



SPECIAL REPORT

The electoral outlook for Latin America in 2014: continuity and regional heterogeneity

Madrid, January 2014

d+i LLORENTE & CUENCA

1. INTRODUCTION
2. COSTA RICA AND THE DOMINANCE OF THE NATIONAL LIBERATION PARTY
3. EL SALVADOR, BETWEEN THE RETURN OF ARENA AND THE CONTINUITY OF THE FMLN
4. COLOMBIA, *URIBISMO* AGAINST *SANTISMO*
5. PANAMA, THE STRUGGLE TO TAKE OVER FROM MARTINELLI
6. BRAZIL, DILMA ROUSSEFF THE UNDISPUTED FAVOURITE
7. BOLIVIA, AND THE PLEBISCITE RE-ELECTION OF EVO MORALES
8. URUGUAY, DOMINANCE OF THE BROAD FRONT AND THE RETURN OF TABARÉ VÁZQUEZ
9. CONCLUSIONS

LLORENTE & CUENCA

1. INTRODUCTION

There are seven presidential elections due to be held in Latin America in 2014. They will take place in Costa Rica and El Salvador (both elections on 2 February), in Colombia and Panama in May, and in what will be a gripping month, in Brazil, Bolivia and Uruguay in October. Together they are a good cross-section of the political, social and economic reality in Latin America, in both the South and Central American regions.

These elections are being held at a particularly historical juncture: they are preceded by a year, 2013, in which the electoral processes showed some of the features that have been characterising the region for a decade now: continuity (victory by Correa in Ecuador and of *chavismo* in Venezuela) and political heterogeneity (triumph of the "Socialism of the 21st century" left in Ecuador and Venezuela, of the moderate left in Chile and of the centre right in Paraguay and Honduras).

Everything indicates that these dynamics (heterogeneity and continuity) will still be present in 2014 and will be reaffirmed by these elections.

This continuity in the region, with, except for some rare exceptions, uninterrupted democratic political processes, is taking place, unlike in the 80s and 90s, in the context of economic prosperity and social and political stability. There has been strong economic growth in South America, at least until 2013, with slower growth in Mexico, Central America and the Caribbean. Nevertheless, clear signs are already appearing of an economic slowdown on the immediate horizon, which some countries are starting to feel and which could influence the different political dynamics. In figures, the slowdown can be seen in data such as the fact that, according to ECLAC, the countries in Latin America and the Caribbean grew by 2.6% in 2013, which is below the 3% predicted, and will most probably experience low growth of 3.2% in 2014.

This is the general context in which the seven presidential elections will be held in 2014. This general context has its influence, but it is likely that the endogenous circumstances, rather than the exogenous ones, will end up having more weight in the final outcome of each process.

PRESIDENTIAL ELECTIONS IN LATIN AMERICA (2014)	
Country	Date
Costa Rica	First round: 2-2-2014 Second round: 9-3-2014
El Salvador	First round: 2-2-2014 Second round: 9-3-2014
Colombia	Legislative: 9-3-2014 Presidential: 25-5-2014 Second round: 20-6-2014
Panama	4-5-2014 (presidential over a single round)
Brazil	First round: 5-10-2014 Second round: 31-10-2014
Bolivia	Presidential: 5-10-2014
Uruguay	First round: 26-10-2014 Second round: 30-11-2014

Source: Own elaboration

2. COSTA RICA AND THE DOMINANCE OF THE NATIONAL LIBERATION PARTY

On 2 February, Costa Rica, along with El Salvador, will hold the first elections in Latin America in 2014.

The country could see a new term in office for the National Liberation Party, a force that has been in power since 2006, first with Óscar Arias (2006-2010) and later with Laura Chinchilla (2010-2014), heiress and political goddaughter to Arias. A victory for the PLN's current candidate, Johnny Araya, would extend the uninterrupted rule of this party to twelve years. This political force has

benefited from the crisis engulfing its traditional rival, the Social Christian Unity Party (Partido de Unificación Social Cristiana, PUSC), due to the scandals that have hit many of the former presidents from this party. To the cases of corruption experienced under the governments of Rafael Ángel Calderón (1990-1994) and Miguel Ángel Rodríguez (1998-2002), both from the PUSC, we can add the resignation in 2013 of Rodolfo Hernández as a presidential candidate for the 2014 elections, due to his differences with the party's leadership.

In addition, the PLN's vote has remained, to date, more or less

“The country could seal a new term in office for the National Liberation Party (PLN)”

“The ruling party, the Farabundo Martí National Liberation Front (FMLN), starts as favourite in the majority of polls”

stable against the fragmented opposition, divided into forces located further to the left, such as the Citizen's Action Party (Partido de Acción Ciudadana, PAC) and the Broad Front (Frente Amplio, FA)), or to the right (the Libertarian Movement Party (Movimiento Libertario)). While the FA leans towards state interventionism, the libertarians are in favour of neo-liberal style reforms.

For the 2014 elections, the ruling party's candidate, Johnny Araya, who ran the capital, San José, between 1991 and 2013 and the flag bearer of the left-wing, José María Villalta, are competing for top spot in the voting intentions. Araya, of the ruling National Liberation Party but not closely linked to the faction that has controlled the party since 2006 (that associated with Óscar Arias), has 17.4% of the vote while Villalta, of the left-wing Broad Front, has 15.7%, according to a telephone poll by the Centre for Research and Political Studies at the State University of Costa Rica.

In third place is Otto Guevara, from the right-wing Libertarian Movement Party, with 10.4% of the vote, while in fourth place is the contender from the centre-left Citizen's Action Party, Luis Guillermo Solís, with 5.1%.

However, these figures do not represent a stable scenario as almost half of the electorate is still undecided, so there could be many changes as the election date approaches.

3. EL SALVADOR, BETWEEN THE RETURN OF ARENA AND THE CONTINUITY OF THE FMLN

El Salvador is the other country that opens the electoral calendar in Latin America on 2 February. It is an election in which the ruling party, the Farabundo Martí National Liberation Front (Frente Farabundo Martí para la Liberación Nacional, FMLN)) starts as favourite in most polls. In 2009 the former guerrilla organisation FMLN, with an independent, Mauricio Funes, as its candidate, ended 20 years of political dominance by the right-wing, in the form of the ARENA party (1989-2009).

In these elections, the former guerrilla organisation is no longer presenting an independent candidate, but instead has chosen one of the most representative and historical figures in the FMLN, Salvador Sánchez Cerén (current Vice-President to Funes), who unifies the left-wing vote. During the civil war, Sánchez Cerén led the Popular Liberation Front (*Frente Popular de Liberación*), one of the forces that formed the FMNLF. Choosing this teacher, trade unionist and guerrilla leader in the 80s, known as “Leonel González”, as a presidential candidate implies a change in strategy for the FMLN. The former guerrilla organisation repeatedly failed to win power when choosing as its presidential candidate the legendary guerrilla leader Schafik Handal. That is why he was replaced in 2009 by

“As was the case in the elections in Honduras in 2013, the issue of public insecurity has been the focus of the majority of debates”

an independent, Funes, and the change in approach was a success because it managed to win the presidential elections after the failures of 1994, 1999 and 2004.

However, the former guerrilla organisation has had the feeling that while it won the 2009 elections it did not win power, since Funes has always been very independent from the party apparatus. So as a result a change in strategy has now been seen. As pointed out by the analyst (and former guerrilla) Joaquín Villalobos, “the former guerrilla commander, Salvador Sánchez, of Bolivarian definition and the FMLN candidate, has more negative opinions than positive ones. It is a set-back in relation to Funes and an inexplicable electoral suicide for the left-wing. It is impossible for him to win more than 50% of the votes and either of the other two candidates would easily defeat him in the second round”.

This divide has caused the FMLN to start as favourite to win the first round. But given that neither ARENA nor the FMLN are likely to achieve fifty-one percent of the votes, the second round will be held on 9 March 2014. At that point Quijano is the one who, at the moment, would have the most support since it is expected that in the ballot the votes for ARENA and the Unity party would come together.

As was the case in the elections in Honduras in 2013, the issue of public safety has been the focus of most debates, since it is what

by a large margin most affects and concerns the public (53.2% consider it as the most urgent matter, with the economic situation following it in second place with 27.9%). El Salvador, together with Honduras and Guatemala, is one of the countries that suffers most from the effects of insecurity, caused by the actions of gangs and drug traffickers. However, it appears that neither ARENA, in its twenty years in government (with tough policies), or the FMLN over the past five years (agreeing a truce with the gangs) have found a remedy or solution since neither of the two have promoted comprehensive measures, but instead adopted partial and short-term ones.

Another issue dominating the campaign has affected the former president Francisco Flores (from ARENA and advisor to Norman Quijano), who has been embroiled in serious accusations from the current president. Mauricio Funes has claimed that the whereabouts of 10 million dollars donated by Taiwan during the presidency of Flores is unknown. The money was issued in the name of Flores in a bank in Costa Rica, then sent to another bank in Miami and later ended up in the Bahamas.

Regardless of the truth or otherwise behind the allegations, the complaint shows a high degree of involvement by the President in the campaign, which has led to the Attorney General placing President Funes under investigation. He is accused of revealing confidential information from the United States Treasury

“Colombia will hold its presidential elections on 25 May in what seems like an indirect duel between two former allies, President Juan Manuel Santos and his predecessor Álvaro Uribe”

Department to politically damage his predecessor, Francisco Flores, despite the fact that he was prevented by law from doing so.

The presidential involvement in the elections is very high. Thus, in a recent interview in the Spanish newspaper *El País*, Funes not only lashed out against the “oligarchy” of El Salvador but also directly against Arena: “(I am fighting against) the oligarchical power that has dominated the country, that has controlled the institutions but that no longer controls the Executive or has a legislative majority. And therefore, this oligarchical power is reacting and using its tools, using the press, to support ARENA. I am confronting this”.

And he then added: “The campaign slogan of Norman Quijano (ARENA presidential candidate) is “we will take back El Salvador”. It is a suggestive slogan, because it says... we will take back, as if El Salvador “was ours” before, as if El Salvador was a company that was ours and that we managed and handled to our liking, like a cow being milked, taking the milk whenever we want because it is our cow. But they lost the 2009 election and now they believe that it is the opportunity for them to take back El Salvador, that is, to take back the country for those who were or who historically have been its owners, in their own interests”.

The accusation against Flores has given free rein to the dirty tricks campaign. Arena, a party

which was clearly situated on the extreme right in the 80s (now positioned at the centre-right), has again taken out its entire arsenal stored from the era of bullets. Thus, the Vice President of Ideology at the ARENA National Executive Council (Coena), Ernesto Muyschondt, publicly presented an image in which the FMLN presidential candidate, Salvador Sánchez Cerén, appears along with leaders of the Revolutionary Armed Forces of Colombia (*las Fuerzas Armadas Revolucionarias de Colombia, FARC*). In addition, the right-wing candidate, Norman Quijano, has not hesitated to deepen the polarisation of the campaign by alluding to what, according to him, is at stake: to defeat “once and for all” the “socialism of the 21st century” regime.

4. COLOMBIA, URIBISMO AGAINST SANTISMO

Colombia will hold its presidential elections on 25 May in what seems like an indirect duel between two former allies, the President Juan Manuel Santos and his predecessor Alvaro Uribe. Santos, minister and heir to Uribe, has ended up breaking away from *Uribismo* throughout his presidency and in 2014 will face Óscar Iván Zuluaga, who will be the Uribe presidential candidate, since the former President is not eligible for re-election.

Santos, despite being without Uribe's charisma and in September facing a wave of protests that severely damaged his popularity, is actually the hot favourite

“The panorama beyond *Santismo* is that of a series of armies (parties) with soldiers but without a general”

because he is facing an opposition that is divided (especially on the left) and without great influence (Zuluaga is not very well-known and lacks Uribe's rapport). The President has also been gradually recovering in the polls, with the impact of the demonstrations and social protests last September diminishing, and his support increased from 29% three months ago to 39% in December.

The President is also clearly improving in the voting intentions: in a poll by Gallup Colombia in November, Juan Manuel Santos gained almost double the voting intentions (27%) of the candidate Zuluaga, who gained 14.9%. In December, his share of the voting intentions rose 11.5 percentage points to reach 38.5%, whilst that for Zuluaga fell 1.3 percentage points.

Santos, who is not a man known for his charisma, occupies the centre of the political spectrum, supported by the strongest party organisations in the country: the historic Liberal Party (*Partido Liberal*), Radical Change (*Cambio Radical*) and the Social Party of National Unity (*Partido de la U*). To his right stands *Uribismo* and the Conservative Party (*Partido Conservador*), and to his left the Green-Progressive Alliance (*Alianza Verde-Progresista*), the Democratic Pole (*Polo Democrático*) and the Patriotic Union (*Unión Patriótica*).

The scene beyond *Santismo* is that of a series of armies (parties) with soldiers but without a General (which is

the case for the Conservatives and the various small groups on the left) and a General (Uribe) without an army, since *Uribismo* has its followers and popularity but its party structure is weak and without figures of the stature of the former President. Zuluaga is relatively unknown among the population, which can only be compensated in part thanks to the support of Álvaro Uribe who has even given his name to the platform that supports Zuluaga, who is the candidate for the Uribe Democratic Centre (*Uribe Centro Democrático*).

To the right of Santos, *Uribismo* for now has the exclusive with its presidential candidate and its candidate for the Senate. However, some conservatives are considering the possibility of abandoning Santos and going with their own candidacy. They have been out of power since 2002 and since that date have been limited to supporting other candidates (Uribe in 2006). When they did go it alone, as in 2010 with Noemi Sanin, they won only 6% of the vote. The figure that emerges as a possible conservative candidate is Marta Lucía Ramírez, who was a Minister in the Uribe administration. However, there is also a Santos wing inside the conservatives that seems to control the party apparatus, and another that even suggests a third way, forming a coalition with Uribe.

At the moment, division and a lack of clarity are rife in the left-wing. Without Antanas Mockus (who in 2010 fought the second round against Santos), who will

“With the presidential election very clearly in favour of Santos, attention should be focused on the March legislative elections”

not even lead a Senate list, the list of possible presidential candidates has multiplied. Clara López, one of these left-wing candidates for the presidency with the Democratic Pole party, admitted to these problems when she commented that many candidacies are emerging, which “generates distortion and difficulty” in terms of presenting a unified alternative proposal, “due to the range of parties and the distances between the proposals”.

Among the other left-wing forces we can highlight the Patriotic Union (*Unión Patriótica*), which recovered its legal status after a decision by the Council of State, and has chosen Aida Abella as its presidential candidate, who after 17 years in exile after an attack against her, has returned to Colombia. The left-wing Patriotic Union Party (*Unión Patriótica, UP*) is heir to the one that existed in the 80s, a time when more than 4,000 of its members were assassinated.

In theory the strongest group on the left is the Green-Progressive Alliance (*Alianza Verde-Progresista*), where the candidacy is being fought out between the former mayor Enrique Peñalosa, and the Senators John Sudarsky and Camilo Romero. One of the great favourites, the former governor of Nariño, Antonio Navarro, who, according to a recent Gallup poll has an approval rating of 51%, has dropped out of the presidential race. Navarro made the poor condition of the left-wing clear

when he confessed that the project to unify the different parties was “very disorganised” and that they could not find a mechanism to choose a single candidate to fight against Santos and Óscar Iván Zuluaga, from the Uribe Democratic Centre.

So, with the presidential election very clearly in favour of Santos, attention should be focused on the legislative elections in March where everything indicates that the Uribe wing, with Uribe himself as a candidate for the Senate, will achieve very good results (20 legislators). This will give Uribismo a great deal of room for maneuver at a decisive moment in which, presumably during 2014, a definitive agreement will be reached with Farc, which must then be endorsed through a referendum. Uribismo is against the current negotiation process and if it has a large number of legislators it can determine the running of the process.

5. PANAMA, THE STRUGGLE TO TAKE OVER FROM MARTINELLI

Since the restoration of democracy in 1989 the country's two major political forces, Torrijismo of the Democratic Revolutionary Party (*Partido Revolucionario Democrático*) and Arnulfismo have alternated power in Panama. From 1989 to 1994 it was ruled by Guillermo Endara of the Arnulfismo movement, who was succeeded by Ernesto Pérez Balladares of

“In a campaign, the most important factor is the candidate or the group that backs them, which in the case of José Domingo is the government and its actions”

the Democratic Revolutionary Party. Later, the direct heirs of the two great historical leaders have ruled, one after the other: Mireya Moscoso (1999-2004), widow of Arnulfo Arias, and Martín Torrijos (2004-2009), son of General Omar Torrijos.

This dynamic was broken in 2009 with the victory of a movement outside the two traditional parties. Democratic Change (*Cambio Democrático*), the party of the current President Ricardo Martinelli, which was in alliance with the Panamanian Party (*Partido Panameñista*) (*Arnulfista*).

This alliance was ultimately precarious, as the current Vice President of the Republic, Juan Carlos Varela, of the Panamanian Party, was dismissed from his post as Minister of Foreign Affairs by the Head of State, and this ended up destroying the coalition.

During his term, Ricardo Martinelli has failed to amend the constitution to allow him to stand for re-election, so in the 2014 presidential elections the battle to take over from him involves a candidate close to him, José Domingo Arias, from the ruling party's Democratic Change movement (centre-right), and Juan Carlos Navarro, from the Democratic Revolutionary Party (left).

Arias, who is also supported by MOLINERA party (the Nationalist Republican Liberal Movement), has the full support of Martinelli so in reality the presidential elections will be a judgment on the

president's management. He will come up against the opposition embodied by the country's former political forces. “In a campaign, the most important factor is the candidate or group that supports them, which in the case of José Domingo is the government and its actions”, said the Presidency Minister, Roberto Henríquez.

According to a late-2013 poll by the company Ipsos, Arias (former Minister of Housing under Martinelli) gained 29% in the voting intentions of the electorate, with the opposition Navarro at 27%. Meanwhile, the opposition candidate Juan Carlos Varela, from the Panamanian Party, gained around 21%. In addition, the left-wing will be represented through the recently formed Broad Front for Democracy (*Frente Amplio por la Democracia*, *FAD*) with its candidate Genaro López.

Arias's trump card lies in the popularity of Martinelli: the President boasts a 68% approval rating for his management, whereas a year ago it was 52%. Social programs such as benefits for the elderly without pensions, called “100 a los 70” (100 for the over 70s), the construction of the Metro in the capital, the “universal scholarship” for students and the lifelong pension for those poisoned in 2006 by a substance mixed with medicines from Social Security (12%) explain the popularity of the president.

The President of Panama will be elected in the 2014 elections, as will the 71 members of the

“The political opposition is flailing around with an approach which lacks direction, content and proposals. The true opposition is concentrated in the mass media”

National Assembly (Parliament), the 20 members of the Central American Parliament, 75 mayors, as well as 632 town councillors and representatives with their respective substitutes. At the moment, the candidates for President of the Republic are holding talks to decide who will be the best running mates (Vice Presidents), and these announcements must be made before 2 February.

6. BRAZIL, DILMA ROUSSEFF THE UNDISPUTED FAVOURITE

The popular protests of June and July 2013 raised doubts about Dilma Rousseff's re-election in 2014. However, the President's ability to channel discontent and the gradual decrease in protests has led to Rousseff yet again being the hot favourite to win the presidential elections on 5 October 2014 which would extend the dominance of her party, the PT, to 16 years. Despite the improvement, Rousseff's popularity (increasing from 54% to 56%) has not yet returned to the 79% level seen last March before the wave of protests.

At the moment Dilma has no real rival to the right (Aécio Neves, from the PSDB) or the left (neither the environmentalist Marina Silva nor her ally, the socialist Eduardo Campos). The latest poll by Datafolha, in December, suggests that Rousseff would win 47 percent of the votes, compared to 19 for Neves and 11 for Campos.

For the analyst Eric Nepomuceno, “the political opposition is flailing

around with an approach which lacks direction, content and proposals. The true opposition is concentrated in the mass media”. And he adds: “The PSDB has a campaign slogan: *mudança com segurança*, or in other words, change, but safely. However, they are incapable of clarifying what they want to change, and what they understand as safe changes. What remains clear is the absolute inability of both Neves (or, alternatively, Serra) and Campos (or Marina Silva) to present a convincing alternative. They did not do so at the peak of Dilma's unpopularity in June (her government had a 65% approval rating in March, which collapsed to 30% in June and recovered to 44% in October), nor are they doing so now. Nor did they have the elements to prevent her recovery”.

The approval rating for the President's government has increased by six points and has now reached 43%, ten months before the presidential elections, according to a poll by IBOPE. This represents a significant recovery, having fallen to 31% in July following the protests. The increase in the popularity of the Rousseff government owes much to its ability to react to the protests, with programs like “*Más Médicos*” (More Doctors), which involved the recruitment of thousands of foreign doctors, mainly Cubans, to provide a service in the most remote and poorest areas of the country. It is estimated that around 23 million people have received medical attention thanks to this plan.

“Since 2010 Bolivia has been politically stable (based on the dominance of the President and his party) and economically stable with growth rates of 5% and 6% in recent years”

Dilma Rousseff has also strengthened her ties with the political coalition that supports her, ties which had been loosening over previous months. The president has gone back to her party base and has managed to discipline the vote. As recorded in the newspaper *Folha de Sao Paulo*, “in August, Dilma visited the presidents of the Chamber, Henrique Alves (PMDB-RN), and the Senate, Renan Calheiros (PMDB-AL). Dilma also authorised the approval of amendments to allocate resources to projects submitted by Congress members to look after their electoral bases”. In addition, meetings with the party leaders have become more frequent, and the Minister of Education, Aloizio Mercadante (a strong man and close ally of Rousseff), has become the de facto link and spokesperson with Congress.

They will, however, have to be very aware of the coalitions forming, as these will be vital in ensuring governability and the ability to command majorities in Congress. This is also very important because the next PT and Rousseff government should undertake profound reforms to the Brazilian economic model (protectionist and with high levels of tax) which already shows clear signs of exhaustion. Everything indicates that the ruling party's allied base will continue to be formed by two major parties (the PT, of the President, and the centrist PMDB) as well as by a set of small parties. The exit from the coalition of the PS would be covered by new formations such as the PSD under Gilberto Kassab

(a spin-off from the PSDB) and PROS under the Gomes brothers (a spin-off from the PS).

7. BOLIVIA, AND THE PLEBISCITE RE-ELECTION OF EVO MORALES

Evo Morales not only wants to be re-elected as president in the presidential elections to be held on 5 October 2014, but wants to do so in an outright fashion, winning more than 70% of the vote. To achieve this, there is intense activity including new political alliances and short-termist measures to increase popular support.

Morales, elected in 2005 and re-elected in 2009, bases his hopes on the successes of his administration: since 2010 Bolivia has been politically stable (based on the dominance of the President and his party) and economically stable with growth rates of 5% and 6% in recent years. The ruling party has clearly expressed and not hidden its goal of not just winning (something which is taken for granted) but of gaining the backing of three quarters of the Bolivian electorate. “The goal for me is to win 74% of the votes in each election, an increase of 10%, and it is in our hands, we have the program, we have the principles, we have the party, we have the program, which is to understand each other better and win in emphatic style”, commented Morales.

To achieve this, his strategy is very varied. For example, he has expanded his network of alliances and supports, including

“The Broad Front is heading for its third term in office under the guiding hand of its main historical figure, Tabaré Vázquez”

the formerly powerful (in the 80s) Bolivian Workers' Centre (*Central Obrera Boliviana*). In addition to these alliances, some short-term measures, such as the double bonus decree, are clearly becoming electioneering initiatives. The president ordered the payment of a “double bonus” for state workers due to the growth in the economy which stood at 6.5% in 2013.

In the political field, Morales has also managed to convert the MAS into the only party with national coverage and activity. This contrasts with the heterogeneous and divided opposition that possesses above all local and regional power in La Paz (Juan del Granado and his Movement Without Fear (*Movimiento Sin Miedo*)) and in Santa Cruz (Rubén Costas).

The two most serious problems for Evo Morales' opposition are the division that is rife in its ranks and the heterogeneity of its proposals that makes it impossible for them to work together.

There are currently three main forces that are the favourite groups to lead the *antievismo*: that led by Juan del Granado, the Movement Without Fear (*Movimiento Sin Miedo, MSM*), that of Samuel Doria Medina, the Broad Front (*Frente Amplio*), whose base is the National Unity (*Unidad Nacional, UN*); and Rubén Costas, of the Social Democratic Movement (*Movimiento Demócrata Social, MDS*).

These three represent centre options (Granado centre-left and former ally of Morales, Medina centre, and Costas centre-right) but the different personalities and agendas cause problems when it comes to working together.

The polls show that the best placed opponent is the businessman and leader of National Unity, Samuel Doria Medina, with 12% of voting intentions. The governor of the Santa Cruz region, Rubén Costas, has the support of 9% and the former mayor of La Paz and former ally of Morales, Juan del Granado, has 6%. It is Del Granado who is most clearly looking to associate himself with the old forces that hoisted Morales to power. As the former ally of the current President he is trying to win over to his side the indigenous vote, along with a certain element of the left-wing disappointed by Evo.

Samuel Doria Medina's proposal is even more ambitious: to form a mega-coalition of heterogeneous forces to defeat Morales. This is what is known as the Broad Front (*el Frente Amplio*). Medina's party, the National Union (*Unión Nacional*), has been the driving force behind this coalition which has now been joined by the National Revolutionary Movement (*Movimiento Nacional Revolucionario, MNR*), which was the most important party in the country between 1952 and 2003, the New Partnership Bolivia (*Nueva Alianza Bolivia, NAB*), the Democratic Left (*Izquierda Democrática*), New Citizen Power (*Nuevo Poder*

“The presidential elections due to take place in Latin America in 2014 will reaffirm the political trends establishing themselves in the region for almost a decade”

Ciudadano, NPC), PAIS and the Cochabamba Collective (Colectivo Cochabamba).

Given the impossibility of taking the presidency from Morales, the opposition will in reality be looking for a plan B: preventing MAS, the President's party, from continuing to control two-thirds of the legislature. The analyst Elena Argirakis explains that the opposition has “little” chance of beating Evo Morales in the 2014 elections. So, the strategy will be to “block” the MAS, preventing it from reaching the 2/3 in the Plurinational Legislative Assembly.

8. URUGUAY, DOMINANCE OF THE BROAD FRONT AND THE RETURN OF TABARÉ VÁZQUEZ

The Broad Front is heading for its third presidential term in office under the guiding hand of its main historical figure, Tabaré Vázquez. The elections will take place on 26 October with the starting favourite being the left-wing coalition that first came to power in 2005, with Vázquez as the candidate, and later repeated the triumph with José Mujica (2010-2015).

In 2004 the Broad Front, formed in the 70s, broke the historical whites-reds (blanco-colorado) duopoly and has become the force dominating the two traditional parties. As noted by the Uruguayan political scientist Óscar Bottinelli, “in Uruguay the traditional two-party system, which announced itself in 1825 with the Rivera-Lavalleja rift, consolidated itself

in 1836 with the whites-reds axis and remained unscathed for 135 years, until challenged in 1971 by the emergence of the Broad Front. A little later, we reached the perfect three-party system in 1994 (32 members from the Colorado Party, 31 from the National Party, and 31 from the Broad Front). That line was crossed in 1999, with the FA gaining in popularity and taking almost 40% of the vote. This implied a very important sector, facing another that had the majority. In 2004 the country was divided in half, with the FA to the left and the reds and whites to the right”.

Tabaré leads the polls and there is also a broad consensus that he is the favourite to win. The perception is widespread: 77% believe that the next president will be Tabaré Vázquez. Working against him are the high inflation (over 8%), the increase in insecurity, the internal fighting in the Broad Front and the PLUNA scandal that saw the Minister of Economy, Fernando Lorenzo, lose his post.

Two figures stand out in the opposition, waiting for internal elections to be held. The presidential pre-candidate for the National Party (or white party) and leader of the internal faction National Future, Jorge Larrañaga, and Senator Pedro Bordaberry of the Colorado Party.

There could well be a second round, which is an incentive for the two opposition forces, the two traditional forces, to join together in that ballot. Also at play

“Competitive authoritarianism has emerged strongly in the Andean countries. The most notorious case over recent years is Venezuela”

is the majority in the legislature. If the Broad Front does not win in the first round this majority could be in serious danger.

CONCLUSIONS

The presidential elections due to take place in Latin America in 2014 will reaffirm the political trends establishing themselves in the region for almost a decade.

These are political heterogeneity, the continuity of certain forces that have led to political dominance and the trend in some countries for the consolidation of strong personality-based leaderships that in certain cases turn into “competitive authoritarianism”.

Regional heterogeneity

In terms of political heterogeneity, it should be noted that the reality in the region is far from the theories that suggest that with victories such as that of Michelle Bachelet in Chile, Latin America is turning to the left. This view is very reductionist and simplistic and it overlooks the nuances of a very heterogeneous region.

In reality, we have a region in which three major political trends dominate (centre-right, centre-left and “*socialismo del siglo XXI*” (socialism of the 21st century) or better said, national-populist movements) and where the different left-wings cannot be encompassed by a single category. The left-wing that is embodied by Michelle Bachelet or Dilma Rousseff is not the same as that

embodied by Evo Morales, Nicolás Maduro or the late Hugo Chávez.

The leftism of the “*socialismo del siglo XXI*” (Daniel Ortega, Evo Morales, Nicolás Maduro and Rafael Correa) has not created favourable environments for investment in the countries (especially in Venezuela and Argentina, not forgetting the expropriations in Bolivia) and its style of government tends to competitive authoritarianism.

This term, used by the academic and political scientist Steven Levitsky, sheds much light on the nature of this type of government, so far from the ideals of the social democratic left: “Competitive authoritarianism has emerged strongly in the Andean countries. The most notorious case in recent years is Venezuela. Democratically elected, Hugo Chávez used plebiscite mechanisms and the oil revenue to concentrate power, impose a new Constitution, and use the State's institutions and resources to gradually squeeze out the opposition”.

“Bolivia and Ecuador are “milder” cases, but they have also become competitive authoritarianisms. In democracies, former presidential candidates are not exiled (Bolivia), members of Congress are not dismissed en-mass (Ecuador), and Presidents do not win court cases, with harsh sentences, against the newspapers (Ecuador)”, Levitsky concludes.

In Latin America, not only is the left-wing very heterogeneous

“Unlike the 90s when the region was dominated by “neo-liberal” style governments, Latin America is currently showing itself to be varied, heterogeneous and with strong internal differences”

and difficult to encompass within a single category, but there are also three large political trends co-existing in the region. In 2006 there was talk of a “turn to the left”, forgetting not only the heterogeneity of that left but also the existence at that time of the centre-right parties in power, like the PAN in Mexico and *Uribismo* in Colombia.

Now the situation is even more marked, as the centre-right governs as a majority in North America (the PRI of Enrique Peña Nieto in Mexico), in Central America (Otto Pérez Molina in Guatemala, the President-elect José Orlando Hernández in Honduras, Laura Chinchilla in Costa Rica and Ricardo Martinelli in Panama) and in the Caribbean (Danilo Medina in the Dominican Republic).

In other words, there are centre-right governments in six out of the eight countries in this area, with the exceptions being Mauricio Funes in El Salvador (who heads an executive of the democratic and reformist centre-left, with serious differences with the former Marxist guerrilla organisation FMLN) and Daniel Ortega in Nicaragua.

In South America the situation is more balanced, but also heterogeneous. In this case, there are three centre-right governments (that of Juan Manuel Santos in Colombia, Horacio Cartes in Paraguay and still Sebastián Piñera in Chile), three centre-left ones (Ollanta Humala in Peru, Dilma Rousseff

in Brazil and José Mujica in Uruguay) and four of the also heterogeneous *socialismo del siglo XXI* (socialism in the 21st century) and its allies (Nicolás Maduro in Venezuela, Rafael Correa in Ecuador, Evo Morales in Bolivia and Cristina Kirchner in Argentina).

It is a question, therefore, of a region divided into three practically equal thirds, where none of the trends is overwhelmingly dominant and where electoral changes retain the co-existence of these trends.

So, the presidential elections in 2013 have been a true reflection of this situation: the candidates from “*socialismo del siglo XXI*” (socialism in the 21st century) won in Ecuador in February and in Venezuela in April, the centre-right won in Paraguay and Honduras, and the centre-left in Chile.

The conclusion is that, unlike in the 90s when the region was dominated by “neo-liberal” style governments, Latin America is currently showing itself to be varied, heterogeneous and with strong internal differences.

Continuity and new dominant forces

The latest elections held in Latin America in 2013, and those looming in 2014, paint a picture of the increasing dominance of certain parties, with the return of charismatic leaders and supporter movements that in their day were

“The dominance of *Chavismo* in Venezuela with Hugo Chávez, and without him, dates back to 1999 and is now being repeated in other countries with the dominance of Evo Morales in Bolivia since 2005, Rafael Correa since 2007 and Daniel Ortega since 2007”

dominant in the exercising of political power.

In this report we understand a party, movement or leader to be dominant if it has won at least three elections (as is, for example, the case of Rafael Correa in 2013) or where everything points to its winning a third (for example, like Evo Morales in 2014).

In the region there is a wide plurality of types of political dominance: those that are uninterrupted, such as *Chavismo* in Venezuela since 1998, others that have suffered some minor interruptions (*Peronismo* in Argentina has held executive power since 1989 with only one exception, the two-year period 1991-2001) and others that, after losing the presidency (the PRI in Mexico in 2000, the Colorado Party in Paraguay in 2008 and the *Concertación chilena* (Chilean coalition) in 2010) are now returning to power (the PRI in 2012, the Colorado Party in 2013 and the Chilean coalition in 2014).

This phenomenon has been seen with Michelle Bachelet: the coalition that was dominant in ruling Chile from 1990 to 2010, the *Concertación*, now called *Nueva Mayoría* (the New Majority) has regained power, with the addition of the Communist Party. It is essentially the same block that has dominated power in the Andean country since the end of the authoritarian Augusto Pinochet regime and it has not undergone profound transformations (beyond the

name). Its return to La Moneda Palace has occurred thanks to the charisma and empathy of Michelle Bachelet, more than to a change or transformation of the coalition.

Other parties that were dominant have also returned to Latin America: this occurred in 2012 with the PRI of Enrique Peña Nieto in Mexico and in the middle of this year in Paraguay with the triumph of *Partido Colorado* (the Colorado Party) of Horacio Cartes. The PRI ruled Mexico, under different names, from 1929 to 2000 and the Colorado Party did the same in Paraguay from 1947 to 2008.

While some old dominant forces have returned to power, others seem to have kept a tight grip on that power. This is the case of the PT in Brazil that under the guiding hand of Luiz Inacio Lula da Silva initially (2003-2010) and now under Dilma Rousseff (2011-) is close to ratifying in 2014 its uninterrupted rule until 2018 (a total of sixteen years in power).

The same path has been followed by the Broad Front in Uruguay. It broke the red-white duopoly in 2005 with Tabaré Vázquez (2005-2010) and José Mujica later confirmed its position (2010-). It is now the favourite to occupy the presidency until 2020, with Tabaré Vázquez as its presidential candidate.

Peronismo in its different versions (neo-liberal in the 90s with Carlos Menem, developmentalist in 2001-2003 with Eduardo Duhalde

“Few Latin American countries have escaped this dynamic. Two examples are Guatemala and Peru, where no party has won a second term for the presidency since the return of the democracy in the 80s”

and Kirchnerist since 2003) has held power in Argentina from 1989 to the present day (except for a brief period of two years between 1999 -2001). Everything indicates that the end of the Kirchnerist regime that Cristina Kirchner embodies will give way to a new dominance, also Peronist and headed, perhaps, by the governor of Buenos Aires, the Peronist who is circumstantially allied with Kirchnerism, Daniel Scioli or the dissident Peronist Sergio Massa.

The dominance of *Chavismo* in Venezuela with Hugo Chavez, and without him, dates back to 1999 and is now being repeated in other countries with the dominance of Evo Morales in Bolivia since 2005, Rafael Correa since 2007 and Daniel Ortega since 2007.

Colombia is a special case. Since 2002, the Uribe dominance has been continued by his heir, Juan Manuel Santos, who broke with his political forefather. If it were to win re-election in 2014, the coalition (*Partido de la U* and *Cambio Radical*) who surrounded Uribe and now Santos (with a new addition, the Liberal Party), would extend its dominance to 16 years.

Another notable case is that of the PLD in the Dominican Republic

and the PLN in Costa Rica. Leonel Fernández, leader of the PLD, can be considered as the last leader of Dominican politics as since the political demise of the previous leader, Joaquín Balaguer, he has ruled for 12 out of the last 16 years (except in 2000-2004). The three-time Dominican President (1996-2000, 2004-2008 and 2008-2012) has managed to prolong his presence through the current President, Danilo Medina, political heir to Leonel who has also positioned his wife Margarita Cedeño as Vice President.

Everything seems to indicate that Leonel will try to return to government in the next election in 2016.

In Costa Rica, if the PLN triumphs in the 2014 presidential elections, it will be three continuous presidencies after those of Oscar Arias (2006-2010) and Laura Chinchilla (2010-2014).

Few Latin American countries escape this dynamic. Two examples are Guatemala and Peru, where no party has won a second term in the presidency since the return of democracy in the 80s, and we can also cite Panama where *Arnulfistas* and *Torrijistas* have been alternating power since 1990.

LLORENTE & CUENCA

CONSULTORES DE COMUNICACIÓN

Leading Communications Consultancy in Spain, Portugal and Latin America

LLORENTE & CUENCA is the largest communications consultancy in Spain, Portugal and Latin America. It has 16 partners and more than 300 professionals who provide strategic consultancy services to companies in all business sectors with operations aimed at the Spanish and Portuguese speaking countries.

It currently has offices in **Argentina, Brazil, Colombia, China, Ecuador, Spain, Mexico, Panama, Peru, Portugal and the Dominican Republic**. It also offers its services through affiliates in the **United States, Chile, Bolivia, Uruguay and Venezuela**.

Through its international development, in 2011 and 2010 LLORENTE & CUENCA became one of the most important communication companies in the world, as reflected in the annual Ranking published by *The Holmes Report*. In 2013 it was 51st in the ranking, having risen one place from its 2012 position.

Organisation

CORPORATE MANAGEMENT

José Antonio Llorente
Founding partner and President
jalorente@llorenteycuenca.com

Enrique González
Partner and CFO
egonzalez@llorenteycuenca.com

Jorge Cachinero
Corporate Director of Reputation and Innovation
jcachinero@llorenteycuenca.com

IBERIA

Arturo Pinedo
Partner and General Director
apinedo@llorenteycuenca.com

Adolfo Corujo
Partner and General Director
acorujo@llorenteycuenca.com

Madrid

Joan Navarro
Partner and Vice-President of Public Affairs
jnavarro@llorenteycuenca.com

Amalio Moratalla
Partner and Senior Director
amoratalla@llorenteycuenca.com

Juan Castellero
Financial Director
jcastillero@llorenteycuenca.com

Lagasca, 88 – planta 3
28001 Madrid
Tel: +34 91 563 77 22

Barcelona

María Cura
Partner and General Director
mcura@llorenteycuenca.com

Muntaner, 240-242, 1º-1ª
08021 Barcelona
Tel: +34 93 217 22 17

Lisbon

Madalena Martins
Founding Partner
madalena.martins@imago.pt

Carlos Matos
Founding Partner
carlos.matos@imago.pt

Rua do Fetal, 18
2714-504 S. Pedro de Sintra
Tel: + 351 21 923 97 00

LATIN AMERICA

Alejandro Romero
Partner and Latin American CEO
aromero@llorenteycuenca.com

José Luis Di Girolamo
Partner and Latin American CFO
jldgirolamo@llorenteycuenca.com

Antonio Lois
Regional Director of Human Resources
alois@llorenteycuenca.com

Bogota

María Esteve
General Director
mesteve@llorenteycuenca.com

Germán Jaramillo
President Director
gjaramillo@llorenteycuenca.com

Carrera 14, # 94-44. Torre B – of. 501
Bogota (Colombia)
Tel: +57 1 7438000

Buenos Aires

Pablo Abiad
Partner and General Director
pabiad@llorenteycuenca.com

Enrique Morad
President Director for the Southern Cone
emorad@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP
Ciudad de Buenos Aires (Argentina)
Tel: +54 11 5556 0700

Lima

Luisa García
Partner and CEO of the Andean Region
lgarcia@llorenteycuenca.com

Cayetana Aljovín
General Manager
caljovin@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro. Lima (Peru)
Tel: +51 1 2229491

Mexico

Alejandro Romero
Partner and Latin American CEO
aromero@llorenteycuenca.com

Juan Rivera
Partner and General Director
jriviera@llorenteycuenca.com

Bosque de Radiatas # 22 – PH7
05120 Bosques las Lomas (México D.F.)

Tel: +52 55 52571084
Panama

Javier Rosado
Partner and General Director
jrosado@llorenteycuenca.com

Avda. Samuel Lewis. Edificio Omega, piso 6
Tel: +507 206 5200

Quito

Catherine Buelvas
General Director
cbuelvas@llorenteycuenca.com

Av. 12 de Octubre 1830 y Cordero.
Edificio World Trade Center, Torre B, piso 11
Distrito Metropolitano de Quito (Ecuador)
Tel: +593 2 2565820

Rio de Janeiro

Juan Carlos Gozzer
Executive Director
jcgozzer@llorenteycuenca.com

Rua da Assembleia, 10 – sala 1801
Rio de Janeiro – RJ (Brazil)
Tel: +55 21 3797 6400

São Paulo

José Antonio Llorente
Founding partner and President

Alameda Santos, 200 – Sala 210
Cerqueira Cesar. SP 01418-000
São Paulo (Brazil)
Tel.: +55 11 3587 1230

Santo Domingo

Alejandra Pellerano
General Director
apellerano@llorenteycuenca.com


Avda. Abraham Lincoln
Torre Ejecutiva Sonora, planta 7
Tel: +1 8096161975

ASIA

Beijing


Sergi Torrents
General Director
storrents@grupo-11.com

2009 Tower A. Ocean Express
N2 Dong san Huan Bei Road, Chaoyang District
Beijing - China
Tel: +86 10 5286 0338

 Corporate webpage
www.llorenteycuenca.com


 Corporate blog
www.elblogdellorenteycuenca.com

 Twitter
<http://twitter.com/llorenteycuenca>


 Centre of Ideas
www.dmasilllorenteycuenca.com

 UNO Magazine
www.revista-uno.com

 YouTube
www.youtube.com/LLORENTEYCUENCA

 LinkedIn
www.linkedin.com/company/llorente-y-cuenca

 Facebook
www.facebook.com/llorenteycuenca

 Slideshare
www.slideshare.net/LLORENTEYCUENCA



d+i is the Centre of Ideas,
Analysis and Trends at LLORENTE & CUENCA.

Because we have a new macroeconomic
and social script. And communication is not
lagging behind. It is progressing.

d+i is a global combination of relations and
exchange of knowledge that identifies,
focuses and transmits new communication
patterns from an independent position.

d+i is a constant flow of ideas moving
ahead of new trends in information
and business management.

d+i LLORENTE & CUENCA exists because
reality is not black or white.

www.dmasillorenteycuenca.com

d+i LLORENTE & CUENCA