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ABSTRACT

This paper tries to link the topic of political finance to the wider question of democracy and political parties in Latin America. By doing so, it aims at providing a conceptual framework within which the subject of political finance could acquire some centrality, hitherto missing in both the academic literature and current debates. The first section examines the extent to which, in spite of renewed democratic developments in Latin America during the last two decades, dominant views of democracy in the region continue to neglect and even undermine the significance of political parties and elections in the workings of democracy. This is followed by a discussion of how prevalent concepts of democracy can impinge on the course of political reform. Admittedly any attempt at establishing such a link is fraught with difficulties, and I only venture a few suggestions by looking at the debate among opinion makers and legislators regarding the prospects for political reform in a single country: Colombia. In the last section, I discuss how public funding—a trend visible in most Latin American countries, apparently adopted to fight corruption and to guarantee equality—may be affecting political parties and party systems in the region. A central, underlying assumption of this paper is that ideas are paramount in shaping the course of policy making, thus conditioning any process of political reform.

RESUMEN

Este ensayo intenta vincular el tema de las finanzas de la política con una discusión más amplia sobre la democracia y los partidos políticos en América Latina. En este sentido, busca ofrecer un marco conceptual dentro del cual dicho tema pueda adquirir alguna centralidad, hasta ahora ausente tanto en la literatura académica como en los debates de opinión sobre las políticas públicas. La primera sección del ensayo examina cómo, a pesar de los nuevos desarrollos democráticos en Latinoamérica durante las pasadas décadas, las visiones dominantes sobre la democracia en la región continúan despreciando y hasta minando el significado de los partidos políticos y de las elecciones para el funcionamiento de las democracias. Esta sección es seguida por una discusión sobre cómo los conceptos dominantes de democracia pueden afectar los cursos de las reformas políticas. Cualquier intento de establecer tales vínculos—hay que admitirlo—se tropieza con dificultades, y sólo aventuro algunas sugerencias tras examinar el debate entre formadores de opinión y legisladores sobre las perspectivas de la reforma política en un solo país: Colombia. En la última sección, discuto cómo el régimen de subsidios públicos para las campañas y los partidos—una tendencia visible en la mayoría de los países latinoamericanos, en apariencia adoptado para combatir la corrupción y garantizar la igualdad en la competencia electoral—, puede estar afectando los partidos políticos y los sistemas de partido en la región. Una premisa central subyacente en este ensayo es que las ideas son fundamentales en condicionar el curso de las políticas públicas, determinando así en buena medida los procesos de reforma política.
INTRODUCTION

On its twenty-fifth anniversary, the influential Spanish newspaper El País convened a forum of prominent intellectuals on the prospects for Latin American democracies in the new millennium. The Mexican novelist Carlos Fuentes gave a gloomy view of the future: Latin American democracy, he noted, was in “danger.” The colonial legacy still weighed heavily on the region, as a “painful warning” of possible things to come. In addition to the Spanish past, Fuentes referred to the processes of state reform in the last decades, to the rise of civil society, and to the internationalization of the economy. Absent from his reflections on democracy were the political parties. There was no mention of electoral campaigns, nor were there any references to threats against political and civil liberties. Fuentes’s analysis focused on the persistence of injustice and poverty in the region. If democratic institutions do not deliver prompt economic and social results, he concluded, Latin Americans run the risk of returning to their oldest and most rooted tradition: authoritarianism.1

Fuentes’ predictions have not materialized nor do they seem likely to do so, but the path of democracy in many Latin American countries remains crisis prone. My interest in Carlos Fuentes’s reflections, however, is to illustrate the notion of democracy that still prevails among significant sectors of public intellectuals in Latin America—a view that defines democracy as a system to deliver welfare to the majority, rather than a set of rules to form governments. It also serves as an introduction to one of the arguments that I would like to pursue here: in the face of a definition of democracy that prefers substantive over procedural issues, the debate among public-opinion makers on the financing of political parties takes second stage. And without the pressure from public opinion, the prospects for effective reform may be doomed.

Democracy in Latin America has attracted a great deal of scholarly attention, particularly since the early 1980s, as democratic regimes were reestablished in most countries suffering from military dictatorship in previous decades. But academic
attention was initially centered above all around issues of democratic “transition” and “consolidation.” At present the focus has shifted to debates over the democratic processes and institutions themselves. Interest in the study of what for a long while were largely neglected topics, such as the organization of parties, electoral campaigns, voter alignments, the reshaping of party systems, judicial reforms or the workings of Congress, is growing, though there is still a vast field to be explored.

The revival of democracy throughout the region also initially encouraged a revaluation of the previously maligned notion of “formal democracy.” However, minimalist, procedural definitions of democracy—closely linked to representative institutions—have long faced strong resistance from currents of thought favoring an ideal type of democracy that is predicated on the achievements of substantial social equality. Representative democracy in the region has been further challenged by demands for participation, in a context where social movements and civil society are favored over political parties and electors. In such a context, I will argue, the debate on the financing of political parties and electoral campaigns is not seen as a high-priority topic.

This does not mean that the subject of party funding has been ignored. A series of scandals related to the financing of electoral campaigns has sparked a movement for political reform throughout the continent. Indeed, corruption has been a major preoccupation in most Latin American countries since the reemergence of democracy during the last two decades. It has been the concern with corruption, and its impact on democratic legitimacy, that has motivated most recent studies of political finance. This phenomenon has not been unique to Latin America. As scandals linked to the financing of political parties and electoral campaigns have erupted from country to country in a large number of well-established democracies in the industrial world, the “third wave” of democratization has been accompanied by a growing scholarly attention to issues of political finance and, in particular, to the corrupting influence of money in democratic politics. The topic of political finance in Latin America has not been isolated from these...
worldwide concerns. In addition, a preoccupation with the question of fair electoral competition in the process of democratization has also encouraged interest in the subject. In sum, as outlined by Mayne and Perusia, the major concerns behind this new interest, and indeed the motivations for reforming political financing have tended to be: “promoting …equality in electoral competition; lowering financial barriers for individuals to run for political office; reducing the extent to which politicians’ policy decisions are oriented toward appeasing their financial backers…; and lowering the risk that dirty or illicit money will corrupt the system and undermine the rule of law.”

Thus we can now consult a new body of literature, although the study is still in its infant stages. This effort has been fruitful in providing us with a comprehensive picture of the different legal frameworks and some of the major features of the funding of political parties and electoral campaigns in Latin America. It has also shed some light on many of the funding challenges encountered in the recent processes of democratization—such as the risks of corruption and the needs for transparency. And it has been useful in identifying a research agenda that merits further development, including the vexing and difficult questions of how much do elections really cost and where exactly is the money coming from.

What has been generally ignored in the discussion, however, is the impact that any political finance regime has on the nature and organization of political parties—the key actors of modern liberal democracies—and their respective party systems. The state of parties and party systems do not seem to figure high among the objectives of political financing reform outlined above by Mayne and Perusia. There is a need for reconsideration, particularly in the face of an overall trend in Latin America that seems to support an expanded role for public subsidies in the financing of parties and electoral campaigns.

This essay tries therefore to link the topic of political finance to the wider question of democracy and political parties in Latin America. By doing so, it aims at providing
a conceptual framework within which the subject of political finance could acquire a
centrality hitherto missing in both the academic literature and current debates. The next
section examines the extent to which, in spite of renewed democratic developments in
Latin America during the last two decades, dominant views of democracy in the region
continue to neglect and even undermine the significance of political parties and elections
in the workings of democracy. This is followed by a discussion of how prevalent concepts
of democracy can impinge on the course of political reform. Admittedly any attempt at
establishing such a link is fraught with difficulties, and I only venture a few suggestions
by looking at the debate among opinion makers and legislators regarding the prospects
for political reform in a single country: Colombia. In the last section, I discuss how
public funding—a trend visible in most Latin American countries, apparently adopted to
fight corruption and to guarantee equality—may be affecting political parties and party
systems in the region.

A central, underlying assumption of this essay is that ideas are paramount in
shaping the course of policy making, thus conditioning any process of political reform.11
Perhaps no other concept is so significant to modern politics than that of “democracy,”
and it is precisely here where our enquiry should start.

THE SHORTCOMINGS OF “DEMOCRACY” IN LATIN AMERICA

The idea of “democracy” has been the focus of a long-standing and rich debate, which
should not detain us here.12 However, it is important to look at the dominant notions of
democracy in Latin America, and the extent to which such notions might determine not
just the level of public interest in political finance but the very prospects of reforming the
existing state of affairs.

This is not an easy task, as any examination of the subject could be held on at
least three levels, taking into account the views of academics and public intellectuals, of
legislators and policy makers, and of the public at large. Of course they are all closely
interrelated in a democratic environment, where public opinion is a key component to
the decision-making process. Given the sheer complexity of the subject, the aim of this section is limited: it offers just a brief outline of what I consider to be the major historical trends in the understanding of democracy in Latin America, trends that have often been echoed by scholars outside the region.

Following the recent wave of democratization, there was a perception that democracy defined in procedural rather than substantive terms was finally prevailing in Latin America. In the early 1990s, Scott Mainwaring observed that there was an increased intellectual commitment to democracy and a “notable shift” in how the concept was being employed by social scientists. The derogatory expressions “formal” and “bourgeois democracy” were abandoned; so was the insistence “that political systems with marked social and economic inequalities were not truly democratic.” “To a considerable extent,” Mainwaring concluded, “Schumpeter’s definition… focusing on electoral competition among political elites and parties, has prevailed.”

It is true that after the initial enthusiasm with the rediscovery of political liberties, following the end of military rule, many of the values of liberal democracy regained currency. There were, however, some paradoxical cases. In Colombia—one of the few countries that did not go through the harsh experience of dictatorship—a democratic regime persevered in spite of the dominant view among opinion makers that democracy was merely “formal,” devoid of any real contents—a feeling that has persisted to this day. (I will return to this below.) Furthermore, anti-liberal and illiberal notions of democracy soon resurfaced elsewhere, accompanied by associated ideas that tend to undermine the primacy of representation.

In the mid-1990s, the form adopted by some Latin American democracies prompted Guillermo O’Donnell to label them “delegative democracies”—a term that since then has become familiar in the literature. The regimes in Argentina, Peru, Ecuador, or Bolivia were “democracies” in Robert Dahl’s sense, but they did “not seem to be on the path toward becoming representative democracies.” The “plebiscitary
tendencies” of such regimes “were detectable… long before the… social and economic crisis” that had erupted at the time. O’Donnell noted that delegative democracies are “not alien to the democratic tradition,” but they are “less liberal than representative democracy.” And even if they belong to the democratic family, they “could hardly be less congenial to the building and strengthening of democratic political institutions.”

“What kind of democracy is emerging in Latin America?” Laurence Whitehead had asked in a similar skeptical note regarding the future of liberal democracy, as new forms of “plebiscitary” and “populist” democracy became visible. According to Whitehead, no other term was more evocative in referring to the emerging situation in some countries than that of “Cesarismo Democrático,” coined by Laureano Vallenilla Lanz in his classical study on the “sociological bases of the effective constitution of Venezuela,” published in 1919.

It may be worth pausing for a moment at Vallenilla Lanz’s concept, and at other recurrent views of democracy that historically contradicted or undervalued the principles of political representation in the region. Vallenilla Lanz’s Cesarismo Democrático was a defense of a political system without mediators between the ruler and the people. The “Democratic Cesar” was the unconscious expression of the will of the majority, supposedly the manifestation of social equality under a leader. In his view, it was absurd to pretend that any form of impersonal laws or written constitutions were the rule: the personal power of the caudillos was the true, effective constitution of South America, as the caudillos embodied the people and, as such, were able to bring order into anarchy. Stability, economic prosperity, and social order had only been possible in these countries when the popular masses were themselves involved, through the caudillos, in the management of public affairs. Appearing to be a study of the Venezuelan past, Vallenilla Lanz’s Cesarismo Democrático became a defense of Juan Vicente Gómez’s long-lasting dictatorial regime (1909–1934). Some of his arguments would also find resonance today among those in support of plebiscitary and populist forms of democracy.
Vallenilla Lanz’s anti-liberal stand took place in a country under authoritarian rule. But elsewhere in Latin America, where liberal democracy had sometimes made significant inroads since mid-nineteenth century, the concept of democracy was also challenged and redefined during the first decades of the twentieth century. Socioeconomic concerns gradually replaced the priority of liberal constitutional issues in the political debate, a trend that became even more prominent after the 1930s. Some influential political thinkers, like the Colombian Alberto Lleras Camargo, continued to favor a definition of democracy where elections, parties, Congress, and political liberties were paramount. His position increasingly was that of a minority, in the face of other competing ideologies. Meanwhile, the rise of populism in countries such as Argentina and Brazil opened the way for a dominant discourse that conditioned political liberties to the achievements of “economic democracy.” This view was further reinforced by the ideological influences of the 1959 Cuban revolution.

The idea that political liberties—and therefore representative democracy—were meaningless without deep socioeconomic changes was echoed somewhat by a significant number of scholars abroad interested in Latin America, at least from the 1940s onward. Whenever they looked at democratic developments, more often than not they concentrated their attention on the shortcomings of “social democracy” in the region. This was the approach of Kingsley Davis in a 1942 essay. Davis acknowledged that since the early adoption of representative government after independence from Spain, political democracy had not been merely an “empty form” in Latin America. But in his view the key problem was the lack of social democracy, without which political democracy could not develop.

In fact, some social indicators seemed to have improved during the following decade, according to a set of surveys conducted in 1945, 1950, and 1955, and reviewed by Russell H. Fitzgibbon. In Fitzgibbon’s view, there was accordingly ground for optimism: “a more fertile soil for the seeds of political democracy.” This was a
conclusion that hardly fit with the observation that other indicators in the political realm, “civilian supremacy over the military, freedom of party organization, the state of local government, and the nature of elections were thought to be in a bad way indeed.” In a later piece, Fitzgibbon and Johnson noted that prevalent definitions of democracy in countries such as Great Britain, Switzerland, and the United States would not be generally accepted in Latin America: while the former countries were inclined “to regard the problem as one of political democracy,… the approach in much of Latin America is likely instead to emphasize social democracy.”

Regardless of the definition, the “second democratic wave” in Latin America came to a halt. By the early 1980s, civilian regimes prevailed in only four countries—Colombia, Costa Rica, Venezuela, and Mexico—although the latter’s democratic credentials, under firm one-party rule, were highly questionable. Latin America, John A. Peeler observed, was “not very hospitable to liberal democracy.” Peeler did recognize that it was “too easy simply to dismiss” those liberal institutions that the countries of Latin America had adopted since the early nineteenth century. However, he still considered democracy in Latin America to be an “anomaly,” although the “deviant” cases of Colombia, Costa Rica, and Venezuela needed a fuller appreciation. Peeler did not go as far as those like Howard Wiarda, who suggested that the very concept of democracy was probably out of place in Latin America: here “the use of the ‘democratic’ label” implied, in Wiarda’s view, “not just political and economic imperialism but cultural imperialism as well.” Nonetheless, in the end Peeler favored a reconceptualization of democracy supposedly more congruent with “Iberian traditions”: a “developmental and participatory democracy,” a “way of life…emphatically more democratic than liberal democracy.”

This brief historical survey is far from systematic. But it may be helpful to an understanding of why the initial enthusiasm with the rediscovery of representative democracy in the late 1980s was followed so soon by intellectual disenchantment. The bias against liberal democracy in Latin America has a long-rooted tradition—both
within and outside the region. What the fall of the Berlin Wall meant for Latin America was perhaps the end of revolutionary illusions, although some guerrilla movements survived—mostly in Colombia and to a lesser extent in Peru, but also with some manifestations in Mexico. It is also true that among those considered to be on the “left” of the political spectrum, there is today a better appreciation of the values of representative democracy, as acknowledged by Jorge Castañeda in his much acclaimed *Utopia Unarmed.* However, as Castañeda’s account makes clear, there is still a reluctance to accept that liberal democracy in Latin America had been meaningful in the past. Furthermore, in his agenda for “democratizing democracy” there is an implicit notion of democracy that goes beyond a procedural definition. And although Castañeda’s *Utopia Unarmed* values the role of parties and other elements of representation, his overall emphasis is in the direction of participatory democracy.

Latin America’s recent experience with democracy has been subject to a renewed criticism which, as noted by Dieter Nohlen, reappeared in a “surprisingly quick fashion.” Both intellectuals and political scientists are again questioning the quality of democracy along the lines of traditional arguments which aimed at distinguishing “formal” from “substantive” democracy, or “political” from “social” democracy. According to Terry Lynn Karl, “gross economic disparities greatly contributed to Latin America’s past democratic failures and, despite the current complacency regarding democracy’s third wave, they are likely to do so again.”

Complacency? This is hardly the case. Quite the contrary, the general tone has been one of pessimism. And when the bells are rung to call our attention to the threats faced by Latin American democracies today, the clamor is above all about the shortcomings of their social welfare programs and excessive income disparities. Moderate voices are heard: academics like Abraham Lowenthal, politicians like the former Chilean President Patricio Aylwin, or intellectuals like Carlos Fuentes, whose preference would be to enhance social democracy in the region. However, radical voices
dismissive of liberal democracy have also appeared, raising the familiar complaint that “democracy is fundamentally flawed unless it involves major socioeconomic change,” while suggesting an alternative “model,” based on participatory democracy, social movements, and “a holistic approach towards democracy.”

Of course the debate is far from being simple. It is as complex as the plethora of notions of democracy—an “essentially contestable” concept, as Whitehead reminds us. And any attempt at generalizing ought to acknowledge significant national variations. Yet is it possible to discern certain trends in the current discussion. Consider, for example, some of the propositions of the recent United Nations Development Program (UNDP) report, Democracy in Latin America (2004), the result of a consultancy exercise which included a wide array of prominent academics, intellectuals, and political leaders.

The report accepts a definition of democracy where politics have a central place. It notes that “the crisis surrounding political parties is one of the greatest threats to democracy in the region.” And it warns of the possible effects that “mechanisms of direct democracy”—which are increasingly popular—might have in undermining “the institutions of the political system.” However, the concept of democracy embraced by the report is not limited to its procedural dimensions. It explicitly reiterates that its notion “includes, but goes beyond the electoral process,” thus concluding that “we must move from electoral democracy to a democracy of citizens”—their full development “necessitating the complete exercise of political, civil, and social rights.” In the agenda proposed by the UNDP report, the reform of the political parties is a condition of the higher goal of moving “closer to a participatory democracy, in which civil society organizations can expand their involvement in the democratic process.”

While the tone of the UNDP report is one of compromise, the discourse from radical actors is often openly confrontational. When he signed the Organization of American States (OAS) “democratic clause,” President Hugo Chávez of Venezuela raised his hand and said, “we sign this but we have to reserve our vote from representative
democracy: we believe in participatory democracy.”

In Bolivia, as René Antonio Mayorga points out, representative democracy is facing hostile indigenous movements that “seek to destroy democratic institutions and replace them with utopian, ethnic-based, direct democracy and nationalist populism.”

Let me clarify my argument. I am not denying the significance that a participatory civil society may have for the quality of democracy. And of course any democracy gains in strength if it is capable of delivering public goods to satisfy citizens’ demands. But what modern democracy has offered above all is an arrangement—a set of institutions and procedural rules—through which problems such as poverty can be addressed, and an environment of freedom in which civil organizations can proliferate, stimulating the participation of citizens in collective affairs. The basic instruments of liberal democracies have been political parties and elections, which are decried as insufficient by advocates of alternative models of democracy—call it “participatory,” “direct,” “radical,” “popular,” or “substantive.” As Miriam Kornblith has observed regarding Venezuela, “the so-called participatory democracy enshrined in the 1999 constitution devalues representative democracy, [and ] dilutes the prominence of parties as articulators of collective will.”

By undermining such normal channels of interest aggregation in a democracy, the result is, in the end, a lower quality of democracy.

Parties and elections did not grow naturally in Western societies. They historically underwent a sort of rite of passage, while proving to be indispensable in modern democracies. This requires, as Seymour Martin Lipset has noted, “the creation of a supportive culture that fosters the acceptance” of all the rules and procedures that have made them work towards an effective and stable democratic order. It also requires “an almost permanent base of support among a significant segment of the population.”

It is here—in the weakness of parties and party systems—where the shortcomings of Latin America democracy—exceptions like Chile (and surprisingly Mexico) aside—seem to lie. Indeed, it is here where some of the more severe recent crises of democracy
in the region have clearly manifested: in countries such as Venezuela and Colombia, with relatively strong party systems in the past, or in Ecuador and Peru, whose parties have been traditionally weak. And it is here—in the discussion of parties and their basic function in any democracy—where the debate on the financing of politics should take place.

Far from being abstract, notions of democracy do impinge on the way societies value the role of parties. They are particularly relevant to the whole question of political reform, in as much as they can condition the direction of public pressure, and therefore the behavior of governments and legislators.

A climate of opinion under which substantive over procedural notions of democracy prevail may be less prone to accept the urgent need to count on strong parties. Debating parties and their organizations may not be considered a priority in the face of other issues, such as unemployment, health care, or education. Moreover, a public mood favorable to participatory democracy is usually accompanied by indifference or open hostility to parties. In such a context, the prospects for party reform are either left in the hands of politicians (generally unwilling to reform themselves), or the reform movement take turns that are detrimental to party structures.

It is not easy to establish with precision how and the extent to which dominant notions of democracy influence decisions regarding political parties and their organizations—including their financial regimes. However, a brief look at the recent Colombian experience serves to illustrate some of the general points so far raised in this section.

**“DEMOCRACY” AND POLITICAL REFORM: A COLOMBIAN EXCURSION**

Ever since its reestablishment in 1958, Colombian democracy has been subject to severe criticism. The achievements of the National Front—a system that brought to an end a violent, sectarian conflict between Liberals and Conservatives, during which elections were regularly held and political liberties generally prevailed in an area of the
Colombian representative democracy underwent a process of delegitimation among intellectuals. The usual pejorative labels of “formal” and “bourgeois” were often applied to a democracy that was increasingly under siege by drug cartels and guerrilla groups. Condemnation of liberal democracy was common at the time in Latin America and elsewhere. However, according to Eduardo Pizarro Leongómez, while in the rest of the continent intellectuals had rediscovered the values of liberal democracy by the 1980s, in Colombia they remained long attached to their critical, pejorative views. The language condemning liberal democracy persevered among Colombian intellectuals, politicians and academics. Once and again, leading figures such as Carlos Gaviria—former president of the Constitutional Court, 2006 presidential candidate, and the leader of the Polo Democrático Alternativo (Alternative Democratic Pole)—has repeated the idea that “in Colombia... democracy as such does not exist. There cannot be political democracy where there is no social democracy.” Former President Alfonso López Michelsen expressed similar views in his highly influential weekly newspaper column. Academic analyses have also questioned the validity of representative democracy—as shown in a recent essay by Andrés Hernández Quiñones, who in his critique of the various models of liberal democracy raises doubts about the effectiveness of periodic elections to guarantee the public interest, echoes the “disaffection towards the democracy of the parties,” and defends the protagonism of citizens in opposition to that of parties—which are considered to be obstacles to democratic deepening. For philosophers such as Oscar Mejía and Jacqueline Blanco, the challenge is to move from a “restrictive democracy” to a “participatory democracy,” supposedly a “different” democracy from both the European and the North American paradigms.

As liberal democracy was held in low esteem, alternatives notions—participatory or direct democracy—gained currency. In such a context, antiparty feelings prevailed in an ongoing process of political reform whose impact on the party system is still uncertain. And when the issue of political finance attracted some public attention, it was motivated
by reasons other than the need to strengthen political parties. This is not the place to examine in detail the reform movements active in Colombia since at least the 1970s. Suffice it to say that, after several frustrated attempts, the country finally moved ahead with substantial reforms in the mid 1980s with the introduction of popular elections for city majors—and more significantly, with the adoption of a new constitution in 1991.

The movement gained momentum under President Virgilio Barco (1986–90), who in 1988 proposed that Colombians should move from “representative democracy to participatory democracy.” This was the basic political philosophy behind the new constitution that the country adopted under the subsequent administration of César Gaviria (1990–94). Redefining the notion of Colombian democracy, the 1991 constitution introduced a set of new electoral rules, with the purpose of undermining an already fragile two-party system, and various mechanisms to promote direct democracy. It also introduced state financing of electoral campaigns and the ordinary activities of parties and movements, with the aim of bringing a level playing field to electoral competition.

In 1994, a serious scandal erupted after accusations that drug cartel money had gone into the coffers of the Liberal presidential candidate. As a result, the country was immersed into a deep crisis, which encouraged a wide and open debate on the financing of politics, and on the need to introduce further reforms to the political system. At the time, however, the debate was in general highly personalized around the president’s role in the financing of his campaign. A report produced by an independent Commission on Political Reform—which, among other items, suggested that presidential campaigns should be fully financed by the state—passed almost unnoticed by opinion makers, and its proposals did not get the backing of Congress. As new presidential elections approached in 1998, in spite of the scandal and the debate that followed, the legal regime on the financing of politics remained untouched.

Shortly after his election, the Andrés Pastrana government (1998–2002)
introduced a comprehensive project of political reform to Congress. The same week in October 1998 that the project was officially admitted for discussion in the Lower Chamber, a significant number of so-called independent congressmen (opposed to both Liberals and Conservatives) expressed their dissatisfaction with the proposals, arguing that the reform project did not tackle the country’s fundamental issues, such as social justice or unemployment. Two months later, the president of Congress himself—a close ally of fellow Conservative President Pastrana—undermined the significance of the project, by pointing out that what the country needed was an “integral reform of the state… and above all an extensive social and economic reform.” These dismissals in themselves do not explain the failure of the project, finally voted down by the Senate in 1999. But they do serve to illustrate the point: in the dominant discourse there was little interest in the reform of the electoral system and the organization of parties. The emphasis was on “structural,” socioeconomic change.

Public enthusiasm seemed to have been raised after the government, in another attempt to pursue a political reform, proposed to put the project to a referendum. Although the project seemed aimed at modernizing representative institutions, the minister of the interior backed the initiative by stating that this was the way forward to consolidate “participatory democracy.” The debate among opinion makers centered around the “participatory” mechanism—the use of the plebiscite, and the conflict that ensued between the president and Congress when the plebiscite was proposed. In the referendum, hardly any systematic attention was given individually to any of the project’s eighteen proposals—including major reforms to the electoral system and again full public funding of presidential campaigns.

In the face of mounting opposition from Congress that threatened to destabilize the regime, the president withdrew the proposal for the referendum. Yet a third initiative to go ahead with the reform project emerged, this time from a group of members of Congress itself. And this time the climate of opinion was even more indifferent and
cynical about the issues at stake. “No one gives a damn” about the project, observed an influential columnist in the leading Colombian newspaper, while others suggested that such a discussion only concerned the interests of “politicians”—a term much despised in the language of antipolitics currently in vogue. Two former finance ministers, whose opinions carry some weight, also expressed the view that the discussion of a political reform should not be a priority in the face of an economic crisis and other social problems. Surprisingly the project made it through various hearings in Congress, but once again was voted down by the Senate.

The election of President Álvaro Uribe in 2002 has arguably been the most serious challenge the Colombian party system has faced since the mid-twentieth century. His unprecedented election (as a dissident Liberal candidate and with no competing presidential candidate from the Conservative party), followed by his reelection in 2006, may prove to be the final blow to the dominance of the two traditional parties. Since his first election, the distance between the Liberal party and Uribe’s government has widened, although a significant number of Liberal members of Congress and former ministers have shifted their loyalties to the Uribe camp. The president himself has been reluctant to create a party of his own, though a political reform bill, passed somewhat unexpectedly by Congress in 2003, has forced some his political supporters to realign around various new parties, whose fate is in any case uncertain.

Uribe’s preference, from the start, was to call for a referendum which, similar to Pastrana’s project, included a long list of questions on a wide array of topics. As in the previous debate, public discussion centered around the use of the referendum and its plebiscitary nature. One of the few questions that was hotly discussed was the proposal to introduce participatory mechanisms to approve the budget. Uribe’s style of government has tended to favor instruments associated with direct democracy, such as the regular practice of Consejos Comunales de Gobierno—town hall meetings where local authorities, the president himself, and members of his cabinet discuss the government agenda with the local population.
To be sure, President Uribe’s position towards representative democracy and political parties is not hostile: it can be best described as ambivalent, while his discourse tends to emphasize the benefits of participatory and direct democracy. Nonetheless, given his sympathies with participatory and direct forms of democracy, his critics label him “neopopulist.”

This brief account can hardly do justice to the complexities of the Colombian situation. Political parties have not disappeared. In the past few years, representative democracy has regained strong advocates. Indeed a growing concern with the fate of parties was behind the reform approved by Congress in 2003—though it is still too early to judge its final results. What this section intended to show was how during the last few decades the erosion of a formerly institutionalized party system went hand in hand with the intellectual depreciation and even abandonment of representative democracy. As alternative models of democracy gained currency, political parties—and the very notion of party—were to some extent neglected as central democratic actors. Perhaps this can explain the paradox posed by Bejarano and Pizarro Leongómez: that “efforts to strengthen democracy” in Colombia might have contributed “to its erosion rather than its consolidation.”

This relative lack of public interest in parties did not mean ignoring altogether the problem of political finance, but what motivated any interest in party finances were concerns with corruption and political equality rather than the need to put parties on a firmer footing. Amidst the general indifference or even hostility of public opinion towards political parties, the idea that the state should generously provide for the financing of electoral campaigns gained favor among legislators. This was also the case elsewhere in Latin America. But what are the implications of public funding for the nature of political parties? Will public funding help to strengthen the parties where so far they have been institutionally weak? Or will public funding encourage a divorce between parties and their respective societies? And how in general do political funding regimes relate to party organization? All these questions merit further examination.
THE LATIN AMERICAN TREND TOWARDS STATE FUNDING

The adoption of state funding for political parties and electoral campaigns has been a general movement in Latin America, following a growing preoccupation with problems of political finance.

In this last section, I look at the major motivations behind this trend and open some questions regarding the impact of financial regulations on parties and party systems. Rather than arguing for or against public funding, my interest is to suggest ways to approach political finance issues, whose relevance should be seen in conjunction with that of parties and party systems in representative democracies.

Corruption scandals related to the role of money in politics have been at the center of public debate and new legislation across Latin America. Scandals in Colombia, Brazil, and Venezuela involved their respective heads of state—and in the latter two countries led to their impeachment and resignation. In Bolivia, accusations in 1994 that money from drug cartels had financed the 1987–89 electoral campaigns of one of the major parties (Revolutionary Left Movement, or MIR) involved a former president of the country.67 Colombia under President Samper (1994–98) experienced a serious crisis for similar reasons. Indeed the fear that funds from the illegal narcotics trade would infiltrate the political system has been a focus of particular attention throughout the region.68

Public concern with corruption naturally went hand in hand with the process of democratization, as political and civil liberties made possible the open discussion of political affairs.69 The reemergence of democracy brought to the fore the problem of electoral costs. In addition to the traditional spending—on transport or on treating and bribing voters—the reliance on political consultants, opinion polls and, above all, the mass media have all added to what is perceived as ever-expanding campaign costs. Electoral costs also seem to have been fueled by a series of electoral reforms aimed at deepening democracy.70 A significant number of countries have adopted the double ballot to elect presidents. Popular elections of city majors and provincial governors are
now the rule, and these local elections often take place on different dates than national elections. Plebiscites, referendums and “consultas populares” (“popular consultations”) are becoming relatively frequent events—during the last decade, Ecuador, Uruguay, Guatemala, Colombia, and Venezuela have resorted to these electoral mechanisms.71 Primary elections to select party candidates are now stipulated by law in nine countries, while they are held at least on occasion in Chile, Ecuador, Mexico, Colombia, and Nicaragua.72

However, the real cost of electioneering in Latin America is still largely unknown, although some scandals have brought into the public light the possible figures involved during the last two decades. Collor de Mello’s campaign for the presidency in Brazil in 1989 seems to have cost as much as Clinton’s in the US in 1992—some US$120 million, a high figure in contrast with the estimated cost of President Lula’s reelection campaign more than a decade later, US$42.4 million.73 Yet Brazilian elections, as shown by David Samuels, “are expensive, across the board.”74 The 1994 presidential election in Colombia was not that expensive, but the estimated sum of US$32 million,75 probably spent by all candidates, represented a substantial increase over the cost of previous campaigns. In January–October 1999, the three major presidential candidates in Argentina together spent some US$91 million just on campaign advertisements.76 According to Zovatto, campaign cost for the 2000 presidential election in Mexico amounted to US$234 million. Casas Zamora has estimated that the total cost of all Uruguayan elections from 1999 to 2000 was close to US$40 million.77

As these are all presidential systems, attention has been mostly centered around presidential campaigns. The problem of electoral costs would appear sometimes to be even more serious in local and congressional elections. In the Brazilian state of Sao Paulo, it has been estimated that “candidates for the Chamber of Deputies spent US$200,000 to $5 million on campaigns in 1990 and candidates for the Senate spent $10 million.”78
Thus, throughout the continent, there certainly exists the perception that elections are becoming extraordinarily expensive, although Casas Zamora’s detailed study offers a significant warning against possible exaggerations. A balanced view of the subject would therefore require more systematic research, not only comparing the relative costs from country to country in the region but comparing Latin American problems with similar ones in other democracies.\textsuperscript{79}

Closely related to the issue of cost is the lack of knowledge as to where the money is coming from. In some countries, such as Colombia, scandals related to campaign financing have resulted in revelations about the identity of major donors, and in further pressures from citizen’s organizations for transparency in the managing of political financing. The 1994 scandal revealed significant funding from illegal drug traffickers. But the publication of the names of contributors to the various presidential campaigns in 1998 confirmed what was already known: that a few big donors—including the major financial and industrial groups and companies with state contracts—were responsible for a large proportion of the electoral costs. Monitoring activities, such as those of \textit{Poder Ciudadano} in Argentina, have also served the cause of political transparency. Nevertheless, “opacity” is still the term commonly used to refer to the state of affairs in countries such as Chile, or Venezuela—where it was estimated that 76 percent of the funds for the 1993 elections came from unknown sources.\textsuperscript{80}

In an atmosphere of perceived increasing campaign costs, fears of the corrupting influence of big donors, from both legal and illegal sources, have been the major driving force behind a wave of new regulations related to the financing of political parties and elections. These have been accompanied by a concern for guaranteeing fairness in the process of electoral competition.\textsuperscript{81}

The pace of the regulatory movement of course varies from country to country, but by 2003 even Chile, which previously seemed to have escaped the general trend, was on board. In any case, as in other Western democracies, the debate is far from
settled and the legislation in most countries is changing at a relatively high speed. The new regulatory frameworks are often wide ranging—including norms about disclosure, electoral authorities, access to the media, limits to expenditures and private donations, and public subsidies. An examination of all these regulations is beyond the scope of this paper.82

What concerns us here is the impact that these regulations—the granting of state funds in particular—might have on the nature and organization of political parties and party systems in the region.

The public funding of parties is not a complete novelty in Latin America. Indeed, some countries took an early lead on this front: Uruguay in 1928, Costa Rica in 1954, and Argentina in 1955—all preceding West Germany, which introduced public subsidies in 1959.83 But while most Latin American countries had to wait for further movement, the trend continued elsewhere. Beginning in the mid-1960s, a significant number of other Western democracies introduced state funding of parties and campaigns in various forms and degrees: Sweden (1965), Finland (1967), Denmark (1969), Norway (1970), Italy (1974), Austria (1975), Spain (1977), and France (1988).84

By 1995, according to Katz and Mair, the growth of state subsidies had “come to represent one of the most significant changes to the environment within which parties act.”85 Such an environment “is far from exogenous to the parties,” as parties are in the end “responsible for both the rules regarding state subventions as well as for the amounts of money and resources that are made available.” Katz and Mair observe that in contrast to the classic European “mass party,” which emanates from sectors of the electorate and civil society, “cartel parties”—identified by a symbiosis between parties and the state—are emerging. In this new model of party organization, parties become “absorbed by the state.”86

Until recently, very little attention seems to have been paid to the effect that public funding regimes have had on the party systems which adopted them.87 Indeed, any
funding regime has significant implications for the nature of parties themselves, as Rosa Mulé has suggested in a comparative study looking at the history of political finances in Great Britain, Italy, and West Germany: whether or not party organization developed in a centralized or a decentralized way, or the extent to which parties established links with specific social sectors, partly depended on their respective financial arrangements.  

According to Jonathan Mendilow, public party funding “is capable of generating fundamental changes such as may lead to the restructuring of the entire party system.” Mendilow has looked in some detail at the experience of Israel, where subsidies were introduced in 1969. This was a case of disparity “between intentions and results.” Adopted to close the gap between parties and voters, public party funding in Israel had the opposite effect. Mendilow acknowledged that as a result of state funding, “many emerging parties were enabled to establish themselves… at the expense of the older and larger ones.” But brought about as well was “a qualitative change in the methods, forms and content of party-voter communication.”

A recent study on Spain and Portugal recognizes too the significant impact of public subsidies on party organization. Ingrid van Biezen concluded that “in a democratizing polity in which excessive state funding is introduced when political parties are still in the early stages of development, the close linkage with the state may have removed one of the incentives for parties to establish a more structural relation with civil society.”

It must be underlined that the introduction of subsidies in Western Europe has not always produced the intended results. The subsidies were expected to combat corruption, control the power of lobbying, reduce expenditures, and encourage a level of equality in party competition. Only the latter has probably occurred with some degree of success. As the recent experiences of Italy, Spain, France, and Germany clearly show, state generosity in the financing of politics is not a deterrence to corruption. State generosity has not deflated electoral costs; it might have helped to whet the appetite of politicians for
more money. And state generosity towards parties has had the unintended consequence of widening the gap between parties and electors. Parties need money, true; but the truism that they also need partisans is often neglected. The failures of generous public subsidies to political parties in countries such as Spain have encouraged a move in a different direction, to limit the levels of state support, although legislators have proved resilient to change.

While some European countries, in the light of their experiences, reconsider the role of public subsidies in the financing of politics, in Latin America the general trend seems to go in the opposite direction. There are of course significant variations.

The system in Chile is clearly based on private funding (though there is public access to TV for candidates during election campaigns), in contrast to the one in Mexico where 90 percent of political funding must come from the state. In Colombia, most of the attempts to reform the system since 1994 have consistently included proposals in favor of full state financial support for presidential elections—a measure that seems to have the backing of the major political forces. In 1997, the Argentine government presented a project in Congress banning private contributions to parties. Not all countries have chosen what appears to be an extreme route. But direct state support for the financing of politics is now accepted by sixteen Latin American countries. Up to 1997, the Dominican Republic was the only country whose laws did not allow the state to fund party activities and electoral campaigns, although in reality state funds found their way to parties’ and candidates’ coffers through clientelistic practices.

It is perhaps too early to judge the Latin American experience with public financing of politics—in any case, this should be done individually, country by country. And it cannot be simply assumed that the effects that state funds have had in other Western democracies will be replicated elsewhere, although it should be possible to learn some lessons.

However, rather than inviting a debate on the merits of public funding, what I am suggesting here is to reconsider the way we think about political funding regimes.
As mentioned earlier, the dominant trend in Latin America so far has been to devise regulatory systems aimed at combating corruption, controlling the power of big donors, and leveling the playing field of electoral politics. These aims should not be abandoned. But there is a need to discuss more systematically the subject in terms of the political parties, which are key actors in liberal, representative democracies. This is particularly relevant in some Latin American countries, where democratic stability may be at risk as political parties fail to consolidate themselves as institutions with strong roots in society.

A regime of political financing is neither the only nor the most important variable in explaining the nature and organization of parties. As Kevin Casas reminds us, “the dynamics of the party system is too complex a phenomenon for it to be uniformly affected by SDF (state direct funding).” However, in conjunction with other variables, political financing arrangements could weaken or strengthen party organizations, affect the way they operate, and therefore affect the way they relate to the political system as a whole.

Consider, for example, the case of Brazil and its weakly institutionalized party system. There are surely historical and structural factors that help to explain the decentralized nature of Brazilian parties, and their generally weak social roots. However, individual campaign financing in Brazil serves to perpetuate weak party organizations. Brazilian parties do not provide funds for electioneering: “the money spent by candidates is raised by the candidates.” Candidates are able to raise considerable amounts of money, while party coffers remain pretty much depleted. And candidates are responsible for submitting an account of the campaign contributions after the elections. That individuals and not parties are the major actors in the process of political financing is to some extent the reflection of a system that has developed around candidates and not parties. As David Samuels concluded, “Brazil’s campaign finance law exacerbates the individualistic, personalistic, and antiparty tendencies in its electoral system by providing candidates with strong incentives to raise and spend money independently of their party’s
dictates and by restricting parties’ ability to influence the sources and flow of funds. In contrast, changes in the financial regulations of electoral campaigns—channeling fundraising activities through a party central office, for example—might lead to a stronger role for the parties. The financial regulation of parties accompanied by ill-designed electoral and political reforms can have serious effects on parties and party systems.

CONCLUSION

The ultimate aim of this essay has been to provide a conceptual framework within which issues of political finance in Latin America might gain some salience. Hitherto, the relatively scarce attention paid to this topic has been largely caused by preoccupations with corruption and political equality. Without neglecting these valid concerns, I have suggested that there is a need to rethink the subject in terms of the role of political parties. And a reconsideration of the role of parties may imply a revision of deep-rooted notions of democracy in the region.

My point of departure, therefore, was a reexamination of the ways in which democracy has historically been defined in Latin America, where leading intellectuals and prominent politicians have very often favored plebiscitary over representative forms of government. Their views have had significant resonance in the academic debate abroad. Although procedural concepts of democracy did gain some acceptance beginning in the 1980s, they were soon challenged by calls for participatory and direct democracy, which undermine the role of parties and show little appreciation for the centrality of electoral processes. It is true that what Sartori labeled “new democratic primitivism”—the drive for direct democracy with its accompanying antipolitics stand—has been a worldwide phenomenon. Yet its impact has probably been stronger in a region such as Latin America, particularly in countries with poorly institutionalized parties, where the very notion of representative democracy has in the past met and still meets with so much resistance.
It may be obvious to state that a proper reevaluation of representative democracy is necessary in order to appreciate the centrality of parties and electoral processes. As usual, the obvious must be underlined: only by appreciating their central role in democracies can we accept the subsequent key significance of the issues of party and campaign funding. In addition to the important need for more sustained and systematic scholarship on the subject of political finance, the implications here are twofold. Firstly, in societies where substantive concepts of democracy prevail over procedural concepts, concerns about the rules of representation—including political finance regimes—either take second stage or are ignored in the public opinion debate, thus diminishing the possibilities of effective political reform. Secondly, if parties are not considered central democratic actors, their fate may be ignored when adopting any political financing regime. Let me briefly touch upon both implications.

The extent to which “ideas” influence policy choices has been a focus of enquiry in the field of historical institutionalism. Margaret Weir, for example, has directed our attention to the “diverse links between ideas, political institutions, political actors, networks of experts, and social interests” in the policy-making process. She has also suggested that “the influence of ideas on politics is strongest when programmatic ideas, tied to administrative means, are joined with a public philosophy” (or “broad concepts that are tied to values and moral principles”). I cannot claim to have followed a historical institutional approach in this paper, but intended its “Colombian excursion” to show how successive attempts at political reform in Colombia during the last decades were conditioned by the overarching concept of participatory democracy. I can only offer some tentative links between the factors mentioned by Weir, but the evidence allows me to illustrate how the dominant, substantive notion of democracy in Colombia discouraged public interest in piecemeal reform with regard to party politics. And when concerns were raised about problems of political finance, they were mostly motivated by corruption scandals rather than by interest in modernizing political parties.
In the area of political finance, a visible trend in Latin America has been the adoption of state subsidies for political parties and electoral campaigns—the subject of the latter section of this essay. My aim there was not to question state funding regimes per se—I wanted to raise awareness of the possible impact that any political finance regime has on parties and party systems. But parties and party systems do not seem to have been in the minds of most policy makers, whose regulatory measures have been rather a response to problems of corruption or to the need to level electoral competition. The variety of objectives are not irrelevant. As Michael Pinto-Duschinsky has noted, “a system that aims to control corruption in the funding of parties and election campaigns is likely to be different from a system that seeks mainly to promote “fairness.” A different system should also be required if the aim is to strengthen the role of parties as major democratic protagonists.

The conceptual framework discussed here is above all crucial when considering the role of public opinion in any attempt at reforming democratic rules. Without the pressure from public opinion, such rules either remain untouched by politicians or are changed in ways that are mostly beneficial to the politicians themselves. Back in 1896, discussing “money in practical politics,” Professor J. W. Jenks warned that “no man [or woman] better understands the motives that guide men in daily life than the politician; and no man uses this knowledge to accomplish his own purposes with greater skill than he.” Any attempt to understand and reform the role of money in politics should bear this warning in mind.
ENDNOTES


4 The relative neglect of some of these topics was noted by Mainwaring in 1999: “Although a reasonably large corpus of works has emerged on Latin American parties since the 1980s, little of this literature has focused on party organization, internal dynamics, or the relationship between parties and politicians.” In Scott Mainwaring, Rethinking Party Systems in the Third Wave of Democratization: The Case of Brazil (Stanford: Stanford University Press, 1999), p. 137. For an assessment of the state of parties and party system by the mid-1990s, see Scott Mainwaring and Timothy R. Scully, eds., Building Democratic Institutions: Party Systems in Latin America (Stanford: Stanford University Press, 1995). Studies in the English language of congressional workings are still scarce. See David Close, ed., Legislatures and the New Democracies in Latin America (Boulder and London: L. Riener, 1995). For a recent assessment of the processes of democratization in the region see Frances Hagopian and Scott P. Mainwaring, eds., The Third Wave of Democratization in Latin America: Advances and Setbacks (Cambridge: Cambridge University Press, 2005).


8 See, for example, the chapters by Maria D’Alva Kinzo on Brazil and Carlos Huneeus on Chile, in Peter Burnell and Alan Ware, eds., Funding Democratization (Manchester: Manchester University Press, 1998).


10 For a paper that has underlined the significance of an approach from the perspective of the parties, see Humberto de la Calle, “La perspectiva desde los partidos políticos,” unpublished paper presented at the conference “Dinero y contienda político-electoral: retos para la democracia,” Mexico City, June 6, 2001. Of course, the significance of political finances to parties is acknowledged by most scholars. See, for example, the observations made by Luis Alberto Cordero, “Sistemas electorales y financiamiento de partidos políticos,” in Villalobos, ed., Memoria, p. 36; and Daniel Zovatto, “Una visión preliminar comparada” in del Castillo and Zovatto, eds., La financiación de la política en Iberoamérica, p. LIII.


15 Idem., pp. 56, 60 and 62.


19 For a critical, contemporary view of the dictatorial character of these populist tendencies from a liberal democratic perspective see Germán Arciniegas, The State of Latin America (London: Cassell, 1953).

22 For another similar observation at that time, see Robin A. Humphreys, *The Evolution of Modern Latin America* (Oxford: Oxford University Press, 1946), pp. 91, 94.


26 Quoted in *idem.*, p. 134.


29 A similar conclusion can be reached after examining the concepts used by the Chilean sociologist Manuel A. Garretón in his *Reconstruir la política. Transición y consolidación democrática en Chile* (Santiago: Andante, 1986), pp. 25–35.

30 Dieter Nohlen, “Introducción,” in Nohlen, ed., *Democracia y neocrítica en América Latina* (Madrid: Iberoamericana, 1995), p. 11. Of course this is not an homogeneous trend. For a forceful defense of a minimalist conception of democracy in Latin America, see Valenzuela, “Democratic consolidation on post-transitional settings.” A draft resolution presented to the General Assembly of the OAS for an Inter-American Democratic Chart emphasized the notion of “representative democracy,” although it also contained references to participation and developmental issues. See OAS, “Proyecto de resolución Carta Democrática Interamericana,” June 3, 2001 (mimeo). I thank Michael Beaulieu for calling my attention to this document. For recent work that emphasizes “the possibilities of democratic or semi-democratic survival despite poor economic performance,” see Hagopian and Mainwaring, eds., *The Third Wave of Democratization*, “Introduction,” p. 7.


33 See Geraldine Lievesley, *Democracy in Latin America. Mobilization, Power and the Search for New Politics* (Manchester and New York: Manchester University Press, 1999), p. 25. For recent critique of a “Latin American democratic tradition” that has “failed to build a democratic public sphere,” which then

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35 UNDP, *Ideas and Contributions: Democracy in Latin America: Towards a Citizens’ Democracy* (New York and Bogotá: UNDP, 2004), pp. 27, 30, 68. In a forum to discuss the UNDP report organized by the Inter-American Dialogue in Washington, Carl Gershman suggested that the report risked undervaluing the importance of elections, while Arturo Valenzuela criticized the notion common in Latin America that democracy fails when it does not solve the problem of poverty. In response to these comments, the report directors noted that “delinking the discussion of democracy from social conditions invites a critique of democracy as ‘merely formal,’ a critique that has been gaining ground in Latin America and that the report sought to counter,” in Inter-American Dialogue, *Scrutinizing Democracy in Latin America: A Discussion of the UNDP’s Report on Democracy in Latin America* (Washington, June 2005), pp. 10–12. Available at: http://www.thedialogue.org/page.cfm?pageID=32&pubID=1254.


43 On the crisis of parties and party systems in the Andes, see Mainwaring, Bejarano, and Pizarro, eds., *The Crisis of Democratic Representation*, particularly their chapter 1. On Chile, where democratic developments have gone hand in hand with socioeconomic improvements, see Alan Angell, “Party Change


45 “Una charla con Eduardo Pizarro Leongómez,” *Carta Financiera*, 122, August 2002, pp. 71–72. Regarding the change in attitudes towards democracy among “leftist political actors throughout the region,” Ana María Bejarano and Eduardo Pizarro Leongómez note that “it is perhaps here that Colombia has distanced itself radically from the rest of the region.” See their chapter “From ‘Restricted’ to ‘Besieged’: The Changing Nature of the Limits to Democracy in Colombia,” in Hagopian and Mainwaring, eds., *The Third Wave of Democratization*, p. 243. My focus is not as much on the challenges from extremists, such as the surviving guerrillas groups, as on the continuing questioning of representative democracy among prominent intellectuals and politicians.


50 For a brief outline of these measures in comparative perspective, see Monica Barczak, “Representation by Consultation? The Rise of Direct Democracy in Latin America,” *Latin American Politics and Society*, 43:3, Fall 2001, pp. 51–52.


53 Colombia, Ministerio del Interior, *Reforma política. Un propósito de nación. Memorias* (Bogotá: Ministerio del Interior, 1999). This project also included instruments to negotiate with the guerrillas in a newly established peace process.


Rudolf Hommes, “¿Pan o circo?” and Guillermo Perry, “Banana republic,” *El Tiempo*, May 12 and July 9, 2000, respectively.

For the impact of these elections on the Colombian party system, see Eduardo Posada-Carbó, “Colombia Hew to the Path of Change,” *Journal of Democracy*, 17:4, October 2006.

Some of these parties have been severely hit by a wave of scandals, linking some of their members with paramilitary organizations involved in ongoing judicial investigations.

More than 120 such meetings took place between August 2002 and December 2005, when they were suspended as a result of the reelection campaign. See www.presidencia.gov.co.


Former President and General Secretary of the OAS César Gaviria has been a major figure behind the rallying cry to strengthen the parties. See his speech at the OAS 2003 forum at www.upd.oas.org. Gaviria is currently the leader of the Liberal party, in a personal effort to revitalize its fortunes.


“Strong nongovernmental organizations, instead of parties,” was the motto of a member of the AD-M19 movement only a few years after its establishment. See “M-19, ¿requiem o cumpleaños?” *El Tiempo*, April 22, 1996. Some of the proposed measures to strengthen the parties during the ongoing debate for political reform were backed by confused notions of democracy and the state. See, for example, the notion of the state contained in the “Exposición de Motivos” by the Senator’s Commission in support of the project: civil society here is understood as being part of the state. See “Ponencia para segundo debate en segunda vuelta al proyecto de acto legislativo,” No.06/00, April 27, 2001, unpublished document.


Perceptions may differ from reality. Whether or not electoral costs have been steadily growing in the last decades is open to debate. See Zovatto, “The Legal and Practical Characteristics,” p. 97. Casas Zamora has shown that following the 1996 electoral reforms in Uruguay, “rather than by soaring expenses, Uruguay’s last election cycle was characterised by a visible redistribution of spending across electoral stages and political parties,” in Casas Zamora, “State Funding and Campaign Finance Practices,” p. 226.


This is a maximum estimated figure.

Poder Ciudadano, “Cavallo, Duhalde y de la Rua informan sobre sus gastos electorales”; accessible at www.poderciudadano.org.ar.


I can only offer some indication of costs. With the available information, any attempt to produce a more systematic comparison would be highly speculative. For a useful approach to this, see Karl-Heinz Nassmacher, “Political Party and Campaign Finance in Western Democracies” in A. B. Gunlicks, ed., *Campaigns and Party Finance in North America and Western Europe* (Boulder and Oxford: Cambridge University Press, 1992). See also the observations by Michael Pinto-Duschinsky in his paper “Political Finance and Democracy: Major Challenges for Reformers and Scholars,” presented at the conference “Political finance and democracy in East Asia,” Seoul, June 28–30, 2001. The best study on electoral costs in Latin America is Casas Zamora, *Paying for Democracy*. See also his chapter on Uruguay, “State Funding and Campaign Finance.” David Samuels has also produced interesting research on campaign finance data for Brazil; see in particular his article “Money, Elections, and Democracy.”


See a most comprehensive and useful survey in Del Castillo and Zovatto, eds., *La financiación de la


Rosa Mulé, “Financial Uncertainties of Party Formation and Consolidation in Britain, Germany and Italy: The Early Years in Theoretical Perspective,” in Brunell and Ware, eds., *Funding Democratization*, pp. 47–72.


One significant exception is Great Britain, where the constant allegations of sleaze have encouraged a trend towards state funding. See “Blair eyeing state funding to put an end to donation row,” *The Financial Times*, April 7, 2002; and the leading article in this paper on the same day, “The dangerous game of sleaze.” The issue was given systematic attention by the report of the committee chaired by Lord Neill, *Standards in Public Life. The Funding of Political Parties in the United Kingdom* (London: Committee on Standards in Public Life 1998). On Britain see Justin Fisher’s chapter in Malamud and Posada-Carbó, eds., *The Financing of Politics*.

Daniel Zovatto, “La financiación política en Iberoamérica: una visión preliminar comparada,” in Del Castillo and Zovatto, eds., *La financiación de la política en Iberoamérica*, p. xxix. The tendency seems to be to give prevalence to public over private funding. See Gabriel Murillo, “La reglamentación de la financiación de partidos políticos y de campañas electorales en la agenda de gobernabilidad democrática,”


101 Samuels, “Money, Elections, and Democracy,” p. 42


