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Populism and Social Policy in Latin America

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Alternative Strategies for Social Policy Reform in Latin America

Latin America continues to hold the world record for social inequality among the regions of this planet. As a result, even its middle income countries are home to a surprisingly large number of poor people. Similarly, other social indicators, such as basic education and health levels, are in many cases lower than they could be, given the region’s overall levels of economic prosperity and the resulting availability of fiscal resources. This unfortunate disjuncture between economic and social development raises the question of the best political strategy for overcoming the pressing problems afflicting millions of people: What type of reform efforts are most promising for enhancing popular wellbeing and boosting health and education standards, especially among less well-off sectors of the population?

Ideally, reform-oriented actors would like to emulate European social democracy or approximate its political strategies as much as possible in the different socioeconomic and political setting of Latin America. As many studies have documented, social-democratic labor movements and political parties in North-Central Europe have over the decades attained substantial and sustainable progress in significantly diminishing social inequality,

guaranteeing enviable health and education levels, and virtually eliminating poverty.ⁱ But while there have been a few efforts to approximate social-democratic reformism in the Third World,ⁱⁱ and while a number of Latin American politicians take inspiration from European social democracy, such as the Party of the Brazilian Social Democracy (PSDB) of former President Fernando Henrique Cardoso (1995-2002), these emulation efforts hold limited promise, for two main reasons.

First, European social democracy took decades to improve popular living standards in a process that appears as painfully slow in a region that is suffering from such urgent problems. Many common citizens and politicians lack the patience to embark on such a “long march” of gradual reformism. As a result, even successful advances do not yield the political payoffs that would allow for their systematic continuation. Although President Cardoso’s education and health reforms in Brazil, for instance, significantly improved policy outputs and outcomes, his self-defined social-democratic party nevertheless lost the subsequent election – ironically to a socialist party that promised a more determined attack on social problems, but that has enacted fewer and less important education and health reforms than its ideologically more moderate predecessor. Thus, despite an objectively good track record, a patient reform strategy may well not yield commensurate political payoffs.

Second, the systematic, sustained pursuit of a social-democratic strategy depends on political-organizational preconditions that cannot easily be constructed. Gradual reformism rests on a solid political base provided by broad, well-organized, and programmatically oriented parties and interest associations, especially trade unions. This type of organization has always been rare in Latin America; the significant erosion of union density in many countries and the collapse of several party systems have further diminished the chances for

social democracy to emerge. While a few nations, especially Chile, Costa Rica, and Uruguay, have managed to apply some basic social-democratic principles and while Brazil has taken some modest steps in the same direction, elsewhere the chances for sustained yet gradual reformism along European lines are bleak.

The limited prospects for social-democratic strategies in Latin America raise the main question examined in this chapter: Does an alternative strategy for pursuing social change that does not rest on political-organizational preconditions but on the will of political leaders offer a more promising alternative? In other words, can political agency fill the vacuum left by unpropitious structures and institutions? In Latin America, the most willful leaders who have proclaimed a desire for effecting social change have been populists; these personalistic plebiscitarian leaders have deliberately tried to escape from and challenge structural and institutional constraints.ⁱⁱⁱ Latin American populism thus embodies unbounded agency. Can it push forward social progress under unpropitious circumstances?

Interestingly, it has been the very absence of the preconditions for social democracy that has frequently allowed for the emergence of populism. The weakness of political parties and interest associations has created room for these personalistic plebiscitarian leaders, who have used anti-elite rhetoric and promises to benefit the long-neglected, poorer masses of the population to win and retain government power. The further weakening of parties and associations in recent decades, which has posed increasing obstacles to social democracy, has further facilitated the rise of populism. Therefore, it is important to examine whether Latin American populism can fill the gap left by the difficulties confronting social-democratic efforts and bring the social progress that is so urgently needed and that many citizens hope

for? Can populism significantly improve social policies and enhance health and education standards in a sustainable way?

To address these important questions, the present chapter probes the relationship of populism and social policy and analyzes whether populist leaders can attain significant social progress. It argues that although social reform efforts are not a defining, “necessary” feature of populism, Latin America’s populist movements usually undertake such efforts. But due to the weak institutionalization of populism and the ample latitude that it leaves for personalistic leaders, these reform efforts tend to be haphazard, unsystematic, mistargeted, politicized, and not very sustainable in fiscal and political terms. Specifically, populist leaders use their discretionary power to push for relatively fast and substantial social change, but these advances often suffer from problems of efficiency and design quality and run the risk of setbacks and reversals. Due to populism’s inherent fickleness, its accomplishments do not tend to last. Whereas presidents inspired by social democracy construct their reformist edifices brick by brick, populist leaders build sandcastles that rise quickly, but that can as quickly be washed away by the waves of changing economic or political conjunctures.

The chapter first develops these arguments through a conceptual and theoretical analysis of populism in the following section. The subsequent section demonstrates that these arguments apply both to the neoliberal populism of the 1990s, exemplified by Alberto Fujimori in Peru, and the revival of more radical populism in contemporary Venezuela under Hugo Chávez; thus, the features of social policy highlighted in this essay tend to be associated with different varieties of populism, not only its recently revived leftist variant. Comparisons with the non-populist social policies enacted by Presidents Fernando Henrique

Cardoso and Luiz Inácio Lula da Silva in Brazil and by the *Concertación* administrations in Chile provide further support for this point.

Populism and Social Policy Reform: Theoretical Considerations

The Role of Social Policy in Populism

What is the relationship of populism and efforts at expanding and improving social policies in Latin America? What can populism accomplish, and what does it intend to accomplish?

These questions require some conceptual and theoretical discussion because the very notion of populism is far from clear. Over the decades, Latin American populism has been defined in diverse ways, which in turn have implications for its relationship to social policy.

Traditionally, scholars adopted multi-dimensional concepts that defined populism via a bundle of socioeconomic, political, historical, and discourse characteristics.^{iv} Expansive, heavily distributive or mildly redistributive social policies were a core element of this package. According to this conceptualization, populist movements and leaders by their very nature sought to bring social progress to large sectors of the population.

In recent decades, however, even political leaders who did not pursue expansionary social policies but on the contrary imposed austerity and adjustment used typically populist political strategies and managed to attract and maintain plebiscitarian mass support through a quasi-direct, largely unmediated and uninstitutionalized relationship to their popular followers. Peru's Alberto Fujimori (1990-2000), the prototype of this neoliberal populism, imposed a brutal shock program without any social cushion to control raging hyperinflation; yet given a severe crisis situation, he elicited strong popular support that sustained his government for a decade, despite the complete absence of an organizational base. This case

and the similar experiences of Carlos Menem in Argentina (1989-1999) and, for some time, Fernando Collor de Mello in Brazil (1990-92) showed that the political features of populism can flourish although the socioeconomic elements that an older generation of scholars saw as a core element of this concept are absent. Several scholars therefore untied the multi-dimensional definition of populism,^v and some authors defined populism in purely political terms, leaving its association with socioeconomic features as a topic for empirical analysis.^{vi}

This political conceptualization of populism, which the present book project has adopted, refrains from stipulating a necessary connection between populism and expansionary social policies. Populist leaders need not rely on the large-scale distribution of social benefits to capture and retain a mass following. In fact, not all of them do. Besides the tactics of neoliberal populists, who used a bold, determined attack on a severe crisis to demonstrate their charisma and boost their popular support, there are other options, such as the anti-immigrant slogans employed by contemporary right-wing populists in Europe. This xenophobic rhetoric appeals to some mass sectors as an effort to establish a market reserve for domestic labor, and to others as a symbolic defense of the purity of “the people,” the main referent of populist discourse. Given this variety of options, populist leaders do not feel compelled to use social policy initiatives in order to attract support and boost their political influence.

Yet although efforts at social policy reform are not a defining feature and necessary characteristic of populism, many of these personalistic plebiscitarian leaders, especially in Latin America, seek to increase the distribution of social benefits when they command the requisite financial resources. Even neoliberal populists who emerged from the nadir of hyperinflationary crises and enjoyed an inflow of fiscal revenues due to renewed growth or

determined privatization programs proceeded to increase social spending and extend benefits to previously marginalized sectors. As soon as the Peruvian economy began to recover, for instance, Fujimori loosened his tightfisted austerity program and embarked on a social spending spree, timed opportunistically to facilitate his 1995 reelection. Thus, as soon as financial constraints ease, Latin American populists tend to undertake social initiatives. The political purpose, namely the contribution to populists' main goal of capturing or preserving political power, is often blatantly obvious. Hugo Chávez, for instance, suddenly rolled out his wide-ranging "missions" when he faced a serious opposition challenge in a recall election.

Thus, although expansionary social policies are not a definitional characteristic of populism, personalistic plebiscitarian leaders like to undertake social reform efforts and tend to do so as soon as circumstances permit. The main question for the remainder of this chapter therefore is how successful these initiatives are: Are the social reform efforts pursued by populist leaders a promising option for filling the gap caused by the obstacles to social democracy? Do populist policies attain substantial social progress and improve education and health standards in a sustainable fashion?

The definitional characteristics of populism, i.e., its central political features, unfortunately suggest a negative answer. As conceptualized in this book project, populist leadership is personalistic and plebiscitarian, not institutionalized. Political initiative emanates from the will – and whims – of the leader, not the mass base. Populists deliberately seek autonomy and a wide room of maneuver; they avoid at all cost being hemmed in by political coalitions, alliances with interest associations, and institutional constraints. Instead, they try to bend or break the checks and balances that the established constitutional framework seeks to guarantee. When they manage to boost their latitude and concentrate

political power, their initiatives are difficult to stop. Yet their power base is shifty due to the lack of organizational intermediation and institutionalization. Since they cannot discipline their mass followers, they do not command reliable support. When their charisma fades, many of their supporters defect. Therefore, their political star can fall as quickly as it rose. Adored by the masses one year, they may be vilified the next. Peruvian populist Alan García, for instance, commanded sky-high popularity ratings above 90% in 1986, yet saw his approval plummet below 10% by 1988.

Advantages of Populist Social Policies

These political features of populism, which are inherent to its central strategy, have a number of implications for the nature, quality, and sustainability of the social policies that personalistic plebiscitarian leaders tend to enact. Essentially, populism seeks to effect social change more quickly than social-democratic gradualism, but this speedy advance comes at the expense of good policy design, careful implementation, and fiscal and political consolidation. Populism can produce impressive results in the short run, but often has a disappointing performance in the medium and long run. To use a metaphor inspired by Marx's famous comment about religion, populism is like marijuana: It triggers a quick "high" – which is followed by a lengthy hangover and malaise.

On the positive side, populist leaders are willing and able to undertake ambitious social policy initiatives quickly. When they succeed in pushing aside established institutional checks and balances, personalistic plebiscitarian leaders govern the country at will and use all the fiscal and institutional instruments of the state as well as the political resources of their movement to push for the goals that they have autonomously set. Even before they attain this plenitude of power and independence, they have considerable room of maneuver in the social

policy sphere. Many existing social programs can be changed and new benefits can be created by executive decree and do not require parliamentary sanction. Even if formal rules stipulate the need for congressional approval, populist leaders often disrespect such strictures, arrogate to themselves the power of policy design, and often “get away with” such usurpation.

As a result, populist leaders can rapidly expand social programs, extend coverage, and improve benefits. When they decide to do so and come up with the requisite funds, there is very little that can stop them. Therefore they can boost indicators of social policy outputs quickly. These bursts of activism can yield impressive short-term success as many people receive entitlements to social benefits that they had not enjoyed before.

In fact, populist leaders have a strong interest in taking advantage of any opportunity and extending social benefits to solidify their unorganized mass base and thus boost their own chances of political survival. Although – as explained – expansionary social policies are not a defining characteristic of populism, they are a preferred instrument impelled by the political logic of populism. Specifically, the widespread distribution of benefits is one of the main substitutes for the weakness of organizational intermediation. Since populist leaders do not tie their supporters into institutional networks, such as well-structured political parties, they are eager to use other links, such as the exchange of material benefits for political backing and loyalty. These new benefit programs elicit gratitude and appreciation; and in concrete terms, the beneficiaries remain dependent on the continued supply of benefits. Besides the symbolic and emotional ties resulting from charismatic and populist rhetoric, the creation of new benefit programs or extension of existing schemes is therefore very common.

Therefore, one can count on populist leaders to make every effort to increase the distribution of social benefits.

Moreover, the new social programs often have a pronounced pro-poor orientation and thus favor particularly needy groupings. Populist social policies can thus have a pronounced equity orientation. This feature also emerges from the political logic of populism.

Personalistic plebiscitarian leaders have a political incentive to target their initiatives at marginalized sectors that had long been neglected. Whereas during the times of classical populism, that is, from the 1930s to 1950s, formal-sector workers were the primary target, the neopopulists of recent decades have tended to bypass these by now included sectors and have concentrated especially on mobilizing support from the urban informal sector and the rural poor, who suffer from particularly acute needs. These deprived groupings are especially likely to reward their benefactor with intense support, not only for material reasons, but also because finally a national government cares about them. The recognition received breeds strong loyalty to the leader who highlights the dignity of the destitute and for the first time gives them what they regard as their due. The poor are also a particularly opportune target for populists because a limited expenditure of resources goes a long way toward making a difference in their lives; from a political standpoint, especially in terms of electoral payoffs, focusing on the less well-off is therefore an efficient move.

Marginalized sectors also tend to be left out by established national-level parties and interest associations; lacking supra-local organizational ties, they are particularly available for mobilization by a populist leader, who shuns organizational intermediation. By contrast, parties that seek to emulate social democracy have political and organizational connections to established interest associations such as trade unions that encompass somewhat better-off

sectors. Therefore, they often feel compelled to concede benefits to their core constituencies. But since the organized working class and lower middle class ranks in the middle or upper half of Latin America's skewed social pyramids, these social policy reforms do not do much to diminish inequality and, especially, to boost absolute equity by alleviating the most urgent social needs first. Therefore, trade union strength is not associated with particularly progressive policy outputs and social outcomes in Third World countries.^{vii} By contrast, due to the political incentives just discussed, populist leaders tend to make a preferential option for the poor. Since contemporary populists make a special effort to attract the large number of workers in the economy's informal sector, their social policies tend to be especially progressive in the targeting of beneficiaries.

In sum, populist social policies have several advantages and strengths. Populists try hard to extend benefits as much as possible; they move fast; and they put priority on particularly needy sectors. Moreover, populist initiatives in the social sphere have some coherence and are guided by a logic, which derives from the political core of populism. While personalistic plebiscitarian leaders are notorious for being headstrong, unpredictable, and even arbitrary and while they make tactical twists and turns in response to sudden opportunities and challenges, they do follow an underlying strategy. While anchored by the political goal of maintaining power, this strategy includes expansive social policies with a special effort to benefit the poor as a crucial instrument.

Disadvantages of Populist Social Policies

Unfortunately, however, the advantages just mentioned, which are particularly visible and impressive in the short run, come at the expense of several problems that undermine the effectiveness and sustainability of populist social policy initiatives in the medium and long

run. First, the very rush with which personalistic plebiscitarian leaders proceed causes many of their policy programs to be ill-prepared and poorly designed. Since populists often act to address an immediate political need, they do not tend to base their policy reforms on a careful analysis of the problems to be addressed; a systematic evaluation of alternative options; and a thorough elaboration of the program that they decide to enact. Instead, they put action ahead of reflection and alter existing programs or, more often, create new benefit schemes without much background research and attention to high-quality policy design.

In fact, populist leaders tend to put priority on effectiveness over efficiency. They want to reach their followers or attract additional backers at all cost and display little concern for the amount of resources that are required for attaining this overriding goal. They tend to make little effort to husband limited funds and use them to the greatest possible benefit. Instead, they tend to throw money at problems. As Max Weber pointed out in his brilliant analysis of charisma, which many populist leaders command, the claim of extra-ordinary, “supernatural” capacities and the pursuit of messianic goals lead to the neglect of earthly pursuits such as economic planning and accounting. Accordingly, many populist leaders cannot be bothered with the prudent use of resources. In their eyes, the ambitious goals that they pursue can justify a good deal of leakage and waste.

As a result, the fiscal foundation of populist expenditure programs is often flimsy. Whereas social democrats seek to base their gradual steps toward reform on firm foundations, such as non-distortionary tax reforms, populists quickly seize on any funds that happen to become available without much concern for the permanent availability of these funding sources or the collateral damage caused by their usage. Accordingly, they often do not rely on taxes that promise to have a stable yield, but take advantage of temporary

windfalls, even at the risk of having these funding sources dry up soon. For instance, the neoliberal populists of the 1990s such as Fujimori and Salinas drew on revenues produced by the sale of public enterprises for their social policy initiatives. Yet privatization creates a one-time inflow of funds and can therefore not sustain social policy programs over the long run. Similarly, the “radical” populists of recent years, most prominently Hugo Chávez, have relied on the windfall rents provided by the international oil price boom. Yet such striking price increases followed sooner or later by busts, which undermine the financial foundation of the newly extended benefit schemes.

The political autonomy and unconstrained power that many populist leaders enjoy also allows them to use social policy initiatives very directly for pursuing their political self-interests and electoral payoffs. Other types of chief executives need to negotiate and make compromises; therefore, they cannot mold policy instruments to their own ends as blatantly. Personalistic plebiscitarian leaders, by contrast, face little hindrance in using policy decisions for maximizing their own career goals, which center on maintaining political power. This instrumentalization of social policy can cause additional dysfunctionalities. Trying to please their followers or attract new supporters through the quick provision of social benefits, populist leaders do not put priority on resolving the most important social needs, but rather seek the easiest political payoff. As mentioned above, this opportunistic goal can coincide with poverty alleviation because the same amount of fiscal resources goes further in winning political support from destitute sectors than from an already well-to-do middle class; to put it crudely, the votes of the poor are cheaper than those of the better-off. Therefore, populists often have a political incentive to concentrate their social policy initiatives on disadvantaged segments of the population. But since they try to attain the maximum political impact, they

do not necessarily address those sectors' priority needs, but offer visible benefits that have a particularly high political payoff. Carlos Salinas de Gortari's "neopopulist" National Solidarity Program, for instance, was notorious for building basketball courts, rather than combating infant mortality or improving basic education.

The openly political purpose of populist social programs also tends to lead to a high degree of discretion in the concession of benefits, both at the policy-making and the implementation stage. Instead of guaranteeing social services and transfers on the basis of objective, universalistic criteria as a matter of rights, personalistic plebiscitarian leaders prefer to dole out favors to special groups and individuals. Whereas a right is a claim on which a person can insist, the receipt of a favor keeps an individual or group indebted to and dependent on the actor that conceded it. These favors are part of an implicit exchange in which the beneficiaries are expected to reciprocate by offering political support to their benefactor. Always concerned about retaining their fickle mass support, populist leaders prefer distributing favors to guaranteeing rights.

This distributive style of social policy tends to fragment the system of social protection because it is politically useful for populist leaders to concede different favors to different groups and people. In this way, they strengthen their influence by keeping their mass of followers fragmented, inducing some degree of competition among them, and impeding broad-based collective action that could expose them to powerful demands. "Divide et impera," which is feasible because personalistic plebiscitarian leaders face few counterweights and constraints, is a central maxim of populist politics and policy. As a result, populism tends to produce a welter of social programs as the political logic of political support generation overwhelms the technical and administrative logic of addressing social

needs in a broad, universalistic fashion. This fragmentation creates inefficiency and allows for horizontal inequity as different groups of beneficiaries receive different deals and as savvy individuals can obtain privileges or multiple benefits.

Since populist leaders often take social policy initiatives in response to political challenges or opportunities and therefore advance with considerable speed, they tend to create new add-on programs, rather than reforming the established framework of social policy programs. Such a revamping would incur greater political costs and yield electoral payoffs more slowly because entrenched bureaucratic structures are not easy to change; for instance, the tenure system protecting many social service providers hinders rapid progress. Instead, it is easier to make a difference quickly by instituting a new benefit scheme from scratch. The downside is, however, that the new administrative apparatus for implementing the novel program is often improvised and haphazard. New cadres are hired, often more for their political loyalty than their technical competence and bureaucratic experience. Standard operating procedures are designed in a rush and the exact criteria for the concession or denial of benefits remain vague and ill-defined. The above-mentioned priority assigned to effectiveness over efficiency means that populist leaders prefer to get the new program running even if, due to its rushed elaboration, it ends up not running very well.

These kinds of improvised add-on programs often lack institutionalization and fail to acquire a consolidated bureaucratic organization. While the resulting flexibility has advantages in allowing these programs to shift their operations and address additional social needs, it also creates risks to their proper functioning. While initial enthusiasm arising from the movement character of populism and the messianic zeal of leaders and followers may produce impressive results in the short run, this impulse sooner or later tends to flag. In the

absence of well-established organizational routines and of qualified bureaucratic cadres, performance can deteriorate. Inefficiency, waste, and even corruption can spread.

This danger is particularly acute because populist leaders are especially prone to politicizing appointments to state institutions. Given the absence or weakness of organizational structures inside populist movements, institutional instruments for ensuring the compliance of underlings with the leader's goals and guidelines are weak. Therefore, personal loyalty becomes a prime criterion for nominations. Leaders want to ensure that their aides remain dependent on them and will not build up an alternative power base from which their dominance can be challenged. Also, an aide's commitment to principles that can get in the way of populist politicization, such as objective, technical criteria for decision-making, constitute a problem and potential threat for populist leaders. While the complexity of policy-making in the modern world makes the appointment of some *técnicos* unavoidable, populist leaders try to keep them limited and largely confined to the economic sphere, where the pressures of globalization create a particular need for expertise. By contrast, they often hand over large parts of social policy to their political supporters and cronies, who in turn put the leader's political goals ahead of technical considerations in their decision-making and program implementation.

The weak institutionalization of populist social programs; their instrumental usage for advancing the political self-interests of personalistic leaders; and the resulting performance problems threaten the preservation of these benefit schemes over time, especially across alternations in government. Since these initiatives are largely the brainchild of a populist leader, they have difficulty acquiring their own identity and legitimacy. Instead, they are

intrinsically associated with their creator; their institutional survival depends to a good extent on the leader's capacity to maintain government power.

If a populist president falls, there is a substantial chance that these initiatives fold as well.

And due to the institutionalized and therefore fickle nature of their political support base, populist leaders can fall with relative ease, sometimes as quickly as they rose to prominence.

In sum, despite its capacity to create new social programs quickly and thus benefit large numbers of citizens, especially long-“excluded” destitute sectors, in the short run, populism also entails a number of downsides in social policy-making and implementation that yield performance problems, especially in the medium and long run. Personalistic plebiscitarian leaders tend to proceed in haphazard ways, base their choices of beneficiaries and social needs to address on political self-interests rather than the urgency of problems, and institute programs that suffer from improvisation, inefficiency, waste, and limited fiscal and political sustainability. While these programs bring material improvements and may empower long-neglected sectors in their daily lives, they also foster their political dependence on the personalistic plebiscitarian benefactor. Populist social policy therefore yields a very mixed picture; there are advantages, especially the speed of addressing social problems, but they come at the expense of a number of disadvantages.

Of course, what is a realistic standard of assessment? It would be unfair and problematic to apply an ideal yardstick, against which any real-world experience would by definition fall short. In fact, do the manifold problems just discussed not characterize Latin American social policy in general? Are they really typical and distinctive of populism? To address these concerns and demonstrate the importance of populism as a root cause of the above-mentioned problems, the following section, which will examine a variety of populist

experiences, will also draw comparisons to non-populist social policies; this contrast will be particularly instructive. This brief examination of social policies in contemporary Brazil and Chile suggests that social programs instituted by non-populist presidents are of higher quality; they are better focused on priority problems, organized more systematically and executed more efficiently, and more sustainable in fiscal and institutional terms. Thus, the comparison shows that although all types of social policy in Latin America – and in other regions of the world, for that matter – are far from perfect, the programs created by populists suffer from particularly clear dysfunctionalities that emanate directly from the very nature of this political strategy, especially the predominant position of a personalistic plebiscitarian leader, the weak institutionalization of his mass base, and the resulting concern about keeping it together and ensuring its loyalty.

The Social Policy Performance of Contemporary Populism

To substantiate the points advanced so far, the present section analyzes the features of social policy under populist governments of different ideological orientation and contrasts them with non-populist experiences. Given the tremendous attention that academics and other observers have paid to Hugo Chávez and his ambitious *Misiones*, this interesting case certainly deserves scrutiny.^{viii} Yet in line with the political conceptualization of populism applied in this book, which does not include social policy orientation and overall ideological goals in the core definition, non-leftist experiences with populism also merit close attention. Indeed, it is particularly noteworthy that more centrist or right-wing populists, such as Alberto Fujimori in Peru, also ended up boosting social expenditures and creating programs that shared the above-mentioned features with their ideologically distant counterparts; although the Peruvian autocrat recruited more *técnicos* in economic policy institutions, he

used social policy largely for his political pursuits, exposing it to the dysfunctionalities discussed in the preceding section.

Brazil under Fernando Henrique Cardoso (1995-2002) and Luiz Inácio Lula da Silva (2003-present) and Chile under the *Concertación* coalition will serve as contrast cases. The classification of Cardoso and the last four Chilean presidents as non-populists is uncontroversial. Lula da Silva, on the other hand, used to be subsumed under the rubric of populism – yet only by observers who applied a non-political, policy-focused definition of that concept. Moreover, the rather orthodox economic policies that Lula da Silva has enacted as president have silenced even these voices. Therefore, recent Brazilian and Chilean governments can provide a useful foil for analyzing the particular characteristics of populist social policies.^{ix}

Advantages of Populism

Populist leaders expand social programs quickly as soon as the political need for securing support arises and fiscal resources permit it. Accordingly, Chávez in mid-2003 created a wide range of new benefit schemes, his “missions to save the people,” when he faced the challenge of a recall election yet was flush with oil rents. Providing healthcare, educational services and scholarships, food subsidies, and a variety of other social transfers, the missions, funded with billions of dollars, soon came to cover millions of Venezuelans. Despite his different ideological orientation, Fujimori acted similarly in 1993, when Peru was beginning to recover from the severe crisis of the late 1980s and the brutal austerity measures that this neoliberal populist himself had imposed in the early 1990s. As soon as tax revenues began to rise again and as privatization proceeds filled state coffers, Fujimori went on a school-

building spree and breathed life – and cash – into a social investment fund to bolster support for his upcoming reelection drive.

Despite their transparent political motivations, both Chávez's and Fujimori's social policy initiatives improved the material well-being and life chances of large numbers of people rapidly and significantly. While the official statistics produced by these non-transparent, autocratic governments need to be interpreted with caution, the available evidence suggests that both Chávez's and Fujimori's new social programs extended important benefits to large sectors of the citizenry that had been or felt "excluded" before. Moreover, these programs sought to increase poor people's human capital through basic education and health care and to augment their productive capacities by supporting local investment projects or producer cooperatives. Thus, to the extent that these initiatives attained their goals, they held the potential of creating beneficial multiplier effects as well.

By contrast, non-populist governments expand social benefit schemes more slowly. For instance, the Programa Saúde da Família, a family health program that turned into a flagship initiative of the Cardoso administration in Brazil, was implemented quite slowly. Designed in 1993/94 on the basis of initiatives that had started in the state of Ceará in 1987,^x this basic health scheme came to cover a significant share of the population only from 1998 onward. Similarly, the Lula da Silva government extended its high-profile conditional cash transfer program *Bolsa Família*, which amalgamated four pre-existing governmental schemes, gradually over the course of a couple of years. Interestingly, the groundwork for this program was actually laid by Lula's predecessor Cardoso, who in turn had found inspiration in earlier local-level schemes. Thus, rather than embarking on drastic departures, non-populist leaders proceed slowly and steadily and build on already existing foundations.

Similarly, the social investment fund instituted by the Chilean *Concertación* in 1990, started its operations cautiously and never reached nearly the size of its Peruvian counterpart.

Applying high standards for project design and implementation, it benefited a small portion of the citizenry. In sum, non-populist governments do not address social needs as quickly and broadly as populist leaders.

As another important advantage of their populist approach to social policy, Chávez's and Fujimori's novel schemes channeled a large volume of benefits preferentially to poorer sectors. The Bolivarian leader's missions target especially long-excluded sectors that include what seems to be his most fervent mass base; *Mercal* stores, for instance, that offer low-priced food items, are located predominantly in the poor *barrios* of Caracas, not its middle-class *urbanizaciones*. Since the neoliberal principle of targeting the destitute coincided with his populist political strategy, Fujimori also gave his social policies a distinctly pro-poor orientation. Whereas the middle and organized working class was particularly affected by his austerity measures and structural adjustment policies, such as the fallout of privatization and trade liberalization, the poor in the *pueblos jóvenes* of Lima and the interior countryside benefited from new basic health and education programs and the anti-poverty investments subsidized by a high-profile social fund.^{xi} Thus, typical of contemporary populism, which tends to bypass the formal-sector middle and organized working class, even this market reformer gave his social initiatives a socially progressive, redistributive bent.

The non-populist governments of Brazil and Chile have also targeted poorer sectors, for instance with Cardoso's family health program, Lula da Silva's conditional cash transfers, and the *Concertación's* social fund and other progressive benefit schemes. But these administrations, which politically rest on stronger parties and their affiliated interest

associations, are also responsive to demands from the organized working and middle class. Therefore, they tend to spread the distribution of benefits more widely and face resource constraints that make it difficult to favor the poorest sectors massively. Accordingly, while Lula da Silva's *Bolsa Família* is a high-profile initiative that has attracted tremendous publicity, it receives only 0.5% of GDP in funding and takes up a minuscule share of public expenditures; the program, which now covers approximately 45 million Brazilians, thus pales in comparison to the social security system, which channels approximately 5% of GDP to the 2-3 million former civil servants and government employees alone. Similarly, with the assumption of government power by the *Concertación* parties in 1990, targeting in Chile broadened; the center-left coalition, which had ties to professional associations and trade unions and their formal-sector constituencies, abandoned the virtually exclusive focus on the poorest sectors imposed by the military regime and came to include working and lower middle class groupings as well. While sustained economic growth greatly diminished poverty in Chile and while innovative social programs enacted by the *Concertación* contributed significantly to this achievement,^{xii} governmental social expenditures under this anti-populist administration came to focus less exclusively on the poorest sectors than before. And while the economic and social policy achievements of the center-left coalition have certainly had very positive effects on poorer sectors, the Chilean governments of the 1990s and 2000s seem to have had less of a pronounced pro-poor "bias" than the populist administrations of Fujimori in Peru and Chávez in Venezuela.

In sum, the social programs enacted by personalistic plebiscitarian leaders in contemporary Latin America have some advantages. Above all, these governments have extended new social benefits more quickly than non-populist administrations have done, and

they have made special, disproportionate efforts to reach poorer sectors, which are most needy – and most available for populist mobilization. Given the widespread poverty and stark inequality that continue to afflict many Latin American countries, the populist approach to social policy can thus boast some strengths.

Disadvantages of Populism

On balance, however, the downsides outweigh the strengths of populist social policies, especially in a medium- and long-term perspective. While personalistic plebiscitarian leaders can rapidly extend benefit coverage, they have difficulty sustaining this accomplishment in fiscal terms and consolidating it institutionally. The success they attain is therefore often temporary; it rises and falls with the leader's political fortunes. Moreover, the very rush in expanding social programs creates serious dysfunctionalities. Compared to the social programs designed by non-populist administrations, which are certainly far from perfect as well, populist benefit schemes tend to be particularly ill-prepared, mis-targeted in design, flimsy in administration, and subject to corrosion in implementation. As is typical of populism, these social programs promise much more than they end up fulfilling; through ambitious goal proclamations, they create high expectations among the citizenry but face significant, usually increasing difficulties in living up to them. By contrast, non-populist social policies tend to attain steadier, more sustainable progress because they emerge from more systematic preparation and design, have a more solid fiscal base, and apply institutionalized mechanisms of administration and implementation. In the medium and long run, this approach is therefore more “filling” than the attractive hors d'oeuvres served by personalistic plebiscitarian leaders, which are not always followed by a full meal.

Design Flaws and Mis-Targeting. The very rush with which populist leaders enact and implement their social policy programs can lead to design flaws, and the immediate political-electoral motivations that drive these initiatives exacerbate these risks. Flush with privatization revenues and intent upon securing his reelection in the upcoming 1995 contest, Fujimori, for instance, decreed two new health programs in 1994 that had opposite guiding principles. Whereas the Program of Basic Health for All followed a top-down targeting approach, the Local Committees for Health Administration embodied a bottom-up participatory approach. These divergent schemes were never integrated into a coherent system;^{xiii} it remained unclear which locality would be covered by which one of these programs and how their divergent logics would co-exist.

The populist approach to social policy can also lead to serious mis-targeting of programs. While personalistic plebiscitarian leaders tend to give priority to the poor and thus target their initiatives in social terms, they often do not focus on the most important needs of these poor people; instead, they enact schemes that have particularly high visibility and therefore maximum political pay-off. In the run-up to his 1995 re-election, for instance, Fujimori went on a school-building spree, which allowed him to bask in glory by attending innumerable inauguration ceremonies. He paid much less attention to making these schools work by paying teachers, providing textbooks, and ensuring maintenance – expenditures that are ongoing, do not receive much public attention, have little political payoff, and are therefore of limited attraction to a populist leader. These constant inputs, however, are at least as important for the proper functioning of an education system as the provision of physical infrastructure.

Similarly, Fujimori surprised his own public health officials in mid-1997 by suddenly announcing the creation of a free health insurance scheme for public school children (SEG). While this new program had a social angle by excluding the better-off students attending private schools, it covered a population cohort that is of low priority from a public health standpoint; older children and adolescents are among the segments that are least at risk of suffering health problems and needing care. Domestic and international health experts wrung their hands at this mis-targeting and pushed for redesigning this insurance scheme to focus it on infants and small children, who are highly vulnerable and therefore need coverage more urgently. But for Fujimori's populist strategy, this mis-targeting was actually functional, because it allowed him to extend coverage to a large sector of the population while keeping effective fiscal outlays very limited.^{xiv} Redirecting the scheme toward infants and small children would have been much more costly.^{xv} Thus, this substantive mis-targeting constituted one of the calculated, politically motivated gestures that are so typical of populism. While the SEG was suboptimal for public health, it maximized Fujimori's electoral interests.

Chávez's populist movement has also mis-targeted social programs for political reasons, yet in a more punitive fashion than his neoliberal counterpart. While Fujimori extended social insurance coverage to non-priority sectors, the "Bolivarian Revolution" seems to have excluded individuals who qualified on social grounds but who had offered political support to the opposition. In the most blatant instance of such electorally motivated filtering, politicians allied with Chávez published the list of people who had signed the proposal for holding a recall referendum on the populist leader; the available evidence suggests that these individuals suffered systematic discrimination, including denial of social

benefits.^{xvi} This retaliatory use of discretion undermined not only horizontal equity in social policy, but also contradicted Chávez's proclaimed goal of empowering poorer sectors and stimulating their autonomous participation. If social benefit concession is effectively conditioned on support for the populist leader, dependency and sycophancy tend to prevail, and participation turns into acclamation engineered from the top down. While it seems that this active punitive misuse of social programs did not last for long, the strong association of the "missions" with Chávez and the heavy usage of ideology and propaganda seems to skew benefit concession via self-selection: Followers of this plebiscitarian populist leader are much more likely to seek benefits than unaligned sectors or opposition supporters, who are deterred by the open political usage of the missions. As a result, equity goals suffer.

While non-populist governments also hope to obtain political payoffs from their social policy initiatives, they do not resort to such channeling of benefits for electoral reasons. For instance, Lula da Silva's flagship program, the conditional family grant *Bolsa Família*, significantly helped his 2006 reelection as large number of poor people rewarded the president, who himself had emerged from desperate poverty, for using his position to give back to the destitute.^{xvii} But there is little if any evidence that resource allocation has been targeted for political reasons. Instead, well-defined objective criteria guide the distribution of benefits, and where local authorities have misused the program for clientelistic purposes, institutional mechanisms of supervision and sanction have remedied the problem.^{xviii} In Chile, the *Concertación* has also established clear procedures that preclude the political targeting of social programs. A hyper-vigilant opposition and conservative press ensure that any distortions and deviations are quickly rectified. Thus, not only do non-populist governments undertake few efforts to politicize social programs, but vibrant pluralism and

political competition forestall any temptations. Public opinion and opposition parties would not let the government get away with the electorally motivated mis-targeting of social benefit schemes. The hegemonic tendencies of personalistic plebiscitarian leaders and their systematic attacks on the opposition and the media emasculate these counterweights and open up ample room for manipulation.

Other forms of substantive mis-targeting are also less likely under non-populist administrations. The systematic design and preparation of new social programs by experts; consultations with international organizations that command a wealth of technical knowledge; and the vetting of many initiatives before public opinion and Congress tend to filter out programs that put political payoffs far ahead of social needs. While these administrations are no strangers to the lobbying of special interests, gimmicks that presidents announce with great fanfare but that do not address pressing substantive needs, such as Fujimori's SEG, are less common than under populism.

Implementation Problems. The rush with which personalistic plebiscitarian leaders enact social programs and the political goals that drive them also weaken the administration, effectiveness, and efficiency of these benefit schemes. Often, these programs get off the ground as improvisational campaigns that lack regularized procedures and well-designed delivery mechanisms. Usually, these initiatives are not implemented by established line ministries, which – despite problems of bureaucratic rigidity and inertia – have accumulated experience in providing social services and transfers. Instead, a new delivery apparatus is built from scratch. While the sense of mission instilled by the populist leader can initially motivate the new personnel to move mountains, the excess of voluntarism and lack of standard operating procedures over time tends to cause increasing dysfunctionalities, which

come to predominate when the initial enthusiasm fades. The absence of organizational structures leads to an unclear division of responsibilities and the duplication of efforts,^{xix} gives rise to waste, and opens the door to corruption.

Although non-populist governments are not immune to these problems and scandals, they tend to be more widespread and massive under personalistic plebiscitarian leadership. In Fujimori's Peru, for instance, credible accusations of corruption in a social emergency program surfaced in early 1992 already; and after the president's ignominious downfall in late 2000, an amazing web of corruption involving all sectors of his government came to light. Similarly, Chávez's first high-profile social scheme, the *Plan Bolívar 2000*, was notorious for corruption,^{xx} and similar accusations have plagued later policy programs. Given the worsening lack of transparency, the billions of petrodollars sloshing around Bolivarian Venezuela, and the historical tradition of widespread corruption, it is highly likely that knowledgeable observers' claims of high levels of malfeasance are correct; indeed, the country's score in Transparency International's Corruption Perception Index fell from a low 2.3 in 1998 to a dismal 1.9 in 2008.^{xxi} The absence of reliable information also creates enormous difficulties in guaranteeing efficient resource use; it seems that in *chavista* Venezuela, nobody knows where billions of petrodollars that were supposedly invested in social programs have actually ended up.

These implementation issues limit the actual accomplishments of important social programs. Based on the available data, scholars have raised doubts about the success of Chávez's literacy campaign, for instance.^{xxii} The negative repercussions of other public policies have created additional implementation problems in social policy. For instance, Chávez has sought to improve popular nutrition and shield poorer sectors from the rampant

inflation caused by his distortionary economic policies; for this purpose, he has created a chain of stores at which foodstuffs are sold at massively subsidized prices. But since this populist leader's revival of Venezuela's oil rentier model has further discouraged food production,^{xxiii} the shelves are often empty; while the government guarantees low prices, it cannot guarantee food supply at these prices. The popular stores therefore have a mixed record in attaining their goals; and as economic distortions have accumulated over the years, this record seems to be deteriorating.

Implementation problems are certainly not unheard of in Chile and especially Brazil. But they do not seem to be nearly as widespread under non-populist governments. Recent field research on the administration of Lula da Silva's family grant, for instance, suggests that even in the periphery of urban metropolis and the rural interior, the concession and provision of benefits runs smoothly while the criteria for eligibility are applied with considerable rigor; neither waste nor corruption seem to be significant.^{xxiv} The reasonably reliable administration of social programs arises from their gradual implementation, which allows for the build-up of institutional capacity. For instance, the innovative health insurance enacted in Chile under Socialist President Ricardo Lagos (2000-06), Plan AUGE, started with a modest coverage of health problems, adding more treatments step by step over the course of several years. This gradual approach allows for administrative adjustments and corrections and tends to guarantee better functioning in the medium and long run than populism's high-speed social policy initiatives.

Problems of Institutional and Fiscal Sustainability. The rash enactment and improvised organization of populist social programs also weaken the chances of their survival beyond the eventual end of the populist leader's control of the government. Not run

by the existing line ministries, these novel benefit schemes are not integrated into the regular institutional framework; instead, they usually constitute appendices of the presidency. As a result, they do not acquire the institutional solidity of regular state institutions, reinforced by the employment stability and tenure of their personnel. Instead, they are sustained by the political will of the leader and his underlings.^{xxv} When a populist leader falls from power, these social programs are therefore threatened with contraction and involution. While their formal structures may not disappear, they run the risk of turning into hollow shells. In Peru, for instance, the National Institute for Educational and Health Infrastructure, which President Fujimori had used for his school-building spree, ran into trouble soon after he had to resign in late 2000; a scandal about malfeasance further debilitated this weakly institutionalized fund. As the Venezuelan *misiones* are even more closely associated with Chávez's populist leadership, their lack of firm institutionalization exposes them to even higher political risk.

The financial base of populist social programs is even more precarious, jeopardizing their continued operation. Especially during the run-up to his 1995 reelection, Peru's Fujimori seems to have financed a good deal of social expenditures in the new targeted and emergency programs directly or indirectly via privatization revenues, which by nature constitute a temporary influx of funds. Even more clearly, Hugo Chávez has used the tremendous increase in oil rents provided by the recent international price boom to pump billions of dollars into his *misiones*. Funds for these programs have not come out of the regular government budget, but out of a special development fund fed largely by the state-owned oil company PDVSA. Thus, windfall revenues have sustained the tremendous expansion in social spending under the Bolivarian leader. If these temporary revenues dry up, the fiscal sustenance of these programs is at risk. In fact, the recent decline in international

petroleum prices has put strong pressure on public finances in Venezuela; the available evidence suggests that several *misiones* contracted significantly in 2008 and 2009.^{xxvi}

By contrast, non-populist governments put new social programs on a more solid foundation by allocating regular budget revenues. Both Brazil's conditional family grant and Chile's new health insurance scheme, for instance, are funded in this sustainable way. While this financial mechanism does not protect these social programs from all budget cuts, it makes such losses, which would need to be approved by Congress, less likely. More importantly, it guarantees a funding source that tends to have a much more reliable yield than one-time privatization proceeds or windfall rents. Indeed, Chile, which also benefited from the recent international commodity price boom as a copper exporter, successfully sterilized a large part of this temporary income via a stabilization fund; only a small share of his extraordinary influx of resources was used for immediate public spending. Therefore, the social benefit schemes created by non-populist administrations have a fairly stable fiscal foundation. They are not exposed to a serious risk of contraction in case economic conjunctures change.

In particular, non-populist governments do not make the fundamental mistake of funding programs that are meant to be permanent with revenues that by nature tend to be temporary. Populist leaders, by contrast, give in to the temptation of using any available resources for extending new benefits; driven by the political need of fortifying their inherently fickle mass base, they incur spending commitments despite the absence of a solid financial base. Their improvisational style of decision-making can bring quick progress but also risks equally rapid setbacks.

Conclusion

This examination of the social policies enacted by personalistic plebiscitarian leaders and the comparison with non-populist programs demonstrate the advantages and disadvantages of fairly unbounded agency. As captured in the definition of populism as a political strategy that informs this essay, populist leaders command considerable autonomy, zealously concentrate power, seek to escape from institutional checks and balances, and bend or break constraints. As a result, these leaders have the ability to effect change and enact reforms quickly, even when facing considerable opposition. Given the pressing social problems that plague many Latin American countries, this capacity to “make a difference” and do so fast constitutes a significant advantage. Moreover, personalistic plebiscitarian leaders often emerge as relative outsiders and therefore are not as beholden to established interest groups and better-off social constituencies as many longstanding politicians are. Therefore, they tend to use their autonomy and power to extend social benefits to previously neglected sectors, which are particularly likely to suffer from destitution. Populist leadership thus has the potential to alleviate Latin America’s notorious equity problems.

Unbounded agency has, however, serious downsides as well. While personalistic plebiscitarian leaders can successfully push for change, their voluntaristic approach and resort to imposition diminishes the quality of the programs they enact. Decreed without much debate and consultation and implemented in a rush, populist social programs tend to have design flaws, such as unclear assignment of tasks and responsibilities, lack of regular procedures and institutionalization, and vulnerability to inefficiency, waste, and corruption.

Moreover, the strong political motivations that drive populist social policy lead to the mis-targeting of benefits, such as the provision of “visible” goods that—at least on their own—do not have the highest priority in terms of social needs. The punitive and deterrent political use of benefits in *chavista* Venezuela is particularly worrisome.

Last but not least, personalistic plebiscitarian leaders are much better at creating new programs than at guaranteeing their fiscal and institutional sustainability. They often base their benefit schemes on temporary revenues sources, which jeopardizes their long-term survival. And to run these programs in a discretionary fashion out of the presidency, they avoid building solid administrative institutions. As a result, these new social programs are exposed to the risk of cutbacks, if not elimination. Indeed, the explicit association of a new benefit scheme with a personalistic plebiscintarian leader creates political vulnerabilities; the uncertain fate of these leaders, who can fall as quickly as they arose, can jeopardize the survival of “their” social programs as well.

By contrast to these risks, the social policies pursued by non-populist governments look more promising. While much slower in expanding benefit coverage and thus addressing urgent social needs, these administrations guarantee greater sustainability. Social progress that is once accomplished is less likely to be eroded due to financial, political, and institutional setbacks. While due to political limitations and resource constraints, non-populist governments in Latin America are far from producing the achievements of European social democracy, their inspiration in this model yields better results than their strong-willed populist counterparts end up attaining.

Notes

ⁱ See, e.g., Evelyne Huber and John Stephens, Development and Crisis of the Welfare State (Chicago: University of Chicago Press, 2001).

ⁱⁱ Richard Sandbrook et al., Social Democracy in the Global Periphery (Cambridge: Cambridge University Press, 2007).

ⁱⁱⁱ To avoid repeating the term “populism” *ad nauseam*, I use “personalistic plebiscitarian leadership,” which captures the main features of populism, interchangeably.

^{iv} Extended discussion in Kurt Weyland, “Clarifying a Contested Concept: ‘Populism’ in the Study of Latin American Politics,” Comparative Politics 34 (2001), 1-22.

^v Kenneth Roberts, “Neoliberalism and the Transformation of Populism in Latin America,” World Politics 48: 82-116; Kurt Weyland, “Neopopulism and Neoliberalism in Latin America: Unexpected Affinities,” Studies in Comparative International Development (Fall 1996): 3-31.

^{vi} Alan Knight, “Populism and Neo-Populism in Latin America, especially Mexico,” Journal of Latin American Studies 30 (1998): 223-48; Weyland, “Clarifying.”

^{vii} James McGuire, “Labor Union Strength and Human Development in East Asia and Latin America,” Studies in Comparative International Development (December 1999), 3-34.

^{viii} Overviews in Greg Wilpert, Changing Venezuela by Taking Power (London: Verso, 2007): 120-44; Steve Ellner, Rethinking Venezuelan Politics (Boulder: Lynne Rienner, 2008): 120-23, 150-51, 168-69, 181-83, 191-92.

^{ix} Interestingly, recent populist governments in Brazil and Chile, especially the administration of Fernando Collor de Mello (1990-92), displayed the same tendencies as Fujimori and Chávez. For instance, Collor impetuously enacted an ill-designed and badly implemented education program (CIEC), which withered away after his downfall; and other social policy initiatives, such as an emergency health program intended to combat a cholera epidemic, was plagued by rampant corruption. Thus, the contrast with Fujimori and Chávez highlighted in this chapter did not emerge primarily from institutional characteristics of the Brazilian and Chilean states, but from the political strategies pursued by presidents and their core allies. The social performance of Brazil’s most recent populist leader was as problematic as that of his Peruvian and Venezuelan counterparts – not as good as that of his compatriots Cardoso and Lula da Silva.

^x Judith Tendler, Good Government in the Tropics (Baltimore: Johns Hopkins University Press, 1997).

^{xi} World Bank, Peru: Improving Health Care for the Poor (Washington, DC: World Bank, 1999): 3, 6, 11, 26, 29, 53; Christina Paxson and Norbert Schady, “The Allocation and Impact of Social Funds: Spending on School Infrastructure in Peru,” World Bank Economic Review 16 (2002): 297-319.

^{xii} Mauricio Olavarría Gambi, Pobreza, Crecimiento Económico y Políticas Sociales (Santiago: Editorial Universitaria, 2005).

^{xiii} Christina Ewig, “Piecemeal but Innovative: Health Sector Reform in Peru,” in Robert Kaufman and Joan Nelson, eds. Crucial Needs, Weak Incentives: Social Sector Reform, Democratization, and Globalization in Latin America (Washington, DC: Woodrow Wilson Center Press), 231-38.

^{xiv} Ewig, 240-41.

^{xv} Kurt Weyland, Bounded Rationality and Policy Diffusion: Social Sector Reform in Latin America (Princeton: Princeton University Press, 2007), 161-62.

^{xvi} Human Rights Watch, A Decade under Chávez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela (New York: Human Rights Watch, 2008), 15-28, espec. 27-28. See also Chang-Tai Hsieh, Daniel Ortega, Edward Miguel, and Francisco Rodríguez, “The Price of Political Opposition: Evidence from Venezuela’s *Maisanta*,” (Wesleyan University, ms. 2007); Michael Penfold-Becerra, “Clientelism and Social Funds: Evidence from Chávez’s *Misiones*,” Latin American Politics and Society (Winter 2007), 63-84, espec. 74-75; Guillermo Rosas and Kirk Hawkins, “Turncoats, True Believers, and Turnout: Machine Politics in the Absence of Vote Monitoring” (St. Louis: Washington University, ms., 2008). For the clientelistic use of

social policy under Fujimori, see, e.g., Pedro Francke, "Cambios Institucionales en los Programas Sociales (1980-2005)," in John Crabtree, Construir Instituciones: Democracia, Desarrollo y Desigualdad en el Perú desde 1980 (Lima: Pontificia Universidad Católica del Perú, 2006): 99-104; Norbert Schady, "The Political Economy of Expenditures by the Peruvian Social Fund (FONCODES), 1991-95," American Political Science Review 94 (2000): 289-304.

^{xvii} Wendy Hunter and Timothy Power, "Rewarding Lula: The Brazilian Elections of 2006," Latin American Politics and Society (Spring 2007), 1-30.

^{xviii} Wendy Hunter and Natasha Sugiyama, "Building Citizenship or Reinforcing Clientelism? Contributions of the *Bolsa Família* in Brazil," paper for 105th Annual Meeting, American Political Science Association, Toronto, ON, Sept. 3-6, 2009.

^{xix} World Bank, Peru: Improving Health Care, 5-6, 45; World Bank, Peru: Institutional and Governance Review (Washington, DC: World Bank, 2001), chaps. 4-5.

^{xx} Boris Saavedra, "Democracy at Risk: President Chavez and the New Role of the Armed Forces," paper for XXXIII International Congress, Latin American Studies Association, Washington, DC, Sept. 6-8, 2001: 18-19.

^{xxi} www.transparency.org, accessed Sept. 15, 2009; see also Gustavo Coronel, "Corruption, Mismanagement, and Abuse of Power in Hugo Chávez's Venezuela" (Washington, DC: Cato Institute, 2006).

^{xxii} Daniel Ortega and Francisco Rodríguez, "Freed from Illiteracy? A Closer Look at Venezuela's *Misión Robinson* Literacy Campaign," Economic Development and Cultural Change 57 (2008): 1-30; see also Francisco Rodríguez, "An Empty Revolution: The Unfulfilled Promises of Hugo Chávez," Foreign Affairs (March-April 2008): 54-56.

^{xxiii} This problem is admitted even by observers who sympathize with the "Bolivarian Revolution," e.g., Wilpert, 69, 72, 102-3, 192.

^{xxiv} Hunter and Sugiyama.

^{xxv} For Chávez's missions, see Thais Maingon, "Caracterización de las Estrategias de la Lucha contra la Pobreza: Venezuela 1999-2005," Fermentum (Mérida) (January-April 2006): 94-96.

^{xxvi} "Socialism on the Never-Never," Economist, 18 June 2009; "Ajustes en Mercal demuestran insostenibilidad del subsidio," El Universal, 20 May 2009.