

Chavismo's Sturdy Legacy

Exclusive: Right-wing parties are staging a comeback in Latin America, with the most dramatic victory in Venezuela's parliamentary elections. Yet, despite troubled leftist regimes facing weak economies and corruption charges, their social reforms have slashed poverty and appear safe for now, writes Andrés Cala.

By Andrés Cala

A string of recent electoral and political setbacks for Latin American leftist governments brought about by voter fatigue and an acute economic crisis is swinging the regional political pendulum in a revisionist direction with some analysts foreseeing a return to "free market" neoliberalism. But reversing a generation of social gains for the poor will not be easy or likely.

On Nov. 23, 2015, Argentines elected center-right Mauricio Macri as president, replacing the 12-year Peronista regime led by Cristina Fernández de Kirchner. But the sharpest blow to the Left came in Venezuela on Dec. 6, when Chavismo, the most radical of the so-called Pink Tide regional movements, suffered its first electoral defeat in 16 years and a massive one at that when the opposition won an absolute majority in parliamentary elections.

In Brazil, the center-left regime that came to power in 2003 is fighting a recession and a string of corruption scandals that are raising popular and congressional pressures on President Dilma Rousseff to step down. Even Ecuador's charismatic President Rafael Correa is facing increasing opposition, although like his ally, Bolivian President Evo Morales, he is not up for election in the near-term.

But these reversals do not mark the Pink Tide's end, nor a return to the infamous neoliberal era of last century that deepened economic inequality and contributed to harsh political repression. Indeed, the decade-and-a-half pendulum swing to the left started slowing years ago and is now clearly moving in the opposite direction. But the new Latin American Right will be hesitant to reintroduce failed economic policies from the 1990s that ended up empowering the Left.

No doubt, the right-wing political movements will be more Wall Street friendly and challenge policies that have institutionally handicapped them, such as appointments to the courts and limits on press freedoms. But the Right lacks the political mandate to undo years of economic devolution from the old concentrations of wealth toward a more equitable sharing of the region's riches.

Social gains that have spread throughout the region, even into countries ruled by the Right such as Colombia, would be hard to take away, even if trends toward greater equality stall.

As for the Left, some setbacks can be blamed on its own mismanagement and corruption, which along with the global economic crisis and for Venezuela the drop in oil prices, fed popular discontent. The electoral reversals could prompt a needed period focused on correcting mistakes and regaining the confidence of the citizens.

Chavismo Legacy

The legacy of the populist Left movements in Latin America which started in Venezuela when Hugo ChÃavez came to power in 1999 and spread in other forms to Argentina, Brazil, Bolivia, Ecuador, Nicaragua, El Salvador and a few Caribbean countries is the improved welfare of millions of citizens who had been confronting some of the greatest inequality on earth.

Under populist reforms, poverty was more than halved and social services, namely education and health, improved vastly. The middle class in Latin America grew more than 50 percent since 2003, according to the World Bank, benefiting from a commodity-price boom and more equitable distribution of wealth.

Government institutions have become more stable and political violence which once made Latin America infamous for "disappearances" and "death squads" fell to historically low levels.

Geopolitically, the region grew more independent from U.S. dominance and wrestled back some control over its fiscal affairs. Even in countries that resisted the leftist ascent, such as Colombia, social investment reached historic highs.

But not all was good. Money was squandered on corruption and inefficient schemes sought by "client" groups. Authoritarianism and political polarization increased over the years. When oil and other commodity prices started falling, political capital also was drained away.

In the case of Venezuela, ChÃavez's death in 2013 left behind a mismanaged economy that continued to sink under the government of his successor, the far-less charismatic NicolÃas Maduro. The economy contracted around 10 percent in 2015, the biggest decline in the world; oil production and incomes tumbled; shortages of food and consumer goods became widespread; inflation soared into four digits; and foreign investment, even from close friends like China, evaporated.

Maduro was unable to assert his authority, even within Chavismo itself. While jailing opposition figures who were accused of coup plotting, he wavered in his timid efforts to reform the economy to alleviate the suffering of his own followers. While it's true the country faced "an economic war" from internal and external opponents of its socialist policies, the fact remains that Chavismo was all but paralyzed.

Venezuela's political stalemate also is far from over. Maduro is seeking to block the newly formed parliament, threatening an escalating institutional tit-for-tat that will deepen the crisis. The opposition too is seeking to undo the firm grip of Chavismo on the country's institution. The standoff between Chavistas and the opposition is fluid and could worsen to eventually invite a coup from one of the sides.

But even in the context of extreme political polarization, social policies have not been threatened, and with ample Chavista support still among Venezuela's poor and Maduro's term running until 2019, the opposition will likely target macroeconomic policy and legal reforms as its first priorities.

In Argentina, Macri has shown his willingness to take on Peronismo, resorting to some of the same unilateral policies and bypassing Congress that he criticized Fern andez for doing. His government will seek to access international financial markets that his predecessor shunned, and he has already removed some export taxes, foreign exchange controls, and moved to attract foreign capital. But again, there is no sign yet he will undo the social policy of Peronismo.

In regional powerhouse Brazil, Rousseff will more than likely survive the impeachment attempts by the opposition over corruption scandals involving some of her closest aides. In fact, her mentor and predecessor Lula da Silva has come to her rescue and is rumored to be planning a comeback for 2018.

But in no case are Brazil's social policies at risk, a reality underlined by the fact that not even Rousseff has been able to introduce the kind of unpopular cuts in programs that some financial advisers say are needed to jumpstart the sputtering economy.

And, while not Chavista or populist, Uruguay and Chile have developed their own socialist strategies even while defending more "free-market" economic policies; Peru and Colombia, while even more market-friendly and governed by the Right, are using their economic growth, even amid the commodity slump, to integrate their largely impoverished populations more fully into their economies.

Still, times are tough for Latin America which saw the year ending with an economic contraction of 0.9 percent, a downturn particularly acute in South

America as the Brazilian and Venezuelan economies tanked.

In 2016, the economy is expected to be flat regionally, but contract more than 2 percent in South America, according to the World Bank. Of the large economies, Colombia, Peru and Chile will fare better than Brazil and most notably Venezuela. Argentina will grow marginally.

The incoming right-wing leaders will have to deliver meaningful economic turnarounds, without hurting social policies, to convince citizens they are a better alternative to Chavistas, Peronistas, Lulistas and others on the Left.

The economic hardships could spark more instability in the region, especially if Chavismo implodes in Venezuela and the Right overplays its hand. But Latin America's transformation over the past 15 years has created an opportunity for a more mature region to leave its violent past behind and to address its challenges through more peaceful political means.

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