, parties and the candidates themselves accuse one other of obtaining funds from questionable sources or of handling them inappropriately" (Payne, Zovatto, Carrillo and Allamand, 2003, p.179).

In this sense, corruption is understood as "the misuse and abuse of power of public or private origin, for partisan or personal purposes, through the violation of the law." In other words, money, goods and services are provided clandestinely and/or illicitly by a person or persons (an individual or company, domestic or foreign, or a public official or functionary) to favor a party and/or candidate, with the goal of obtaining subsequent benefits".¹⁷

Analysis of this type of corruption, which affects political activity, has been approached on two levels: (a) individual, understood as a lack of ethics or a crisis of values among politicians; and (b) systemic, referring to the lack of effective regulation of financing of politics and parties.

This lack of regulation of financing — or limits to its effectiveness in certain cases — is an issue that stands out because of its impact on the discrediting of and loss of confidence in parties and politics. As Zovatto states, "(...) what is certain is that financing has often become the main source of corruption in both underdeveloped and developed countries" (1998, p.xxv). Continuing with the author's argument, the reestablishment of democracy in America, along with the

¹⁷ Landfried, quoted in Zovatto, 1998, p.xxii.

rehabilitation of electoral processes, has enabled parties to regain their role as main players on the political stage. There is an increase in political-electoral expenses because of the reactivation of party activity, as well as “the gradual rise in the cost of electoral campaigns, which are increasingly based in marketing, foreign advisers, surveys and ‘focus groups’ (...). In addition, the need not only to maintain the party apparatus in permanent operation but also to wage increasingly costly political campaigns means that parties must raise large amounts of money, and they do not always ask about the origin of those funds or they simply turn a blind eye. The door has gradually been opened to illegal financing, the increasing influence of strong economic groups, influence peddling and the scourge of drug trafficking” (Zovatto, 1998, pp. xiii-xiv).

Faced with this situation, most countries in Latin America have introduced laws in an effort to create a regulatory framework for “political financing,” understood as “the policy of income for and spending by political forces, both for their electoral activities and for regular operations” (Zovatto, 1998, p.xiv). Despite legislation introduced in recent decades, however, “the groups’ political independence remains threatened because of the constant need to obtain larger and larger amounts of money” (Payne, Zovatto, Carrillo and Allamand, 2003, p.179).

The lack of disclosure “that currently characterizes the functioning of parties in general, and their financial behavior in particular, makes party activity and the democratic process suspect. This suspicion stems not only from corruption scandals that have been exposed and proven, but also from an ‘appearance of corruption’ rooted in the lack of transparency about all of the money obtained and used, as well as mutual accusations among parties and candidates about the mismanagement or dubious origin of their funds” (Zovatto, 2003).

*e) Factors related to the emergence of other competitors:
civil society and the media*

We referred above to the functions corresponding to political parties; this section examines the argument that political parties face the emergence of other competitors. There are two positions on this issue: (a) those who see the emergence of civil society organizations and the media as a consequence of the decline of parties or shortcomings in their performance, and (b) those who see in the emergence of civil society organizations and the media the reason for the parties’ decline. Whichever approach is taken, both have consequences for parties. This section offers some reflections about the emergence of these two competitors to political parties: civil society and the media.

Civil society

Roberts refers to this issue in the following terms: “The central role of parties as agents of political representation has been reduced by social and technological modernization. A diversity of interest groups, social movements and non-governmental organizations have taken on representative functions that were previously monopolized by political parties, while the parties have retreated from

their historical role as organizers of civil society. In addition, the proliferation of the electronic media, opinion polls and political consultants have professionalized electoral campaigns and decreased the importance of bureaucratic parties of masses. Because the parties become professionalized and limited to electoral functions, they are increasingly entangled in the circles of state power and disconnected from their social bases” (2002, p.57).

Alcántara and Freidenberg (2001) note that the difficulties “that party organizations encountered in satisfying citizens’ demands amid economic crisis, apathy and disenchantment with political activity led to the emergence of political ‘outsiders’, personalities who, while winning office with assistance from parties, acted outside of them. This led some analysts to refer to the crisis of party representation and shifted research toward the emergence of new mechanisms of representation that sought to supplant the parties as structures for political intermediation between citizens and the state (...)” (p.13).

Authors such as Lazarte suggest that “the appearance of informal movements seems to be directly related to — and may be one effect of — a failure of parties or of the party system with regard to structures for mediation” (1992, p.64).

It has been argued that “outside of parties, and often in opposition to them, social movements and organizations have appeared whose identity is mainly rooted in their independence from the governmental sphere — it is not by accident that we know them as Non-Governmental Organizations (NGOs). Because of the increasing distrust of politics in general, and of politicians, these new forms of association have possibilities for gaining legitimacy because from the outset they refuse to institutionalize themselves as part of the state. It is ironic that their political power is based on their capacity for autonomy from the government: they explicitly seek to do politics from their place in society” (Marván, n/d). It is also noted that “one of the most efficient ways that citizens currently have to push their demands is through new pressure mechanisms offered by NGOs. These organizations, as a rule, are established around a very specific demand or set of demands. (...) Because of their ability to focus on an extremely precise objective, their efficiency is exponentially greater than that of many political parties. Because they do not participate directly in the country’s electoral life, they are not under pressure to make political promises that include the entire population and represent all interests” (Marván, n/d).

The media

The literature also highlights the role of the media in explaining the transformation of politics: “politics loses its substantive strength and tends to become more of an instrument. The mass media highlight the candidates’ individuality, and voters choose based on the confidence inspired by the candidates’ personalities (...)” (Calderón, 2002, p.51).

Some argue that today, “politics is done in the media, especially on the television screen. Politicians follow public opinion instead of guiding it. Political surveys take the place of platforms and ideas. Parties increasingly become mere ‘electoral machinery.’ All of these phenomena exacerbate the personalization of politics, the weakening of party structures and the discrediting of politicians and

politics” (Álvarez, Rial and Zovatto, 1998, p.766).

Fernández refers to the media’s role in replacing parties in the following terms: “Like it or not, the media seem to be supplanting political activity; the media are taking the lead in relations between citizens and the state; the media always seem to be giving organized form to the interests of the people” (1996, p.19).

With regard to the argument about the competition between parties and the media over functions, there has been a return to Alfredo Keller’s argument in the sense that “both instruments may have equal importance and significance in the relationship between the individual and society, and their competition would also make use of those instruments. In his view, the media ensure the massive and extremely rapid dissemination of political content and play an oversight role. At the same time, however, they take on the role of politics with a tendency toward replacing it. They are aided in this by their speed, immediacy, use of advanced technology and strength of penetration, although the price is often generalization, an uncritical selection of content and a certain superficiality” (Priess, 1996, p.74).

Martín-Barbero, meanwhile, makes the following observation, referring to the media’s role in the public sphere: “(...) the media today are decisive spaces for social recognition. Instead of replacing it, television and radio have become part of the web of rhetoric and of political action itself (...). Because the media are not limited to transmitting or translating existing representations, and cannot replace them, they have become a fundamental scenario for public life” (1999, p.50).

f) Factors related to the characteristics of the party system

There is interest in explaining the crisis of parties based on the characteristics of party systems,¹⁸ focusing basically on the issue of institutionalization. It has been suggested that “institutionalized party systems help groups express their interests, while at the same time allowing the government to govern. They select, aggregate and help resolve social conflicts. They channel political demands and can buffer political conflicts. They put down roots in society as individuals and organized actors establish connections with parties” (Mena Keymer, 1999).¹⁹

Mainwaring and Scully (1995) have focused debate on the importance of analyzing the institutionalization of party systems for the consolidation of the democratic process:²⁰ “Whether or not an institutionalized party system exists makes a big difference in the functioning of democratic politics. (...) The nature of parties and party systems shapes the prospects that stable democracy will emerge, whether it will be accorded legitimacy, and whether effective policy-making will result” (Mainwaring and Scully, 1995, pp. 1-2). For Mainwaring and Scully, the

¹⁸ The party system can be understood “as the set of patterned interactions in the competition among parties” (Mainwaring and Scully, 1995, p.4).

¹⁹ Mena Keymer (1999) argues that “another decisive factor in the institutionalization of the party system has to do with the establishment of norms of public law, which regulate the functioning, internal structure, voting systems and financing of political parties.”

²⁰ An institutionalized party system “implies stability in interparty competition, the existence of parties that have somewhat stable roots in society, acceptance of parties and elections as the legitimate institutions that determine who governs, and party organizations with reasonably stable rules and structures” (Mainwaring and Scully, 1995, p.1).

institutionalization of party systems “refers to a process by which a practice or organization becomes well established and widely known, if not universally accepted”. Similarly, quoting Huntington, these authors note that “institutionalization is the process by which organizations and procedures acquire value and stability” (Mainwaring and Scully, 1995, p.4).

For a democratic party system to be institutionalized, four conditions must be considered: (a) “stability in the rules and the nature of interparty competition”; (b) “the major parties must have somewhat stable roots in society; otherwise, they do not structure political preferences over time and there is limited regularity in how people vote”; (c) “the major political actors accord legitimacy to the electoral process and to parties. Political elites base their behavior on the expectation that elections will be the primary route to governing; and (d) “party organization matters” (Mainwaring and Scully, 1995, p.5).

The authors suggest that the lack of an institutionalized party system not only represents a weakness of the parties, but also tends to make politics somewhat unpredictable: “where the party system is more institutionalized, parties are key actors that structure the political process.” Complementing that idea, these authors suggest that in a less institutionalized party system, “[d]emocratic politics is more erratic, establishing legitimacy is more difficult, and governing is more complicated. Powerful economic elites tend to have privileged access to policy makers. In the absence of well-developed institutional checks and balances, patrimonial practices often prevail, and legislatures tend to be weakly developed.” (Mainwaring and Scully, 1995, p. 22).

g) Factors related to the nature and organization of political parties

This section reviews issues related to internal aspects and organization of political parties. Bodemer refers to “the discontinuity of the party system, its limitations with regard to internal democracy, discipline and cohesion, the frequency party-switching by many politicians (people speak of *shirt changing*), the alignment and dealignment of citizens with political parties, and finally electoral volatility” (2001, p.6).

Some authors refer to the persistence of the old model of party structure and functioning, which is characterized, among other things, by: (a) “its authoritarian structure and vertical decision-making,” (b) a “concentration of decision-making in top leadership, which in turn is co-opted by the party’s historical ‘barons’ or ‘chiefs,’” and (c) “they have maintained their fondness for abundant and redundant rhetoric. (...) This is especially evident in electoral campaigns, where candidates from the ‘catch-all’ party make campaign promises and then not only fail to keep them, but they do exactly the opposite of what they promised. This distance between the promise of the rhetoric and the real course of action has lowered the value of political rhetoric to the point of making it suspect and detestable” (Lazarte, 1992, p.83).

Pasquino, meanwhile, notes that “the sense of detachment, of abandonment, of distance that many voters feel with regard to politics would be significantly reduced and might disappear if the parties were represented by representatives who

were well integrated with their constituencies and their communities.” (2001, p.8).

In his study of the Andean region, Ramos comments that the 1990s saw the “start of a process of party destructuring,” in which the political crisis has gone hand in hand with the economic crisis. (Ramos, 2001). With regard to political parties, he identifies two phenomena:

(a) there is greater professionalism among the political class, which leads to a sort of corporatization of parties: “with the growing de-ideologization and the resulting electoralist quest for political positions in the center, the parties have been consolidating specialized leadership teams with greater administrative ability ... that will help them reaffirm the traditional policy of patronage between leaders — the party — and ‘their’ public.” In the Andean countries, there is an “almost unstoppable separation of party leaders from the grassroots and, in the resulting dissociation, from broad sectors of civil society.” (Ramos, 2001, p.71-71).

(b) This increased professionalism of parties “in recent years has led to a greater personalization of leadership, giving way to the emergence of ‘great disconnectors.’ Fujimori, in Peru, abruptly dismantled the incipient democracy’s institutions: parties, parliament, the judicial apparatus, the armed forces, etc. After the Peruvian precedent came Bucarám in Ecuador and Chávez in Venezuela, wielding a ‘popular sovereignty’ that left no room for ‘has-been politicians,’ adapting to a restrictive kind of politics that fostered the depoliticizing of citizen-electors and social anomy. (...) Compared with traditional parties, the alternative models, which channel new expressions of interests and identities, appear strongly de-ideologized, and their lines of division or cleavage in no way represent the traditional divisions of class or ethnicity. This responds to the characteristics of the limited ‘political marketplace,’ which is more inclined to a direct relationship, ‘without intermediaries,’ with the leader who is in power at the moment.” (Ramos, 2001, p.71-72).

We get a different perspective if we focus on the parties’ internal democracy as a factor in legitimizing political activity. Political parties “that link the state with society must organize themselves and function democratically; otherwise they contradict the democratic model of the state, because functioning oligarchically implies a discrediting their own role; in other words, the party is a political player that offers itself as a whole to the rest of society, so how can it reconcile external democratic functioning with internal oligarchy? That is incongruous. Besides, parties must become more democratic in order to increase the state’s legitimacy and increase the self-fulfillment of individuals and society as a whole.” (Cárdenas, 1992, p.64).

Cárdenas notes that the definition of internal democracy “does not involve only the democratic principles enshrined in the constitution or the ideological heritage of each platform (...) but above all refers to the recognition and guarantee of fundamental rights within the party;” it also recognizes the importance of “pluralism, equal opportunities among parties, respect for the creation of new parties.” (Cárdenas, 1992, p.10). From this standpoint, a political party is democratic “if within it the fundamental rights of affiliates are respected and guaranteed, and there are measures, mechanisms and controls for safeguarding this guarantee, always taking into consideration such values as liberty, equality, justice and democratic pluralism.” (Cárdenas, 1992, p.68).

Finally, I would like to turn to the work by Coppedge (2001), in which he warns

of the complexity and difficulty of responding to the question of whether Latin American political parties are in decline. In his view, the parties' decline is not generalized, and is related to their ability to adapt to the political environment.

Coppedge formulates his theory of "political Darwinism" to refer to the survival of the parties that best adapt to changes in the environment: "It should be clear by now that party politics in Latin America is a harsh struggle for survival with few survivors. It could be aptly called 'political Darwinism' because there are several parallels between the evolution of party systems and the evolution of natural species. Both natural selection (...) involve competition for limited resources, whether votes or food; the winners of this competition grow (in popular support or numbers) while the losers decline and eventually become extinct; the survivors tend to reproduce themselves more or less faithfully for the next round of competition..." (Coppedge, 2001, p.184). In short, the parties that best adapt to the environment will grow and survive future battles.

The results of his study lead him to establish four basic conditions that shape the evolution of parties and the party system: a) "the amount of stress to which the party system is subjected", b) "the nature of the stress, which determines which characteristics are rewarded and which are punished", c) "the vulnerability of the parties to this kind of stress", and d) "the parties' capacity to adapt appropriately" (Coppedge, 2001, pp. 184-185).

In discussing the amount and type of stress, the author refers to the pressure to which parties are subjected to accommodate themselves to the voters' priorities: "Parties are pressed to adapt whenever their environment changes in ways that affect the voters' beliefs and priorities" (Coppedge, 2001, p.186). The parties' vulnerability and adaptability also depends on the voters' behavior: "Voters do not treat all parties the same, (...) in some countries voters are reluctant to question their party identification even if their party wrecks the economy or someone else's party produces a boom. In other countries, voters are far more generous in their rewards and more harsh in their punishments" (Coppedge, 2001, p.187).

2. The Central American academic debate

This section is structured as follows: The first part addresses the issue of the many transitions in the region; the second introduces a series of considerations related to the study of political parties; and the third presents factors that explain the crisis of parties in Central America.

2.1 Characterization of the transition

The process of democratic transition in Central America has three basic characteristics that distinguish it from the Latin American process, giving it its own specific nature:

a) *It occurred within the framework of serious armed conflicts and peace processes*

In the 1980s, the three internal armed conflicts in Central America (Nicaragua, El Salvador and Guatemala) reached their peak and had an impact on bilateral relations between various countries and on the region as a whole, resulting in an accelerated process of militarization. Central America became one of the main focal points of world tension in the final stage of the Cold War.

Guatemala had the longest armed conflict in Central American history, lasting 36 years (1960-1996); while in El Salvador, the internal armed conflict lasted 12 years (1980-1992); and in Nicaragua there were two distinct periods: the revolutionary struggle, from the creation of the Frente Sandinista para la Liberación Nacional (FSLN) until the defeat of the Somoza dictatorship and the triumph of the revolution on July 19, 1979, and the counterrevolutionary war period that began immediately afterward and ended within the framework of peace negotiations (1988) and the 1990 elections. These armed conflicts had enormous human, social, economic and political costs.²¹

Within the framework of the armed conflicts, peace negotiations with different characteristics took place at different levels during the 1980s, laying the groundwork for the signing of the historic peace accords in Nicaragua (Sapoa in 1988 and the demobilization agreement in 1990), El Salvador (1992) and Guatemala (1996).²² These processes benefited from the new international context that followed the fall of the Berlin Wall, which marked the end of the Cold War.

b) *Because of the authoritarian past, these were democracy-building or “founding” processes*

This democracy-building process has been summarized clearly by Carlos Sojo in the following terms: “With the exception of Costa Rica, which we have already noted, in the isthmus it was not a matter of restoring a democratic system that had been suspended by military authoritarianism, but of ‘founding’ democratic institutional practices and mechanisms in political systems that knew them only incompletely and precariously as part of a traditionally authoritarian political culture. As Solórzano says, democratic facades were constructed to give legitimacy to authoritarian political regimes” (Sojo 1999, p.52).

c) *With societies that were deeply polarized in terms of levels of social exclusion*

Viewed as a whole, multiple transitions have taken place fairly simultaneously in Central America: (a) a democratic transition that in itself represents a triple

²¹ For example, it has been noted that the war that Guatemala lived through for 36 years left 150,000 people dead, 50,000 disappeared, 1 million internally displaced people, 100,000 refugees and 200,000 orphaned children. Three out of every four victims of the war were indigenous. See: the report presented by the interdiocesan project for the recovery of historical memory (REMHI): “Guatemala: nunca más.”

²² For an overview of the peace process in Guatemala and El Salvador, see: Azpuru, 2000; Jonas, 2000; Torres-Rivas and Aguilera, 1998; Samayoa, 2002; and Córdova Macías, 1993.

transition: from war to peace, from militarism to demilitarization, and from authoritarianism to democracy; (b) but there has also been an economic transition, from a model of closed economies to increasingly open economies, implying a redefinition of the role of the state²³.

2.2 The study of political parties

In addressing the issue of political parties in Central America, Cerdas warns of the differences between the situation in that region and other political realities because of the specific characteristics of Central American history: “First, in Central America there were no Parties, strictly speaking, but at most electoral machinery, much of which was not even national in scope” (Cerdas, 1995, p.21).

Along this line, Urcuyo (1997d, p.7) points out that “we must begin with the statement that the political game before the Central American crisis was characterized by the predominance of the military as an actor. The subordination of parties to the military is a constant in the Central American region.” From this historical process it followed “that the parties’ protagonism was more than limited. The political actor *par excellence* was the army, not the parties. In fact, the former had very low levels of institutionalization in agrarian societies with scant economic resources. It is therefore erroneous to speak of a crisis of parties in Central America, understood as a process of deterioration based on a mythical situation in which they were supposedly well organized and citizens believed in them. The crisis of parties in Central America is not only a crisis of the erosion of their legitimacy or the wearing out of their internal structures. The crisis of the parties is a crisis of growing pains, of efforts to be born in a context that is still characterized by its authoritarian nature” (Urcuyo, 1997d. p.8).

Torres-Rivas, meanwhile, refers to the parties’ institutional weakness in the following terms: “Parties, as decisive political actors in that political construction, have not yet become fully formed, and that can be viewed as a cause of the weakness of political democracy or a consequence of it” (Torres-Rivas, 1996, p.31). Cerdas adds that “the fluid and temporary nature of parties and political coalitions, and of the respective party systems, that have recently emerged in Central America, gives an air of temporariness to the whole as well as the parts and exacerbates various aspects of the crisis of credibility affecting parties and leadership” (1995b, p.19).

Without denying the political parties’ flaws and problems, there is a rejection of “a poorly differentiated criticism that judges them only on the basis of a few rigid — and, in part, European — concepts of how they should act, ignoring the contexts in which they do act and refusing to acknowledge the progress they have made since the beginning of democratization” (Bendel, 1994, p.27).

In the face of arguments about a crisis of political parties in Central America,²⁴ Rovira is more cautious for three reasons: (a) “the reference point used to evaluate

²³ For an expansion of the argument about economic transition, see: Cerdas, 1998.

²⁴ “In the past two or three years, it has been suggested with some insistence that political parties are currently in crisis in Central America” (Rovira, 1994, pp. 131-132).

the parties' actions is an idealized image of what they should be in modern democratic societies, an image that is never made appropriately explicit;" (b) on the basis of the statement "that certain analysts make about the alleged crisis of this institution in certain South American countries, they hastily identify, not very rigorously or systematically, similar manifestations in our region. Those who do this certainly do not take into consideration how different the socio-political evolution has been in the two sub-regions of Latin America;" and (c) "the support for this theory pays little attention (...) to changes that have been occurring within the region's political parties to modernize them and enable them to better perform their functions in these emerging democracies". Rovira concludes that the "approach, weak as it is because of its scant analytical rigorosity, could be helping to discredit this important institution of representative democracy" (1994, p.132).

Rovira proposes two basic questions regarding the statement that political parties are in crisis in Central America: (a) what is meant by crisis? Here he turns to Pasquino's definition, noting that it is "a break in the functioning of a system, a qualitative change in a positive or negative sense, with the added characteristics of being sudden or unpredictable, generally of short duration, and affecting the environment in which it occurs (Rovira, 1994, p.133); (b) the need to distinguish among several elements that appear to be mixed together: "is every party in the party system of every Central American society (and consequently, all of the parties in all of our societies) currently in crisis? And if not: exactly which of the political parties in which societies in the region are undergoing such a crisis? The second question (...) is the party system (which is a subset of the political system) in every Central American nation in crisis? The third (...) is the political party as an institution, as the 'central intermediate and intermediating structure between society and the government,' in crisis?" (Rovira, 1994, p.133). With these questions about the specificity of the crisis, he concludes that "based on the points indicated above (...) it is impossible for me to accept the thesis that 'political parties are in crisis in Central America'"²⁵ (Rovira, 1994, p.134).

2.3 Factors that explain the crisis of parties in Central America

Taking as a frame of reference the multiple transitions that have characterized the Central American process in recent years, this section will present the various contributions to the Central American debate, grouped around four factors that explain the crisis of parties. First, the particular characteristics of the Central American transition from war to peace, from authoritarianism to democracy, and from social exclusion to inclusion. Second, it will address factors related to the deeper transformations that have occurred on the international scene, as well as in the spheres of economics, politics and society. Third, it will analyze factors related to economic reform processes that have had an impact on politics, and fourth, it will review the debate over the functions of parties in political systems.²⁶

²⁵ "(...) I do not see on the horizon of the Central American region a different political institution capable of supplanting the role of intermediation between society and the government that is played by parties" (Rovira, 1994, p.135).

²⁶ Several years ago, Bendel (1994) proposed organizing criticisms of parties according to the different levels of functions, distinguishing five levels: a) the role of political parties within the political system, b) interparty

a) *Factors related to the Central American transition*

One of the pioneering works on this issue in the Central American region is that of Rodolfo Cerdas, which holds that Central American parties have a dual weakness: “that which naturally stems from their relatively recent activation, with the military retreat that ceded the field of public administration to civilians, and the other, the unprecedented fact that the same wear and tear suffered by older parties in other latitudes is visible in the Central American parties” (Cerdas, 1993, pp.5-6).²⁷

Cerdas argues that “the deformed nature, limited functions and political limitations of parties in Central America basically stem from the unfinished process of transition to democracy in which they must operate. This limits their field of action, keeps other actors in spaces that should correspond to the parties, and sometimes postpones the consolidation of a unified democratic political system appropriate for the development of a modern party system” (Cerdas, 1993, p.166).

Nevertheless, the author identifies elements associated with the crisis of parties that are rooted in the party organizations themselves, but which must be understood within the framework of societies in transition: (a) outdated leadership and party organizations: “These lack an in-depth understanding of the modern national and international situation and operate not on the basis of in-depth, differentiated knowledge of the changes that have occurred in the world and in their respective countries, but on the basis of oversimplified and erroneous ideas” (Cerdas, 1993, p.167); (b) the de-ideologization of party leadership; (c) an “lack of differentiation” “among nominally antagonistic party groupings. The dispute no longer centers on the deeper issues of government, which are mainly defined in external negotiations, but on who can do it better” (Cerdas, 1993, p.170); (d) “the aspirations of the masses tend to be left out, not because they cannot be addressed objectively, but because they imply an effort at political leadership of which the mediocre leaders are incapable. Concentrating on their immediate interests — social and electoral — the leaders and parties have lost all social permeability” (Cerdas, 1993, p.170). The result is a lack of communication that “exacerbates citizens’ lack of faith in the leaders and increases the parties loss of legitimacy; this is exacerbated by the generalized phenomena of political and administrative corruption at the highest levels and complaints that drug trafficking has permeated politics” (Cerdas, 1993, p.171); (e) the phenomenon of impunity: “(...) the commission of crimes and serious offenses to the detriment of public finance, with the participation of well-known political leaders, is not only an everyday occurrence for citizens, but is also accompanied by circumstances that make it more serious. These include the fact that the highest-ranking figures normally go unpunished in clear cases of corruption” (Cerdas, 1993, pp.171-172); (f) a lack of ethics, expressed in the following manner: “an initial indication is the divorce between words and deeds; between the campaign platform and what is done once the government takes office.

competition, c) the parties’ internal structure, d) the relationship between the party and the party’s elected representative, and e) the relationship between the party and the electorate.

²⁷ “This dual weakness of parties comes on top of an increasing discrediting of political leadership and a notorious displacement of the formal bodies that should engage in political action: parliaments, local governments, etc.” (Cerdas, 1993, p.6).

(...) The methods for fighting adversaries inside and outside the party reflect this lack of morals, which multiplies with the attitude that sees public office merely as political booty. Political institutions therefore (...) become subordinated to the direct, elemental interests of parties and individuals” (Cerdas, 1993, p.173); and (g) party infighting “constitutes a pathology of the parties’ internal life, and by becoming an end in itself separates them even more from the rest of the population. Ironically, this internal cannibalism is also a reflection of a lack of internal democracy” (Cerdas, 1993, p.175).

Cerdas’ analysis leads to two relevant conclusions: (a) the party “in its traditional conception does not seem to have a future, and requires a thorough reformulation with no concessions, from a democratic perspective” (Cerdas, 1993, p.180; and (b) “disenchantment with the political practice of elites that have already become irrelevant is the best opening for new forms of authoritarianism, as an alleged alternative to a democracy that holds elections but is incapable of generating credibility, legitimacy or effective responses to the urgent demands of the population” (Cerdas, 1993, p.182).

As already noted, Rovira is more cautious about the existence of a “crisis” of parties: “while it does not seem that we can properly speak of a ‘crisis of political parties in Central America,’ pretending that all is well with these organizations is ingenuous and demonstrates a lack of objectivity” (Rovira, 1994, p.135). He therefore proposes acknowledging that there is “discontent” “about them and the way they operate;” and because “no precise empirical information is available,” he limits himself to “suggesting a few important areas in which this discontent may manifest itself”: (a) “there is a sense of irritation at and repudiation of acts of corruption (illicit gain, influence peddling, etc.) by politicians or government officials;” (b) “at the inadequate opening up of parties to citizens; and at the processes of incomplete modernization and incipient democracy in which certain parties have engaged;” (c) at “the limited ability of parties to represent various social interests;” (d) “in a society like that of Guatemala, in which the party spectrum, the party system itself, is characterized by a pluralism that is restricted to ideological groups that range from the center to the right;” (e) “among most of the Central American population, there are many needs and social deficits whose minimal satisfaction has long been delayed” (Rovira, 1994, pp. 136-137). In sum, “in the short term, the fortunes of political parties in the region are inextricably linked to the future of representative democracy as a political regime, the degree of legitimacy attained by this regime, and the party systems’ contribution to it” (Rovira, 1994, p.138).

In another work, Rovira (1993) uses Lipset’s theoretical framework to analyze Central American societies, which “enjoy a very recently acquired democratic legitimacy (practically without a past), and which are undergoing a period of little economic growth with huge accumulated social deficits, so their medium- and long-range democratic stability may depend on two constellations of elements. The first centers on the political institutions’ ability to build their own credibility (...), and the second is the ability of governments and the political system to contribute to that credibility, demonstrating that the regime can function to address long-deferred socio-economic demands to a degree that is acceptable to society” (Rovira, 1993,

p.162). Addressing the question of the role that political parties have played in Central America's transition to democracy, "with an eye toward maintenance, duration, stability or consolidation of this political regime," Rovira introduces two levels: (a) the contribution made through everyday intra- and interparty actions, in which he concludes that political parties, "rather than shoring up and developing the regime's legitimacy, tend to undermine it, which also undermines their own legitimacy as parties;" and (b) with regard to the parties' role in promoting effective governance, he concludes that "the problem for most Central American countries stems from the fact that they are societies where democratic legitimacy is precarious, either because of its magnitude or because it has only recently emerged. Under these circumstances (scant economic growth accompanied by a democratic legitimacy that is not particularly solid), the constant lack of effectiveness in public policies of successive governments may erode legitimacy, creating conditions conducive to democratic instability or a new collapse of the political regime" (Rovira, 1993, pp. 163-164).

Finally, the author believes that the current challenge for political parties is to assume their role in channeling society's demands, which would encourage effective governance and stabilize the democratic regime. Rovira refers to this when he describes the function of parties: "...the question already posed about the task that lies ahead for political parties in encouraging government effectiveness is related to the other, which is their ability to become adequate channels for social demands..."; and he ends by referring to the problem that the parties must face, saying: "the problem that must be studied is (...) the possibilities that currently active political parties have (...) for processing demands arising from societies that are increasingly politicized; and contribute to the viable satisfaction of many of these needs, which have long been postponed for large segments of the population, thus reinforcing their ability to represent society as a whole" (Rovira, 1993, p.165).

Eduardo Núñez (n/d) identifies several dimensions or spheres of the crisis of parties in Central America: (a) a functional crisis, understood as the loss of the parties' capacity to represent, aggregate interests and intermediate between society and the state;²⁸ (b) the various changes have led to a crisis in the parties' organizational model, "because it cannot operate to address new social and political dynamics";²⁹ (c) a crisis of leadership;³⁰ (d) a crisis of ethical reference points;³¹ (e) a

²⁸ "This function of acting as a hinge between society and the state suffered at least two significant distortions: first, it changed from a service into a mechanism for controlling citizens, which, without effective instruments for participation and oversight of public affairs, ended up subordinate to and dependent on political power in its various forms; in this sense, the intermediation became excessive, to such an extent that the interests of the various social groups were diluted, leading these groups to find ways to represent themselves and reducing the central role of parties as instruments for intermediation. On the other hand, the greater social diversification led to an unprecedented expansion of the spectrum of citizen demands and expectations, making it practically impossible for parties to maintain their capacity to aggregate them effectively" (Núñez, n/d, pp. 12-13).

²⁹ "Their excessive verticality, their tendency to isolate leadership and their marked orientation toward electoral competition made it difficult for them to compete with the new organizational forms that society produced to represent its interests" (Núñez, n/d, p.13).

³⁰ "Bolstered by a basically *caudillista* style with authoritarian overtones, traditional party leaders faced growing citizen distrust" (Núñez, n/d, p.14).

³¹ "There is a sort of predetermination in thinking that anyone who gets involved in politics is responding to distorted personal interests, seeking personal gain, recognition or power instead of acting out of a vocation of service to society. This prejudice is certainly rooted in the large number of acts of corruption that have characterized politics. (...) Corruption that involves both the loss of ethical values in public administration and institutional designs that are not conducive to transparency" (Núñez, n/d, p.15).

crisis of ideology and party platforms;³² and (f) a crisis in relating to society: “if parties do not perform their functions satisfactorily, the key points in an effective relationship between parties and citizens tend to be lost. As the codes of political representation, intermediation and aggregation of interests become diluted, political parties are threatened by a break with the societies that they claim to represent. This is exacerbated by the emergence and irruption of multiple social and political actors of a new breed, and by the repositioning of other traditional actors, such as trade unions and grassroots movements, which take on roles traditionally reserved for political parties, upsetting the social and political roles on which the parties established their relationships” (Núñez, n/d, p.17).

In the case of El Salvador, it has been observed that the parties’ shortcomings and weaknesses did not allow them to take a leading role in the transformation that is under way: “(...) finding themselves on the axis of the transformations, in a situation that demanded solid, coherent institutional behavior from them, the parties found themselves unable to process and respond to the demands posed by the new rules of the game and the new political conditions. This was largely because political parties became involved in the transition at a time when they were absorbed more by severe internal crises — with expressions that continued even after the negotiated transition had ended — than by the problems that were central to the national political process. The scant institutionalization of these political actors was also an obstacle to the strategic objective of transition that was aimed at promoting and legitimizing party-based action and public political mobilization, which in the past was channeled to a large extent by grassroots movements and other non-partisan actors” (Ramos, 2002, pp. 83-84).

In a recent work by Poitevin and Sequén-Mónchez on the “challenges” for democracy in Central America, while the authors do not specifically address the explanatory factors for the crisis of parties, they do identify five principal problems related to political parties: (a) politics has been discredited by scandals and corruption. Thus, “the state is seen as the place to get rich quickly and with impunity.” The authors posit “that Central American citizens see political parties as means for grabbing power, acting for their own benefit with no regard for the concept of the common good”; (b) the emergence of new actors that completely replace the parties’ role as mediators between governments and citizens; (c) the lack of democratic practice within party structures. In particular, there is a questioning of decision-making processes within parties, “where a small group of leaders generally takes charge of naming candidates, who are chosen for their electoral advantage, and at best this decision is later sanctioned by a manipulated and prefabricated general assembly”; (d) “it is probably the absence of ideological conviction that makes parties become so volatile once elections are over, or in the case of those that come to power, makes them lose their way”; and (e) confusion between social interests and private interests, in part because of the participation of business

³² “Directly linked to the loss of the ability to aggregate and prioritize interests, we find a decreased capacity for political ideologies and government platforms to respond to the needs, expectations and demands of highly complex societies such as ours. During the rise of neoliberalism in Central America, it was said that this crisis was the result of the death of ideologies and that it led to a sort of ideological indifferenciation of political parties” (Núñez, n/d, p.16).

leaders in political processes. In addition, the expelling of various intellectuals from party ranks left a vacuum that “was occupied by money. With this statement, we attempt to explain that what the political parties lost in intelligence (ideological debate), they gained in action (funding and spending). This, although it appears democratic on the surface, will seriously affect them sooner or later” (Poitevin and Sequén-Mónchez, 2002, pp. 87-91).

In response to the self-complacent argument of those who say that there is no need to worry about this problem, since “despite the data from public opinion surveys, citizens continue to go to the polls and vote in elections, shouting slogans and supporting one candidate or another,”³³ Cerdas makes an interesting observation, viewing the crisis of parties in Central America as a process with three distinct stages: “The crisis of parties seems to have three stages that are well-defined and, as in social life, not necessary mandatory. The first stage is what could be called the historical crisis of parties, in which they are only small groups of individuals who become aware of the institution’s dysfunctions and loss of vitality. The vast majority of people pay no attention, and the deterioration continues at its own pace, with some political-party leaders extremely satisfied with their performance, power and control. This is followed by a second phase: the political party crisis. From being a minority, they expand to include broad sectors of the nation’s social and political conglomerate. Nevertheless, an institutional and legal inertia accompanies and structures the functioning of the system of political representation, enabling most citizens to continue to become excited at every election, waving banners and shouting for candidates. This is the last opportunity to introduce reforms, take control of the crisis and revitalize the political system. (...) The inability to transform themselves, to open up the party system, to generate new proposals and address the demands of the population could lead, and has led in several places, to a third phase of the crisis: the electoral crisis of parties. Here, the system as such collapses, affecting all the members of the party system. Its expressions include the flight of votes toward newly arrived candidates, political party-switchers who have left old party camps and self-declared independent candidates, and low voter turnout” (Cerdas, 1998b, p.295).

b) *Factors related to profound transformations in the international scenario, as well as in economics, politics and society in the countries*

Within the framework of the Central American debate, Constantino Urcuyo focuses on a more general level to analyze the transformations of politics, returning to Lechner’s (1996) argument about the principal changes that have occurred: the loss of the central role of politics, the informalization of politics and the appearance of new links between the public and private spheres.³⁴ These changes “imply new

³³ This argument is cited by Cerdas, 1998b, p.295.

³⁴ The citation from Lechner, “Political parties have been left without rhetoric with regard to a global interpretation that would make it possible to organize reality into an intelligible panorama and organize the diversity of interests around some basic axes. They lack not only ideological rhetoric, but also rhetoric about their plans and proposals for the future,” is noted in the work by Poitevin and Sequén-Mónchez “because it seems to sum up impeccably the aspects of the so-called ‘crisis of political parties’ that has shaken the entire world, regardless of the level of development or underdevelopment of its societies” (2002, p.86).

ways of thinking about and doing politics. (...) The coexistence of new and old forms and practices leads to simultaneous processes of decomposition and recomposition in which new and old elements overlap and intertwine, making analysis even more difficult” (Urcuyo, 1997b, p.100).

Urcuyo groups the transformations into two levels: transformations in the context, which are basically: (a) the end of the bipolar system in international politics, (b) globalization processes; (c) the rise of the market society and the reorganization of the state; (d) the emergence of a new culture of image,³⁵ (e) the great computer revolution, and (f) the new prestige of politics (Urcuyo, 1997b, pp. 99-105); and those that are endogenous: (a) the loss of politics’ central role, (b) the appearance of public spheres that are differentiated from the state sphere, (c) the lack of credibility of political institutions and politics, (d) transformations of party systems, and (e) the appearance of an anti-political mindset (Urcuyo, 1997b, pp.106-110).

I would like to pause for a closer look at two of the endogenous factors, to expand on Urcuyo’s arguments: (a) about the crisis of politics: “Frustration with obstacles to changing the architecture of obsolete institutions, the persistence of ideological positions that seek salvation in politics, and the inability to understand the consequences of the new realities has led to a deficit of credibility in politics and the political, including politicians, which some have called a crisis of politics” (1997b, p.107). In response to this argument, some authors say that “it does not seem appropriate to speak of a general crisis of politics. Contexts change. Disenchantment with democratic politics is not the same in countries that are making their first foray into this area as in those with a long experience of democracy. On the other hand, isn’t a certain constant state of crisis part of the nature of democratic politics? Of course, there are different types of crises. While some proclaim the end of political systems, others presage their strengthening;”³⁶ and (b) about the phenomenon of anti-politics: “discontent with politics, the fruit of old, unresolved problems, new realities and specific actions by certain politicians, has been expressed in anti-political schools of thought that are characterized by their apocalyptic pessimism, rooted in the view that political activity is, by definition, corrupt” (Urcuyo, 1997b, p.110).

c) *Factors related to economic reform processes that have had an impact on politics*

Carlos Sojo (1999) notes that recent works on the political stability of Central American states have focused on two dimensions: (a) the study of political-military conflicts and peace negotiations, as well as the development of the democratization process; and (b) the social effects of the economic crisis. “Those two dimensions show that, in general terms, there has not been a study of the political implications

³⁵ “The predominance of images over written text, which transforms the entire culture, has permeated politics with particular force. The electronic media, especially television, also introduce a new concept of time in politics, emphasizing the present, the immediate, and neglecting the concept of politics as a process and the historical focus on social processes” (Urcuyo, 1997b, p.103).

³⁶ Daniel Zovatto, cited by Urcuyo, 1997b, p.107.

of the economic reforms that became widespread in the region after 1990, or perhaps a subsidiary view of politics predominates, in which freedom of economic action creates freedom of political action and, therefore, stability.” (p.2).

A central concern in Sojo’s argument revolves around debate about the size and functions of the state within the framework of the structural reforms implemented in Central America beginning in the 1990s: “Because these are societies in democratic transition, discussion about the state’s participation in the life of society takes on particular relevance, because it is not a matter of a hypertrophied apparatus, but of institutions whose most important functions, from the standpoint of governance, have been reduced: redistributive functions and legitimating functions” (1999, p.3).

Sojo explores the relationship between economic reform and political stability in the Central American democratic transition. One element that stands out is that the transition in Central America “refers to a comprehensive process of transformation of the political and social orders. It is not a complementary change between economic and social dynamics, on the one hand, and political processes on the other. The change is comprehensive, and there are both progress and limitations in the comprehensiveness of the resulting model” (Sojo, 1999, p.224). The author suggests reframing this as a new type of transition that “moves from structurally fractured societies to societies with obvious fissures, but which have a goal of integration.” In other words, this is a shift “from a social system dominated by fracture and disintegration to a system in which the disintegrating elements do not disappear, but are part of a dynamic that aspires to integration” (Sojo, 1999, p.224).

The author warns of the tension that arises between a political process that proposes inclusion and creates expectations of equality, and an economic process that creates inequality: “In Central American societies, this scenario is even more complex because the starting point is an extraordinary inequality in the distribution of the means of power and the magnitude of needs. There is in fact an inverse relationship between these two variables: The greater the resources of power, the lesser the needs, and vice versa. As a result, the institutional foundation for solving both the distributive conflicts stemming from the previous system and the new ones created by the economic reform, is weak” (1999, p.247).

“In general, the main problem of social integration has to do with limited capacity for creating distributive possibilities. There is a breakdown in communication between society and the state that keeps the demands of the population as a whole from leading to policy instruments that can channel some of the benefits of growth toward the population as a whole” (1999, p.228). In Sojo’s view, “distributive capacity decreases when there is not a significant degree of aggregation of interests, and consequently of citizen representation among the most disadvantaged social groups” (1999, p.228).

In evaluating the impact of the economic reform, Sojo notes that “there is a distortion of purposes, because the economic reforms focus on changing the state, and in general terms, the state is not the principal cause of the economic crisis in the region. Second, the reforms have led to a transformation of production in the region, which could cause greater social imbalances instead of mitigating the existing ones” (Sojo, 1999, pp. 238-239).

Sojo concludes that “the economic modernization program is not politically viable unless it can be carried out in an open, transparent and responsible political environment, and unless it contributes significantly to correcting the imbalances that caused the crisis” (1999, p.224). The author deduces that the transition in Central America is a comprehensive process of political and social transformation: “It is not a complementary change between economic and social dynamics, on the one hand, and political processes on the other. The change is comprehensive, and there are both progress and limitations in the comprehensiveness of the resulting model” (Sojo, 1999, p.224).

The author acknowledges the progress of democratic processes in the region: “for the first time in history, the region has witnessed electoral processes with a real capacity for election, not simply fallacious actions designed to accord legitimacy to authoritarian rulers” (1999, p.229); he also criticizes the lack of capacity for representation and weakness in channeling majority interests between the state and society: “the role of political parties as traditional means of representing social interests and preferential means for channeling demands to the state is in a contradictory process of formation and crisis” (1999, p.231).

Examining this tension between political inclusion and social exclusion, Maihold (1994) identifies two basic disjunctives for Central American countries in the areas of political representation and social participation. The first is related to the “incomplete step in Central American countries from legitimation of transition to legitimacy of performance — in other words, the need for institutional legitimation of democracy implies efficiency in state policies in terms of economic growth, social justice and political participation” (p.208).

In Maihold’s view, “the legitimacy of performance of the second and third successive democratic governments in Central America is influenced by the failure of the transition governments to ensure the continuity of their policies and the structural contradiction of a growing political democracy, which also finds the way to a solution of the economic crisis blocked by the increase in social inequality. (...) It is the inadequate governmental administration, the dysfunction of political parties and the competition between economic-social expectations and citizens’ preference for democracy that limit a successful transition to legitimacy of performance in Central America, a process that is exacerbated by the high degree of socio-political polarization in the region’s societies” (Maihold, 1994, p.209).

The second disjunction “refers to the tension between democratization and modernization. The processes of globalization and partial integration into international markets have broken down traditional models of social and national integration. The effect of modernization in our countries has been the rise of segmented societies (...). The inclusive intention of the democratization of the political regime breaks down, however, not only because of the segmentation of our societies, but also because of the modernization of the state, which tends to be socially exclusive” (Maihold, 1994, pp.209-210).

Public opinion surveys expert Víctor Borge, meanwhile, argues that “we are witnessing increasing lack of credibility on the part of political institutions, governments, parties and individual actors. The underlying reason is that the system as such has been incapable of resolving the people’s basic problems.” He points to

a divorce “between a government platform that is designed to win votes and a government platform that is implemented, and that is already waiting on somebody’s desk. This constant deceit has been a feature of recent campaigns, where platforms focus on people’s needs during the campaign, where they say: the people come first, the children come first, we’ll fight poverty, unemployment, etc., and once they take office, what has been implemented throughout the region is a structural adjustment program that means telling the people: sacrifice now, tighten your belts now, and within a generation maybe your children will be happy. That is what is causing this crisis of credibility.”³⁷

d) *Factors related to the functions performed by parties in political systems*

In this section, I would like to focus on identifying certain explanatory elements of the crisis of parties that revolve around the difficulties or problems that keep parties from fulfilling their basic functions. In the literature about Central America that was reviewed, debate mainly centers on the issues of representation, intermediation and aggregation of interests.

Urcuyo warns that “most of the time, when representativeness is mentioned, it does not refer exclusively to electoral representation (the size of electoral districts, methods for declaring the winners, number of candidates per district). Criticism of the parties’ lack of representativeness points to the distance, the inconsistency between the positions of the party representatives and the desires and interests of the electorate. This inconsistency, which is usually a matter of the critic’s subjective judgment, is what many understand as the crisis of representation and representativeness of political parties” (Urcuyo, 1997c, p.42)³⁸

Maihold (1994) characterizes Central American democratization as “delegative democracies,” because there is a greater emphasis on participation than on representation of political activity “as a result of the limited autonomy of social actors and political parties in their relations with the state. Besides the fact that in Central America situation the parties’ attention was focused on developing new institutional forms, it must be acknowledged that they had an inadequate ability to establish themselves in society as a channel for mediating its demands, a role that is certainly crucial in the difficult moment of democratic consolidation” (1994, p.207).

This party dysfunction is explained by “the prevalence of the classic matrix of socio-political relationships in Latin America, in which the state, political system or political actors, and civil society merged together,” “whether as imbrication among some of them, by making one subordinate to others, or by repressing some.” The state’s central role in this matrix gives parties the role of particularistic intermediation, which runs counter to their own representative role in ensuring the stability of the system. With the breakdown of this matrix at the end of the import

³⁷ Víctor Borge. “Las causas del malestar.” In: Urcuyo, 1997b, p.101.

³⁸ Issues related to a reform of electoral systems in Central American countries have just begun to appear on national agendas in the past few years.

substitution model and the state's fiscal crisis, the state abandoned the civil society that it had created, causing a "global crisis in the system of political representation over and above the level of institutionalization or maturity of national political cultures." "This crisis of traditional social actors because of the erosion of their resources does not imply the parallel emergence of new actors that assume their functions" (Maihold, 1994, p.207).

"More palpable [in Central America] is the truncated implantation of political parties as guarantors of citizen organization and representation. Despite their number and various denominations, parties have not managed to root themselves in broad cross-sections of society, but have remained at the service of limited elites, channeling their interests toward the state. In this sense, the inability of significant sectors of the population to truly exercise their citizenship because of cultural and socio-economic reasons leaves these societies without representable groups, which also limits the actions of intermediaries. The formation of a political system, therefore, has not found a corollary in the configuration of a party system; instead, what we have is some parties within a system, which leads to volatility just only in voters' party loyalties, but also in the political parties themselves, which, depending on the needs of the moment, may change their ideological sign without necessarily losing their inherently spurious partisan affinity" (Maihold, 1994, pp.207-208).

Maihold argues that "the traditional model of representation has reached its functional limits with the disappearance of the state's central role in social and political relations. (...) Politics transforms society, rather than representing it, clearly demonstrating, beyond the absence of representable interests and groups, the lack of efficient mechanisms for intermediation between society and state. (...) The social regressiveness of the adjustments and the loss of representable groups, such as trade unions and other classical traditional actors that are collapsing and losing their central role, implies that political representation, which is the basic structure of governance, is in serious trouble" (Maihold, 1994, pp.210-211).

Finally, Maihold concludes that parties "have lost their roots in society and continue in the classic, state-oriented model, looking to the state for all the solutions related to their political role and ignoring the potential of civil society" (Maihold, 1994, p.213).

Sojo, meanwhile, argues that "in the political sphere, there is an erosion of traditional forms of representation and a threat that citizens' duties, especially voting, will be suspended;" while in the social arena, "traditional mechanisms for expressing class interests, especially trade unionism and peasant organizations, have suffered as a result of the deterioration of their traditional markets. (...) This results in a decreased capacity for aggregation and, consequently, for representation of these sectors' interests before the market and the state. The struggles that are undertaken are more and more localized and specific in scope" (Sojo, 1998, p.124).

3. Reflections on the crisis of parties and academic challenges

Despite the widespread acknowledgement that political parties play an important role in the development and consolidation of democracy,³⁹ Latin American scholars have shown a notable lack of interest in the issue of the crisis of political parties. This is most evident in the case of Central America, where it has been addressed only tangentially, without occupying a relevant place on the agenda of academic research and debate.

As stated in the introduction, the purpose of this work has not been to develop an explanation of this phenomenon; rather, it has been a more modest attempt to systematically document the principal findings in the literature reviewed. Taking into account that the review of the literature has included different levels of analysis and conceptual frameworks, the task has been to organize the various contributions, grouping them into seven major factors that explain the crisis of political parties in Latin America. It should be noted that these seven factors are not mutually exclusive which further underscores the complexity of the issue. The first factor focuses on the deepest transformations that have occurred on the international scene, as well as in the spheres of economics, politics and society in Latin America, a phenomenon which some authors refer to as a crisis of politics. A second explanatory factor points to the economic reform processes that have had an impact on the state and transformed political representation. A third factor revolves around the functions performed by parties in political systems. A fourth explanatory factor focuses on the discrediting of politics as a result of corruption. A fifth factor focuses on the emergence of other competitors: civil society and the media. A sixth factor centers on the characteristics of party systems; and a seventh explanatory factor revolves around the nature and organization of parties.

In reviewing the Latin American literature about the crisis of parties, a modest effort to explain the phenomenon is evident in three forms: (a) in the number of works published; (b) in the scope of the research, because at times there is a lack of rigorous and systematic effort to analyze those factors, as well as a lack of empirical studies of parties and party systems; and (c) in the few comparative studies at the regional or sub-regional level, which limits the historical references that can serve as the basis for developing explanatory theories.

There is a need for a more systematic understanding of parties, types of parties and party systems in Latin America. Studying the crisis of parties requires more refined analysis because it involves diverse party structures in varied socio-economic and political contexts.

Complementing the challenge of making up for the shortage of research, there is a need for a serious debate about the characteristics of the process, the factors that explain it, its consequences, and possible courses of action. This is a much-needed debate that is still pending in Latin America.

³⁹ “Bryce (1921: 119), for example, argued that “parties are inevitable: no free country has been without them; and no one has shown how representative government could work without them.” In the early 1940s, Schattschneider (1942:1) succinctly summed up their importance, saying that “modern democracy is unthinkable except in terms of political parties.” Several decades later, other authors used similar words to illustrate the central role played by parties. As Stokes says (1999: 245), parties are “endemic to democracy, an inevitable part of democracy.” Cited by Montero and Gunther, 2002, p.3.

It should be noted that this weakness, identified as a result of the analysis of the crisis of parties in Latin America, is — to paraphrase Montero and Gunther, 2002 — broadly tied to the interest of political science in studying political parties and their theoretical formulations, and the difficulties of developing a general theory that explains, through a series of interrelated propositions, such diverse phenomena as those ranging from parties' organizational characteristics to the impact of party activities on the lives of citizens.

The study of political parties has areas of potential development, since “far from declining in importance, we believe that a re-examination of both the prevailing theories of political parties and their actual behavior in a variety of political systems should continue to occupy a prominent place on the research agenda of political science.” (Montero and Gunther, 2002, p.3). Discussion about the decline of political parties has a relevant place on this agenda: “Rather than assuming that an alleged decline of parties should imply a decline in the literature on parties, we think that the confrontation of new challenges suggests a reassessment of parties and the contemporary relevance of some aspects of the traditional party literature.” (Montero and Gunther, 2002, p.4).

On this point, I would like to echo the proposal by Montero and Gunther (2002) that the study of parties would benefit from “adopting analytical strategies solidly based on the middle ground between the deductive and sometimes excessively simplifying, method-driven and barely empirical approaches (...) and the empirically driven studies (...)” (2002, p.16). To develop mid-level theories and hypotheses that can be contrasted empirically, four approaches are proposed: (a) “to develop partial theories dealing with specific aspects of parties, but which go well beyond mere schematic description or empirical generalization;” (b) “to further lower the barriers between predominantly deductive approaches, such as rational-choice theory, and more inductive traditional approaches;” (c) “to maintain a largely inductive/empirical stance but to facilitate hypothesis generation and testing by consolidating the myriad existing typologies, and adopting a standard terminology to describe fundamentally equivalent models of parties that are currently grouped under different labels.” and (d) “to re-examine critically these old typologies, concepts, and the assumptions underpinning them. The ultimate development of more comprehensive, systematic, and coherent models of parties, for example, requires an understanding of the strengths and weaknesses of the existing typologies” (Montero and Gunther, 2002, pp. 17-18).

In reviewing the literature for the Central American region, we have identified four factors for explaining the crisis of parties. A first factor focuses on the particular characteristics of the Central American transition and its connection with the emergence and performance of party organizations. A second explanatory factor centers on deeper transformations that occurred on the international scene, as well as in the areas of economics, politics and society in the region's countries. A third factor points to economic reform processes that had an impact on politics, and a fourth explanatory factor centers on the functions performed by parties in political systems.

From this review of the crisis of parties in Central America, I would like to highlight four elements: (a) it is clear that the multiple transitions in the region

marked the terms of the academic debate about specific modalities of the crisis of parties; (b) it is surprising that despite the importance of the issue, there is little examination of it in the academic community, as reflected in the small number of published works;⁴⁰ (c) in the scope and rigorousness of the research, as is also in the case of the rest of Latin America; and (d) this phenomenon has particular national characteristics, as well as sub-regional trends that must be analyzed in greater depth.

The challenge to the Latin American academic community in general, and the Central America community in particular, is to address four issues: (a) is it possible to speak in general terms of a crisis of parties? (b) if so, what does the crisis consist of? (c) how can it be explained? and (d) what are its implications for the consolidation of democracy and governance?

There is a need for greater understanding of the processes of social and economic transformation that are under way and their impact on politics. Although significant economic reforms were implemented in the 1990s, few efforts have yet been made to explore the political consequences of these economic reform efforts.

Beyond the academic reasons outlined in these final comments highlighting the importance of more rigorous, in-depth research on the issue of the crisis of parties in Latin America, there is a normative factor that merits mention to justify such an examination, and that is that the negation of politics and the deepening of the crisis of parties could lead people to choose authoritarian paths that could signify regressions of an authoritarian-civilian nature, when what is needed is greater understanding and a solution that will strengthen democracy in Latin America.

⁴⁰ Political parties “constitute a little-known and little-studied institution in Central America. Until well into the 1980s, there was scant academic interest in them. This is the main reason for the lack of literature on the subject.” (Rovira, 1994, p.131). In Central American academic literature, two important works have recently been published: the study by Artiga (2000) on party systems in Central America, and that of Zamora (1998) on post-war political parties in El Salvador.

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IV
Political Financing in Central
America, Panama and the
Dominican Republic

Kevin Casas and Daniel Zovatto

1. Introduction

The financing of parties and electoral campaigns has become a central issue in the debate about the functioning of democracy throughout the world. The keen interest has revealed the severe lack of information about and scientific study of the topic. Because of the lack of transparency, the issue has become a constant source of speculation and scandal, some real and some assumed, which has at the very least a harmful effect on the legitimacy of democratic institutions.

Political financing¹ is crucial for the health of democracy for at least two reasons. First, the flow and distribution of electoral funds have a direct bearing on electoral equality and on the real likelihood of the various parties and candidates getting their message to the people. Equitable electoral financing therefore becomes a facilitating — although not, in itself, determining — condition for ensuring the contingency of electoral results, which is a basic requirement for their legitimacy. Second, the process of electoral fundraising offers obvious opportunities for the swapping of favors between campaign contributors and politicians, or at least for the emergence of constant conflicts of interest for public decision makers. Electoral financing is a risk factor — but nothing more — for the integrity and autonomy of the political system.

¹ Throughout this article, the terms “political financing,” “party financing,” “campaign financing” and “electoral financing” will be used interchangeably. Although there are conceptual differences among them, those differences are relatively irrelevant in the case of Central America. It should be noted, in particular, that the low degree of institutionalization of political parties in the region and their strong electoral orientation makes the financing of their ordinary activities relatively unimportant. In Central America, Panama and the Dominican Republic, political financing is, in practice, electoral or campaign financing.

Although the issue has been on the political agenda of some developed democracies, such as the United Kingdom and the United States, for more than a century, only in the past 30 years has the regulation of party financing become a common practice internationally. Today there is almost no democracy that does not control the flow of economic resources in electoral campaigns in some way, whether through subsidies or restrictions or rules for transparency. The idea of complete deregulation of political financing has been virtually abandoned, both in academic debate and in the practice of democratic regimes.

This is particularly true in Latin America, where the (re)establishment of democracy in all countries (except Cuba) and the subsequent rehabilitation of electoral processes as a central element in the competition for political power enabled parties to regain their leading role on the political scene. As occurred in continental Europe, in recent decades in most Latin American countries, public subsidies aimed at helping political parties defray the cost of propaganda and — in certain cases — regular activities were introduced by law²

The democracies of Central America, Panama and the Dominican Republic have not escaped this regulatory trend and have some electoral financing legislation, although it is still incipient (Table 1). Although the financing systems take different forms in each country because of their interrelationship with formal, political or cultural factors — such as the strength of their institutions and a political culture with a greater or lesser democratic tradition — the existence of significant similarities in the financing of politics enables us to map the most relevant real and formal characteristics of those systems.

This article is an effort to evaluate the adaptation of legislation in Central America, Panama and the Dominican Republic, and the existing institutional controls that support it, to the task of preserving the integrity of democratic institutions in the region. Thus it will mainly study the ability of the current regulatory framework to avoid the purchase of political privileges and public decisions with campaign contributions. Although the effects of political financing legislation and practices on electoral equality are undoubtedly highly relevant to the quality of democracy, consideration of those effects is secondary in this report.

This analysis of regulations, which is the focus of the first part of the report, will have a comparative dimension, placing the cases within the context of international regulatory practice. The formal evaluation will be complemented in the second part with a look at how the existing norms actually function. This section will review the role actually played by existing control mechanisms and the main forms of financing. As Karl Nassmacher and Michael Pinto-Duschinsky point out, there are still many gaps in knowledge about how political financing systems really operate, and our knowledge — especially quantitative knowledge — of the contributions and expenses of political parties is very tenuous.³ In addition, there are some particularly murky issues, such as the use of foreign contributions, the existence of secret funds, the presence of multiple flows of funds as a response to regulation, and the forms

² Alcócer (1993), cited in Zovatto (2003), pp.35-36.

³ Zovatto (2003), p.33.

Table 1. Introduction of public financing of political parties and electoral campaigns in Central America, Panama and the Dominican Republic, and regulatory sources for financing

Country	Year introduced	Regulatory sources for public financing	Articles of reference for financing
Costa Rica	1949	Constitution Electoral Code, Law No. 1536/52 of December 10, 1952	Article 96 Article 57bis Title X, Articles 176 to 194
Nicaragua	1974	Constitution Electoral Law No. 331 of January 2000	Article 55, Articles 10, 62 and 63, 137, 177. Chapter IV, Articles 99 to 106
Honduras	1981	Constitution Electoral Law and Political Organizations Law, No. 53/81 of May 1981	Articles 49 and 59 Articles 23, 33 to 38, 64 and 242 to 246
El Salvador	1983	Electoral Code, Decree No. 417/92 of December 14, 1992 Legislative Decree No. 1037 of November 27, 2002	Chapter IV. Articles 187 to 195 Article 12
Guatemala	1985	Electoral Law and Political Parties Law, No. 1-85	Articles 20 to 22, 65, 125, 150 and 221 to 223
Panama	1997	Constitution, Electoral Code, Law No. 11/83, reformed on February 22, 2003	Articles 134 and 135 Articles 163 to 191, 364, 365 and 367
Dominican Republic	1997	Constitution, Electoral Law No. 275-97 of December 21, 1997	Article 104 Articles 47 to 55, 94

and scope of political influence exercised by power groups through the financing of parties and campaigns. Although the analysis in this section will seek to shed light on certain aspects of this complex dynamic, it inevitably suffers from some of the shortcomings mentioned above. Finally, the last section of the article will summarize the most relevant learnings from recent experience and will suggest some possible areas for the reform of legislation.

We will begin by placing the legislation of the countries being studied within the framework of international practice, analyzing each of its regulatory instruments.

2. Political financing systems in Central America⁴ and the Dominican Republic: a comparative view

In a seminal work on the subject, Alexander Heard noted that the financial costs of nominating and electing public officials are as inherent to democratic politics as is a certain degree of demagoguery in public debate.⁵ A political financing system (PFS) is the set of norms that regulates this indispensable flow of economic resources to and from the political system. The PFS provides the regulatory framework within which parties and candidates can legally obtain and spend economic resources for their activities, and within which individuals and organizations, both public and private, finance these activities. It also defines the legal instruments for oversight and enforcement of this regulatory framework.

The instruments that make up a PFS are many and varied. For the sake of simplicity, they can be classified in four groups:

- a) **Regulations governing sources of financing.** This includes instruments that regulate the flow of economic resources toward political activity, both through restrictions or prohibitions on the use of certain funding sources (“negative” regulations) and through the provision or encouragement of other sources (“positive” regulations). Although the universe of sources of political financing is very heterogeneous, the bulk of the “negative” regulations involve private political donations that are restricted, to varying degrees, in many countries. “Positive” regulations, meanwhile, include various forms of public subsidy, both direct and indirect. While direct subsidies provide parties and/or candidates with cash, indirect subsidies generally facilitate in-kind resources. As we will see, both forms of subsidy include many variations whose only common element is the public origin of the resources distributed.
- b) **Regulations governing electoral spending:** this category includes both rules establishing general ceilings on electoral spending by parties and candidates, and ceilings on and/or prohibitions against specific types of spending, particularly campaign ads. They also include limits on the duration of electoral campaigns.

⁴ For simplicity's sake, in this report the term Central America or Central American will include Panama, unless otherwise indicated.

⁵ Heard (1960), p.8.

- c) **Financial transparency rules:** the third group covers all norms that require parties, candidates and other political actors to report to public authorities the origin of the economic resources used in their activities and/or the way these resources are used. They also include the rules that determine whether or not this information is audited by the competent authority and made public.
- d) **Sanctioning regime:** this includes sanctions for the violation of prohibitions, ceilings or other requirements in the three preceding regulatory categories.

These categories, as well as the great number of options included in each, can be combined in many ways. It is not by chance, therefore, that PFSs are extraordinarily heterogeneous and that there is no standard, let alone optimal, regulatory model. The regulatory route taken by each country will depend on the regulatory preferences of its political culture, the limits imposed by its institutional environment and, especially, the nature of the situation that led it to adopt legislation in this area. While some countries give precedence to restrictions on private sources of electoral financing, for example, others focus on providing public resources to political actors, others emphasize limits on electoral spending and still others focus on transparency in their activities.

In the case of the region under study, regulation has mainly been directed at providing public subsidies to political parties. Following the regulatory categories mentioned above, Table 2 summarizes the current state of the PFSs in Central America, Panama and the Dominican Republic.

2.1 Regulations governing sources of financing

i) Controls on political donations

The countries under study are generally characterized by limited regulation of political donations. This is very clear in the case of the PFSs in Guatemala, El Salvador and Panama, which place no restrictions on receiving domestic or foreign contributions.

Nicaraguan, Honduran, Dominican and Costa Rican legislation has taken a different approach, slightly in the case of the first three and more clearly in the case of the latter. Nicaraguan legislation prohibits anonymous donations or contributions from government contractors and state or mixed agencies, restrictions that are relatively common in the international arena. Honduran legislation, meanwhile, imposes these restrictions and adds a prohibition on contributions from entities involved in games of chance. In the case of the Dominican Republic, material assistance from anyone involved in illicit activities is prohibited. Costa Rica has the only legislation in the region that imposes a limit on the amount of local donations, setting it as a multiple of the official minimum wage (as in Paraguay and Portugal). It should be noted, however, that unlike some systems that place a cap on local political donations, Costa Rican law limits its origin-based restrictions to a prohibition against accepting foreign or anonymous contributions. In this regard,

Table 2. Political Financing Systems in Central America, Panama and the Dominican Republic, 2004

Instrument Country	Regulation of sources of financing						Regulation of electoral spending			Rules for financial transparency			Sanctioning regime
	Limits on private sources		Recip.	Delivery	Direct state subsidies		Indirect state subsidies	Spending limit	Campaign time limit	Contrib.	Expenses	Audit	
	Nat.	Foreign			Qualifying limit	Distrib. criteria							
GUA	None	None	Parties	Annual payments	4% of vote	By vote	Tax exemption for political donations. -Time on state TV and radio. -Postage & telegraphic	No.	No limit	No reports	Annual reports	Only for state subsidies	None
SAL	None	None	Parties	Electoral Advance: 75% of total to which party was entitled in last election	No qualifying limit	-By vote -New parties receive c0.5m	Tax exemption for advances.	No.	4 months for pres. elec., 2 months for dep. elec., 1 month for munic. Elec.	No reports	No reports	No audits	None

Table 2. Political Financing Systems in Central America, Panama and the Dominican Republic, 2004

Instrument Country	Regulation of sources of financing						Regulation of electoral spending				Rules for financial transparency			Sanctioning regime
	Limits on private sources		Recip.	Delivery	Direct state subsidies		Indirect state subsidies	Spending limit	Campaign time limit	Contrib.	Expenses	Audit		
	Nat.	Foreign			Qualifying limit	Distrib. criteria							Amt.	
HON	Anony- mous contri- butions prohib- ited from govt. contrac- tors, state agencies & casino opera- tors.	Prohib- ited	Parties and independ- ent candi- dates	Electoral. Advance: 60% of total. Post- electoral: 40%	Have obtained 10,000 votes for ticket with most votes in previous election.	-By vote. -New parties: not less than 15% of amt. Allocated to party that receives most.	Defined by law: 17 Lemp. Per vote. Total (2001): US\$2.4 m (0.04% 2000 GDP) @ vot./yr: US\$0.2.	-Postage, telegraph & telephone -Some tax exemp- tions. -Incen- tives for publica- tions.	None	-90 days for general election, 60 days for internal elections. -No limit in practice.	Annual report to elec- toral author- ity.	Annual report to elec- toral author- ity.	No audits	-25,000 Lemp fine for advertising outside period authorized by law, twice that amount for repeat offence, and invalida- tion of candidacy is infraction persists. -Fine for illegal donations of twice the amt. Of the donation. -Administrative: invalidation of candidacy.

Table 2. Political Financing Systems in Central America, Panama and the Dominican Republic, 2004

Instrument ↑ Country →	Regulation of sources of financing				Regulation of electoral spending			Rules for financial transparency		Sanctioning regime				
	Limits on private sources		Direct state subsidies		Indirect state subsidies	Spending limit	Campaign time limit	Contrib.	Expenses					
	Nat.	Foreign	Recip.	Delivery							Qualifying limit	Distrib. criteria	Amt.	
NIC	-Anonymous contributions prohibited -Contributions from state or mixed institutions prohibited -Contributions from state contractors prohibited.	No limits for individuals. In case of donations from institutions, the funds must be for assistance and training.	-Parties -Alliances of parties.	Electoral reimbursement	4% of votes	Proportional to votes	Defined by law: 1% budget in national election, 0.5% in municipal election, 0.25% in regional election. Total (2000-01) US\$10.6m (0.44% 2000 GDP) @ vot/yr US\$1.2	-Tax exemption for political donations. -Postage, customs fees -Income tax relief.	No.	75 days for national election, 42 for municipal election, 21 days in case of runoff.	No reports.	Recipients of subsidy must justify their electoral expenses to the CGR, Finance Ministry and electoral authority.	In practice, no audits.	-Illegal donations: fine equal to twice the amt of the donation. Donor prohibited from exercising his/her political rights for 2-6 years. -Candidates who violate financing laws will be prohibited from holding public office. If they have been elected, they must resign. -Administrative: suspension of party or loss of its legal status.

Table 2. Political Financing Systems in Central America, Panama and the Dominican Republic, 2004

Instrument Country	Regulation of sources of financing						Regulation of electoral spending				Rules for financial transparency			Sanctioning regime
	Limits on private sources		Recip.	Delivery	Direct state subsidies		Indirect state subsidies	Spending limit	Campaign time limit	Contrib.	Expenses	Only of state subsidies.		
	Nat.	Foreign			Qualifying limit	Distrib. criteria							Amt.	
CRC	-Anonymous contributions prohibited and -Limit per donor: approx. US\$35,000.	Prohibited (except for party research and education).	Parties	Electoral reimbursement	4% of votes or 1 seat	Proportional to votes	-Postage -Use of public buildings.	No.	State only pays expenses for official campaign (3.5 months), but does not prohibit electoral publicity outside that period.	-Quarterly reports to electoral authority (monthly during campaign) -Pre-cands. for presidency report donations to party treasurer.	Recipients of subsidy must justify their electoral expenses to CGR, Finance Ministry and electoral authority	Only of state subsidies.	Violation of prohibitions and financing limits carries prison term of 2-6 yrs.	

Table 2. Political Financing Systems in Central America, Panama and the Dominican Republic, 2004

Instr- ment ↑ Country →	Regulation of sources of financing						Regulation of electoral spending					Rules for financial transparency			Sanctioning regime
	Limits on private sources		Recip.	Delivery	Direct state subsidies		Indirect state subsidies	Spending limit	Campaign time limit	Contrib.	Expenses	Audit			
	Nat.	Foreign			Qualifying limit	Distrib. criteria							Amt.		
PAN	No limit.	No limit.	Parties and independent candidates (free application).	-40% electoral advance. -60% electoral reimbursement. -Reimbursement paid in annual disbursements	-No qualifying limits for advance. -5% of votes for reimbursement.	-Advance in equal parts. Reimbursement proportional to votes. -Independent candidates: 0.30 cents for each affiliate.	By law: 1% regular govt revenue. Total 1999: US\$15.3 m (0.16% of 2000 GDP) @ vot/yr: US\$1.8	-Fiscal exemption for donations. -Time on state radio and TV. -Postage, telegraph, telephone. -Use of public buildings. -Incentives for publications.	No.	No limit.	Reports to TE.	Recipients of subsidy must justify their expenses to electoral authority.	Only of state subsidies.	Conscious use of from drug money for campaign financing carries prison term. CE establishes that in case of non-compliance with registry of private contributions, sanction will be a fine of 100,000 balboas or withholding of funds allocated for state.	

Table 2. Political Financing Systems in Central America, Panama and the Dominican Republic, 2004

Instru- ment → Coun- try	Regulation of sources of financing										Regulation of electoral spending				Rules for financial transparency			Sanctioning regime
	Limits on private sources		Direct state subsidies				Indirect state subsidies		Spending limit	Campaign time limit	Contrib.	Expenses	Audit					
	Nat.	Foreign	Recip.	Delivery	Qualifying limit	Distrib. criteria	Amt.											
DOM REP.	Financ- ing from individu- als con- nected with illicit activities prohib- ited.	Material assis- tance from eco- nomic groups or foreign govern- ments or institu- tions prohib- ited.	Parties	In election year, money is disbursed during the campaign (at the latest 10 days from the deadline for presenting candi- dacy). In non- election year, monthly disburse- ments.	2% of valid votes or one seat in Congress or one in chapter chamber.	Mixed: One part propor- tional to votes and other part according to equitable formula.	Defined by Electoral Law: 0.50% in election year and 0.25% in non-election year, both from annual govt. budget.	-Time on state radio and TV.	No.	No limit expressly established. It is understood that the campaign begins with the official announce- ment of election, which is done 90 days before the date of the election.	Re- quired to submit report 3 months after elec- tions in election year and at least 2 months after end of year in non- election year.	Required to submit report 3 months after election in election year and at least 2 months after end of year in non- election year.	In practice, no. JCE has authority to seek assistance from the Controller General's Office.	None				

Costa Rica has embraced a regulatory model that is more liberal than those of Israel, Germany, Mexico, Argentina, Brazil, Paraguay, South Korea, Turkey, Belgium and the United States, which prohibit contributions from local businesses, trade unions or both.

Foreign fundraising is prohibited in Honduras, Costa Rica and the Dominican Republic. This prohibition is common in the world's PFSs: more than 20 countries, many of them Latin American (Argentina, Bolivia, Brazil, Chile, Ecuador, Mexico, Paraguay, Peru and Venezuela), include it in their legislation. In Costa Rica, both the prohibition and its exception (foreign contributions are accepted for parties' educational work) are rooted in the experience of the two largest political parties over the past three decades. The prohibition, introduced in 1996 along with ceilings on contributions,⁶ is the result of repeated political scandals linked to efforts to obtain electoral resources from highly questionable foreign sources. The exception made by Costa Rican legislation, meanwhile, constitutes an effort to preserve mechanisms of cooperation established by both parties with German political foundations. This flow of resources, which has no influence on electoral campaigns, from which cooperation organizations are expressly excluded by their own domestic legislation, is still crucial for the parties' educational efforts.⁷ Although the safeguard included in Costa Rican legislation inevitably leaves a loophole for fundraising from foreign sources, it is reasonable and in no way makes the prohibition futile. As we will see, the real weakness in the current prohibition lies not in the exceptions that it allows, but in limited oversight by electoral authorities.

The absence of controls on foreign contributions in the rest of Central America, and especially the evolution of Nicaraguan legislation, which recently abandoned its strict prohibition on such contributions,⁸ merit particular attention. The liberalization of foreign contributions in Nicaragua is merely a legal admission of reality: among the main sources of private funding for Nicaraguan parties are Nicaraguan (and not just Nicaraguan) businesspeople living in Miami, Florida, who are courted by all presidential candidates. This phenomenon is echoed in Guatemala and, in a different way, El Salvador. In the latter country, it is highly likely that a significant amount of the funds raised by national parties comes from organizations connected with the country's large diaspora in the United States, a phenomenon that has been proven in the case of the Dominican Republic.⁹ The Central American experience thus foreshadows a phenomenon that is Latin American in scope, which has been neglected by the few studies that have been done on the topic. Participation in party financing by the growing Latin American diaspora in the United States constitutes an obvious disincentive for the regulation of foreign political contributions in the subcontinent.

⁶ Law No. 7653 of November 28, 1996.

⁷ S. Araya (January 27, 2000), Berhorst (October 21, 1999), Palma (October 15, 1999), Spaett (October 22, 1999), Villalobos (November 25, 1999). On the German foundations and their prohibition against collaborating in campaigns, see also Pinto-Duschinsky (1991) and (1996).

⁸ Electoral Law of January 19, 2000. The only remaining prohibition is on donations from foreign state or mixed institutions, unless they are for party training (art. 103).

⁹ Espinal & Jiménez Polanco (1998), p.536.

The general weakness of controls on political donations leaves most campaign funds in the region with no oversight. Although public subsidies probably cover a minority of electoral expenses in all the countries in the region, as we will see, the parties make very limited use of party membership and mechanisms for grassroots contributions to finance their campaigns.¹⁰ Political donations now constitute nearly all of the non-public resources used in electoral campaigns in Central America and the Dominican Republic.

The virtual deregulation of political donations is not an exception. On the contrary, it is fairly common among democracies. In a sample of 44 PFSs in democracies in Europe, North America, Latin America, Asia and Oceania, nearly half lack limits on political donations, including many of the systems in Western Europe (Austria, Denmark, Ireland, Luxemburg, Holland, Norway, Sweden, Switzerland and the United Kingdom). This is not a coincidence. Restrictions on contributions pose serious practical problems and demand a comprehensive system for reporting and auditing parties' financial resources, a complex requirement to manage, even for developed democracies.¹¹ In addition, such restrictions, especially the strictest and most comprehensive, often have negative consequences for transparency and electoral equality. As experience has shown in France (before 1988) and India (1969-85), a complete prohibition on private political contributions can lead to particularly obscure and questionable political financing practices.¹² Even much less extreme measures, such as the limits introduced in 1974 in the United States, have ended up pushing political actors toward less and less transparent sources of financing while posing an obstacle to financial viability for emerging candidates.¹³ The regulation of political contributions is a complex task with uncertain results.

Table 3 summarizes the scope of regulation of political donations in the countries under study.

ii) *State subsidies for parties*

State subsidies for parties are the most common form of intervention in electoral financing in the region: all of the countries have established a direct subsidy system along with various forms of indirect subsidy. In this too, these countries reflect a broader phenomenon: of the 44 democracies in the sample cited above, all, without exception, have established some sort of state subsidy, and 39 have direct subsidies.

The proliferation of state subsidies since the 1960s and their adoption within very diverse institutional frameworks, with different electoral financing requirements, has resulted in extraordinary heterogeneity among the existing systems. As Table 2 shows, direct subsidies can be classified according to the

¹⁰ Casas Zamora (2005); Torres Rivas & Aguilar (1998), pp.273-280; Valdés (1998), p.415.

¹¹ On the U.S. Federal Election Commission's limitations in enforcing the restrictions introduced in 1974, see: Gross (1991); "In political money game, the year of big loopholes," New York Times (NYT), December 26, 1996; Federal Election Commission (1998), pp. 31-34; Sorauf (1992), p.185.

¹² Levush et al (1991), pp.90-92, Avril (1994), pp.85-89.

¹³ Alexander et al. (1997).

Table 3. Prohibitions on donations to political parties

Country	Foreign	Political or social organizations	Corporations	Government contractors	Anonymous
Costa Rica	Yes	No	No	No	No (1)
El Salvador	No	No	No	No	No
Guatemala	No	No	No	No	No
Honduras	Yes	No	Yes	Yes	Yes
Nicaragua	Yes (2)	No	No	Yes	Yes
Panama	No	No	No	No	No(1)
Dom. Rep.	Yes	No	No	No	No

Notes: (1) No express prohibition, but regulations require parties and political movements to justify the origin of funds received, which in practice functions as a prohibition. (2) The prohibition applies to donations from institutions, which can only be used for training and technical assistance (Art. 103, Electoral Law).

Source: Casas (2003) and Zovatto (2004)

recipient, the point at which the funds are delivered, the threshold for qualification, the criteria for distribution of the resources, and, finally, the mechanism for determining the total amount of the subsidy and its generosity. And the diversity among indirect subsidies is even greater. As Bradley J. Smith stated in a recent book, “to say that one favors government financing of campaigns is a bit like saying that one enjoys sports. Are we talking football? Kayaking? Downhill skiing? Ballroom dancing? Chess? The options are endless.”¹⁴

For now, we will try to establish certain patterns in the subsidy systems. To begin with, political parties are the exclusive beneficiaries of the existing subsidies. Only Panama and Honduras are partial exceptions to this rule, allowing independent candidates access to the funds. The practical relevance of this exception, however, is very limited.¹⁵ This pattern would hardly merit comment — parties are the sole or majority recipients of subsidies almost everywhere¹⁶ — except for one reason: the subsidy systems in the region leave out presidential primary candidates. Paradoxically, the increasing use of the mechanism of open primary elections in the region¹⁷ has omitted one of the important characteristics of the North American experience that inspired it: the allocation of direct subsidies to presidential primary candidates in the United States since 1976, which has been a decisive factor in the

¹⁴ Smith (2001), p.89.

¹⁵ Valdés (1998), pp.408-410.

¹⁶ Of 39 cases of direct subsidy, the only exceptions to this rule are Belgium, the United States, Taiwan and, somewhat less clearly, Uruguay.

¹⁷ Open presidential primaries have been used by Costa Rica’s major parties since the late 1970s and in Honduras since the early 1990s.

electoral success of some little-known hopefuls.¹⁸ This omission substantially weakens two of the basic effects sought by subsidy systems: reduction of financial barriers to political participation and, above all, a decrease in the dependence of parties and candidates on private sources of electoral financing. Whatever the effectiveness of the region's subsidy systems in attaining these goals, the results only reach a small group of competitors who are chosen through internal elections in which private capital, often the candidate's own money, is a decisive factor.

Purely electoral subsidy systems predominate in the region. Panama, the Dominican Republic and Guatemala deviate from this rule, however, partially in the case of the first two and totally in the latter, where the direct subsidy is disbursed in four annual installments. In the Dominican Republic, one part of the contribution goes to parties that maintain their recognition after the election, in monthly payments according to the proportion of the vote obtained. In Costa Rica, although the legislation does not explicitly say that financing can go to pay ordinary operating costs, the parties are allowed to use the subsidy to cover organizational and leadership expenses that, in practice, include ongoing activities necessary for the establishment of the political parties' formal structure. In addition, in countries such as Panama and Guatemala, some of the funds can be allocated to training and activities aimed at strengthening the parties. The basically electoral nature of the subsidies is a characteristic shared by a large majority of PFSs in Latin America and North America, and is related to the prevalence of presidential regimes in the Western Hemisphere.¹⁹ In contrast, in parliamentary regimes, where elections can occur at any time, ongoing support of party organizations is a systemic imperative.

The following table shows the purpose of the electoral subsidy in the countries included in the study.

Table 4. Activities targeted by direct public financing				
Country	Electoral and party	Only electoral	Only party	Research and party strengthening
Costa Rica	Yes (1)	No	No	No
El Salvador	No	Yes	No	No
Guatemala	Yes (2)	No	No	Yes (2)
Honduras	No	Yes	No	No
Nicaragua	No	Yes	No	No
Panama	Yes	No	No	Yes
Dom Rep.	Yes	No	No	No

Notes: (1) Although the legislation does not say so explicitly, the subsidy can be used to cover organizational and electoral expenses. (2) Legislation is not explicit about the purpose of the funds, so there is discretion regarding their use for electoral and party purposes.

Source: Zovatto (2003)

¹⁸ Corrado (1993), pp.37-59; Alexander (1989), p.106; Sorauf (1992), p.159.

¹⁹ Of the PFSs the hemisphere, only those of Argentina, Brazil and Guatemala lack direct subsidies specifically for elections. Others, such as those of Colombia, Ecuador, Mexico, Panama, Paraguay and the Dominican Republic, have introduced both ongoing and electoral subsidies.

Whether the subsidy is for ongoing activities or elections, however, tells us little about their impact on the replacement of private contributions. Much more important for this is the moment at which the electoral subsidy is disbursed: whether it is considered merely a post-electoral reimbursement, or whether it includes a pre-election advance to the recipients. Both models have been adopted by many countries around the world, a division that is also found within the region.²⁰ Costa Rica and Nicaragua have opted for the former model, in Costa Rica's case after two decades of oversight of pre-electoral advances, which were declared unconstitutional in 1991 and have not been reestablished.²¹ El Salvador, Honduras and Panama, meanwhile, distribute substantial portions of the subsidy in advance. Although the system of advances (normally distributed according to the results of the last elections) has been criticized because it often discriminates against emerging political options, it unquestionably helps the recipient parties with the task of fundraising during the decisive months of the campaign, and helps reduce their dependency on financial operators, especially when the advances are disbursed in cash. A comparison of the PFSs of Uruguay and Costa Rica illustrates this point well. While in Uruguay — where half of the subsidy is distributed in advance and in cash — the participation of financial operators in campaigns is minimal, in Costa Rica lenders have traditionally played a decisive role in party financing, deriving huge profits and, often, political benefits.²²

Criteria for access to direct state subsidies and the rules for distribution of the funds are not particularly complicated in Central America and are generally in line with international practice. The systems in the region fluctuate between complete lack of a threshold for qualifying for the subsidy (El Salvador, Honduras and Panama [only for a pre-electoral advance]) and electoral thresholds of 2 percent (Dominican Republic) or 4 percent (Guatemala, Nicaragua, Costa Rica and Panama) of the vote. Internationally, the overwhelming majority of PFSs impose some criterion for access, normally linked to winning parliamentary representation or, as in the rest of Central America, a percentage of the vote.

In general, the rules for access to and distribution of state subsidies are of limited importance in determining the effects of the subsidy on the flow of private political donations. Nevertheless, they may have crucial effects in two cases. On the one hand, the obstacles imposed by rules for access to the subsidy may force minority parties or new parties to depend entirely on private donations, as the Costa Rican experience demonstrates with singular clarity.²³ On the other, the allocation of state subsidies could be tied to the raising of certain types of private funds by parties

²⁰ Outside Central America, the PFSs of Australia, Canada, Colombia, Denmark, Ecuador, France, Italy, Paraguay and Taiwan use exclusively post-electoral disbursement, while Austria, Bolivia, South Korea, Spain, the United States, Mexico and Uruguay provide parties and candidates, to different degrees, with access to subsidies before elections.

²¹ On this topic, see: Fernández (1993), Casas Zamora (2001) and the decision by the Constitutional Court, No. 980-91, dated May 24, 1991.

²² Other than the advance subsidy disbursed by the Banco de la República, less than 2 percent of the resources used by the Partido Nuevo Espacio in Uruguay during the 1994 electoral campaign came from loans backed by the expectation of electoral subsidies (calculation based on Partido Nuevo Espacio [1994]).

²³ Casas Zamora (2001), pp.321-322.

or candidates. In the case of U.S. presidential primaries, the allocation of public funds is directly proportional to the candidate's ability to raise donations of less than US\$250. Similarly, in Germany, the amount of each party's subsidy is partly determined by its ability to attract new dues-paying members. There is no similar mechanism in Central America.

The procedure for calculating the amount of direct subsidies in Central America is formalized in constitutional or ordinary legislation in all of the countries except El Salvador, where it is set by the electoral authority, adjusting the amount distributed in the previous election for inflation. Costa Rica, Nicaragua, Panama and the Dominican Republic define the amount as a proportion of GDP or the national budget, while Guatemala and Honduras allocate a certain amount per vote, a solution that is far more common internationally. In any case, Central American countries are generally in line with the international experience, which has largely preferred to formalize the rules for calculating subsidies so as to protect them from short-term political manipulation and prevent runaway increases in subsidies.²⁴

If the formalization of the procedures for determining subsidy amounts unites the Central American systems, the generosity of the subsidy clearly separates them. As Table 2 shows, the amounts distributed per electoral cycle by the region's subsidy systems put the Panamanian (US\$15.3 million) and Costa Rican (US\$14.2 million) systems far ahead of the rest. The Nicaraguan (US\$10.6 million) and Salvadoran (US\$7.8 million) systems fall into an intermediate category and are the only ones in which the subsidy is distributed in various electoral processes throughout the presidential term. Finally, the Honduran (US\$2.4 million) and Guatemalan (less than US\$500,000) systems allocate very small amounts. The order of the countries does not change if the amount of direct subsidies is calculated on an annual basis and by registered voter, and it shows only a slight modification if the amount of the subsidy is measured in relation to GDP, in which case the Nicaraguan system becomes, by far, the most generous in the region.

The variation in direct subsidy amounts in the countries studied is far from the exception internationally. This can be seen in Table 5, which shows the relative generosity of direct subsidy systems in 25 of the world's democracies. Moreover, the table suggests that, except for Guatemala's extraordinarily low subsidy, the amounts allocated in the cases analyzed are in line with those distributed in the majority of the world's democracies.

Direct subsidies are complemented by various forms of indirect subsidy, which are normally more limited. Besides institutional support for the members of all the parliaments in the region, which can only partially be considered support for parties as such, three forms of indirect subsidy merit attention: franking privileges and exemptions allowing free use of public services, tax exemptions for political donations, and free advertising in state-run media. Franking privileges (used in five of the seven countries in the region) are widely used at the international level, as

²⁴ This is the case, for example, in Australia, Belgium, Colombia, Denmark, Italy, Japan, Paraguay, Portugal, South Korea, Sweden, Taiwan, Germany and, with slight variations, Canada and the United States. In some countries, such as Brazil, Uruguay, Austria, Finland, Norway and Spain, the amount of the subsidy is set periodically in the budget or an ad hoc law.

Table 5. Direct annual party subsidy per registered voter in 25 democracies (1990s approx.)

Country	US\$	Period (1)
Austria	16.5	1995-1998
France	14.9	1995-1996
Sweden	12.1	1999
Israel	11.2	1996-1998
Mexico	3.3	1997-1999
Dom. Rep.	3.2	2000
Japan	2.8	1995-1999
Germany	2.0	1995-1998
Australia	1.9	1996-1998
Panama	1.8	1999-2004
Uruguay	1.7	1999-2004
Costa Rica	1.6	2002-2006
Spain	1.6	1998-2000
Italy	1.4	1999-2001
Nicaragua	1.2	2001-2006
Portugal	1.0	1995-1996
Bolivia	0.6	1997-2002
El Salvador	0.5	1999-2004
Holland	0.4	1999
Honduras	0.2	2001-2005
United States	0.2	1992-1996
Canada	0.2	1993-1997
Denmark	0.2	1988-1990
Ecuador	0.2	1995-1997
Guatemala	0.02	1999-2003

Notes: (1) Includes an election year for all countries except Sweden and Holland. In these cases, however, the parties receive no additional subsidy in election years.

Source: Casas Zamora (2003).

well.²⁵ Exemptions used in Guatemala, Nicaragua and Panama to encourage political donations and their transparency are similar to those used elsewhere, particularly in Canada, France, Germany, Holland and Taiwan. It should be noted, however, that while the tax exemptions granted in Central America do not depend

²⁵ Different franking privileges for public services (typically postage) exist, for example, in Austria, Colombia, Finland, France, Italy, Japan, Luxembourg, Mexico, Spain, Switzerland, the United Kingdom and the United States.

on the amount of the contribution, the tax benefits conferred in Canada and Germany, for example, are specifically aimed at small donations. Finally, the granting of free advertising time on state-run channels in Guatemala, Panama and the Dominican Republic reflects a practice that is widespread in Western Europe and growing in other regions. In Latin America, it is found in Argentina, Bolivia, Brazil, Chile, Colombia, Mexico, Paraguay, Peru and Uruguay.

Although it is very difficult to establish the value of indirect subsidies to Central American parties, it can be assumed that in some cases their usefulness is highly questionable. The effects of tax exemptions for donors are limited by the effectiveness of the region's tax systems in collecting taxes, a point noted by Mariano Fiallos in his study of Nicaragua.²⁶ Moreover, such exemptions are insufficient to counteract the desire of many business donors to remain anonymous, often for legitimate reasons, such as avoiding possible political reprisals. Finally, the free advertising in state-run media, especially television, is of little practical importance because these media reach a small audience.²⁷ This is also true in the case of Uruguay.²⁸

Table 6 summarizes the existing regulations related to indirect subsidies in the countries studied.

Table 6. Forms of indirect public financing				
Country	Free access to public and/or private media	Tax exemption for parties	Incentives for dissemination of information/publication	Use of public buildings for political activities (1)
Costa Rica	No	No	No	Yes
El Salvador	No (2)	No	No	No
Guatemala	Yes	No	No	No
Honduras	No	Yes	Yes	No
Nicaragua	No	Yes	No	No
Panama	Yes	Yes	Yes	Yes
Dom. Rep.	Yes	No	No	Yes

Notes: (1) Includes cases in which this is explicitly stated in legislation, as well as those in which it occurs in practice. (2) Established for state-run media, but does not occur in practice.
Sources: Casas Zamora (2003) and Zovatto (2004).

²⁶ Fiallos (1998), p.380.

²⁷ In fact, in the case of Guatemala, the two state-run television channels were off the air at the beginning of 2004.

²⁸ During the 1999 electoral campaign in Uruguay, less than 2 percent of electoral publicity was aired on the state-run channel, and only because the law required it to provide free air time to parties. Figures from Mediciones & Mercado (1999).

While the relevance of indirect subsidies in the region is almost certainly very limited, that of direct subsidies is substantially more complicated to establish. At a minimum, it requires an estimate of the total costs of electoral processes, which in most cases does not exist.

It should be noted, however, that international experience shows that the generosity of subsidies alone does not guarantee an end to parties' dependence on private capital or the elimination of illegal financing practices. In the case of Israel, for example, an extraordinarily generous subsidy system has been unable to control either unending fundraising from large private interests or a long string of scandals linked to the illegal financing of parties.²⁹ The same can be said, to varying degrees, of Germany, Austria, France, Spain and Italy, to mention just a few cases.³⁰

2.2 Regulation of electoral spending

If the PFSs in the region are rather sparse in their regulation of political donations, they are particularly liberal with regard to electoral spending. As Table 2 shows, no country in the region has placed ceilings on electoral spending limits, either in general or in specific areas. In Central America, Panama and the Dominican Republic, parties and candidates can spend as much as they like on their campaign activities.

In this, again, the region's democracies are not alone. Although general spending limits exist in some countries,³¹ their adoption has been resisted by most democracies. Besides the regulatory controversies implicit in the introduction of spending limits (in some countries, particularly the United States, this has been considered a restriction of freedom of expression³²), such measures are plagued by practical problems that include the effective monitoring of electoral spending, the unclear separation of ordinary and electoral expenses, and oversight of independent spending by third parties on behalf of candidates and parties. It is not surprising, then, that international experience in general is far from satisfactory. In most other cases, problems stemming from the definition and enforcement of limits have stripped them of any relevance.

So far, the only limits on electoral spending are those related to the time frames of electoral campaigns that have been introduced in El Salvador, Honduras, Nicaragua and Costa Rica. The official duration of presidential campaigns in these cases — ranging from 75 days in Nicaragua to three and a half months in Costa Rica — is far longer than in countries that have chosen to limit the duration of their electoral processes, such as Canada (35 days in 2000), Taiwan (10 days), Japan (12 days), Turkey (15 days), France (20 days) and Spain (15-21 days). It should be noted, however, that the time limit introduced by the region's countries is at most an indirect restriction on electoral spending — the amount of spending is not limited

²⁹ Mendilow (1996), pp. 337; Blechinger & Nassmacher (2001), p.180.

³⁰ Pujas & Rhodes (1998), Galiardo & Berbell (1995), Pulzer (2001).

³¹ They exist in Belgium, Canada, Colombia, France, Ireland, Israel, Italy, Mexico, New Zealand, Portugal, Spain, South Korea, the United Kingdom and the United States (only for the presidential election). In India, Japan and Taiwan, there are limits by electoral district for legislative candidates, but not for parties at the national level.

³² Nicholson (1977), pp. 334-340; Shockley (1983), pp. 691-699; Dworkin (1997); Smith (2001).

— and is of questionable practical value, because the campaigns actually start long before the elections are officially announced.³³ Panama and Guatemala, like Germany, the United Kingdom, the United States and many other countries, have decided not to set any time limit on electoral campaigning.³⁴

2.3 Rules for financial transparency

Existing norms for ensuring the transparency of the parties' income and spending are very simple. The countries included in the study range from a complete lack of regulation in El Salvador — where there are no reports or audits of any kind — to a more interventionist approach in Costa Rica. In the latter country, parties (and their presidential primary candidates) must present quarterly reports of their income and submit to a strict audit of their electoral spending by the Controller's Office in order to qualify for the state subsidy. With variations, the rest of the countries in the region have financial controls that focus almost exclusively on the use of public subsidies, in some cases with an acceptable degree of strictness. Donors are also not required to report their political contributions.

The adoption of some degree of transparency in party income and spending is extremely common among democracies, although with differing degrees of strictness and oversight. At least 30 PFSs require the presentation of both types of reports by parties and, much more rarely, candidates. Although these reports almost always concern the electoral activities of the political actors, in many countries, including much of Latin America (outside Central America: Brazil, Chile, Mexico, Paraguay), they must also be presented annually. In Honduras, in most cases such reports consist only of the presentation of the organization's accounting records, which are subject, at best, to a casual audit by electoral authorities. Similarly, in the case of the Dominican Republic, the Electoral Law requires political parties to submit to the Central Elections Board a report of all income and spending from contributions received, but neither the parties nor the elections board discloses the information.

The complete absence of financial transparency among parties in El Salvador is, once again, far from the exception. This is also the case in Luxemburg, Holland, Sweden, Switzerland, Poland, Russia, Ukraine and Uruguay, among other countries. In some cases, particularly Sweden and Norway, disclosure of electoral donations and spending has been systematically rejected as interference in the parties' autonomy and the donors' right to privacy.³⁵ In Eastern European countries — where the existence of independent electoral authorities is still incipient and, in some cases, questionable — strict financial controls have been rejected out of fear that the government could use them to persecute opponents.³⁶ Similar concerns

³³ This is certainly the case in Honduras and Costa Rica. For example, in the electoral cycles of 1990, 1994 and 1998 in Costa Rica, publicity for the majority parties' presidential conventions began to appear exactly three years before the next national election. Data from *Servicios Publicitarios Computarizados* (various years). On Honduras: Molina & Suyapa (1998), p.309.

³⁴ In practice, however, electoral campaigns in the United Kingdom do not begin until the elections are called, which in 2001 did not occur until four weeks before the balloting.

³⁵ Gidlund (1991).

³⁶ Walecki (2001).

have emerged in debates over the issue in Panama and Chile, two countries with a recent authoritarian past.³⁷

The weakness of the rules for financial transparency in almost all of the countries studied should not be judged too harshly. Whatever the virtues of financial transparency rules, international experience shows that such rules require fairly strict conditions to operate, and that such conditions are rarely met. Their effectiveness depends on detailed and comprehensive auditing of financial reports, independence and resources for the authority receiving the reports, and credible sanctions for those who fail to comply with the regulations. The case of Costa Rica, to which we will return later, suggests that while effective controls on the use of public subsidies are only possible at a high cost for the authorities responsible, regulations on private financing introduced in 1997 without such institutional backing are of dubious effectiveness.³⁸

2.4 Publicity

While there is a general tendency in Latin America toward providing citizens with access to information through the disclosure of parties' financial statements, this is still incipient, and in most cases such disclosure is limited to official bulletins, gazettes or newspapers, which very few people receive and read. In Central America, the only country that disseminates information about parties' accounts is Costa Rica, and the disclosure is made by the Supreme Elections Tribunal through the Internet, photocopies and upon request. In Honduras, Guatemala, El Salvador, Nicaragua and the Dominican Republic, accounts are not made public. In Panama, only the public contribution to party financing is disclosed in gazettes, local newspapers and bulletins.³⁹

2.5 Sanctioning regime

Sanctions against illegal financing practices vary as much as the controls that the sanctions are meant to bolster. It is natural, therefore, that the PFSs in Guatemala, El Salvador and the Dominican Republic contain no sanctions for non-compliance: in these countries, regulation of donations and electoral spending is virtually nonexistent. In this, they are no different from countries such as Sweden, Holland or Uruguay, where technically there are no illegal forms of financing or electoral spending. In Panama, which has a similar level of regulation, the legislation nevertheless contains one safeguard regarding the conscious use in electoral campaigns of money from drug trafficking, which is punishable by a prison term. Failure to report private contributions is sanctioned with fines or the withdrawal of state subsidies.

³⁷ See, for example, *La Prensa Panamá* (LPP), July 22, 1995; *El Panamá América* (PA), August 14, 2001; Comisión de Reforma del Estado (2000).

³⁸ After the 1994 election, the Controller General's Office assigned nearly 30 staff members full time for several months to review parties' expense vouchers, at a cost of nearly 46 million colones in wages and expenses (Vargas Aguilar [1995], p.38).

³⁹ Zovatto (2003), p.82.

The Honduran and Nicaraguan systems, meanwhile, have chosen a combination of fines and electoral disqualification. In Honduras, the broadcasting of electoral propaganda outside the official campaign period is sanctioned with a substantial fine (approximately US\$7,500 for the first infraction and twice that amount for a repeat offense), although the persistence of the infraction can lead to the disqualification of the candidate or political movement. There is also a fine for receiving illegal donations; in this case, the amount is twice that of the contribution received, a solution that draws on German legislation. Nicaraguan legislation has adopted the same provision, although with greater severity: not only is the donor fined, but the recipient is also disqualified. Candidates who violate other financing regulations can also be disqualified, and may even lose their jobs if they have already been elected; in this, the regulations follow French legislation. The relative severity of the Nicaraguan sanctions is inconsistent with the PFS's lax controls on private donations, which only prohibit the receipt of contributions from anonymous sources, government contractors and state agencies — provisions that are weak, in any case, because of the lack of reporting of parties' electoral income. Finally, Costa Rican legislation has taken a more punitive approach, making a prison term (two to six years) the punishment for failure to comply with the various financing regulations. Table 7 shows the variety of sanctions that exist in the countries studied.

Table 7. Political financing: Regime of sanctions in Central America, Panama and the Dominican Republic

Country	Economic sanctions			Criminal sanctions		Admin. sanctions	Other sanctions
	For party	For candidate	For donor	For candidates	For donor		
Costa Rica	Yes	No	No	No	Yes	No	No
El Salvador	No	No	No	No	No	No	No
Guatemala	No	No	No	No	No	No	No
Honduras	Yes	No	No	No	No	Yes	No
Nicaragua	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Panama	Yes	Yes	No	Yes	No	Yes	No
Dom. Rep.	No	No	No	No	No	No	No

Source: Zovatto (2004).

At the international level, fines are by far the most common type of sanction for the violation of political financing legislation, and they are used in some cases — Mexico and Israel, in particular — with extraordinary severity.⁴⁰ Such fines are often linked to public subsidies, and in many countries they have become a fundamental

⁴⁰ After the 2000 elections, the Partido Revolucionario Institucional was fined US\$102 million by the electoral authority for having received electoral funds from a state-run company that were not reported to authorities (Núñez [2003], p.11, to be published). In January 2000, Israel's Labor Party was fined US\$3.5 million for the use of illegal donations. Fines of hundreds of thousands of dollars are common in Israel. Blechinger & Nassmacher (2001), p. 178; Hofnung (June 7, 2001).

tool for ensuring compliance with other party financing regulations. Thus different types of financial non-compliance by parties — late or inadequate financial reports, for example — are sanctioned by the withholding of public subsidies in Austria, Germany, Spain and Portugal, among other countries. In the case of Central American PFSs, it should be noted that parties in Nicaragua, Costa Rica and Panama cannot receive their electoral reimbursement until they present a complete accounting of their campaign expenditures. It could be said, therefore, that there is a withholding of subsidies if a party refuses to submit its accounts for review by authorities. Nevertheless, this provision cannot be considered a sanction for non-compliance in cases where parties have the power to refuse the state subsidy; in that case, they would not be required to present financial reports.⁴¹

Prison terms are the exception at the international level, and are generally limited to countries with a long history of party financing scandals. In Israel and Japan, for example, some politicians have been sanctioned and imprisoned for violating campaign financing regulations.⁴²

In the area of sanctions, as in other areas, international experience recommends a dose of caution. Excessive sanctions have been shown to have ambiguous and sometimes counterproductive effects. If serious penalties accompany even the slightest failure to comply with legislation, authorities may be reluctant to use them regularly. The Central American experience — where there is no record of a criminal or electoral sentence being handed down in a case related to party financing, despite notorious high-profile cases of non-compliance with legislation — only confirms this phenomenon.⁴³ Comparative experience suggests that the existence of a gradual regime of sanctions that is varied and credible adds substantial force to existing regulations.

One final observation on the issue of sanctions is that sanctions have been introduced basically to be applied to political parties (party chairmen, treasurers, etc.). Although there is currently a trend toward the definition of sanctions applicable to candidates and/or donors (Argentina, Brazil, Mexico, among others), much remains to be done to increase these people's personal responsibility and, in general, to centralize and individualize the assessment of financial responsibility in campaigns. This is crucial because, as we will see, many private campaign contributions are channeled through candidates or their closest collaborators.⁴⁴

⁴¹ This is what the Partido Acción Laborista Alajuelense and the Movimiento Libertario did after the 1998 and 2002 elections in Costa Rica, even though they had obtained enough votes to qualify for the state subsidy. The case of the Movimiento Independencia, Unidad y Cambio in the Dominican Republic deserves special mention. This small group received state funds, then withdrew from the 2000 elections. In response, the Central Elections Board enforced the rule that required the party to return the public contribution it had received.

⁴² Blechinger & Nassmacher (2001), Hofnung (June 7, 2001).

⁴³ An internal document of Costa Rica's Supreme Election Tribunal (*Tribunal Supremo de Elecciones*, TSE) points out that 14 parties refused to submit their income reports for the February-April 1998 period. That figure rose to 25 during the period from November 1998 to January 1999. In no case were legal sanctions enforced. In this sense, on Nicaragua: Fiallos (1998), p.381.

⁴⁴ Zovatto (2003), p.86.

Table 8. SWOT analysis of political financing systems in Central America, Panama and the Dominican Republic

Strengths	Opportunities	Weaknesses	Threats
<p>Existence of electoral subsidy systems in the entire region, in some cases with an adequate degree of generosity.</p> <p>In some countries, the existence of accounting controls over the use of public subsidies.</p>	<p>Possibility of using electoral subsidies as a mechanism to encourage compliance with requirements imposed by legislation and fundraising from desirable funding sources.</p> <p>In some countries, the existence of controllership mechanisms over electoral spending that could be used to exercise oversight of sources of income.</p> <p>Availability of extensive international experience in the area of regulation.</p>	<p>Virtual absence of controls on political donations.</p> <p>Absence of limits on political spending.</p> <p>Near total absence of transparency regarding parties' sources of income.</p> <p>In some countries, the low level of public subsidies.</p> <p>In some countries, absence of pre-electoral disbursement of public subsidies.</p> <p>Lack of subsidies for parties' internal elections.</p> <p>Lack of incentives for collecting smaller contributions and party dues.</p> <p>Absence of a gradual, varied and credible sanctioning regime.</p> <p>Absence of centralized financial responsibility in campaigns.</p>	<p>High dependence on private capital to finance campaigns.</p> <p>Extensive availability in the region of illegitimate money to finance campaigns.</p> <p>Increase in the need for electoral funds as a result of the internal democratization of political parties.</p> <p>Possible adoption of a prohibitionist legislative approach that excessively limits contributions and electoral spending, whose enforcement would not be realistic.</p>

2.6 General evaluation of the regulatory framework in Central America, Panama and the Dominican Republic

If the regulation of campaign financing is fundamental for preventing excessive influence by private interests and political corruption, then the preceding pages offer a fairly negative assessment. The ability of the region's regulatory framework to achieve that objective is very limited. A list of the strengths, opportunities, weaknesses and threats stemming from the current regulatory framework is shown in Table 8 (following page).

As it shows, the regulatory weaknesses of the region's PFSs greatly exceed their strengths. This is true even if the practical weakness of the controls that exist in the region — that is, the lack of enforcement by electoral authorities — is excluded from the picture. Meanwhile, the threats to the integrity of political financing in the region are of far greater importance than the relatively limited existing opportunities. To put it in clear terms, the integrity of campaign financing in the region today depends almost entirely on the effectiveness of extra-legislative mechanisms, such as the diligence of the press and the self-control of parties and their fundraisers.

Disturbing as it is, this conclusion must be put into perspective. While the preceding pages certainly reveal the flaws of the region's PFSs, they also show that these limitations are by no means exceptions at the international level. As surprising as it may seem, the basic architecture of the PFSs in Guatemala, El Salvador or Panama — the most liberal in the region — does not differ from that of the systems used in respectable democracies such as Sweden, Switzerland or Holland.

If the difficulties in regulating political financing are common to all democracies, they are even clearer in the case of democracies in the region under study. As Torres-Rivas and Aguilar suggest in their case study of Guatemala, the investigation and regulation of electoral financing have “assumptions of modernity.”⁴⁵ That is, they assume the existence of consolidated electoral and oversight institutions; minimally institutionalized political parties; and a skillful, diligent, independent press that is protected from political intimidation. The regulation of electoral financing is a “second-generation” political reform that democratic systems can only reasonably undertake once basic tasks such as the registration of citizens or the elimination of electoral fraud have been successfully completed.

Even as a “secondary” reform, the comprehensive regulation of political financing does not occur spontaneously and inevitably. In both consolidated and emerging democracies, such regulations are born amid crises and scandals that place the issue at the center of the political agenda. Crisis is the mother of reform, and crises and scandals connected with party financing have occurred regularly in the region in recent years, leading, in some cases, to new legislation, or at least to proposals for reform.

⁴⁵ Torres-Rivas & Aguilar (1998), p.283.

3. Electoral financing practices: a look at reality

3.1 Fundraising processes

Information about party financing processes is extremely scarce, a scarcity that reflects both the laxness of current legislation and a general lack of interest in the issue on the part of the press and academia. A detailed description of such processes is impossible today. The few comparative studies that exist suggest that party financing practices are closely tied to the institutional framework, the parties' historical development and their relationship with society. They therefore have a strongly idiosyncratic nature about which it is difficult to generalize. With both of these points in mind, we will nevertheless identify some of the principal characteristics of electoral financing practices in the countries studied.⁴⁶

i) The weight of direct subsidies and their activation

As indicated above, a precise calculation of the relevance of direct subsidies for parties in the region also requires a precise estimate of electoral spending in each of the countries. Such estimates do not exist in any country, with the possible exception of Costa Rica. To a greater or lesser extent, only some "informed calculations" are available, which give at best a very general idea of the amounts of electoral spending and the relative weight of direct subsidies (see Table 9).

Country	Electoral cycle	(A) Total electoral spending (US\$millions)	(B) Direct subsidy (US\$millions)	(C) Private sources (US\$millions) (A-B)	(D) % covered by subsidy (B-A)
Costa Rica	1998	20.1 (1)	11.5	8.6	58
Dom. Rep.	2000	23.5	13.7	9.8	58
Nicaragua	2000-2001	22-24	10.6	11.4-13.4	44-48
Panama	1999	20 (2)	6.1 (4)	13.9	30
Honduras	1997	15.3	1.5	13.8	10
Guatemala	1995	11.5	0.6	10.9	5
El Salvador	1999-2000	n.d. (3)	7.8	n.d.	n.d.

Notes: (1) Includes national elections and internal electoral processes — both legislative and presidential — in the PLN and PUSC. National electoral spending was US\$16.8m. (2) This figure must be viewed with particular caution. The source only includes an estimate of US\$10 million for "a presidential campaign." The figure in the table, therefore, assumes spending by at least two major party presidential candidates. Spending on legislative elections, not included in this figure, can be substantial in Panama. (3) No estimates available. One source, however, estimated advertising spending at US\$8 million for one of the two major parties during the 1999 presidential campaign (CONF, Sept. 30, 2001). (4) Includes only 40 percent of the subsidy disbursed during the campaign.

Sources: Casas Zamora (2003), Duarte Isis (to be published).

⁴⁶ The following account is mainly based on the Costa Rican experience, described in detail in: Casas Zamora (2005). Based on information that is available about other countries in Central America, as well as Uruguay, featured in the cited work, it can be assumed that some — although by no means all — of the phenomena detected in Costa Rica also occur in other countries.

Table 9 shows that while direct subsidies cover a substantial part of electoral spending in Costa Rica, the Dominican Republic and, to a lesser extent, Nicaragua, their effect in the rest of the countries is marginal. The data suggest that during the second half of the 1990s, direct subsidies covered approximately one-third of total electoral expenses in the entire region. Even this figure is probably an overestimate, because it excludes El Salvador and intra-party electoral processes throughout the region (except in Costa Rica).

The way in which parties gain access to these resources varies throughout the region, in some cases exacerbating the recipients' dependence on private capital. In El Salvador, Honduras, Panama and the Dominican Republic, parties receive substantial portions of the subsidy directly from the state before the elections. In El Salvador, this is done with no guarantee to back the loan if the post-electoral funds allotted to the party are insufficient to cover the advance. This regulation, which obviously facilitates the parties' access to the subsidy, has become a source of recurring losses for the Salvadoran state.⁴⁷

In the cases of Costa Rica and Nicaragua, where the subsidy operates as a reimbursement of electoral expenses, parties use an elaborate system of party bonds to attract cash contributions during the campaign, backed by the expectation of reimbursement.⁴⁸ Knowing the amount of the subsidy ahead of time, Costa Rica's parties traditionally have issued bonds for up to the amount of the subsidy that they estimate they will receive based on their electoral expectations. Successive issuance of bonds in excess of that amount brings in resources that investors are unlikely or unable to recover. In all cases, the bondholders — usually, although not always, private financial operators — purchase the bonds at a discount, making a substantial profit in the process.⁴⁹ Although the treasurers of Costa Rica's parties insist that the operations are of a purely financial nature, some purchases of electoral bonds have raised doubts about their possible political effects, as we will see. The point is that the Costa Rican and Nicaraguan subsidy systems rest on a paradox: to gain access to state resources, the parties depend on the private capital whose influence the subsidy is supposed to limit.

The various mechanisms for the activation of state funds coexist with elaborate processes for private fundraising. As Table 9 shows, despite the existence of public subsidy systems in all of the countries, private sources of financing are still by far the main economic support for electoral campaigns in the region. Let us examine some of the characteristics of the fundraising process.

⁴⁷ La Prensa Gráfica (LPGR), March 10, 2002; Ulloa (1998), p.211.

⁴⁸ Casas Zamora (2005) and (2001), pp.321-322. In Nicaragua, the mechanism has been used especially by the Frente Sandinista de Liberación Nacional (FSLN). See: *El Nuevo Diario* (ND), October 15, 2000, August 13, 2001; *Semanario Confidencial* (CONF), September 30, 2001.

⁴⁹ About 15 percent of all electoral spending by the largest parties during the 1994 and 1998 elections corresponded to the discount charged by party bondholders. In 1998, these benefits ended up in very few hands. About 80 percent of the PLN's campaign funds came from bonds placed with four private financial operators: Banca Promérica, Banex, Interfin and Grupo Sama (calculation based on PLN financial records provided to one of the authors in December 1999 by Mr. Antonio Burgués and Mr. Eduardo Morera, former PLN treasurer and accountant, respectively). In the 2002 campaign, on the other hand, the only holder of PLN bonds was the Banco de Costa Rica, a state institution (*La Nación* [LN], December 5, 2001, December 15, 2001, January 4, 2002).

ii) *Raising of political donations*

Who does the fundraising and how is it done?

In the countries under study, which are characterized by clearly presidential regimes and poorly institutionalized parties, campaign fundraising activities revolve around presidential candidates rather than formal party structures.⁵⁰ Thus it is the presidential hopeful who almost always leads the fundraising process, either by contributing large amounts of personal funds or by attending various activities with potential donors, a task that occupies a large part of the candidate's schedule. One former campaign treasurer of a major party in Costa Rica summed it up in these terms: "The candidate becomes the fundraiser. ... Without the candidate, you raise nothing."⁵¹

In this task, the candidate is usually assisted by a finance committee. This committee is invariably recruited from the candidate's inner circle and usually provides, in case of a victory, some of the key members of the future government, a rule that operates as a crucial incentive for attracting donations.⁵² The members of this committee, especially the coordinator, are chosen for their social connections and, generally, their respectability in the business community.⁵³ In the region's countries, the raising of private funds for campaigns takes place in a small social circle marked by bonds of familiarity and trust.

Familiarity between fundraiser and donor alone is not enough, however. A subtle code operates in campaigns, by which visits to potential donors are reinforced by the presence of the candidate or close allies of the candidate, depending on the size of the contribution sought. When seeking large contributions, the candidate's presence is essential.⁵⁴ In a slightly perverse way, fundraising codes ensure that political operators who could potentially have more influence in a future administration are those who have direct contact with the largest private donors.

⁵⁰ It should be noted, however, that the separation in time of certain elections in Nicaragua (municipal) and El Salvador (legislative) significantly attenuates this trait.

⁵¹ Vargas (October 28, 1999). Fundraising activities normally take up 20 to 30 percent of the time of the candidates of Costa Rica's major parties, and up to 40 percent at certain points in the campaign (Alvarez [December 7, 1999], Figueres [November 3, 1999], Fishman [December 1, 1999]).

⁵² In Costa Rica, the winning candidate's campaign treasurer almost invariably becomes a minister, as suggested by the examples of Mr. Porfirio Morera (1982), Mr. Guillermo Constenla (1986), Mr. Guillermo Madriz (1990), Mr. Marco A. Vargas (1994), Mr. Alberto Dent (1998), and Mr. Roberto Tovar (2002). The same is true in Panama: one of the principal fundraisers for Ernesto Pérez Balladares' presidential campaign in 1994 was Felipe Virzi, his vice president (PA, August 13, 2001). Similarly, one of the principal fundraisers for Arnoldo Alemán's campaign in Nicaragua was Byron Jeréz, a close collaborator who eventually was named to head the national tax office (ND, September 9, 2001). One of the people responsible for campaign financing for the current president of Nicaragua, Enrique Bolaños, held the post of finance minister in 2002, and another headed the Rural Development Institute (La Prensa Nicaragua [LPN], May 1, 2002).

⁵³ "The finance committee is made up of people who have professional prestige in the business world, people who are known, people with the money to inspire confidence in others who have money, confidence that that money that they will eventually give will be safeguarded and spent well" (Tovar [November 1, 1999]). In the same vein, see the statements by Carlos Duque, president of Panama's Partido Revolucionario Democrático, in PA, August 13, 2001.

⁵⁴ "If you want someone to sign a check for 8 million pesos (sic), the candidate has to be there," the campaign treasurer for former President Miguel A. Rodríguez of Costa Rica confided to the author (Dent [December 22, 1999]).

Visits to large donors are usually complemented by a multitude of fundraising activities organized by finance committees. These can range from raffles of valuable objects to a structured schedule of fundraising breakfasts, lunches and dinners, usually aimed at specific sectors of the business or professional community.

Whatever the disbursement method, the amounts of private donations vary depending on the donor's purchasing power and political closeness to the candidate. They probably also vary according to the size of the potential donor pool: the smaller the pool, the larger the average contribution. Thus available evidence in the case of Costa Rica suggests that donations of US\$35,000, the maximum allowed by law, are the exception. Although contributions of US\$100,000 and even US\$150,000 have been reported,⁵⁵ large private contributions in Costa Rica today are divided into smaller amounts, either to comply with ceilings introduced in 1996 or simply to reduce their economic impact on the donor.

In business circles that are even tighter than those of Costa Rica, the amounts may be considerably larger. Some media reports have indicated that the contribution from the Grupo Pellas, Nicaragua's largest business consortium, to the presidential campaign of the Partido Liberal Constitucional (PLC) in 1999 was on the order of US\$750,000, and that contributions of at least US\$50,000 were expected from a group of some 25 businesspeople in the country.⁵⁶ In Panama, investigations into the receipt of drug money by Ernesto Pérez Balladares' presidential campaign in 1994 turned up some interesting data. His party, the Partido Revolucionario Democrático (PRD), revealed that 15 donors provided US\$2.5 million for the 1994 electoral campaign, an average of US\$166,000 per contributor.⁵⁷ That figure, however, pales in comparison to known contributions from Dutch investor Friedrich Specht to the PRD (estimated at US\$550,000) and from Panamanian businessman Ricardo Martinelli to various parties (US\$400,000).⁵⁸ And as we will see, even these amounts, which would be substantial anywhere in the world, are probably a fraction of the value of the in-kind contributions made by media owners throughout the region.

Finally, it is worth noting that in some countries, particularly Nicaragua and Honduras, the domestic fundraising process has an additional element that is often crucial for the governing party: the requirement that people who hold public office, and public employees in general, make mandatory electoral contributions. Although "party taxes" for elected posts — usually legislators — are a mechanism used in many countries throughout the world, including Costa Rica and El Salvador,⁵⁹ what makes the experience of Honduras and, especially, Nicaragua

⁵⁵ See: ALCR, Case File 10934, pp.4447, 4460, 4475; LN, August 13, 2003. The PLN's 1974 campaign treasurer stated during a legislative investigation that Robert Vesco had contributed nearly US\$500,000 to Daniel Oduber's presidential campaign. He denied it, however, and maintained that he had returned the money when he found out where it came from. See: LN, July 5-7, 1977; La República (LR), May 11, 1977.

⁵⁶ CONF, September 30, 2001.

⁵⁷ PA, July 4, 1996.

⁵⁸ On the Specht case: LPP, July 21, 1996, September 18, 1996, March 5, 2001; PA, July 11, 1996. On Martinelli: PA, August 13, 2001.

⁵⁹ See, for example, LPGR, July 4, 2002. In Costa Rica, party taxes are also used almost entirely to maintain the party structure between elections.

different is the expansion of the mechanism to a much broader spectrum of public servants. During the 2000 municipal election campaign in Nicaragua, a national PLC leader stated that most of the party's funds were contributed by public employees, particularly high-ranking officials, who gave the party as much as a full month's salary. The governing party's pressure on state employees was denounced in some press reports.⁶⁰ As we will see, in both Nicaragua and Honduras, this practice is part of a broader phenomenon involving the indiscriminate use of the state apparatus to favor the ruling party's electoral campaign.

Who contributes?

Apart from the exception of mechanisms for obligatory contributions by public employees, all evidence indicates that the quest for domestic electoral funds centers almost entirely on a very small group of major businesspeople in each country. This circle is probably extraordinarily small in countries such as Panama and Nicaragua. The case of Panama's PRD in 1994 has already been cited.⁶¹ But even the list of donors disclosed by the Movimiento Papá Egoró, which is relatively distant from Panama's business elite, included 148 businesses and individuals in 1994.⁶² Similarly, in Nicaragua, the list of principal donors to political campaigns presumably includes the heads of the country's four largest business and financial groups, a similar number of large foreign businesspeople with strong interests in Nicaragua, and some 20 smaller corporations able to make donations of at least US\$50,000.⁶³ In the Dominican Republic, the recent failure of the Banco Intercontinental (BANINTER) revealed that the country's main parties and political leaders received significant contributions from this financial institution.⁶⁴ Even in Costa Rica, a country with relatively egalitarian traditions within the Central American context, fundraising is characterized by extraordinary elitism. Moreover, given the limited social circle within which fundraising takes place, it is natural that the largest contributors will be sought out by all the major parties and will end up dividing their funds among them. This practice, which is widespread in Costa Rica, has also been documented in Guatemala, Nicaragua, Panama, the Dominican Republic and, outside the region, in Uruguay.⁶⁵

⁶⁰ ND, October 15, 2000. In Honduras, David Matamoros Batson, an electoral representative linked to the Partido Nacional, admitted that when his party was in power, it imposed a mandatory contribution of 10 percent for wages of more than 7,000 lempiras (approximately US\$500), 5 percent for those over 5,000 lempiras, and 3 percent for those of more than 1,200 lempiras (Mejía et al [2001]).

⁶¹ Another example: in 1998, the PRD's Frente Empresarial announced a donation of US\$5 million for a plebiscite to allow the reelection of President Pérez Balladares. Asked about the origin of the funds, the secretary of the Frente simply indicated that it came from "top-ranking businesspeople" who were friends of the president (PA, May 8, 1998).

⁶² PA, July 9, 1996.

⁶³ CONF, September 30, 2001.

⁶⁴ The governor of the Central Bank of the Dominican Republic revealed to the country a list of some of the donations to political parties made by BANINTER, which included contributions to the Partido Revolucionario Democrático and other parties for rallies and other campaign activities leading up to the 2002 elections. See: Duarte [to be published].

⁶⁵ For Costa Rica and Uruguay: Casas Zamora (2005). For Nicaragua: CONF, September 30, 2001. For Panama: LPP, July 7, 1996, February 28, 2002; PA, August 13, 2001. In Guatemala, the case of Mexican television magnate Remigio Angel González, who was courted assiduously by all the parties, is paradigmatic: La Prensa Libre Guatemala (PLG), February 14, 2000.

It is crucial to note, however, that this concentration of private donors does not assume or result in any coordinated effort by contributors. One of the basic characteristics of fundraising processes in the region is the prevalence of individual ties between donors and politicians, rather than collective forms of participation by social or economic sectors. In tight-knit social circles, personal ties and direct contact between contributors and politicians are more important than the financial role of organized pressure groups (chambers of commerce, for example), and in fact make such a role unnecessary. This lack of coordination has important implications for the definition of the favors sought by political donors. As we will see, in contrast to the role played by organized groups in the United States, Central American donors generally do not attempt to hold state policy “hostage” for a social or business sector, but instead seek more or less tangible individual benefits.

While business donations cannot be seen as part of an organized effort by these sectors, businesspeople in some specific sectors participate in the process with particular assiduousness. The construction and banking sectors are recognized contributors in the region’s countries.⁶⁶ Owners of media and private television stations constitute an especially important group of political donors. Examples abound. In the Dominican Republic, the former owners of *Listín Diario* publicly admitted that, for economic reasons, the newspaper’s editorial position had been committed to partisan political causes. In Costa Rica, although the Electoral Code requires the media to make their rates public and guarantee equal access to all parties, that does not stop media owners from donating advertising space to certain parties, making the law futile in practice. There are significant price differences, and no party or candidate ends up paying the official rate.

In fact, a comparison of the official figures for spending on publicity Costa Rican political parties during the 1997-98 presidential campaign and television advertising expenses reported to the Controller’s Office reveal discounts of US\$2.1 million, including US\$1.7 million to the PUSC, the heavy favorite during the campaign, which was probably the largest donation made by any sector during the electoral cycle. An investigation into patterns of discounts during the 1990-98 campaigns shows that television stations systematically favored the odds-on party during the campaign.⁶⁷ Particularly disturbing is the Guatemalan experience, where non-cable television is monopolized by a private operator: Miami-based Mexican businessman Remigio Angel González. Since the mid-1980s, that monopoly has given González disproportionate political power in Guatemala, which was particularly visible during

⁶⁶ On the participation of businesspeople from the construction sector in Costa Rica: Chávez (October 22, 1999). In Nicaragua, the case of the “Modulteca” construction company, founded by a son-in-law of former President Alemán and Cuban investors who were major contributors to his campaign, is paradigmatic (vid infra, pp.37-38). Regarding the participation of the finance sector in Costa Rica and Nicaragua, vid supra note 49 and CONF, September 30, 2001. Other known cases are those of bankers Francisco Alvarado McDonald in Guatemala and Mayor Alfredo Alemán in Panama, who according to press reports were closely tied to the financing of the campaigns of Alfonso Portillo and Ernesto Pérez Balladares, respectively, as well as the case of Banco Intercontinental in the Dominican Republic (PLG, March 10, 2001; LPP, June 29, 1996, and March 5, 2001; Duarte [to be published]).

⁶⁷ Casas Zamora (2005). Calculation of the value of the publicity based on data from Servicios Publicitarios Computarizados (various years). Expenses reported by parties taken from: Controller General’s Office (CGR), Departments of Special Studies, Reports No. 158-90, 167-90, 70-94, 85-94, 92-94, 99-94, 95-98, 96-98 and 97-98.

and after the 1999 election, in which he actively supported the winning Frente Republicano Guatemalteco (FRG). As all the Guatemalan parties have publicly admitted, courting González's political and financial support is of prime importance for any presidential hopeful.⁶⁸

The case of González in Guatemala is indicative not only of the decisive financial role played by media owners, but also of the continued importance, to varying degrees, of foreign funding sources for campaigns in the region. Their use is widely notorious in Nicaragua and Guatemala, less obvious but probably substantial in Panama and El Salvador, more limited in Costa Rica (although that has not always been the case) and undetermined in Honduras. In the case of Nicaragua, mentioned above, it is well known that all of the parties do fundraising in Miami and, to a far lesser degree, Costa Rica.⁶⁹ News reports suggest that contributions collected by the PLC in 1996 among Cuban exiles in Miami could have amounted to several million dollars, and also suggest that part of the campaign of the Frente Sandinista de Liberación Nacional (FSLN) may have been financed by contributions from the Libyan government, an accusation repeatedly denied by Sandinista party leaders.⁷⁰ Similarly, investigations into contributions from Colombian drug trafficker José Castrillón Henao to the PRD campaign in Panama in 1994 led to the discovery of other substantial donations from foreigners.

The Costa Rican experience has followed an interesting course.⁷¹ While there was extensive evidence of foreign capital — often controversial — in Costa Rican elections during the 1970s,⁷² by the end of the 1980s the situation had taken on disturbing overtones. A series of parliamentary investigations into the extent to which drug trafficking had permeated the country revealed that both major parties had received substantial contributions during the 1986 campaign from foreigners involved in various criminal activities.⁷³ While the investigations did not conclusively

⁶⁸ PLG, February 14, 2000, March 5, 2000. González's television monopoly has been criticized by the Guatemalan Human Rights Attorney, the special rapporteur for freedom of expression of the Organization of American States (OAS) and the Inter American Press Association (IAPA). In September 2001, former President Alfonso Portillo admitted that González enjoyed a monopoly and promised an IAPA delegation that he would put two state television frequencies out on bid to other operators. See: PLG, February 14, 2000, February 24, 2001; IAPA (2001). Also: "Media in Guatemala: From War to Censorship" (2002); "Human Rights Report for Guatemala: Freedom of Speech and Press" (2002).

⁶⁹ ND, April 29, 1999, October 15, 2000, August 13, 2001, September 9, 2001. One Costa Rican businessman confirmed that he attended fundraising activities in San José for candidate Arnoldo Alemán in 1996 (Ruíz [December 10, 1999]). A curious report published in one of the Nicaraguan papers in the months before the 2001 presidential election gives an idea of the decisive importance of external funding sources even for minority parties: "La Prensa learned unofficially that the conservatives are plagued by a shortage of funds for the electoral campaign, and that Ernesto Leal will travel outside the country this weekend to obtain economic resources. If successful, that could make him the conservatives' future presidential candidates. Nonetheless, the same sources believe that the president of the Conservative Party, Mario Rappaccioli, might make a similar effort" (LPN, July 21, 2001).

⁷⁰ In September 2001, Ricardo Mas Canosa, head of the Cuban-American Foundation, publicly accused former President Arnoldo Alemán of having diverted into personal accounts US\$2.5 million donated by the Miami-based foundation during the 1996 campaign. Representatives of the Partido Liberal Constitucional said they did not remember the donation, and the charge was never investigated (ND, September 9, 2001; LPN, September 12, 2001). Certain episodes of corruption during the Alemán administration support the inference that some members of the Cuban exile community might have made substantial contributions to his campaign. The alleged assistance from Libya to the FSLN is mentioned in CONF, September 30, 2001.

⁷¹ Casas Zamora (2005).

⁷² See legislative investigation: ALCR, Case File 7898.

⁷³ ALCR, Case File 10200-10684-10934.

demonstrate that presidential candidates and their principal fundraisers were responsible, they at least made clear the assiduousness with which Costa Rican parties, freed of all legal regulation, courted foreign funds. The investigation revealed multiple donations from foreign businesspeople living in Costa Rica — large amounts, in some cases — as well as the organization of various fundraising activities by both parties in the United States and substantial contributions from “sister parties,” including the PRD in Panama, which was controlled at the time by Manuel Antonio Noriega. These investigations, whose revelations dominated the 1990 presidential campaign, constituted a breaking point that would eventually lead to the establishment of legal controls on foreign donations. The experience of 1986 has made Costa Rican fundraisers — who are almost always well-known national businesspeople — generally reluctant to actively seek foreign sources of funding.⁷⁴ Such caution and the drastic decrease in contributions from “sister” parties and governments⁷⁵ have probably reduced the availability of funds for Costa Rican campaigns. It should be emphasized, however, that despite legal prohibitions, such fundraising continues, as became clear after the 2001-02 campaign.⁷⁶

Why contribute?

There are multiple and often simultaneous motives for making a contribution to a party or candidate. While in many cases the weight of political tradition, personal affinity or ideological identification — a point of particular importance in Nicaragua⁷⁷ — is often enough to attract significant contributions from the business sector, it is clear that fundraising is mainly driven by the quest for tangible benefits. In the words of former Panamanian President Guillermo Endara: “Anyone who thinks that you don’t get favors by making campaign contributions commits the sin of naïveté.”⁷⁸

The favors sought are extremely varied and, in general, implicit. Given the great power that the region’s presidents have to make political appointments, jobs in political bodies constitute an obvious option for exchange. More common, however,

⁷⁴ The campaign treasurer of the Partido Unidad Social-Cristiana (PUSC) in 1998, a well-known banker, put it in very clear terms to one of the authors: “International sources today are zero. Before, there were a lot; today, zero. (If you seek foreign contributions), you’ll get in over your head and end up in prison...” (Dent [December 22, 1999]).

⁷⁵ An important exception to this phenomenon is the case of the government of the Republic of China in Taiwan, cited by one interviewee as a source of funds for the major Costa Rican parties for obvious geopolitical reasons (Fishman [December 1, 1999]). This is more than speculation. In 2003, it was revealed that President Abel Pacheco’s campaign received US\$500,000 in illegal donations from two companies headquartered in Taiwan, apparently linked to the island’s government (LN, August 20-22, 2003; LN, October 3, 2003; LN, October 14, 2003). Although Pacheco denied any involvement in the case, the existence of a secret fund to support “friendly” governments and politicians throughout the world has been publicly acknowledged by Taiwanese diplomats (The Washington Post, April 5, 2002).

⁷⁶ Evidence from the 2001-02 campaign shows that in some cases, the amounts involved were still significant. For example, during the campaign, Credomatic, a local financial operator, contributed US\$250,000 to both major parties. Credomatic belongs to Casa Pellas, a Nicaraguan conglomerate with financial and business interests throughout Central America (LN, August 13, 2003; LN, September 5, 2003).

⁷⁷ According to one journalistic source, although the main Nicaraguan business groups make donations to both major parties, their contributions to the PLC far exceed their donations to the FSLN, probably by a factor of three to one.

⁷⁸ PA, August 13, 2001.

is the quest for other benefits. In the vast majority of cases, business contributions constitute a kind of insurance policy guaranteeing, if necessary, access to and the goodwill of decision-makers. One of the main fundraisers for the Panamanian PRD's campaign in 1994 described the logic of most business donors in the following terms:

“If I give a certain amount of money, I want to be able to pick up the telephone, and if I have a problem, I want them to listen to me — not so much that they solve it ... but that they pay attention to me. ... What you buy is access. ... For example, if I donate to Pérez Balladares, on the day I call him I want him to know who it is who wants to talk to him.”⁷⁹

One Costa Rican businessman put it in almost identical terms:

“... what people want with (a contribution), first of all, is access. That's basic. It's access that doesn't necessarily have to do with the president. When do you need the president? Almost never. What you need is access to ministers. Usually people involved in finance are going to be ministers. So you call them and ask them to get you an appointment with so-and-so. That is very important. It isn't influence; it's access, which isn't available to just anyone. Being able to reach someone and explain your problem is a great advantage.”⁸⁰

The contribution almost always buys a resource rather than a result, and both the donor and the recipient are aware of the subtle terms of exchange. In other situations, however, the quid-pro-quo may be less diffuse. Large donations tend to assume specific requests by the contributor, normally linked to public investment decisions, debt forgiveness for public institutions, or the rapid repayment of state debts.

In short, forms of repaying favors tend to be varied and depend on both the circumstances and the nature of the deal negotiated at the time. In some cases, these commitments include giving or doing something; in others, they involve not doing something. At times, they consist of providing support or looking the other way, thus protecting illegal activities or persons; under other circumstances, they imply adopting a policy that favors a certain pressure group.⁸¹

Despite the size of some donations and the specificity of the corresponding request, it is important not to lose sight of the contingent nature of the exchange between the donor of the funds and the recipient. In most cases, the politician's negotiating power increases decisively once the election is over, particularly when successive reelection is prohibited, as is the case with all Central American presidents.

⁷⁹ PA, August 13, 2001.

⁸⁰ Schyfter (December 9, 1999). His words were confirmed by almost all Costa Rican and Uruguayan donors, fundraisers and politicians cited in: Casas Zamora (2005). Ardaya & Verdesoto (1998) come to the same conclusion in their Ecuadorian case study.

⁸¹ Zovatto (2003), p.40.

The risk to the donor, therefore, acts as a disincentive to large contributions. That risk is significantly reduced, however, when the donor is backed by a prior link with the recipient of the funds, when mechanisms for post-election coercion exist, or simply when the donor is willing to use other means to buy political will, such as bribes. In such cases, the effect of political contributions is subsumed into a broader syndrome of distortion of the general interest. Paradoxically, the most relevant cases from the standpoint of the integrity of the political system are those in which the effects of the campaign contributions are less clear and identifiable.

Whatever their effects, the fundraising procedures described here operate within a framework of legal and extra-legal controls that vary from country to country. We will briefly review the practical enforcement of these controls in the region.

3.2 Electoral financing controls, in practice

This section begins with a reminder of what we have already seen: there are not many enforceable legal controls on party financing in the region. In addition, almost without exception, enforcement of the few rules that do exist has fallen very short. In El Salvador, where the only rules for party financing are those related to direct subsidies, the state has proven incapable even of recovering the large amounts owed by parties that have benefited from advances on subsidies.⁸² In Honduras, a relatively elaborate scheme of financial transparency and restrictions on private donations and the length of campaigns has come to naught. In practice, the National Elections Tribunal (*Tribunal Nacional de Elecciones*, TNE) has never required parties to present financial statements or enforced sanctions for airing electoral ads outside the official campaign period.⁸³

The same is true of Nicaragua's legislation. In that country, although since 1996 the law has required parties to keep financial documentation for review by the Controller General's Office, there has been no oversight by that office. While the 1996 Electoral Law expressly prohibited foreign contributions and required parties to report all of their donations, no oversight mechanism was triggered when parties did not report a single private contribution during the 1996 campaign, whose cost for the winning party alone was estimated at US\$6 million, much of which was raised abroad.⁸⁴ The scant regulations introduced in 2000, which merely prohibited anonymous donations and contributions from government contractors, have not changed this pattern. The director of the Controller's Office's Department of Assistance to Political Parties admitted publicly in 2001 that there were no oversight mechanisms to determine whether parties receive money from illegal sources during electoral campaigns.⁸⁵ Such controls are weakened, among other things, by the fact that responsibility in this area is shared by the Supreme Electoral Council, the Controller's Office and the Electoral State's Attorney, an overlapping of functions

⁸² An audit by the Accounts Court revealed that "no evidence was found of efforts by the Ministry of Finance to recover the political debt owed by these parties" (LPGR, July 25, 2002). See also LPGR, March 10, 2002.

⁸³ Molina & Suyapa (1998), p.309; Mejía et al (2001); La Prensa Honduras (LPH), June 15, 1996.

⁸⁴ Fiallos (1998), p.381; CONF, September 30, 2001.

⁸⁵ LPN, September 12, 2001.

that leaves oversight mechanisms in a regulatory gray area and leads to paralysis.⁸⁶ Even controls on the use of public subsidies are fragile and of dubious effectiveness. Well into 2000, the Controller's Office and the electoral authority were still drawing up regulations for defining party expenses that would be accepted as reimbursable, in the wake of the 1996 election in which parties did not provide an accounting as required by law or pay off their debts to the Treasury.⁸⁷ Only recently and tentatively have some mechanisms for investigating party financing been activated for the first time, after tacit admission by PLC representatives that public goods and funds were used during the party's campaign in 2001, as repeatedly reported by the opposition press before the election.⁸⁸ Whether the investigation will be effective remains to be seen.

In the Dominican Republic, changes introduced in the political party financing regime in 1997 have significantly increased the funds available to parties. Currently, however, electoral law lacks appropriate procedures and measures for requiring parties to provide information about the source and extent of private funding or about the use of either public or private resources at their disposal.⁸⁹ This is true even though the Central Elections Board has issued regulations on the distribution of the state's economic contribution to political parties, establishing, among other things, rules for the parties' accounting, supporting documentation and expense vouchers.

Although strictly limited to oversight of the use of direct subsidies, the controls that exist in Guatemala and Panama are apparently more effective. Guatemalan authorities perform audits of political parties, although because the results are not made public it is not known how strict they are.⁹⁰ In Panama, the introduction of state subsidies in 1997 has been accompanied by a complex system for accountability before each successive disbursement of the subsidy. Panamanian electoral authorities consider control over these resources to be fairly strict.

The case of Costa Rica, finally, shows a curious coexistence of some strict controls with others that practically nonexistent. As in Guatemala and Panama, in Costa Rica the parties eligible to receive state reimbursements must present proof of their electoral expenses to the Controller General's Office, following the detailed instructions contained in legislation and regulations. The dense regulation of the process and the administrative flaws of Costa Rica's parties have made this a costly exercise whose usefulness has been repeatedly questioned, even by the Controller's Office.⁹¹ The problem of oversight of the direct subsidy in Costa Rica does not lie in weak enforcement, but in its excessive strictness.

⁸⁶ See, for example, the mutual accusations by representatives of these three bodies in: ND, October 15, 2000.

⁸⁷ LPN, June 28, 2000.

⁸⁸ ND, October 2, 2001, and October 29, 2001. In May 2002, Sandinista delegates to the Supreme Electoral Council asked the Attorney General's Office to investigate the PLC's funding during the 2001 campaign. Officials promised to launch an investigation (LPN, May 3, 2002, May 9, 2002; ND, May 9, 2002).

⁸⁹ Duarte (to be published).

⁹⁰ Torres-Rivas & Aguilar (1998), p.271.

⁹¹ As long ago as 1959, an auditor from the Controller's Office pointed out that the detailed review of documentation presented by the parties was "impractical, with negative results" (*Diario de Costa Rica* [DCR], June 18, 1959). This auditor was right: for decades, the parties ended up receiving from the state the same amount to which they would have been entitled in any case, in accordance with their election results. This practice ended in 1998, when the introduction of overly detailed regulations made the justification of expenses nearly impossible, even for the major parties.

In contrast, private financing regulations introduced in 1996 have been eroding in practice. The presentation of periodic income reports by parties is now an almost voluntary ritual that not all the parties perform with regularity. Moreover, claiming that it is not authorized to determine the accuracy of the information provided by the parties, the Supreme Election Tribunal (*Tribunal Supremo de Elecciones*, TSE) has declined to do a detailed audit of their reports, limiting itself to monitoring respect for the ceiling on individual contributions.⁹² Parties also are not required to report in-kind contributions, which are sometimes substantial.

Shortly after their introduction, the weakness of the controls on private financing had already been pointed out by some campaign treasurers and election officials.⁹³ Such warnings were conclusively confirmed during and after the 2001-02 campaign. In the last days of the campaign, the press documented various cases of contributions reported under false names in reports submitted to the TSE by the PLN.⁹⁴ Later, in September 2002, a new journalistic investigation revealed that President Pacheco's campaign had put into practice an extensive scheme to evade legal and party controls on fundraising activities. Through a complex parallel structure that involved various partnerships and bank accounts, including one in Panama, the Pacheco campaign diverted several million dollars in private donations that were never reported to the TSE and that in many cases violated legal ceilings and prohibitions.⁹⁵ In the absence of institutional enforcement, the controls put in place by legislation in 1996 have become, in the words of the TSE president, "merely cosmetic."⁹⁶

As mentioned above, when there is no strictly enforced regulatory framework, control over electoral financing is left to other mechanisms, such as the parties' own internal instruments and legislative or journalistic investigations. Parties' mechanisms, like legislation, tend to be weak and limited. Regional experience clearly shows that electoral fundraising is rarely in the hands of formal party structures; instead, it is usually the task of very small, almost impenetrable groups that are close to the presidential candidates and answer only to them. Asked by reporters about his knowledge of the PUSC's financing practices in 1993-1994, Costa Rican President Abel Pacheco, who at the time was chairman of his party, stated that he not only had no relationship with the fundraising process, but that this had also been one of his conditions for accepting the position.⁹⁷ Similarly, although Guatemalan legislation establishes that one of the functions of each party's National Assembly is to "know, approve or refuse to approve the economic report that the National Executive Committee must present," one leader of the Unión de Centro Nacional (UCN) warned that "until the last party administration, even the Executive

⁹² Fonseca (November 24, 1999), LN, October 1-3, 1999.

⁹³ One former PUSC campaign treasurer told one of the authors: "The truth of the matter is that the law talks about maximum limits on contributions, but that's a siren song. In one sense, there's compliance with the law, but on the other hand, there's a single source for different reported donations" (Tovar [November 1, 1999]). Also Fonseca (November 24, 1999), Villegas (September 17, 1999).

⁹⁴ LN, January 29-30, 2002; LN, February 12-15, 2002; LN, March 24-26, 2002.

⁹⁵ See, among others: LN, September 20-25, 2002; LN, September 30, 2002; LN, October 9-10, 2002; LN, October 14-19, 2002; LN, November 5, 2002; LN, April 4, 2003; LN, May 9, 2003; LN, May 23, 2003; LN, May 30, 2003; LN, June 7, 2003.

⁹⁶ Fonseca (November 24, 1999).

⁹⁷ LN, July 31, 1995. See also: Casas Zamora (2005).

Committee didn't know how the funds were managed."⁹⁸ The same appears to be true in Nicaragua: surprised by statements by the chairman of the PLC about the use of public funds for electoral expenses, the main fundraisers for Enrique Bolaños' presidential campaign were quick to deny involvement in the financing of the party and its slate of legislative candidates. "I assure you," Bolaños said, "that the campaign was financed by us and handled separately, and you saw that the presidential campaign (headquarters) was next door to a PLC building and was managed separately."⁹⁹

More important than the parties' controls on their fundraisers have been those derived from the intervention of the press and parliament. The use of these mechanisms has been very limited in the region, however. Except for Costa Rica, no country has held parliamentary investigations into party financing. Press coverage, meanwhile, has been virtually nonexistent in El Salvador and Honduras, and tangential in Nicaragua, Guatemala and the Dominican Republic. In the latter three countries, the issue has recently appeared in the press, but only as an aside in larger corruption scandals.

The experiences of Panama and Costa Rica are different. The emergence of political financing as a topic of public debate is almost entirely due to the assiduousness of the press, which revealed that the presidential campaign of Ernesto Pérez Balladares had received "narco-checks" in 1994.¹⁰⁰ The ensuing uproar forced all the parties to disclose their sources of financing and, more importantly, led to the introduction of party subsidies in 1997.¹⁰¹ Similarly, the modification of Costa Rica's legislation in 1996 would hardly have been possible without the 1987-1991 legislative investigations into how drug traffickers had penetrated political spheres, including party financing.¹⁰² The emergence of drug trafficking as a real threat for fundraisers and the intense press coverage surrounding the legislative investigations helped activate self-regulatory mechanisms among Costa Rica's fundraisers, who were generally concerned about their social and business reputations. This translated, in subsequent campaigns, into the adoption of generally more cautious financial practices by Costa Rica's major parties, especially with regard to receiving money from foreign sources. As the experience of the last campaign showed, the sustainability of these self-regulatory mechanisms is shaky and depends on ongoing media interest in the issue.

⁹⁸ Torres-Rivas & Aguilar (1998), pp.271-272.

⁹⁹ LPN, May 1, 2002.

¹⁰⁰ It should be noted that the original accusation appeared in the British international weekly, "The Economist." After the president admitted having received the funds, however, Panamanian press coverage was widespread and made it possible to clarify many aspects of campaign financing in Panama.

¹⁰¹ During the scandal, in 1996, five Panamanian parties sent electoral authorities a list of the names of their contributors and the amounts raised during the 1994 campaign (Valdés [1998], p.414).

¹⁰² ALCR, Case File 10200-10684-10934. Even before the legislative commissions' investigations into drug trafficking, in 1974 and 1977 investigative commissions had looked into party financing, particularly the SAOPIM case and donations received by parties from Robert Vesco during the 1974 campaign. The scandal over the contributions not reported by President Pacheco's campaign also led to the appointment of a parliamentary investigative commission that was expected to issue its report in the second half of 2004.

4. Final considerations

An assessment of the current situation at the regional level shows the following general characteristics:

- a) Political financing systems, in general, have little regulation of private financing and are oriented, with varying degrees of generosity, toward providing state subsidies to parties;
- b) In terms of its ability to prevent corruption, the regulatory framework has many weaknesses and few strengths, and presents limited opportunities for improvement in the face of many highly visible threats;
- c) The weakness of political financing regulations is in no way exclusive to the region; many other democracies, even in the developed world, have regulatory frameworks similar to those found in the countries under study;
- d) Private sources of financing constitute the bulk of the funds used in electoral campaigns;
- e) Private funds are raised through processes characterized by strong participation by presidential candidates, the quest for funds among a very small group of major businesspeople, the variable presence of foreign funds, and the subtlety and contingency of exchanges of favors between donors and politicians;
- f) With few exceptions, the few legal control mechanisms that exist in the region are weakly enforced. Control mechanisms imposed on fundraisers by parties are also flawed. Although they have been more effective, informal controls exercised by journalistic and parliamentary investigations have only operated in certain countries.

Although the picture is not flattering, it is not entirely negative. As noted above, there is increased interest in the issue throughout the region, along with the incipient and tentative appearance of some legislation. As stated before, the regulation of electoral financing is a “second-generation” reform that gradually, and almost always as a result of scandals, will attract increasing attention from the media and the political system. Along with recent changes in Costa Rica (1996), Panama and the Dominican Republic (1997), there have been proposals for the reform of legislation in Guatemala, El Salvador and, again, Panama.¹⁰³ In all cases, the initiatives are efforts to disclose the donations received by parties and reinforce electoral authorities’ oversight powers. In Guatemala and Panama, there is also debate over the possibility of putting a general cap on parties’ spending. Approval of the reforms is in no way guaranteed; nor, as we have seen, is it certain that they will be enforced if they are adopted.

Because of the increasing adoption of political financing regulations in the region, it is helpful to point out some general lessons, broadly supported by comparative experience, that the reformers would do well to consider. The first and

¹⁰³ On reform projects, see: SXXI, May 28, 2002; LPG, March 10, 2002; *Diario de Hoy* (DH), April 17, 2002; LPP, March 16, 2002.

most obvious is the futility of seeking ideal solutions or models for the regulation of political financing. The issue is closely linked to the general characteristics of each political system, particularly the party system. Any reform of the financing system must not be analyzed on its own, but as an integral part of overall political-electoral reform. This is crucial because its consequences will affect extremely important aspects such as inter-party competition, conditions for competition, the party system and, consequently, the credibility and legitimacy of democracy itself. As Giovanni Sartori has put it so well, “more than any other factor, it is competition among parties with relatively equal resources (political, human, economic) that creates democracy.”¹⁰⁴ The issue is also inseparable from the values of the political culture of each society, which can lead to the same solution being judged in completely different ways in different contexts. For example, while in Sweden disclosure of campaign spending and funding sources is seen as a violation of the fundamental principle of the secret ballot, in other countries (Germany and the United States, for example), it is viewed as a guarantee of the transparency of political life and the right of citizens to be duly informed.¹⁰⁵

The second lesson speaks of the importance of understanding political financing as a topic doomed to a series of legal reforms that respond to the specific situation and the development of needs in any given country at any given time. It is crucial to keep in mind that the situation is in flux, because the adoption of one solution tends to have unforeseen negative consequences that must be corrected by a new legal reform. It is with good reason that in Germany, a country that has been paying notable attention to this subject for the past 50 years, the regulation of political financing is known as “endless legislation.”¹⁰⁶

Nevertheless, with these limitations in mind, in our view any proposal for the reform of political financing should revolve around at least seven main objectives: (i) reducing the influence of money by decreasing its impact (for example, shortening campaigns and setting limits on some forms of electoral spending); (ii) improving the use of public financing, investing it in activities that are more productive for democracy and directed more at the institutionalization of political parties than at subsidizing repetitive advertising; (iii) decreasing as much as possible the occurrence of phenomena that are often connected with political financing, such as influence peddling and the exchange of favors between private donors and public decision makers; (iv) strengthening disclosure and transparency with regard to both the origin and the use of money in political activities; (v) fostering more equitable conditions in electoral competition, especially with regard to access to the media; (vi) strengthening political financing oversight mechanisms and agencies; and (vii) tightening up the regime of sanctions for violation of existing regulations and making it gradual, varied and effective.¹⁰⁷

It is particularly important that any reform contribute to greater and better transparency in both party income and spending. Transparency and disclosure of information are key aspects of the fight against political corruption.

¹⁰⁴ Becerra et al. (1999), in Zovatto (2003), p.89.

¹⁰⁵ Zovatto (2003), p.88.

¹⁰⁶ Zovatto (2003), p.89.

¹⁰⁷ Zovatto (2003), p.93.

It is crucial that whatever reforms are adopted be accompanied by resources for strict enforcement, the willingness to review them when their inevitable limitations become visible, and realism in understanding that no PFS, however sophisticated, can guarantee the integrity and transparency of political activity. It is reasonable to expect that a well-conceived and well-enforced regulatory system can significantly reduce the most questionable and disturbing financing practices, but it is useless and negative to expect the system to eliminate such practices once and for all.

Moreover, legal and institutional reforms will be largely ineffective if they are not accompanied by the necessary changes in the way of doing and viewing politics — that is, in the attitudes, values and behavior of political actors. In the words of De la Calle, “it is not enough to follow the path of legal reform. The issue of political financing also involves the cultural environment and public education.”¹⁰⁸ It is crucial to set aside the model of “politics by and for business.” It is also important to impose mandatory accountability at all levels of the political system, not only to combat corruption, but also to provide greater democratic oversight — institutional, inter-partisan and social — of politicians in general and elected officials in particular.

Our times demand a return of ethics to political action. The regulation of political financing plays a key role in achieving this objective, which is vital for the health and future of democracy in our region.

¹⁰⁸ De la Calle (1998), in Del Castillo & Zovatto (1998), p.38.

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V
Presidential Power and Political
Parties in Central America,
Panama and the Dominican
Republic

Diego Achard and Luis E. González

Analyzing the characteristics of Latin American presidentialism, one researcher recently stated that:

“as practiced in much of Latin America, presidentialism poses a paradox. On the one hand, the formal legislative, administrative and appointment powers of most Latin American presidents are much greater than the comparable powers of the president of the United States. ... On the other hand, a typical complaint about democracy in Latin America is the difficulty (...) that presidents experience in carrying out their agendas” (Shugart 2001, p.167).

Latin American presidents seem to have considerable influence, at least formally, but may encounter difficulties in implementing their political agendas, if they are able to do so at all. In practice, therefore, they do not appear to be particularly powerful. As will be seen, however, this is not the case with *Central American* presidents.¹ The region’s presidents may actually be very influential even though formally they are less powerful than their South American counterparts. This would still be a paradox, but in the opposite sense: *they may have* more power than would be expected, given their formal attributes.

That is the subject of this essay. First, it will briefly review the ways in which

¹ This article, like most of this book, refers to the countries of Central America (which in common usage consists of five countries: Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala), Panama and the Dominican Republic. To avoid tedious repetition, in the text that follows “the Central American region” refers to these seven countries.

presidential powers are generally studied, particularly in Latin America.² It will then try to determine why the influence of *Central American* presidents can be viewed in the terms just described (i.e., as greater than expected, given their institutional attributes). This discussion is based on contributions from the most recent comparative literature. As will be seen, it takes a different conceptual approach that leads to complementary results. Finally, it suggests that this situation is not rigid: the region is changing, evolving toward *less* influential presidencies, and some trends indicate that this evolution will probably remain steady or accelerate in the short and medium term.³

1. The powers of presidents

In very general terms, the *influence* or power of presidents depends on their personal characteristics, on circumstance (for example, the nature of the presidents' relationships with their own parties), and on the institutional frameworks within which they act (for example, their constitutional powers). A historical analysis must take all of these aspects into consideration. Analytical discussions, especially comparative ones, usually simplify the problem, ignoring the presidents' personal characteristics (although these can sometimes be decisive).

In pure presidential systems, *all* presidents "are in some sense 'powerful,' simply because they are directly elected heads of government *who cannot be removed from their posts* when their policy preferences differ from the preferences of legislators."⁴ Apart from these basic characteristics, when observers "classify presidents as 'strong' or 'weak,' they tend to focus on the presidents' ability to put their own stamp on policy, that is, to carry out their agenda" (Mainwaring and Shugart 2002a, p.49). Recent literature on Latin American presidential systems identifies various characteristics that should be taken into consideration in a study of these presidential capacities. The most frequently mentioned are:

- the powers that the constitutions grant presidents in the *legislative* sphere. Here a distinction is usually drawn between *proactive* powers, such as legislating by decree, and reactive ones, such as the power to veto legislation (vetoes that may only be overridden by a special majority in the legislature). These powers also include policy areas "reserved" to presidents and the unilateral power to call a referendum. The "reserved areas" are those in which the legislature can only consider legislation presented at the president's initiative; legislation in these areas, therefore, requires

² The backdrop for most of this literature, especially comparative literature, is the debate over parliamentary vs. presidential forms of government. This essay does not address that debate, even indirectly. The presidential system in Latin America (and Central America, in particular) is simply treated as a fact now and for the foreseeable future.

³ The authors would like to reiterate the acknowledgements already expressed in their essay, "Bringing All Voices Together," earlier in this book. They would also like to thank Fernando Calderón and Antonio Aranibar for their ideas and suggestions, and Fernanda Boidi for her impeccable research assistance. Nevertheless, this essay (and here the term is particularly appropriate) is substantially more speculative than "Bringing All Voices Together," and responsibility for its content is, with even greater reason, exclusively that of the authors.

⁴ Shugart and Haggard (2001), pp.72-73, emphasis added; details of the characterization of "pure" presidential systems can be found in the same work, pp.67-72, and in Shugart 2001, pp.145 and subsequent.

agreement between the president and parliament. In some systems, the president can call a referendum without the legislature's consent; under appropriate circumstances, this can considerably enhance the president's legislative powers. Different combinations of these powers may exist in different presidential systems.⁵ Together they constitute the presidents' *constitutional* power over legislation;

- the presidents' control over their own *parties* and those parties' influence in the legislature (including the proportion of seats that they hold, as well as their own party discipline and that of the opposition). The greater the president's influence over his or her own party, the greater the party's discipline in the legislature; the wider the party's parliamentary majority, the greater the president's legislative influence. When the president's party lacks its own majority but is supported by a coalition, analogous considerations also hold true for that coalition (although the need to form a coalition usually indicates that the president is weaker than he or she would be if the party had its own majority). These are the president's so-called *partisan* powers over legislation;
- the presidents' *administrative* powers (constitutional, legal), including their direct and indirect ability to designate (and veto) personnel in public bureaucracies. Political patronage, when it exists, normally falls into this area. It also includes the president's powers to directly define certain policies that do not require action by the legislature (as occurs in several countries, for example, with the setting of tariffs and exchange rates); finally,
- the effects of the prevailing *political culture* and *traditions*. This includes, among many other things, how deeply rooted democratic values and attitudes are, and possible patrimonialist and *caudillista* traditions in the country and in the parties.

Conceptually, it is clear that presidents' "constitutional" and "partisan" powers over legislation can vary independently. One extreme example is that of Mexico while the Partido Revolucionario Institucional maintained its hegemonic position (a period that ended with the 2000 presidential election won by Vicente Fox of the PAN). Observers agree that the constitutional powers of Mexican presidents are (comparatively) very weak, but their partisan powers (while the PRI's hegemony lasted) were so strong that the Mexican presidency was one of the most powerful in Latin America (Weldon 2002). Empirically, however, it would seem that constitutional and partisan powers are actually not very independent. There at least appears to be a tendency indicating an inverse relationship between them: the stronger the one, the weaker the other, so that they mutually "compensate" one

⁵ Some constitutions assign almost all of these rights to the president; at the opposite extreme, "it is possible to have a presidentialist system (...) without the president playing a formal role in the configuration of legislation. A president of this type would be an Executive in the strictest sense of the term, with the power to administer the law but not to take part in its creation" (Shugart 2001, p.147); in the region, this would approximately have been the case of Venezuela before 1999.

another. Mexico (until 2000) would be a particularly pure example of this type of “compensation.”⁶

The four families of characteristics indicated above (constitutional powers, partisan powers, administrative powers, and political culture and traditions) are not exhaustive, but they do include most of the issues addressed in the literature. *All* of these aspects or dimensions of presidential power could be called *institutional* in a broad sense (including the juridical, political and *sociological* senses of the term).⁷ The specific characteristics of each presidential system result from the (inevitably complex) interaction of these factors.

The available literature addresses these issues in different ways. Comparative works essentially focus on the first two families of issues: *constitutional* and *partisan* presidential powers. The other aspects (administrative powers, political culture) tend to be addressed in monographs examining national cases. The following sections examine the situation of *Central American* presidents and the reasons why their influence seems greater than would be deduced from their institutional attributes; the discussion will therefore be comparative. It will be based on what is already known about constitutional and partisan powers, but a significant part of the argument will refer to the presidents’ administrative powers and the region’s political cultures. The discussion is exploratory: its purpose is not to prove hypotheses, but to examine the issue from a very broad perspective.

2. The “constitutional” and “partisan” powers of Central American presidents

2.1 The “constitutional” powers of presidents

In the Latin American context, as well as within the framework of presidential regimes in general, the so-called “constitutional” powers of the region’s presidents (in the terminology used in the previous section: *legislative* powers assigned by the constitution) seem relatively limited. Payne, Zovatto, Carrillo Flórez and Allamand Zavala (2003, *Democracy in Development*, hereafter cited as DD) classify eighteen Latin American presidential systems according to their presidents’ legislative powers. They use a set of criteria that includes most of the topics mentioned in the comparative literature on the subject, including total and partial veto powers, ability to legislate by decree, the existence of areas in which legislation can be initiated only

⁶ Shugart and Haggard (2001, pp. 98 and 99) summarize earlier results that establish that presidents with few constitutional powers tend to have strong partisan powers, and speculate that this may be due to a deliberate effort to establish balance. If partisan powers are weak, they say, presidents receive powers precisely to compensate for the propensity toward indecisiveness, obstacles and particularism that these systems can create. The reverse is also true: presidents with strong partisan powers do not need strong constitutional powers (and if they have them, they could upset the system’s necessary balance of power). Payne, Zovatto, Carrillo Florez and Allamand Zavala (2003) observe that “in all countries where the president has few partisan powers, the Constitution grants at least moderate proactive powers” to the president (*loc.cit.*, p.230, Table 8.10).

⁷ Other social and economic factors that many authors believe contribute significantly to defining the content and forms of presidential power may be omitted from the list. What are sometimes called “meta-constitutional” factors (Weldon, 2002), which are discussed below, tend to be institutional, political or sociological factors.

by the president, autonomous power to call a referendum or plebiscite, and presidential attributes in the area of budgeting, including what happens if the legislature rejects or does not respond to the budget submitted by the president and possible restrictions that the legislature can set in this area (loc.cit., Tables 8.1 and 8.3, pp. 210 and subsequent). Based on these seven areas, the authors calculate an index that ranges from a theoretical minimum of zero (presidents have no legislative powers) to a maximum of twenty-five points (potentially dominant presidents). The values estimated by the authors for the region's countries range from a minimum of 2.5 points (Costa Rica) to a maximum of 14.5 points (Ecuador). According to the values of their respective indices, four of the seven countries in the *Central American* region studied here fall below the Latin American average (Costa Rica, Honduras, El Salvador and Guatemala), two practically coincide with it (Nicaragua and the Dominican Republic, which are assigned a score of 8.0; the average for Latin America is 7.6), and only one clearly exceeds it (Panama, with 10.5 points).

Using criteria that are similar but not identical, Shugart (2001, Table 4, p.169) examines the formal legislative powers of the same eighteen Latin American presidencies and defines an index that theoretically ranges from zero (indicating, as in the previous case, no legislative power) to eight points. Of the seven countries in the region, Guatemala scores highest (three points), followed by El Salvador, Panama and the Dominican Republic (two points), Nicaragua (one point), and finally Costa Rica and Honduras (“0+” in the author's terminology, indicating that their presidents' legislative powers are very limited, but not nonexistent). In this case, one of the seven countries (Guatemala, with three points) is above the Latin American average (2.4), and all the others are below it.⁸

Finally: Shugart and Haggard (2001) recently examined twenty-three presidentialist systems (including most of the American presidential systems, South Korea, the Philippines, Georgia, Russia and Taiwan) and constructed an index of their presidents' legislative powers that theoretically would also range, as in the preceding case, from zero to eight points (loc.cit., Table 3.2, p.80). The list of cases studied includes all the countries in the region except Panama. Three of them have two points (El Salvador, Guatemala and the Dominican Republic), two have one point (Costa Rica and Honduras), and one has a score of zero (Nicaragua). Because the average for the twenty-three countries included in the study is 2.6, all of the region's countries are below it (and also below the *median* of distribution, as shown in Table 3.2, cited above). In particular, all of the non-American countries included in the sample are *above* average.

Taking into account the results of the three analyses, the legislative powers attributed to presidents by Central American constitutions are below the average for Latin America and for presidential systems in general. At most, *one* of the seven countries in the region may score relatively high in this regard (Guatemala, according to Shugart, or Panama, according to DD). There is consensus that three countries in the region rank low (Costa Rica, Honduras and El Salvador; the three studies rank them similarly), and the other two (the Dominican Republic and Nicaragua) score low on two of the three scales and average on the third. The

⁸ To calculate the average, the “+” sign was assigned a value of one-half of a point.

“constitutional powers” of Central American presidents are indeed modest.

2.2 “Partisan” powers and “constitutional” powers

According to the most recent published analyses of the “partisan” powers of Latin American presidents, one of the region’s presidents (in Honduras) would have “very broad” powers; five (in Costa Rica, Guatemala, Nicaragua, Panama and the Dominican Republic) would fall into the category of “moderately broad” powers, the remaining one (in El Salvador) would have “moderately reduced” partisan powers, and the last category, that of “very reduced” powers, would be empty (DD, p.230).

The authors place Honduras in the “very broad” category because in four of the five administrations that they examined, including the *last*, the governing party had its own majority in the legislature. The situation has changed: now (early 2004), in the wake of the 2001 elections, the governing party does not have its own legislative majority; it governs with a coalition that was built after the election with one of the small (or “emerging”) parties, giving it a very slight legislative majority. The presidents of at least four of the five presidentialist systems with “moderately broad” partisan powers also *lost* influence in this area. In Costa Rica and Nicaragua, for different reasons, the parties that are nominally “the president’s parties” *no longer* consider themselves “governing parties,” but rather “constructive opposition” (the PUSC and the PLC, respectively, as indicated in “Bringing All Voices Together earlier in this book). In Guatemala and the Dominican Republic, the latest data included in DD show that the governing parties had their own majorities in the legislature (in the Dominican Republic, in the lower chamber), but had lost these majorities by early 2004.

In summary: in five of the region’s seven countries, the presidents’ partisan powers decreased significantly after the research described in DD. One was the only case of “very broad” partisan power, and the other four had “moderately broad” powers. In perhaps most (if not all) of these cases, the changes should imply a decrease of one “level” in the classification in DD; most of the presidential systems in the Central American region would therefore end up on the less influential half of the scale of partisan powers (in the category of “moderately reduced” powers).

Although the details of this latter argument could be somewhat debatable, overall, considering both constitutional and partisan powers, Central America’s presidentialist systems grant presidents *fewer* powers than Latin American presidential systems in general (and *South American* ones in particular). Compared to the U.S. system, they are relatively similar with regard to constitutional powers, especially from the perspective of Shugart and Haggard. In their view, the average score for “constitutional powers” in the six Central American countries included in their study is 1.3 (and the *maximum* score among these countries is 2), lower than the U.S. score (2, equal to the highest value in the region). A comparison of the partisan powers of the U.S. president with those of Central American presidents leads to the same conclusion. This can be seen in the original estimates in DD (even without bringing the Central American systems “down a level,” as indicated above): in those calculations, only the Honduran president had more “partisan powers” than the U.S. president (loc.cit., Table 8.10, p.230).

Nevertheless, most external observers with experience in the region believe that the region's presidents are highly influential. It seems reasonable to conclude that the quotation at the beginning of this essay holds true for South American presidential systems as a whole (and therefore, simply because of the number of countries involved, also for Latin American systems in general), but *does not hold true* for the Central American region. In general, Central American presidents may have more power than would be expected at first glance.

3. A broader view of presidential influence

3.1 Political culture and “administrative” powers

As has been seen, the criteria most often used to examine presidents' powers from a comparative standpoint (“constitutional” and “partisan” powers, according to the definitions presented here) reflect the presidents' ability to impose their *government agendas*. This approach is necessary, especially when (as in the central American region) the problems to be addressed are serious and numerous and addressing them requires leadership and decisiveness. From a regulatory standpoint concerned about “good governance” (whatever its precise policy content), this approach is crucial. But it could omit important issues.

First, this type of analysis usually identifies “potential” presidential powers; ultimately, it measures *capacities*, but does not analyze the real use of power. Even so, it is a key analysis because if all other conditions are equal, presidents who have these capacities will be in a much better position to carry out their agendas. The analysis registers institutional configurations that facilitate or complicate the exercising of presidential leadership; the active factor (without which “institutional configurations” have no practical consequences) is leadership itself. Nevertheless, at least according to some observers, more than a few presidents do not actually pursue a well-defined national agenda of their own, but merely react to events, muddling through without noteworthy initiatives. Identifying these presidents individually may be controversial, but they exist, and in the view of these same observers they can be (and may be seen as) powerful. Whether or not they are, however, is completely independent of their *capacity* to impose a government agenda — that is, to do things that, in fact, they *do not do*.

Second, presidents, by definition, are usually successful politicians. Although they do not necessarily personify all the virtues and shortcomings of their national political systems, they were able to compete and triumph in them. They somehow had to take into consideration at least some of the concerns of mid-level leaders. Presidential hopefuls *must*, in some way or other, take into account the demands of their political apparatus. When parties (especially the major ones, from which presidents emerge) tend to be maximizers of votes that have little ideological differentiation and act in contexts marked by serious problems of political patronage and corruption, many party cadres are less concerned about the precise nature of the government agenda than by the more basic issues on which (according to prevailing customs) their influence depends. Sitting presidents must address the same problems to maintain their own power (whether or not they pursue prepared

government agendas). The presidents may be honest, bent on reform and unblemished by corruption, but they must still address the “normal” demands (again, according to prevailing customs) of their parties’ cadres. To evaluate presidential influence, it is necessary to take into account the presidents’ capacity to promote successful political careers for themselves and those around them, responding, in some degree, to “prevailing customs.”

Several Latin American case studies show that analysts keep these factors very much in mind.⁹ The following discussion cites some of these studies as examples, without pretending to be an exhaustive examination. In one Brazilian case study (toward the beginning of Fernando Henrique Cardoso’s first presidential term) that is especially relevant for the purposes of this essay, Mainwaring has stated that in Latin America,

“everywhere, presidents build political support basically through a combination of political favors and policies. In Brazil, patronage is particularly important for politicians from ‘catch-all’ parties (...). The presidents’ control over appointments and resources is a key tool in their efforts to ensure parliamentary support for their policies.” (Mainwaring 2002, p.94).

The exchange of favors plays a key role. In Brazil,

“Many deputies see themselves as political intermediaries whose job consists of mediating between the federal government and their local clientele. Mayors, council members, community leaders, leaders of grassroots movements and businessmen depend on deputies to obtain federal resources. In turn, the deputies — especially those who obtain most of their votes in small and medium-size cities — depend on electoral support from mayors, community militants and well-known local politicians ... [support obtained] largely on the basis of their ability to deliver resources to the municipality. To obtain federal resources, they need connections with ministries and heads of federal agencies. If a deputy does not back the president, agency directors and heads of ministries will not provide him with access to resources.” (ibid., p.95).

In the same vein, but in relation to Colombia, it has been said that until the constitutional reform of 1991, “presidents depended on ad hoc deals with power brokers who demanded political favors in exchange for supporting policies promoted by the president (Archer and Shugart, 2002, p.122). For various reasons, the president “is obliged to build not one coalition, but a series of coalitions in Congress, in some cases starting from scratch with each bill (...) these parliamentary alliances [are] made up of members who demand patronage as compensation for

⁹ Although the analyses of authors of comparative studies focus on “constitutional” and “partisan” powers, it should be noted that they also explicitly mention the importance of these other factors. For example, “in systems with a propensity toward a strong separation of purpose [between the president and the legislature], the president himself will need to formulate policy with an eye to pleasing legislators; (...) the president can also be a source of particularism. Economic policy making under Menem in Argentina is rife with corruption ...” (Shugart and Haggard, 2001, p.101).

their support for the president ... [which] makes the transactions highly particularist” (ibid., p.152).

In the Mexican PRI, at least until the Fox presidency, leaders obtained from their legislators “a commitment of support and in exchange [promoted them] to positions in the government” when their terms ended (Weldon 2002, p.203). Even though Mexico is a federal state, these types of ties affected even state governments. “The president has no constitutional right to remove governors, although this right ... [is] an important meta-constitutional power (...) How can the president prevail so decisively over governors?” (loc.cit., pp. 204-205). According to Weldon, it is partly through his control of the Senate and partly because for governors, “leaving voluntarily is better than being thrown out by the Senate (...). They know that if the party wants them to step aside, and they do so docilely, there is a greater likelihood that they will be rehabilitated in the future” (ibid., p.205).

In a vein similar to Weldon’s, Lujambio maintains that “the Mexican president’s enormous power in the post-revolutionary era is explained not by his legal attributes, but by his ‘meta-constitutional powers.’” This meta-constitutional power of the president “was strongly associated with the undemocratic nature of the post-revolutionary political regime” (Lujambio 2001, pp.254 and 256, respectively), that is, with what could be called the legacy or tradition of an undemocratic political culture.¹⁰ As one former president of Mexico’s PAN, Carlos Castillo Peraza, puts it, this legacy involves more than politics: “the populist presidentialist regime of a party that had hegemony for so many years created a network of favors, friendships, complicities, deals (...) among politicians, trade unionists and businessmen” (cited in Achard and Flores, 1997, pp.332-333).

With variations, analysts use here the most traditional tools of historians: direct or indirect testimony of contemporaries, including members of the political elites, the presidents’ peers (or “members of the club”). When this is done, the criteria for evaluating presidential powers also change, at least in part. In the comparative literature summarized above, presidential power is evaluated by observers (academics, consultants) who apply objective criteria to measure presidential powers. Those criteria were explicitly designed to understand in what way presidents can or cannot carry out their government agendas. When (as in the recently cited case studies) testimony is gathered from actors and witnesses, “objective criteria” are replaced by categories (and images) that the actors use to act within, and to understand, the political world around them. The criteria become more subjective, and with that shift something is lost and something is gained. The requirements of political careers and the transactions that build or destroy them emerge directly.

¹⁰. These statements (this type of statement) may be difficult to evaluate, but they cannot be ignored; they are too important. Octavio Paz may be right when he says that the relationship between the Aztecs and the Spaniards “is not only a relationship of opposition: Spanish power replaces Aztec power and continues to do so; independent Mexico, in turn, explicitly and implicitly prolongs the centralist, authoritarian Aztec-Castilian tradition (...) there is a bridge from the tlatoani to the viceroy and from the viceroy to the president” (Paz 1993, p.317).

For most analysts,¹¹ these two approaches are probably neither alternative nor contradictory; they are *complementary*. But they present pose demands and difficulties, and it is not always possible to address them simultaneously. On occasion, a set of systematic interviews is available that includes some relevant information. This is one of those occasions.

3.2 Presidential powers according to Central American leaders

The consultations described in the section, “Bringing All Voices Together,” included a question about presidential power:

“In most of the countries in the region, the **president of the republic** tends to be a very **influential** figure, perhaps more than in other democracies. Here in (the interviewee’s country), is that true? If it is, how could this great presidential influence be explained?”

Table 1 “In most countries in the region, the president of the republic tends to be a very influential figure, perhaps more than in other democracies. Here in [interviewee’s country], it that true? Why?”
Opinion of Central American political elites consulted in June-November 2003, by principal activity and party affinity or preference (in %)

The president...	Principal activity *		Party membership or preference *		All those consulted
	Politicians	Observers	Governing party	Opposition party	
Is very influential	69	65	85	68	67
Is not so influential	22	30	15	25	22
Has little influence	-	5	-	-	1
No data	9	-	-	7	10
Total **	100	100	100	100	100

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Does not necessarily add up to 100 because of rounding.

The emphasis on certain words and phrases (“*very influential, perhaps more than in other democracies*”) was a deliberate effort to minimize the weight of conventional responses that merely acknowledge that presidents, more or less by definition, are powerful figures. Table 1 summarizes the results obtained in the seventy-eight consultations described in “Bringing All Voices Together.” Two-thirds of the interviewees (67 percent) believe that their presidents are very influential. That is certainly the genuine view of the region’s elites, since politicians and observers in both governing and opposition parties share the basic opinion (although more strongly in the case of politicians from governing parties).

The discrimination in the breakdown of responses by interviewee’s country has *only heuristic value*, because the number of interviews per country is small, slightly

¹¹ Including the authors of this essay.

more than a dozen on average. With this limitation in mind, Table 2 presents the responses of the interviewees in each country, excluding those who did not express an opinion (to facilitate direct comparison among the countries). In only two of the seven countries (Guatemala and Costa Rica) did a minority of interviewees say that presidents are very influential, but these skeptical responses are different in each of the two cases. In Guatemala, most of the interviewees who believe that the president is not very influential (three out of a total of five) see, with variations, political processes tending toward the solidification of democracy and a *decline* in presidential power. Two of the interviewees, on the other hand, provide very different responses. One states:

“that’s a myth here. The president is very influential as long as he doesn’t touch the economic structure. So in real terms, he’s actually not that influential.”

And another Guatemalan interviewee makes comments along the same line, although in somewhat more general terms:

“the problem is the president’s power ‘to govern;’ I think that’s where the limitations are. Limitations that are imposed by what we could call ‘de facto powers.’”

In Costa Rica, on the other hand, opinions of this nature *are not* found. All of the opinions that relativize presidential power refer to the evolutions and characteristics of political processes that are not necessarily negative; presidents may be losing the influence (excessive, in some people’s view) that they had in the past. This is potentially problematic, however, because the popular world view still lives in a past when presidents really were powerful:

“all [of the country’s] constitutional history since 48 [1948] could be viewed as a gradual increase in controls [on presidents]. ... But this has not been accompanied by a decrease in people’s expectations about the government’s ability to act.”

Costa Rica is also the country where one of the few responses along the lines of the opening citation from Shugart is found:

“[the president] himself complains that ‘the country has become ungovernable’ (...) he feels that the system doesn’t allow him to govern, because there’s a lot of bureaucracy, a lot of obstacles (...) and he also has very limited powers.”

In summary: in the two countries where the majority expresses skepticism about presidential influence, the reasons are different. In Guatemala, part of the skepticism stems from the weight given to “de facto powers;” that is, on a deficit of democracy. In Costa Rica, on the other hand, all of the skeptical responses point to transformations and problems more characteristic of democratic maturity, at least in comparison with the democracies in the region as a whole. In the other five

**Table 2 “In most countries in the region, the president of the republic tends to be a very influential figure, perhaps more than in other democracies. Here in [interviewee’s country], it that true? Why?”
Opinion of Central American political elites consulted in June-November 2003, by country (in %)**

The president ... *	Guatemala	Costa Rica	Honduras	Dominican Republic	Nicaragua	El Salvador	Panama	Todos los consultados
Is very influential	38	46	83	86	88	88	89	74
Is not so influential	63	54	8	14	13	13	11	25
Has little influence	-	-	8	-	-	-	-	1
Total**	100	100	100	100	100	100	100	100

*To facilitate direct comparison between countries, “don’t know” responses were not included.

**Does not necessarily add up to 100 because of rounding.

countries, eight or more out of every ten interviewees believe that their presidents are very influential.

Table 3 “In most countries in the region, the president of the republic tends to be a very influential figure, perhaps more than in other democracies. Here in [interviewee’s country], it that true? Why?”
Opinion of Central American political elites consulted in June–November 2003, by opinions about prevalence of political patronage and corruption (in %)

The president ...	Prevalence of political patronage			Existence of political corruption		All of those consulted
	Exists, is negative	Exists, is not negative	Does not exist; don’t know	Yes	No; only in part; don’t know	
Is very influential	71	67	50	71	50	67
Is not so influential	20	13	42	19	36	22
Has little influence	-	7	-	2	-	1
No data	9	13	8	8	14	10
Total *	100	100	100	100	100	100

* Does not necessarily add up to 100 because of rounding.

Note: Average percentage for the 17 countries (*) Averages for the 1996-2001 period. Source: Latinobarómetro 1996-2001

The interviewees were not asked¹² if it was good or bad that presidents were very influential or whether, more generally, their presidents *should* have more, less or approximately the same power as they actually have. It can be said, however, that a *great deal* of presidential influence is associated with contexts that are problematic (or, more precisely, with problematic images in the respective national contexts). As Table 3 shows, opinions about the scope of presidential influence are directly linked to opinions about the prevalence of political patronage and corruption in the interviewees’ countries.¹³ The interviewees who see corruption in their countries’ political systems, as well as those who see patronage (and view it negatively), are more likely to believe that the region’s presidents are very influential. The differences are noteworthy and probably depend on several factors.

Interviewees who thought that their presidents were very influential were also asked *why* they were influential. Nine possible reasons were mentioned spontaneously by at least 10 percent of the interviewees (of course, each interviewee focused on issues according to his or her own judgment; in this case, the great majority mentioned several reasons). Although there are some differences among the various groups of interviewees (especially in the case of observers, whose responses differ most from those of the other groups, as Table 4 shows), the views of the different sectors of political leadership follow generally converging lines.

¹² The interview had to be relatively brief and had to include time for the specific issues that the interviewees wanted to address, so the common guide for all the consultations necessarily had to be quite short.

¹³ The two issues are analyzed in “Bringing All Voices Together.”

In all of the groups of interviewees, the same two factors are mentioned most frequently. The one most often mentioned by all the interviewees was, “because the system is very presidentialist;” six out of every ten interviewees (60 percent) indicated this as one reason for presidential influence. The second most often-mentioned response was, “they control the administration” (54 percent of the interviewees mention this).

The first response (“the system is very presidentialist”) is very general; the most frequently voiced opinions here note that “the system,” “tradition,” “the political mindset,” “society” or “the model” “is very presidentialist” (or simply “presidentialist”). In almost all cases, this response summarizes what the interviewees think (and for that reason, it often seems rather redundant). The factors summarized in this way (or at least the most important ones) are those that the interviewees highlight in their responses, and they appear in the other categories included in the table.

Table 4 “Why are presidents very influential?” Only for those who responded that presidents are very influential; each figure reflects the percentage in that category who spontaneously mentioned the reason indicated; all reasons mentioned by at least 10% of interviewees are included.

Opinion of Central American political elites consulted in June-November 2003, by principal activity and party affinity or preference (in %)

Presidents are very influential because ...	Principal activity *		Party membership or preference *		All **
	Politicians	Observers	Governing party	Opposition party	
Regime is very presidentialist	58	54	55	63	60
They control the administration	55	62	64	53	54
They control the purse strings	48	39	45	47	44
Result of the political culture	39	23	45	37	40
Result of their leadership and personal qualities	32	54	27	37	35
They control Congress	23	46	27	26	33
They control their party	19	31	9	26	23
Result of <i>caudillismo</i> and patronage	23	8	18	26	19
They control the judiciary	13	23	18	11	17

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Those who responded that presidents are very influential.

Some of the categories in Table 4 can be grouped together for an examination of the data in light of the four criteria described in the preceding sections (“constitutional” powers, “partisan” powers, administrative powers and political culture). Six of the nine categories in Table 4 can be grouped together into just three sets of responses. First, the criteria most studied in the comparative literature (presidents’ “constitutional” and “partisan” powers) are clearly present in the responses “they control Congress” and “they control their party,” but not in the others. As a result, when an interviewee spontaneously offers one or both of these

responses, it can be said that he or she mentioned *at least one* of those two criteria (“constitutional” and “partisan” powers). Similarly, when an interviewee spontaneously responds “political culture,” “*caudillismo* or patronage” or both, it can be said, in general terms, that he or she mentioned the criterion of “political culture.” Finally, if the interviewee spontaneously responds “they control the administration” or “they control the purse strings,” it seems clear that the reference is to the criterion of “administrative powers.”

Table 5 “Why are presidents very influential?” Only among those who responded that presidents are very influential; each figure reflects the percentage in the given category that spontaneously mentioned the reason indicated; all reasons mentioned by at least 10% of interviewees are included
Opinion of Central American political elites consulted in June–November 2003, by principal activity and party affinity or preference (in %)

Presidents are very influential because ... (spontaneous response)	Principal activity *		Party membership or preference *		All **
	Politicians	Observers	Governing party	Opposition party	
Administrative powers ^{1*}	68	61	73	63	63
Political culture ^{2*}	55	31	54	58	52
“Constitutional” and “partisan” powers ^{3*}	42	46	36	47	44
Regime is very presidentialist	58	54	55	63	60
Result of their leadership, personal qualities	32	54	27	37	35
They control the Judiciary	13	23	18	11	17

* Excludes responses from interviewees whose main activity is difficult to establish and those whose party membership or preference is not public.

** Those who responded that presidents are very influential.

Reconfiguration of the data in Table 4, based on the following criteria:

1* Includes the responses, “they control the administration,” “they control the purse strings,” or both.

2* Includes the responses, “result of political culture,” “result of caudillismo, patronage,” or both.

3* Includes the responses, “they control Congress,” “they control the party,” or both.

The last three lines of the table appear as they do in Table 4, with no changes.

The response, “the system is very presidentialist,” meanwhile, remains a separate category, because it summarizes what is said explicitly in the other responses. The response, “they control the judiciary,” also remains a separate category, because it is not clear with which of the others it could be combined (assuming that were possible), and in any case, it was mentioned by very few respondents; however it is classified, it does not change the conclusions of the analysis. Finally, the response, “result of their leadership or personal qualities,” is clearly a separate category and is treated as such.

Table 5 summarizes the data grouped in this way. Ignoring (for the reasons already indicated) the responses in the bottom half of the table, the table shows that the two dimensions of presidential power that are most studied in the comparative literature (constitutional and partisan powers), together, are those *least* mentioned by Central America’s political elites as an explanation for the power of their presidents (they are mentioned by 44 percent). Political culture alone is mentioned

more often (52 percent), and “administrative powers” is the most frequent response (mentioned by 63 percent of the interviewees). If the responses that include the criteria “political culture” and “administrative powers” are combined, the result is that 96 percent of the interviewees — that is, practically all of them — mention one or both criteria.

The most important point here lies not in the exact percentages, but in the big picture. When it comes to explaining why presidents have a “great deal” of power, for Central America’s elites the factors related to the presidents’ administrative powers and national political culture are twice as visible as constitutional and partisan factors. Practically *all* of the interviewees mention them. This result could not be deduced from the case studies mentioned previously, but it is clearly consistent with them. Most visible to the elites are the actual conditions in which political careers develop, support is built and inter-party competition occurs. For Central American leaders, presidents are powerful *above all* because they have real influence on these processes. What is sometimes called “high politics” (“vision” and ambitious national agendas), or perhaps more precisely, the instruments that are useful for these purposes, take a back seat.¹⁴ In other words, “constitutional” and “partisan” powers appear *in second place*.

Although it seems paradoxical, it is reasonable to assume that during the early stages of democratic development, the powers of presidents (and other problematic traits of political and partisan life) may initially increase for some time.¹⁵ At the beginning of democracy, political competition is shaky; when the rules begin to tighten, parties and their leaders must resort to all available means to win or defend positions. This probably leads to a much more intensive use of the “gray” practices described in the case studies, among other reasons because controls are also precarious. In relative terms, Central America’s presidents are powerful (and are *seen* as powerful) partly for the reasons that emerge from an analysis in light of classic criteria (constitutional and partisan powers), but probably even more because of *other* factors.

4. Democracy and presidential powers

The preceding arguments about the influence of Central American presidents (and the visibility of that influence), even if they are all correct, provide only a snapshot of a process that is in motion. The most reasonable conjecture is that the region as a whole is evolving toward *less* influential presidencies. Some trends

¹⁴ Strictly speaking, all of these dimensions of presidential power are instruments. Constitutional and partisan powers are instruments for imposing presidential agendas; administrative powers and those stemming from national political cultures are instruments for building political careers and strengthening parties.

¹⁵ Although constitutional powers do not vary or may even decrease. This evolution of presidential powers naturally occurs *during* the first stages of democracy-building; it *does not* refer to the pre-democratic order. For example: if the Guatemalan interviewees were correct in their views of the limitations of presidential influence in Guatemala and about the possible reasons (including democratic deficits) for those limitations, then according to this argument in the future there could be a strengthening of presidential powers, rather than the opposite. In Costa Rica, on the other hand, within the framework of a relatively more consolidated democratization (apart from certain specific problems), this would be unlikely. In both cases, of course, this assumes that democracy continues to develop.

suggest that in the short and medium term, this evolution will probably hold steady or may even accelerate. The following section mentions some of these trends.

The first and most important is the progress of democracy in the region. As pointed out in “Bringing All Voices Together,” practically all observers agree that overall there is significantly more democracy now than there was fifteen or twenty years ago. This is the result of a dual process of building and solidifying institutions. Reform processes contributed new institutions, and democratic practices and competition solidified both new and existing ones. This does not mean that there are no shortcomings, but it does indicate that significant progress has been made.

This democratic progress is an *internal* process that takes place within the region, but which has benefited from external developments. The most visible of these external factors was the end of the Cold War and, with it, the end of a dichotomization of politics, which in divided societies with deep conflicts was not conducive to dialogue or institution-building.¹⁶ Other external factors, more recent and less spectacular, point in the same direction: for example, the growing legal offensive in the United States against cases of corruption involving Latin American political figures.¹⁷

Democratization, political reforms and external circumstances such as those mentioned above are all factors that increase the transparency of politics in the region and help combat the problems identified by Central American leaders (corruption, political patronage).¹⁸ All of these factors, taken together, delimit the boundaries of the presidents’ freedom and reduce their powers, particularly those related to their administrative functions and those rooted in national political culture. One important indicator of how far this process has advanced is the depersonalization of presidential power. Except perhaps in Nicaragua (where at least until the Alemán presidency the office was still highly personalized), the people consulted for this study, even when they said that presidents are *very* influential, spoke of *the presidency* in institutional terms; in general, they did not refer to the *occupants* of the presidential office. Something similar occurred, although under different circumstances, with the evolution of the Mexican presidency after Calles: the people who held the office were very powerful, but what gave them the power was the office, and it ended when their terms expired. The presidency may have had imperial overtones, but for a limited time, and it was becoming less and less *caudillista*.

“Partisan powers” are also evolving, at least for now, in the same direction. Figures suggest a modest regional trend toward greater fragmentation of political party systems and toward an increase in the “real number of parties” in legislatures. In this context, *on average*, the real weight of governing parties in the legislatures should decrease. Although not always because of these factors, for probably the first

¹⁶ For the region as a whole, the cycle of the establishment of democracy *preceded* the end of the Cold War. This also points to the internal dynamics of this democratization.

¹⁷ “Corruption in Latin America: Harder graft,” *The Economist*, April 10, 2004. Opinions may differ about individual cases; what matters is the trend and the political will to address situations that in the past, according to *The Economist*, were deliberately ignored or at least tolerated.

¹⁸ The problems mentioned by regional leaders are described in “Bringing All Voices Together.”

time in history, the president no longer has a *guaranteed* majority in any of the region's countries.¹⁹

The final type of power discussed in this essay, the presidents' *constitutional* powers, and the core of their administrative powers, can be modified in the relatively short term by the deliberate will of political leadership. This would require prudent evaluation, in light of the respective national situations, of *all* of the factors that have been examined in this essay.

¹⁹ In the case of Nicaragua, because the PLC does not consider itself a "governing party" in the strict sense.

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A CHALLENGE FOR DEMOCRACY

Political Parties in Central America, Panama and the Dominican Republic Complementary information (in Spanish) (CD-ROM)

This CD-ROM complements the book, "A Challenge for Democracy: Political Parties in Central America, Panama and the Dominican Republic."

The CD-ROM includes the five annexes of the study, "Bringing All Voices Together."

- 1) List of people consulted for the study;
- 2) Selection of relevant quotes taken from interviews, which constitute a rich source of information and reflections about the situation of and prospects for political parties, which are presented maintaining the anonymity of the source;
- 3) Basic information about the institutional frameworks in which political parties operate in each of the countries included in the study;
- 4) Recent election results (as of December 2003) in each of the countries considered in the study; and
- 5) A list of the political parties considered in each of the countries.

As an appendix to the book and under the title, "Governance and Development: Challenges for Reform of the State," the IDB's recently approved Strategy for Modernization of the State is presented. This strategy summarizes the conceptual and historical framework for the relationship between democratic governance and development. Based on that relationship and the points on which the institutional objectives and specific mandates of the OAS, the UNDP, International IDEA and the IDB coincide, an inter-agency cooperation relationship has been established in the area of democratic governance, as reflected in this book.

The appendix is subdivided into three parts:

- a) Strategy for Modernization of the State;
- b) The bank's areas of action and their relationship with strategies for sustainable economic growth and poverty reduction; and
- c) Figures and tables.