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LOYOLA UNIVERSITY CHICAGO

SURVIVING THE PRESIDENCY:
PRESIDENTIAL FAILURES IN SOUTH AMERICA

A DISSERTATION SUBMITTED TO
THE FACULTY OF THE GRADUATE SCHOOL
IN CANDIDACY FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

PROGRAM IN POLITICAL SCIENCE

BY

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CHICAGO, IL

MAY 2015

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ABSTRACT

Since 1979, one out of six South American presidents have failed to complete their terms of office. These “failed presidencies” occur when democratically elected presidents are forced to leave office early, but without compromising the democratic order. This dissertation seeks to solve the puzzle of what drives presidents out of office. Previous studies have found that institutional and political factors, economic issues, and social mobilizations are powerful forces affecting presidential failures. In this research, I examine the impact these factors have on the likelihood of presidential failures.

Additionally, I argue that previous works have failed to find a significant relation between democracy and presidential failure because they have used an inadequate conceptualization and measurement of democracy. I postulate that using a country’s current levels of democracy does not fully capture democracy’s effects, and that thinking of democracy as a legacy may better enable us to see its true effects on presidential failures. Drawing upon the literature of regime legacies, I hypothesize that there is a significant negative causal relation between a country’s democratic tradition or legacy and the occurrence of presidential failures. I employ a mixed-method research approach to test and examine the effects of these factors on the occurrence of presidential failures. Using survival analysis, I quantitatively analyze 65 all presidencies in South American countries between 1979 and 2012. In addition, I use a case-study approach for the

qualitative, in-depth analysis of two failed presidencies: Fernando de la Rúa in Argentina (1999-2001) and Lucio Gutiérrez in Ecuador (2003-2005).

The major finding of this dissertation is that political institutions clearly matter for presidential survival. The survival analysis and the two case studies show that partisan support and democratic tradition play a pivotal role when it comes to surviving in office. Surprisingly, economic recessions, political scandals, general strikes, and anti-government demonstrations appear to have no substantial effects on presidential survival. Moreover, this dissertation offers new evidence for the “institutions vs. street” debate by showing that, when the role of congress is accounted for, the effects of social mobilizations significantly weaken.

CHAPTER ONE

AN INTRODUCTION TO SOUTH AMERICAN PRESIDENTIAL FAILURES

Describing the Problem: What is the Puzzle?

During the 1960s to 1970s political instability and authoritarianism was the norm rather than the exception in South America. Democratic breakdowns leading to authoritarianism took place in most countries. The only exceptions were Colombia and Venezuela, but even these countries were not fully democratic (Marshall, Gurr, and Jagers 2013; Mainwaring and Pérez-Liñán 2013: 129). Democracy was in retreat, and military *juntas* spread over the region becoming the dominant form for wielding political power (Sánchez 2003). However, in the last three decades the political landscape in South America has changed significantly. Democracy returned, the military went back to the barracks for good, and civilians regained control over political institutions. South American countries have all transited to democracy, and most of them have moved steadily toward democratic consolidation.¹ In addition, changes in U.S. foreign policy toward the region, learning from past authoritarian experiences, and also the end of the Cold War, facilitated a movement toward more democratic polities (Pérez-Liñán 2007: 3). This rapid re-democratization is a remarkable departure from South American prior political experiences. In fact, between 1979 and 2012, 69 presidents have been popularly elected and no country has reverted to military authoritarianism.

¹ According to Polity IV, the only exceptions to this trend would be Peru (1992-2000), Ecuador (2007-2012), and Venezuela (2006-2012), which are considered anocracies or semi-democracies.

Although democratic transition appears to be completed, democratic consolidation still requires more attention. That is, democratic stability cannot be automatically interpreted as governmental stability. The type of government instability that dominated the 1960s and 1970s, which led to democratic breakdowns, has been replaced by a new form of executive instability: “presidential failures.”² That is, presidents who have been popularly elected in free and fair elections are being forced to leave office early but without compromising the democratic order. Since 1979, 11 out of 65 democratically elected presidents have failed to remain in office before fulfilling their terms.³ Eight out of the ten South American countries have experienced an executive crisis at least once in the last three decades, and in six of these countries, presidents have been removed from office.⁴

In some cases, presidents have been forced to resign. Chief executives may assess that staying in office would turn out overwhelmingly more costly than leaving before completing their term. Street protests calling for the president to step down and members of the legislature withdrawing political support from him may pose insurmountable obstacles to remain in office. In other situations, presidents may well have no choice but to go through an impeachment process and wait for a likely unfavorable outcome, or to

² This phenomenon has been labeled as “presidential interruption” (Valenzuela 2004; Kim and Bahry 2008; Marsteintredet 2009), “presidential exit” (Baumgartner and Kada 2003), “presidential fall” (Hochstetler 2006), “presidential removal” (Pérez-Liñán 2007), “presidential failure” (Hochstetler and Edwards 2009), and “presidential breakdown” (Llanos and Marsteintredet 2010).

³ 65 elected presidents ruling over a democratic country (Polity2 score > 5), which constitutes a valid case for the survival analysis. 69 elected presidents, not necessarily ruling over a democratic country.

⁴ The only exceptions are Chile and Uruguay whose presidents have not faced any serious attempt to bring them down. In Colombia there was an attempt for removing President Ernesto Samper that failed in 1997; and even though Peruvian President Alberto Fujimori resigned in 2000, his administration lacked several democratic features.

resign before the impeachment process begins. Either way, presidents do not seem to truly have many options once a severe executive crisis has unfolded.

As shown in Table 1, four South American presidents have left office early because of impeachment. In Brazil, President Fernando Collor de Mello (1990-1992) was impeached after Congress opened an investigation on multiple corruption scandals involving him and his inner circle (Figueiredo 2010: 115). In Paraguay, presidents Raul Cubas (1998-1999) was charged for abuse of power, whereas Fernando Lugo (2008-2012) was charged with “poor performance” and held responsible for the deaths of several protestors and police officers in an isolated incident. Even though Venezuelan President Carlos Andrés Pérez (1989-1993) was under strong pressure from the military, facing two ill-fated coups (Pérez-Liñán 2007; Valenzuela 1994), he left office via impeachment after several cases of corruption became public.

Table 1. Exit Mechanisms

<i>Impeachment (or its threat)</i>	<i>Resignation (forced)</i>	<i>Legislative Dismissal</i>
Brazil 1992	Bolivia 1985	Ecuador 1997
Venezuela 1993	Argentina 1989	Ecuador 2000
Paraguay 1999	Argentina 2001	Ecuador 2005
Paraguay 2012	Bolivia 2003	

Source: Elaborated by the author based on Mustapic (2010: 20).

In Argentina, presidents Raúl Alfonsín (1983-1989) and Fernando De la Rúa (1999-2001) both resigned amid severe economic crises, widespread street protests, and lacking partisan support. Bolivian President Hernán Siles Zuazo (1982-1985) was forced to resign due to strong congressional opposition, a hyperinflationary crisis, mass street protests, and a threat of a military coup (Valenzuela 2004; Buitrago 2010). A second Bolivian president, Gonzalo Sánchez de Lozada (2002-2003), was ousted in the midst of

social unrest spread throughout the country and after his government coalition tore apart (Valenzuela 1994; Buitrago 2010).

The Ecuadorian Congress has been a central actor in ousting three consecutive elected presidents between 1997 and 2005. Abdalá Bucaram (1996-1997) was declared “mentally incapable” (without medical examination) and forced to leave office after six months in office. In the case of Jamil Mahuad (1998-2000), Congress was even more creative and accepted the president’s resignation, which he never issued, as a indigenous-military alliance kicked him out of office. Finally, Lucio Gutiérrez (2003-2005), the army colonel who toppled Mahuad in 2000, was dismissed after Congress declared his “abandonment of office.” An interesting characteristic of the three Ecuadorean cases is that even though Congress dismissed these presidents, none of them was formally impeached.

The phenomenon of presidential failures challenges two features of presidential democracies. First, unlike parliamentary systems, chief executives in presidential systems have fixed and independent terms from the legislature. Under normal circumstances, presidents are supposed to stay in office until the next scheduled elections. The early termination of a presidency is neither expected nor common in presidential democracies, as it is in parliamentary systems. In fact, ousted presidents usually leave office amid severe political crises, a stark difference from parliamentary democracies where a political crisis is only one among several reasons for abandoning office early (Warwick 1994; Hochstetler and Edward 2009). By contrast, presidential systems offer no “friendly” exit strategies for presidents, as prime-ministerial systems do (e.g., dissolving the legislature), to institutionally solve a government crisis (Valenzuela 2004: 12).

Second, completing the constitutional term, at a minimum, and seeking reelection, at a maximum, are the basic rationales of any incumbent president. Thus, being forced to leave office early represents a dramatic deviation from a central goal of all political leaders: hanging onto power.⁵ Moreover, ousted chief executives are likely to face quite adverse consequences once they leave office. “Dead politician walking” may broadly describe the image that the electorate, their parties, and even other politicians may have on failed presidents. A future inability to muster electoral and popular support may well mean the end of a political career or, even worse, result in “jail time and exile” (Hochstetler and Samuels 2009: 9). We should expect that if a president anticipates his own executive failure, he would do anything possible to avoid seeing his political career coming to such an end. Overall, failing to fulfill a presidential term clearly represents an exceptional political event in a presidential democracy.

Research Question

A failed presidency certainly depicts a new pattern of government instability in South America. We are thus left with the puzzle of why it is that, on average, one in six South American presidents have not been able to complete their term in office despite the goal of presidential survival and the fixed term in presidential systems. The primary goal of this study is to offer a comprehensive understanding of the phenomenon of presidential failures. Therefore, the overarching question motivating this dissertation focuses on discovering what variables affect presidential failures in South America. This research also addresses the following sub-questions: (i) what factors reduce or increase the risk of

⁵ “Why leaders do what they do? To come to power, to stay in power and, to the extent they can, to keep control over money” (Bueno de Mesquita and Smith 2011: xxiv).

presidential failure at a particular time? (ii) what causal mechanisms link determinants and outcomes? Finally, (iii) are there other factors affecting presidential survival?

Existing Explanations

Several institutional arrangements have been identified as driving presidents out of office early. Low share of seats controlled by the president's party or coalition in congress (Pérez-Liñán 2007; Llanos and Marsteintredet 2010; Mustapic 2010), deadlocks (Negretto 2006), power imbalances between the executive and the legislative branch (Cox and Morgenstern 2002), and a high number of parties in the ruling coalition (Taylor and Herman 1971; Warwick 1994; Somer-Topcu and Williams 2008) negatively affect the chances of completing the presidential term. Similarly, political factors such as a low-share of votes in the first round of presidential elections (Kim and Bahry 2008), high party system fragmentation (Valenzuela 2004; Kim and Bahry 2008), and presidential scandals involving the presidents also increase the hazard of presidential failure (Marsteintredet 2009; Llanos and Marsteintredet 2010). In addition, economic recessions, economic development, and social mobilizations have also been found to reduce the likelihood of presidential survival (Hochstetler 2006; Kim and Bahry 2008; Hochstetler and Edward 2009; Marsteintredet 2009; Llanos and Marsteintredet 2010).

This dissertation improves upon prior scholarship by employing a mixed-method strategy of analysis and by incorporating a more appropriate conceptualization of democracy as an independent variable. First, I use survival analysis, a quantitative technique that has not been used to study government survival in presidential systems thus far. Second, I examine two case studies to determine whether causal relations indeed work as theorized and to complement the survival analysis's findings. Third, I employ a

new conceptualization and operationalization of democracy, i.e., a country's democratic tradition, to examine its effects on presidential survival in the quantitative and qualitative analyses.

Significance of this Dissertation

Failed presidencies are unusual political phenomena. Bearing in mind the fixed terms of presidential systems, and the strong desire of political leaders to stay in power and avoid high political costs derived from early departures, failing to fulfill a constitutional term in office represents a rather rare and special political event worth studying. The phenomenon of failed presidencies in South America is also interesting when it comes to prospects for democratic consolidation. The fact that only four out of 11 presidents were ousted via impeachment suggests that democratic rules in some South American countries have not been fully institutionalized. Moreover, several presidents have left office amid social turmoil, in which clashes between demonstrators and government security forces turned extremely violent. Deaths, thousands of wounded, and many more undergoing economic hardships are part of the context in which presidential failures have taken place over the last decades in South America. Studying presidential failures is a research project worth undertaking for it enables us to comprehend the causes and mechanisms leading to this extraordinary political phenomenon, and how its occurrence is related to democratic institutionalization and previous experiences with democratic and authoritarian politics.

Methods

Using survival analysis, specifically Cox's Proportional-Hazard (PH) model, I quantitatively analyze all presidencies in South American countries between 1979 and

2012. The sample is formed by all democratic presidencies in South American countries in which the president was elected by the people, which represents a total of 65 valid cases: 54 censored presidencies and 11 failed presidencies. Cox's PH method provides estimations on the risk or hazard of presidential failure given a set of independent variables, a method that has not been used thus far to study government survival in presidential systems. In addition, I use a case-study approach for the qualitative, in-depth analysis of two failed presidencies: Fernando de la Rúa in Argentina (1999-2001) and Lucio Gutiérrez in Ecuador (2003-2005).

This study's focus on South American presidencies stems from the fact that the region contains a significant share of the total number of presidential systems around the world: 10 out of 26 presidential systems are located in South America (Siaroff 2003). Additionally, as Hochstetler and Edwards (2009) point out, most of the presidential failures worldwide have so far occurred in South America: 11 since 1979. Another reason for including cases from South America only is the low ratio of presidential failures to non-failures outside this region (e.g., North and Central America, Africa, and Asia), which may render the survival analysis results more problematic should cases from other regions be included (Hochstetler and Edwards 2009: 51).⁶ Thus, the final sample in this dissertation is formed by the 10 independent and democratic South American countries, from 1979 to 2012.

⁶ Outside South America, there have been four cases of ousted presidents: Jorge E. Serrano (Guatemala 1993), Joaquín Balaguer (Dominican Republic 1996), Manuel Zelaya (Honduras 2009), and Joseph Estrada (the Philippines 2001).

Overview of the Study

In Chapter 2, I identify different theoretical explanations and empirical findings from previous works, and point out areas that still require more attention. I pay particular attention to the “institution vs. street” debate (Marsteintredet 2009), which pits executive and legislative determinants against social mobilizations as explanatory factors. Chapter 2 also addresses major gaps in the literature. First, I review what type of quantitative analyses have been conducted in studying presidential failures and show how they can be improved by using a more accurate method: survival analysis. Second, whereas the literature on presidential failures has focused on causal inference, little attention has been devoted to explore causal mechanisms; i.e., how political scandals affect survival in office? Or, why some type of protests seem to be more threatening for incumbent presidents? And, third, I argue that prior works have improperly operationalized the role of democracy since they have focused mostly on year-to-year variations without taking into account democracy’s cumulative effects. Finally, I propose a basic theoretical model upon which the empirical chapters of this dissertation are built.

Chapter 3 explains the research design. It starts describing the mixed-method research strategy, and how survival analysis and the case-study approach help to better answer the research questions. I then focus on the quantitative analysis. I explain survival analysis and its limitations, the main independent variables and their operationalization, and the sources of data used in the analysis. For the qualitative method, I select two case studies for in-depth analysis by using a correlation matrix based on two major determinants of presidential failures identified by the theory: economic performance and partisan support. In addition, I describe the strengths and weaknesses of case studies and

how I use the case studies in this dissertation. Lastly, I explain the data sources I examine in order to carry out the case studies.

In Chapter 4, I report the results of the survival analysis, using Cox's PH model for estimating the risks of presidential failure across South American presidencies between 1979 and 2012. The survival analysis finds that institutional variables, a president's level of partisan support and a country's democratic tradition, play a pivotal role when it comes to surviving in office. In chapters 5 and 6, I use a qualitative approach to closely scrutinize the failures of Argentine President Fernando de la Rúa (1999-2001) and Ecuadorian President Lucio Gutiérrez (2003-2005), which complement the findings of the quantitative analysis.

Chapter 7 summarizes the major findings of the quantitative and qualitative analysis. I also discuss how well the results of the survival analysis and the case studies either support or detract from existing explanations, I explain the contributions this dissertation offers to the study of presidential failure, address the limitations of this research, and suggest new venues for further research in the field.

CHAPTER TWO

THE STATE OF THE LITERATURE ON PRESIDENTIAL FAILURES:
LITERATURE REVIEW AND THEORETICAL MODEL

Introduction

The literature on presidential failures identifies three major types of causes: institutional and political factors, economic issues, and social mobilizations. In this chapter, I discuss the impact these determinants are hypothesized to have on presidential survival and then consider the gaps that exist in the current literature, which this dissertation attempts to fill. I argue that previous works have not adequately conceptualized and operationalized the role of democracy on presidential failure. Based upon the literature on regime legacies, I postulate that there is a causal, positive relation between a country's democratic tradition and presidential survival, which other studies have failed to uncover. I conclude the chapter by offering a theoretical model that illustrates how the independent variables identified in the existing literature and the variable of democratic tradition interact to affect the risk of presidential failure.

The Existing Literature

Scholars have addressed the problem of presidential failures from different perspectives. Some works have included countries from more than one geographical region (Baumgartner and Kada 2003; Pérez-Liñán 2007; Kim and Bahry 2008). Others have paid closer attention to Latin America and South America due to their high number

of interrupted presidencies (Hochstetler 2006; Hochstetler and Edward 2009; Marsteintredet 2009; Llanos and Marsteintredet 2010; Negretto 2006; Valenzuela 2004). Finally, there are also studies focusing on the aftermath of a presidential failure and its implications for democracy (Hochstetler and Samuels 2011; Marsteintredet 2014).

Institutional and Political Factors

Institutional arrangements structurally affect the choices that presidents have at their disposal either during under normal circumstances and political crises. Several institutional factors have been identified by the scholarship as affecting presidents' survival in office, such as a president's level of partisan support, executive-legislative conflicts, and the size of the ruling coalition. More broadly, the forces driving a chief executive's early departure may well come from the very nature of presidential systems.

Presidential systems offer several features that make chief executives vulnerable to the ebbs and flows of politics and the economy. The issue of presidential failure, for example, has been related to the so-called inherent instability of presidential democracies (Alvarez and Marsteintredet 2010). In comparing presidential and parliamentary systems, Linz (1990: 65) argues that even when both systems face executive crises, in parliamentary systems this would become a "government crisis," whereas in presidential systems it would develop into "regime crisis." According to Linz (1994: 7), times when executives and legislatures are deadlocked can be especially "complex and threatening" in presidential systems, for there is no democratic principle or rule that can solve such a conflict.

More specifically, whether a chief executive is ousted or not in a presidential system may stem from the degree of executive-legislative cooperation and confrontation.

Legislative activism is a major force in driving presidents from office (Negretto 2006; Hochstetler 2006; Pérez-Liñán 2007 and 2014; Marsteintredet 2009; Llanos and Marsteintredet 2010; Mustapic 2010; Marsteintredet, Llanos, and Nolte 2013). The level of partisan support may depend on the share of seats controlled by the president's party or coalition. Latin American presidents under minority governments are more likely to suffer early departures than when they enjoy a majority in government (Negretto 2006; Kim and Bahry 2008; Llanos and Marsteintredet 2010). The effects of minority governments on presidential instability still hold when African countries are also included in the sample (Kim and Bahry 2008). In addition, other institutional frictions such as the occurrence of deadlocks have shown to dramatically reduce presidential survival, even more so than a president's share of seats in the legislature (Llanos and Marsteintredet 2010: 221-222).

Furthermore, the congressional role in this political drama is indeed analogous to a "two-edged sword": congress may either protect the president or let him fail. On one hand, good executive-legislative relations are central to isolate the president from other potential threats. Partisan support may work as a "legislative shield" that protects the president from social mobilizations and undermine the credibility of accusations by congress against presidents facing impeachment (Pérez-Liñán 2007 and 2014). On the other hand, congress may turn its back on the president or even adopt an active role in his ouster. The opposition in congress may attempt to unseat the president via impeachment, which is even more likely to succeed when accompanied by social mobilizations (Pérez-Liñán 2007).

Building and maintaining a “legislative shield” is not an easy task, especially for Latin American presidents. The “shield” requires partisan support from a sufficient share of members of the legislature, which in turn requires cohesive and disciplined parties. There are at least three challenges to accomplishing this goal. First, most Latin American political parties are known for their fragmentation and lack of discipline (Mainwaring and Shugart 1997), which has weakened and even threatened the stability of Latin American presidents (Valenzuela 2004). Second, several studies have observed that, even if created, the maintenance of lasting party-coalitions in presidential systems is highly costly (Deheza 1998; Thibaut 1998). And, third, in presidential systems there seems to be a lack of incentives for executive-party cooperation. On the one hand, in situations of divided governments, chief executives usually face considerable troubles gathering partisan support even from their own parties (Valenzuela 2004: 12). On the other hand, political adversaries usually refuse to cooperate with a weak president since the opposition would have no major incentives for sharing the “costs of the crisis with the government” (Mustapic 2010: 23).¹

Moreover, the combination of presidentialism and multiparty systems resulting in executive-legislative deadlock and immobilism may produce unstable conditions for presidential democracy (Mainwaring 1993). Under such conditions, previous studies have shown that higher levels of party system fragmentation significantly increase the risk of presidential ousters (Kim and Bahry 2008; Alvarez and Marsteintredet 2010). Similarly, research on parliamentary government duration has found that government tenure is

¹ Opposition politicians may be also reluctant to collaborate with a strong president for he might be perceived as threatening to their own electoral interests (Valenzuela 2004: 12).

reduced when there are more parties in a government (Taylor and Herman 1971; Warwick 1994; Somer-Topcu and Williams 2008). The assumption is that a larger ruling coalition makes bargaining within the government more difficult and leads to more instability.

One key feature of South American *presidencialismo*, or the tendency for strong executives, is the well-known differences in terms of formal powers between the executive and other political institutions. It has been argued that this power imbalance favoring the executive would make “powerful” presidents less inclined to cooperate with legislatures, increasing the likelihood of executive-legislative conflicts (Cox and Morgenstern 2002). In fact, Kim and Bahry’s (2008) study shows that presidents who are less constrained, i.e., the chief executive enjoys more formal powers vis-à-vis other institutions, were more likely to leave office abruptly. Finally, facing more hazards to their survival are presidents who receive a low share of votes in the presidential election, who may face more challenges to muster political support either from the electorate or legislators (Kim and Bahry 2008).

Furthermore, political factors such as scandals (e.g., corruption, bribery, trading in influences, etc.) in which the president is involved may also shorten a president’s term. However, the literature suggests that a president’s participation in a scandal must be personal or direct in order to trigger public criticism or legislative action against the executive. Moreover, the evidence against the president has to be solid (Hochstetler 2006: 406) and subjected to wide media coverage for a scandal to increase the risk of presidential failure (Pérez-Liñán 2007). In addition, the probability of presidential failure is also high when presidential scandals take place in countries with high levels of

perception of corruption (Hochstetler and Edwards 2009). However, although political scandals appear to increase the risk of presidential failure in Latin America and Africa, their impact appears to be somewhat limited (Kim and Bahry 2008: 816). Still, when examining South American countries only, presidential scandals were found to have significant and important effects on both presidential challenges and presidential failures (Hochstetler 2006; Hochstetler and Edwards 2009).² For instance, the likelihood of failure for presidents who were personally involved in a case of corruption is about three times as high as for those who were not (Hochstetler 2006: 409). Marsteintredet (2009: 203-204) finds, on the other hand, that corruption scandals only significantly affect the likelihood of presidents being challenged but not unseated.

In summation, previous studies have pointed to a number of institutional and political factors that can affect presidential survival. These factors include a president's level of partisan support, the ruling coalition size, party system fragmentation, constraints on the executive, the share of votes received during the presidential election, and political scandals. In addition, later in this chapter, I further explain the concept of democratic tradition, which the literature on presidential failures has not addressed thus far, and hypothesize about its potential impact on presidential failures.

Economic Issues

Others scholars have stressed the role of economic issues on presidential survival (Alvarez and Marsteintredet 2010; Hochstetler 2006; Kim and Bahry 2008; Llanos and Marsteintredet, 2010; Negretto 2006). Curiously, although inflation has been found to

² A "presidential challenge" refers to attempts to unseat an incumbent president (Hochstetler 2006: 402; Hochstetler and Edwards 2009: 32).

have a significant effect on democratic breakdown (Kim and Bahry 2008; Marsteintredet 2009; Alvarez and Marsteintredet 2010) and the consolidation of democracy (Power and Gasiorowski 1998), scholars have not found it to have an effect on presidential failure (Marsteintredet 2009; Llanos and Marsteintredet 2010). Presidential survival could be threatened by slow economic growth, however. Prolonged recessions have proven to significantly affect the likelihood of presidential failures and challenges (Hochstetler and Edwards 2009; Marsteintredet 2009; Llanos and Marsteintredet 2010). Moreover, Hochstetler and Edwards (2009: 49) show that a close relationship exists between economic development and presidential challenges, insofar as presidents who rule over wealthy countries are less likely to face serious attempts to depose them.

Furthermore, presidents are also held accountable for the effects of their economic policies. In fact, one common feature of most cases of presidential failure and challenges is economic mismanagement by the executive (Llanos and Marsteintredet 2010; Hochstetler and Edward 2009). The adoption of unpopular, neoliberal, economic policies was found to have a statistically significant, but not strong, effect on presidential survival (Hochstetler 2006). Unpopular economic policies usually trigger social mobilizations that call for the president's early departure (Negretto 2006: 87). Hochstetler (2006: 406) points out that about one out of three presidents that adopted neoliberal economic policies were deposed from office in South America.³

³ In their study, Kim and Bahry (2008) included a variable operationalized as whether a country had signed a stand-by or extended fund facility agreements with the International Monetary Fund as a proxy for the adoption of market-oriented policies. However, their study shows that this variable had no statistically significant effects on presidential failures.

The literature, therefore, suggests that economic factors indeed can have a strong impact on presidential survival. Economic growth and economic development seem to promote presidential survival. However, economic mismanagement and the adoption of unpopular economic policies will most likely increase the risk of presidential failure.

Social Mobilizations

A final factor influencing presidential instability is social mobilization (Hochstetler 2006; Hochstetler and Edwards 2009; Kim and Bahry 2008). Street protests demanding the president's ouster have usually been triggered by political scandals, prolonged recessions, or the adoption of unpopular (economic) decisions. For instance, Corrales (2002: 37) posits that in developing democracies when the economy performs poorly, people mobilize in order to protest against the government and politicians that (they believe) are corrupt, while exhibiting strong "anti-establishment sentiments." Hochstetler (2006) argues that street demonstrations affect presidential stability especially when linked to legislative actions. When both take place, a "mutually reinforcing collaborative action" is created that significantly decreases presidential survival (Hochstetler 2006: 409).

Hochstetler (2006: 409) suggests that legislative actions for removing presidents usually do not succeed if they are not accompanied by popular outrage. More importantly, social mobilizations can be strong enough to oust a president on their own (Hochstetler 2006: 410). Kim and Bahry's (2008) study shows that social mobilizations have stronger effects on presidential failure in Latin America than in African countries. Yet, not all types of social mobilizations have the same potential for throwing presidents

out of office. Kim and Bahry's (2008: 816) findings show that mass demonstrations that are directly aimed at the incumbent have a higher likelihood in deposing a president than do general strikes.⁴ Finally, Hochstetler and Edwards (2009) point out that the number of deaths resulting from government repression against protesters has a significant effect in explaining the failure or success of challenges to presidents.

The existing literature then shows that presidents will have a higher risk of not finishing their term in office when social mobilizations take place during his or her time in office. Those social mobilizations will increase the risk of presidential failure more substantially when are directed at the president or are subject to bloody government repression. Street demonstrations can also be "lethal" for incumbent presidents when coupled with congressional actions.

Gaps in the Literature

This research contributes to the field in two ways: by employing a more appropriate methodology and by examining the role of democratic tradition. First, it uses a mixed-method research strategy that combines quantitative survival analysis and two qualitative case studies. Employing survival analysis for hypothesis testing is a methodological innovation in studying Latin American presidencies. Even though studies on government duration in parliamentary systems have been using survival analysis for about 20 years (since Warwick's 1992 seminal work), no single study on Latin American presidencies has used it before. Additionally, notwithstanding that several theoretical expectations have been tested via quantitative analyses, links between *Xs* and *Y* still remain black-boxed. There is a need for closely scrutinizing causal mechanisms between

⁴ See also Marsteintredet (2009: 135).

determinants and outcomes. Thus, this dissertation's mixed-method strategy encompasses a) testing theoretical causal relationships across countries via survival analysis, and b) intensively examining presidencies using case studies so as to uncover causal mechanisms and further test the existing hypotheses concerning presidential failures.

Secondly, previous works have failed to identify a statistically significant relation between presidential failures and democracy. As further explained below, I argue that the inability to link democracy and failed presidencies is mostly due to a rather inadequate conceptualization and measure of the former. In the following pages, I elaborate on a more comprehensive conceptualization of democracy, one that emphasizes the effect of a country's democratic tradition or legacy, rather than simply the level of democracy at a particular point in time, on presidential failures.

Rethinking the Role of Democracy

Scholars have mixed claims with respect to the effects of democracy on presidential failures. Some authors have argued that democracy is positively associated with presidential failures. For instance, Pérez-Liñán (2005) claimed that, as democracy deepens and constitutional authoritarian presidential powers are dismantled, more political leverage is given to congress which now can threaten the president with impeachment. Hochstetler and Edwards's (2009) study suggests that democracy may stimulate attempts to unseat presidents, although their work does not address whether those challenges actually lead to presidential failures. Other studies, by contrast, emphasize that democracy makes presidential failure less likely, but their analyses show

that coefficients of democracy are not statistically significant (Marsteintredet 2009; Llanos and Marsteintredet 2010: 220-221).

Hypotheses

We are thus left with the puzzle of determining whether democracy has a positive, negative, or no effect on the occurrence of presidential failures. Two hypotheses are tested here: “freedom to challenge” and “democratic continuity.” The “freedom to challenge” hypothesis lies upon Pérez-Liñán’s (2007) and Hochstetler and Edwards’s (2009) arguments suggesting that democracy and presidential failures are positively related. As democracy deepens, political actors such as congress, unions, and the people would have fewer restrictions to manifest their opposition toward the president and thus be more likely to challenge him. As the likelihood of challenging the president grows, so would his chance of leaving office prematurely. By contrast, in countries with weaker democracy, in which executives enjoy considerable powers vis-à-vis other political actors, referred to as *presidencialismo*, the president may resort to authoritarian commands to overcome challenges, hence, surviving in office longer.

The “democratic continuity” hypothesis, on the other hand, suggests that there would be a negative association between democracy and presidential failure. Presidential failure would be more likely to occur in less democratic countries because political actors might find it more difficult to handle political bargaining and therefore be more tempted to game the system or resort to extra constitutional means in order to achieve their political ends (Hochstetler and Edwards 2009: 41).⁵ In more democratic countries,

⁵ This is what Hochstetler and Edwards (2009: 41) initially hypothesized, i.e., that higher levels of democracy would lead to fewer presidential challenges, but their findings showed the opposite. See also

however, political actors would be more prone to negotiate, make accommodations, and play by the rules, all of which serves to develop, preserve, and reinforce democratic political patterns. As democracy deepens, institutionalization should make it more likely that political actors will want a standing president to continue rather than have him leave office abruptly. Because ousting a president is a deviation from expected political patterns, it thus can be hypothesized that democracy can promote presidential survival.

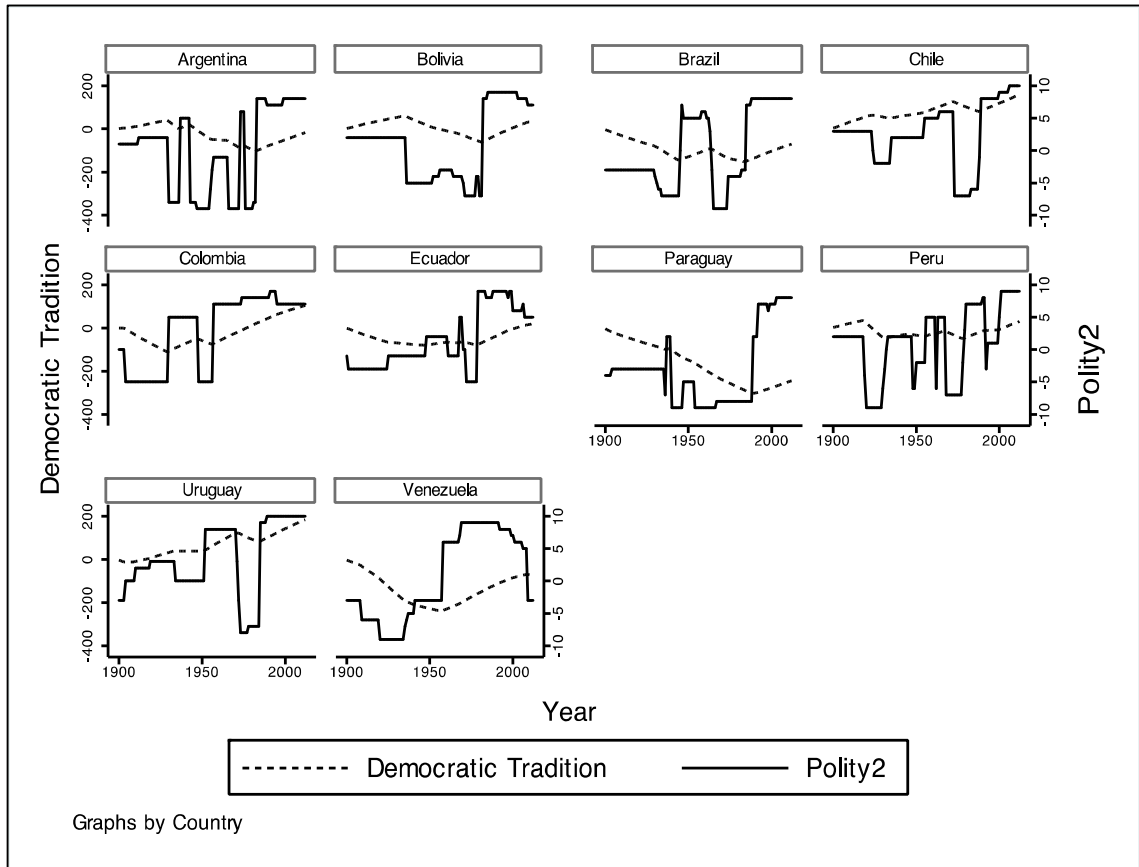
Previous studies have not observed this causal relationship because they have focused on current levels of democracy.⁶ These works commonly measured democracy using Polity IV's revised polity score (Polity2), which captures year-to-year variations. Nonetheless, democracy may have institutional effects that develop over time and that are "cumulative" (Gerring et al. 2005: 325), which the Polity2 index fails to take into account. Figure 1 shows the fluctuations of both Polity2 scores and democratic traditions. When a country democratizes, its democratic score goes up dramatically. It seems that there is a completely new political system in place. Nevertheless, these countries might be significantly different regarding their democratic tradition. For example, even though Argentina, Chile, Paraguay, and Uruguay underwent authoritarian rule during the 1970s and are currently democratic; only Chile and Uruguay have relatively high levels of democratic traditions (Figure 1). In this dissertation, I argue that understanding democracy from a historical perspective, i.e., a country's democratic tradition, is a more adequate measure to test its effects on presidential failures. In addition, since presidents

Machado, Scartascini, and Tommasi's (2011) quantitative analysis for more details about the relationship between democratic institutionalization and street protests in Latin America.

⁶ The three quantitative studies on presidential failures used Polity IV's score of democracy (polity2): Kim and Bahry (2008), Marsteintredet (2009), and Hochstetler and Edwards (2009).

surviving or failing in the past might influence current levels of democracy, using a country's democratic tradition enables to partially control for endogeneity.⁷

Figure 1. Democratic Tradition and Polity2 Score of Democracy, 1900-2012⁸



Notes: Democratic tradition elaborated by the author by updating of Gerring et al.'s (2005) democratic stock formula. Polity2 score obtained from Polity IV dataset.

Democracy and Regime Legacies

The “democratic continuity” hypothesis is based on the regime legacy literature, which emphasizes that current political phenomena are influenced by a country's historical record with democratic and authoritarian politics. Previous research have found

⁷ For more details see section on variable operationalization in Chapter 3.

⁸ Polity2 index is a 21-point scale that ranges from -10 (hereditary monarchies) to +10 (consolidated democracies) (Marshall, Gurr, and Jaggers 2013).

that a country's democratic legacy or tradition significantly affects inequality (Rueschemeyer et al. 1992; Hubber et al. 2006), poverty (Pribble et al. 2009), redistributive social policies (Huber and Stehens 2012), economic development (Gerring et al. 2005), and current levels of democracy (Inglehart and Welzel 2007; Pérez-Liñán and Mainwaring 2013; Mainwaring and Pérez-Liñán 2013).

As Pérez-Liñán and Mainwaring (2013: 388) point out, previous experience with democracy leads to stronger political institutions in the present. A country's democratic tradition could be indirectly observed through political institutions and actors, but especially the latter. Political actors such as congress, the chief executive, the courts, the electorate, political parties, the military, unions, business associations, etc., are the ones "doing" politics, which Pérez-Liñán and Mainwaring (2013: 389) call "institutional carriers." It is these carriers' democratic values, strategies, and goals as well as their interactions with each other and with political institutions upon which presidential survival would ultimately depend. Simply stated, I postulate that the longer the democratic experience, the more institutionalized are the democratic institutions and values, and therefore the more likely that a president's tenure will be respected, even in a period of crisis.

Theoretical Model

Figure 2 illustrates the theoretical model employed in this dissertation based on the variables discussed in the previous sections. The "institutional carriers" (center of Figure 2) are affected by two structural forces, democratic tradition (left) and economic development (top), and by short-term factors (grey box on the right). The interactions between "institutional carriers" are central to understand why and how president may or

may not survive in office. For instance, interests groups, i.e., unions, peasants, indigenous organizations, students, guilds, etc., are routinely interacting with the president. However, these groups may organize and launch a wave of social mobilizations against the president, which might eventually unseat him. Similarly, congress may threaten a president's survival in office if he lacks enough partisan support to prevent opposition legislators from impeach him. Not only are important the interactions between the president and the other "institutional carriers" but also the interactions among themselves. As discussed in the literature review section, when enjoying strong partisan support, congress may shield the president from social mobilizations and vice versa, or both may buttress on each other to topple him.

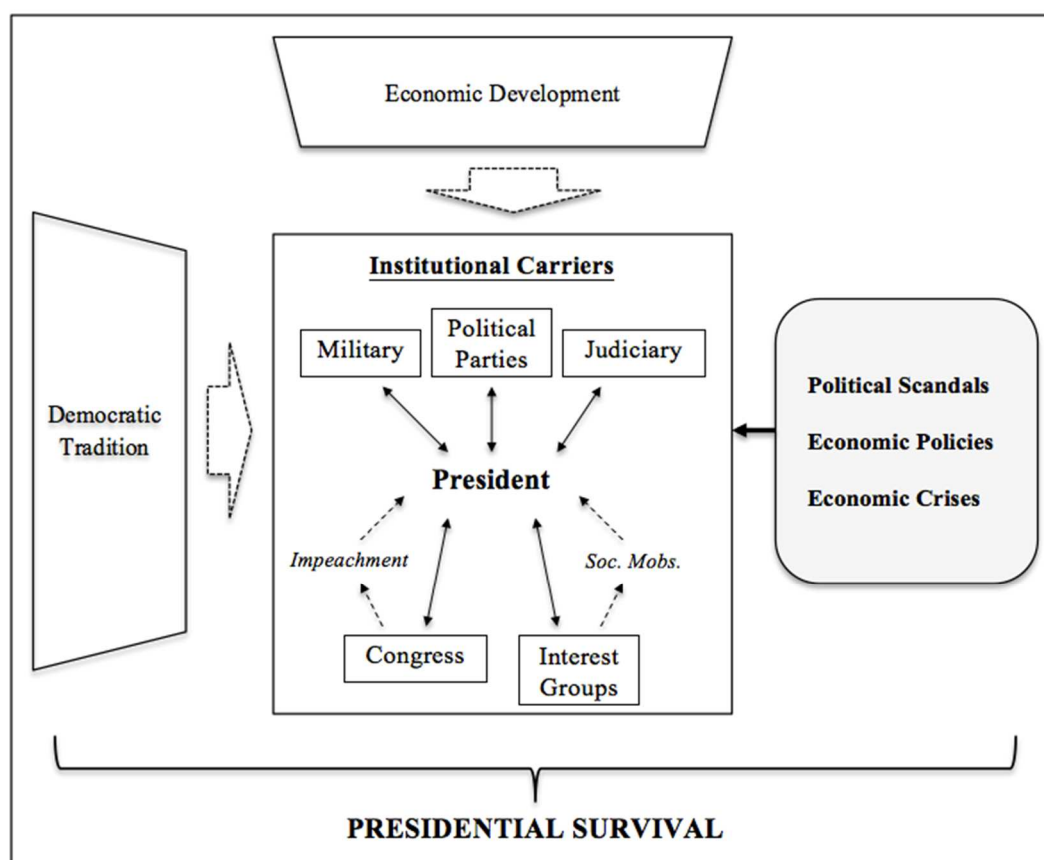
Two structural forces affect the interaction of the institutional carriers: democratic tradition and economic development.⁹ As explained above, a country's democratic tradition influences the values, strategies and goals of the "institutional carriers," which drive their behavior and interactions. That is, in countries with higher levels of democratic traditions, "institutional carriers" would be more likely to allow the president to survive in office until the end of his term. The second structural force, economic development, is thought to have a positive effect on presidential survival since, as explained by Hochstetler and Edwards (2009: 49), higher GDP per capita is usually associated with stable political relations.¹⁰

⁹ Hochstetler and Edwards (2009: 49) show that there is a negative statistically significant relation between a country's economic development (GDP per capita) and presidential challenges.

¹⁰ The causal relation between economic development and presidential survival is still undertheorized. Even though Hochstetler and Edwards (2009) control for the effects of a country's GDP per capita in their quantitative analysis, they do not further elaborate on how economic development may affect presidential survival.

The short-term factors fueling the interaction between the president and the rest of “institutional carriers” are represented in the gray box on the right side of Figure 2. That, how the different domestic actors perceive the president is dealing with an ongoing economic crisis, what type of economic policies he issues, and whether or not he has been directly involved in political scandals. For example, a slow economic growth may trigger a negative response of interest groups such as unions, peasants, or students associations, who might take to the street asking for a policy change or even the president’s resignation. Similarly, when the president is closely linked to political scandals, congress or the judiciary may accuse him; or when adopting unpopular, market-oriented policies, mass mobilizations may arise threatening his survival in office.

Figure 2. Institutional Carriers and Presidential Survival



In this chapter, I discussed the different variables that drive presidential survival –institutional and political factors, economic issues, and social mobilizations– identified by previous works. Additionally, I offered a new way to understand how democracy may affect presidential failures that is rooted in the literature of regime legacies. In this approach, a country’s democratic tradition is conveyed and practiced by “institutional carriers,” i.e., political actors (e.g., political parties, congress, the president, the judiciary, among others), upon which presidential survival ultimately depends. In Chapter 4, using survival analysis I quantitatively test whether the hypothesized causal relationship between democracy and presidential actually works. In chapters 5 and 6, the case studies of Fernando de la Rúa (Argentina) and Lucio Gutiérrez (Ecuador), I closely explore how the major variables identified in this chapter interact and lead to the political demise of these two South American presidents.

CHAPTER THREE

METHODOLOGY, OPERATIONALIZATION AND CASE SELECTION

Introduction

In previous chapters I discussed the major forces driving presidential failures identified by the theory. Institutional arrangements, political factors, economic issues, and mass street demonstrations have been found to have powerful destabilizing effects for presidents. In addition, I postulate that a country's democratic tradition has a causal relation with presidential failures. In this chapter, I describe the methods, case selection, hypotheses, and data used in this dissertation in order to test the causal relations between the determinants identified in Chapter 2 and the role played by democratic experience on the likelihood of presidential failures.

Mixed-Method Research

In order to obtain a fuller understanding of the causal relationships between the independent variables and presidential failure, I use a mixed-method research strategy. First, I proceed to quantitatively analyze the data so as to test the hypothesized causal relationships identified in Chapter 2. Second, I use a case-study approach to further test whether or not the causal relationships indicated in Chapter 2 and found in the quantitative analysis are evident in the in-depth cases studies. In addition, the qualitative method is used to identify other possible independent variables and to potentially develop new hypotheses.

Integrating quantitative and qualitative methods enables me to obtain a broader and deeper understanding of presidential survival. More important, the methods complement each other and allow offset each other's weaknesses, leading to a more robust and comprehensive analysis. Regarding the specific methods for each type of analysis, I use survival analysis as a quantitative tool, and a case-study approach for the in-depth investigation of two failed presidencies. In the following pages I describe each of these methodological approaches.

Sample

As noted above, a presidential failure is defined as a case in which a chief executive who is directly elected by the people, failed to fulfill his term in office on account that he was either impeached, forced to resign, or dismissed. There are three criteria for selecting cases: time, level of democracy, and being popularly elected. First, the observation time starts in 1979, which represents the beginning of the third wave of democracy in South America, and ends in 2012. Second, following Hochstetler and Edwards (2009), a presidency is included in the sample if the country has a Polity2 score greater than +5 every year during a presidential term.¹ Third, since presidents must have been popularly elected, caretaker governments (e.g., vice-presidents taking office or appointed by the legislature) are excluded from the sample, as their primary goal is to lead the country to the next presidential election. The sample of this research is thus formed by all democratic presidencies in South American countries since 1979 in which

¹ I based this requirement on Hochstetler and Edwards' (2009) study. One difference is that Hochstetler and Edwards (2009: 42) only applied the democratic criterion for the year of the presidential failure, and not for all the years that the presidency lasted as it is done here.

the people directly elected the president. The sample then encompasses a total of 65 cases: 54 completed presidencies and 11 failed presidencies (see Table 2).

Table 2. Sample of Censored and Failed Presidencies (by country)

Country	Censored Presidencies	Failed Presidencies	Total Presidencies
Argentina	5	2	5
Bolivia	6	2	8
Brazil	5	1	6
Chile	5	0	5
Colombia	9	0	9
Ecuador	6	3	9
Paraguay	2	2	4
Peru	5	0	5
Uruguay	6	0	6
Venezuela	5	1	6
Total	54	11	65

Survival Analysis

In comparative politics, survival analysis has been used in studies on government duration in parliamentary systems (Warwick 1992 and 1994; Roozendaal 1997; Laver 2003; Somer-Topcu and Williams 2008; Tzelgov 2011, Savage 2013), cabinet stability (Browne, Frendreis, and Gleiber 1986; Strom, Browne, Frendreis, and Gleiber 1988), political instability (Gates et al. 2006), regime change (Gasiorowski 1995), among others. This technique estimates the probability of occurrence or nonoccurrence of specific events during certain periods of times among different units (Gasiorowski 1995: 887). Put simply, survival analysis serves to determine how long it takes for an event to take place that leads to a transition from one qualitative state to another (Mills 2011: 1). Survival analysis is appropriate in answering this dissertation's research questions because it basically focuses on what reduces/increases the time period of

“nonoccurrence” of a presidential failure. The period of nonoccurrence encompasses two sub-periods: a period at risk of observing the event and a period not at risk (Yamaguchi 1991: 2). In this research, I focus only on one of them: the risk period, which begins when the president is sworn-in, and ends either at the early termination of a presidential term or when a presidential term is formally over.

Survival analysis enables us to determine “hazard rates” or the probability of an event taking place at a particular time during risk periods (Yamaguchi 1991: 3). In formal terms, the hazard rate depicts the “propensity” of one unit to move from state *A* to state *B* at a time *t*’ due to changes in explanatory factors in time *t* (Blossfeld, Golsch, and Rohwer 2007: 33). In the quantitative analysis, therefore, I employ survival analysis to estimate how long it takes for a presidential failure to occur as a function of a set of independent variables.

There are three basic statistical models for survival analysis: parametric, semi-parametric, and non-parametric models. In parametric models, the researcher determines the baseline hazard function, in semi-parametric models the baseline hazard is unspecified but estimated from the data, whereas non-parametric models make no assumption about the hazard function’s shape or how the independent variables may influence it (Mills 2011: 11-12). One important limitation of non-parametric models is that they do not allow for including multiple independent variables in the analysis (Mills 2011: 11), for which this model is ruled out. In deciding between parametric and semi-parametric models, the latter is more suitable for social science research than the former since social scientists usually rely on probabilistic rather than on deterministic explanations (Golub 2008). Cox’s Proportional-Hazard (PH) model is the most popular semi-parametric

model as it offers straightforward coefficients' interpretation, does not require a priori model specification, and fit data accurately (Mills 2011; Golub 2008). Therefore, I use Cox's PH model to quantitatively analyze the data.

One of the advantages of survival over other types of quantitative analyses (e.g., OLS or logistic regressions) is that it pays especial attention to timing. Whereas logistic regressions focus on whether an event takes place or not (event count), survival analysis goes further by considering the occurrence of the event given that the event has not been experienced before. Thus, time is also taken into account as an independent variable. Furthermore, unlike OLS and logistic regression, survival analysis enables us to include censored cases, e.g., presidents that were still in office when the observation period ends (December 31, 2012).

Still, the major limitation of carrying out a quantitative analysis on this subject is the low number of presidential failures "events."² The issue of events per variable (EPV) in logistic and Cox's regressions has been addressed in several statistical studies. A small ratio of EPV may significantly produce inaccurate and biased coefficients, and affect their statistical significance levels. Some previous works found that a 10:1 EPV ratio should be followed in order to avoid compromising the statistical results (Concato et al. 1995; Peduzzi et al. 1995; Peduzzi et al. 1996). However, a subsequent study by Vittinghoff and McCulloch (2006) showed that the 10:1 rule of thumb might be too conservative, and that a 5:1 EPV ratio would still offer accurate statistical results. Since there are only 11 events of presidential failure in the sample, no more than three

² An important distinction to bear in mind is between the notion of rare events and the EPV limitation. In statistics, rare "events" refers to the occurrence of events that are fairly infrequent relative to their non-occurrence (or vice versa). On the other hand, the EPV limitation refers to those events that are too few relative to the number of predictors.

independent variables will be included per each multivariate Cox's regression so not to seriously compromise its results. This limitation posed by the phenomenon itself makes even more necessary the combination of quantitative and qualitative analyses in this research.

Variable Operationalization and Hypotheses

Based on the case selection criteria outlined above, the survival analysis uses a cross-national time series dataset encompassing a total of 65 presidencies from 1979 to 2012, with administration-years as the unit of analysis. The effects of 14 covariates on the dependent variable are quantitatively tested.³ The dependent variable, *presidential failure*, is operationalized as a dichotomous variable, coded "1" for the year when a president resigns, is impeached or dismissed, and "0" when the president remains in office. In addition, a case is considered "censored" if (a) the president completed his/her term in office, (b) the president neither failed nor completed their terms before the observation period ended (Dec 31, 2012), or (c) if the presidents left office due to health issues or died. As Warwick (1994: 11) explained, the rationale of including right-censored cases is that their governments must be assumed to have lasted longer if these three situations had not occurred.

I posit that democracy may have a negative effect on presidential failures. The main hypothesis was called "democratic continuity," which states that in countries with a longer democratic tradition political actors would be more likely to seek peaceful, negotiated resolutions to presidential crises, thus reducing the occurrence of presidential failures. By contrast, the alternative hypothesis, "freedom to challenge," points that as

³ Summary statistics are provided in Appendix A.

democracy deepens, political actors would be freer to challenge incumbent presidents, which would make them more vulnerable to being unseated. To test these hypotheses, I use two independent variables: democratic tradition, whose effects on presidential failures have not been tested thus far, and level of democracy, the conventional variable to measure democracy.

Based on the literature of regime legacies, and Gerring et al.'s (2005) conceptualization of democracy and its cumulative effects, I argue that using a country's democratic tradition is a more appropriate conceptualization of democracy rather than focusing on the year-to-year variations of democratic scores (e.g., polity2). Furthermore, because previous presidential crises may affect current scores of democracy, understanding democracy from a historical perspective enables to better control for endogeneity since the variable democratic tradition begins in year 1900, while the dependent variable –presidential failures- starts in 1979.

Building on Gerring et al.'s (2005) formula, I update the democratic stock index, here called *democratic tradition*, through 2012, calculated by adding each country's score of democracy (Polity2) from 1900 to the current year and depreciating it at a 1% annual rate (Gerring et al. 2005: 340). The Polity2 index is also included to assess the effect of year-to-year variations on a country's level of democracy on presidential failure and to compare its effects with those of the democratic tradition index.⁴

H1a “Democratic continuity” hypothesis: A long history of democracy is negatively related to presidential failures.

⁴ The Polity2 score has been widely used by most quantitative studies on presidential failures and presidential crises. See Pérez-Liñán 2005; Pérez-Liñán 2007; Kim and Bahry 2008; Marsteintredet 2009; and Hochstetler and Edwards 2009.

H1b “Freedom to challenge” hypothesis: Democracy is positively related to the likelihood of presidential failure.

I use several variables to test whether or not institutional arrangements affect presidential survival, such as a president’s level of partisan support, the ruling coalition size, and party system fragmentation. *Partisan support* is operationalized as the share of legislative seats held in the congress by the president’s party or coalition for each year. I use the “margin of majority” variable from the World Bank’s Database on Political Institutions 2012 (DPI), which is computed by dividing the number of government seats by the total number of legislative seats, i.e., non-aligned, government, and opposition seats (Keefer 2012: 13). For easier interpretation, I multiply each value by 100 in order to obtain the share (%) of seats controlled by the government. And based on studies on parliamentary government duration, the *ruling coalition size* is also controlled for, on the assumption that more parties in the ruling coalition would put the president at greater risk of early termination. Here the DPI’s “government fractionalization” variable is used as a proxy, operationalized as the “probability that two deputies picked at random from among the government parties will be of different parties” (Keefer 2012: 10).⁵

H2 partisan support is negatively related to presidential failures.

H3 coalition size is positively associated with presidential failures.

Party system fragmentation focuses on how many congressional parties exist in each country. This means less power would be concentrated in the hands of the president’s party, and thus there would be more political players from whom the

⁵ Zero means that only one party forms the government, and higher values mean that more parties are part of the government coalition.

president must seek support. The “effective number of legislative parties” (ENLP) variable, correcting for “other” parties, is used, which is drawn from the Democratic Electoral Systems Around the World 1946-2011 dataset by Bormann and Golder (2013).

H4 party system fragmentation is positively associated with presidential failures.

In addition, the effects of *constraints on the executive* is tested, hypothesizing that greater constraints would encourage the president to cooperate, with congress especially, and thus be more likely to remain in office until the end of the term. Here the “executive constraints” score (Xconst) in the Polity IV dataset is used. This variable is a seven-category scale whose range goes from “1” (no regular limitations on the executive) to “7” (there are other actors such as the legislature in democratic countries that have equal or greater authority than the executive) (Marshall, Gurr, and Jaggers 2013: 24-25).

H5 Constraints on the executive are positively related with presidential failures.

Since it has been argued that presidents who obtain a low share of votes in the presidential election would be in a weaker political, the variable *share of votes in the presidential election* is also tested. This variable is measured as the share of votes that the president received in the first or only round of the presidential election. Data is collected from the World Bank’s DPI, and the Political Dataset of the Americas (Georgetown University).

H6: there is a negative relation between the share of votes received by the chief executive in the presidential election and presidential failure.

The literature suggests that economic crisis is a precipitating factor for presidential failure. Thus I include variables that measure economic performance. Economic performance is estimated by a country’s economic growth, inflation rate, and

level of development, all of which are obtained from the “World Bank Databank” (World Bank 2014). *Economic growth* is measured as the growth share of a country’s GDP for every year. *Inflation* is operationalized as the “GDP Deflator”, which represents the rate of price change (annual %) in the national economy. In order to control for influential cases, logarithmic transformation is used (\log_{10}). Since logarithmic transformation cannot be used on zero and negative values, a constant of 24.48 is added, which moves the lowest inflation value to 1 (Ecuador 1999 scored the lowest inflation rate, -23.48). Finally, *GDP (PPP) per capita* (\log_{10}) is used to measure economic development.

H7 Economic growth is negatively related to presidential failures.

H8 The inflation rate is positively related to presidential failures.

H9 GDP per capita is negatively associated with presidential failures.

For *presidential scandals*, data from Marsteintredet (2009) yield a binary variable coded “1” for a year when the president and/or his inner circle (close relatives, collaborators, party members and friends) are involved in corruption scandals as reported in the media or coded “0” otherwise.

H10 Presidential scandals are expected to have a positive effect on presidential failures.

Using Banks and Wilson’s (2012) dataset, the independent effects of three types of social mobilization are estimated: anti-government demonstrations, general strikes, and riots. *Anti-government demonstrations* encompass any peaceful public expression of opposition to “government policies or authority” except those targeting international actors (e.g., against an international summit, or anti-globalization protests) or which

involve at least 100 demonstrators. *General strikes* are operationalized as any gathering of “1,000 or more industrial or service workers that involves more than one employer” which target “government policies or authority,” excluding strikes aimed at local governments. Finally, so as to capture the degree of violence of street protests, the *riots* variable is used as a proxy for “dead protestors,” which was found to be a significant factor in driving presidents from office as discussed above. Riots is operationalized as “any violent demonstration or clash of more than 100 citizens involving the use of physical force.”

H11 The number of anti-government demonstrations is positively related to presidential failures.

H12 The number of general strikes is positively related to presidential failures.

H13 The number of riots is positively associated with presidential failures.

Qualitative Analysis: The Case-Study Approach and Case Selection

Why Case Studies?

Gerring (2004: 342) defines case study as the “intensive study of a single unit for the purpose of understanding a larger class of (similar) units.” Case studies facilitate the identification of new hypotheses, which may become visible after looking at the case more intensively (Gerring 2007: 99). Due to their more detailed observations, case studies not only can identify causal relations but also explain how they work (i.e., how X affects Y), thus offering useful insights for developing theories (Gerring 2007: 99). Case studies allow the researcher to pay closer attention to causal-process observations, which provide useful information about the context and processes that take place (e.g., at what level, under what conditions, etc.) among independent variables and between these and

the final outcome (Collier, Brady, and Seawright 2010: 24). The case-study approach, thus, serves to answer research sub-questions ii) and iii) outlined in Chapter 1 regarding the causal mechanisms linking independent variables and outcomes, and to identify other potential sources of presidential instability.

Specifically, the case studies will complement the survival analysis. As pointed out above, a maximum of three independent variables can be tested simultaneously without jeopardizing the reliability of its coefficients and significance levels. The case study approach will also be helpful to overcome some limitations of the data available. For instance, independent variables measuring political scandals and mass mobilizations may leave out important aspects of they eventually lead to shorter presidential terms. That is, case studies may shed light on when these factors affect presidential survival, and more importantly how. The two case studies, hence, may either support or lend more nuances to the survival analysis's findings.

Selecting the Case Studies

Ideally, the case selection should use randomization in order to avoid any type of selection bias, but given the medium-*N* sample (King, Keohane and Verba 1994: 124-127), and since there are five in six chances to pick a case with no presidential failure, randomization may do more harm than good. Hence, I use a judgmental sample where cases are selected upon their usefulness to answer the research questions, theoretical grounds, and case-specific features. Two types of case studies are employed here: a typical case and a deviant case or "outlier. A typical case is one that behaves as expected either surviving or failing given a set of independent variables (Gerring 2008; Beach and Pedersen 2013). Beach and Pedersen (2013) explain that in order to examine causal links,

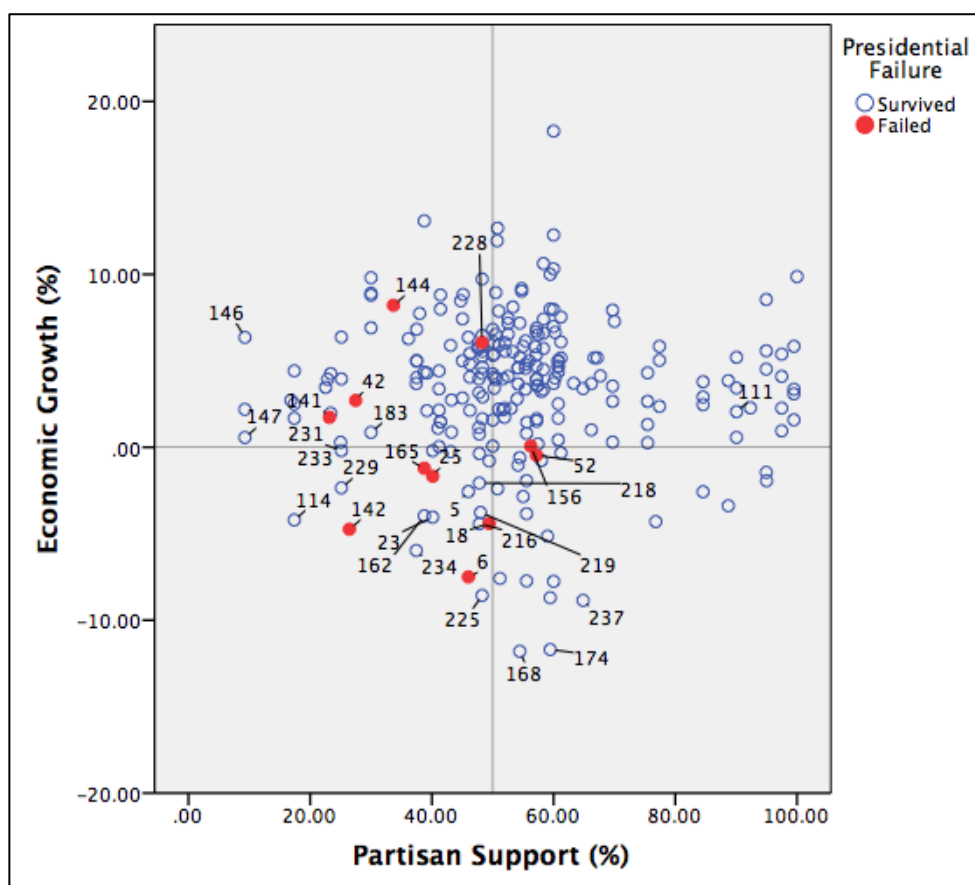
it is more useful to select a case in which the phenomenon of interest occurs. That is, if a causal relation really exists, it must be observed in a case that experienced a failed presidency when the independent variables were expected to lead to such outcome. Additionally, a deviant case, or “outlier,” is one in which the outcome variable exhibits a somewhat unexpected value considering the values of the independent variables, which enables us to generate new hypotheses that may apply to other cases (Gerring 2008: 656).

According to the literature review, two variables have consistently been found as powerful determinants affecting presidential survival: government parties controlling a majority of legislative seats and economic crisis. It is thus expected that when economic performance is declining and government parties do not control the legislature, the president would be most at risk of leaving office early. Given that years with positive economic growth may compensate for those when the country undergoes economic recessions, and since presidential crises occur in short time spans (a year or even a couple of months), focusing on average scores of partisan support and economic growth might be misleading. Year-to-year observations might be more accurate measurements in such situations for they may capture short-term impact of the economy and changes in partisan control of the legislature.

Figure 3 shows administration-year observations of 65 South American presidencies between 1979 and 2012, where the blue circles represent censored observations and red dots depict presidential failures. Five presidents failed when in the same year their parties did not control the legislature and the economy did not grow: Jamil Mahuad (obs. 142), Raúl Alfonsín (obs. 6), Fernando de la Rúa (obs. 18), Hernán Siles Zuazo (obs. 25), and Fernando Lugo (obs. 165). However, several presidents did not

fail even when such adverse conditions lasted more than one year. For example, observations 216-219 (Luis Herrera Campins's 2nd to the 5th final year in office), and 229 and 231 (Rafael Caldera's 1st and 3rd years in office⁶) represent years in which presidents survived despite dire economic conditions and not holding legislative majorities.

Figure 3. Administration-Year Observations



Source: Elaborated by the author based on data from the variables *Economic Growth* (World Bank) and *Partisan Support* (DPI).

On the other hand, presidents who failed either when their parties control the legislature or when the economy was growing might be considered as “special” cases or semi-unexpected failures. For instance, Fernando Collor de Mello (obs. 52) and Raúl

⁶ Observation 233, Caldera's last year in office, is a borderline year since his party only controlled 25% of legislative seats and the economy barely grew 0.29%.

Cubas (obs. 156) were impeached even when the government coalition had legislative majorities. Similarly, Gonzalo Sánchez de Lozada (obs. 42), Carlos A. Pérez (obs. 228), Abdalá Bucaram (obs. 42), and Lucio Gutiérrez (obs. 144) did not complete their terms despite positive economic growth.⁷ Furthermore, only one president was seriously at risk of being deposed when the economy was growing and when the ruling coalition held a majority in Congress (upper-right corner). Colombian President Ernesto Samper (obs. 111 in Figure 3) survived an impeachment process in 1996 even though he was being accused of receiving funds from drug Cartels for his presidential campaign.

Table 3. Expected Presidential Fates and Exit Mechanisms

	Impeachment <i>(or its threat thereof)</i>	Forced Resignation	Legislative Dismissal
Expected Failures	Fernando Lugo	Raúl Alfonsín Hernán Siles Zuazo Fernando de la Rúa	Jamil Mahuad
Semi-Unexpected Failures	Fernando Collor Carlos A. Pérez Raúl Cubas	Gonzalo Sánchez	Abdalá Bucaram Lucio Gutiérrez
Expected (challenged) Survivor	Ernesto Samper		
Unexpected Survivors	Luis Herrera Campins Rafael Caldera		

Four types of cases could be identified from these preliminary results shown in Table 3: presidents who were expected to survive and did so, “expected survivors” (upper-right quadrant), those who failed under difficult political and economic conditions, “expected failures” (lower-left corner), presidents who should have failed but did not, “unexpected survivors” (lower-left corner), and those who might have survived

⁷ Abdalá Bucaram is a special case (obs. 42) for he only stayed in office six months and was finally “dismissed” after being declared “mentally incapable” by Congress.

but did not, “semi-unexpected failures” (either located on upper-left or lower-right corners). Table 3 shows how presidencies can be categorized according to their expected political fate and exit mechanisms. Now, the next step is to focus on which cases are useful for answering the research questions.

As explained above, considering that a typical case study is to be used to assess whether the causal links between determinants and the dependent variable work as theorized, the first case study is drawn from the “expected failures” category. The second type of case study is a deviant case or “outlier.” However, since there is no president who failed during good economic times and enjoying large partisan support, “unexpected failure” (upper-right corner of Figure 3), the second case study is selected from the “semi-unexpected failure” category. By closely examining a case from this category, I may identify overlooked independent variables and develop new hypotheses (George and Bennet 2005: 12).

Furthermore, considering that impeachments of Latin American chief executives have been studied elsewhere (Baumgartner and Kada 2003; Pérez-Liñán 2005, 2007; Negretto 2006; Helmke 2010), and impeachment can be seen as part of the democratic process, I focus on the two remaining exit mechanisms: forced resignations and legislative dismissal. Among the expected failures, the forced resignation of Fernando de la Rúa (1999-2001) of Argentina represents a “perfect storm” (typical case) since he faced a situation of minority government, a dire economic conditions, and the subsequent emergence of social mobilizations and splits in the government. Compared to other non-impeached presidents in the “expected failures” category, De la Rúa’s presidency is the

most recent and it clearly incorporates the role played by economic performance and partisan support.

The second selected case is the semi-unexpected failure of Lucio Gutierrez (2003-2005) in Ecuador. Gutierrez's case is interesting because he was ousted via legislative dismissal (i.e., an ad-hoc procedure used by a legislature that lacks formal impeachment powers), and faced social mobilizations, but in the context of a growing economic activity. Even though several mass demonstrations were aimed against presidents Lucio Gutierrez and Gonzalo Sánchez de Lozada (Venezuela), the fall of the former is more puzzling since the economy performed much better during his term (2.72% economic growth in his 1st year, and 8.21% in his 2nd year) than during Sanchez de Lozada's (2.71% in his 1st and only year in office).

Qualitative Data

Since we are examining democracies, a great deal of information is available on the political and economic context in which these presidents operated. The major data source is the Latin American Weekly Report (LAWR). The LAWR has systematically provided reliable and extensive information on major sociopolitical events in Latin American countries since 1967, and it has been used in several studies addressing presidential crises in the region (Hochstetler 2006; Helmke 2010; Negretto 2006; Pérez-Liñán 2007; Marsteintredet 2009). Complementing LAWR, two other sources are used: The New York Times (NYT) from the United States, and El País from Spain. Even though none of these two complementary sources offer a wide coverage of South American politics as LAWR does, major sociopolitical events are usually well reported

as they occur, thus it is easier to follow their daily progress on the NYT and El País rather than on the LAWR.⁸

Table 4. The Two Presidencies and Timeframe of Analysis

President	In office	Coverage
Fernando de la Rúa	Dec/10/1999 – Dec/21/2001	Dec/10/1999 – Dec/23/2001
Lucio Gutiérrez	Jan/15/2003 – Apr/18/2005	Jan/15/2003 – Apr/26/2005

The coverage for each presidency begins as soon as the president takes office and ends after his ouster (Table 4). There were a total of 355 news articles on the Fernando de la Rúa administration, and 137 news articles on Lucio Gutiérrez from the three news sources.⁹ The difference in coverage on the two presidencies is noteworthy, especially when it comes to the NYT and El País. These two newspapers paid significantly more attention to political events occurring in Argentina than in Ecuador (e.g., the NYT published 61 news articles on De la Rúa’s presidency and only 6 on Gutiérrez’s). Nevertheless, this difference in media coverage is not surprising. As a large country in the region, Argentina (as well as Brazil) usually receives more media coverage than other smaller countries in South America. An additional explanation is the severity of the Argentine financial meltdown during the De la Rúa administration. The Argentine crisis was thought to have the potential of affecting the economic performance of the entire

⁸ Specifically, the NYT has been also used in the construction of Wilson and Bank’s database, which is employed in the quantitative analysis of this research.

⁹ There were a total of 463 and 168 news articles found on the De la Rúa and Gutiérrez administrations, respectively. However, 108 news articles on De la Rúa and 31 on Gutiérrez were dropped from the analysis on account that they did not provide any useful information for this research. These news articles fell into the category “not relevant,” which addressed topics such as bilateral relations, private companies with limited impact on the national economy, third countries, scandals not related to the government, issues prior to the analysis time span (before Dec-1999 for De la Rúa, and Jan-2003 for Gutiérrez), among others. See Appendix D.

region, whereas the Ecuadorean political crisis was believed to have more limited consequences.

Final Remarks

This research's mixed-method strategy is intended to provide a thorough understanding of the phenomenon of presidential failures in South America. As mentioned above, the survival analysis cannot offer a fully comprehensive picture of the relations between independent variables and presidential survival due to the EPV issue. The two case studies are thus useful to complement the quantitative findings and to determine whether the causal relations indeed take place as predicted by the theory. In the next chapter, I run the survival analysis and discuss its results. In chapters 5 and 6, I proceed with the qualitative analysis of the two failed presidencies: Fernando de la Rúa (Argentina, 1999-2001) and Lucio Gutiérrez (Ecuador, 2003-2005).

CHAPTER FOUR

SURVIVAL ANALYSIS

Introduction

In this chapter, I use survival analysis to assess the hazards of presidential “death” or failure in South America. Based upon previous research, I focus on the effects of institutional and political factors, economic issues, and social mobilization on presidential survival. Additionally, I test whether a causal relation between democratic tradition and presidential survival indeed exists. I analyze 65 South American presidencies between 1979 and 2012. Using Cox’s Proportional-Hazard (PH) Model, a method that has not been used thus far to study government survival in presidential systems, I find that a country’s democratic tradition and partisan support (i.e., the share of legislative seats controlled by the president’s party or coalition) more than any other factor consistently explain whether or not a presidential failure will take place. Surprisingly, inflation, executive-legislative power imbalance, social mobilizations, and party system fragmentation have no significant effects. The chapter begins with the survival analysis. First, I present the results of the bivariate regressions followed by findings of the multivariate regressions. In the second section, I assess and further elaborate on the quantitative findings and their implications for South American presidential survival.

Quantitative Data Analysis

Even though moderate correlation between independent variables is expected, in only one case it reached high levels. The two variables with the highest correlation coefficient were *democracy* (polity2 scores) and *constraints on the executive* (0.77). Their close relationship stems from the fact that in more democratic countries, the president's power is usually more constrained or balanced by other political institutions. As shown below, none of these two variables are statistically significant in the bivariate analysis. However, due to their high correlation, it comes as no surprise that both variables are significant (at the 0.001 level) when simultaneously included into the same statistical model. The second-largest correlation coefficient is between variables *party system fragmentation* and *ruling coalition size* (0.57). This moderate correlation is expected since as the number of legislative parties goes up, it is also likely that more parties belong to the ruling coalition. Finally, the third-largest correlation arises between a country's *democratic tradition* and *democracy*, yet it is rather low (0.36).¹

Due to the “events per variable” (EPV) limitation, I run bivariate and multivariate analyses.² First, the dependent variable is regressed on each independent variable separately. This enables us to identify which covariates are statistically significant and deserve to be included in the multivariate models. Table 5 shows the results of the bivariate Cox's PH models. Only five out of 14 independent variables were found to have statistically significant effects on presidential failures.

¹ Correlation matrix of the 14 independent variables in Appendix B.

² Cluster-robust standard errors across countries are used in both bivariate and multivariate regressions.

Table 5. Bivariate Cox's Proportional-Hazard Regressions

	<i>HR</i>	<i>Coeff.</i>	Log Pseudolikelihood	Subjects	Failures	Obs
Democratic Tradition	0.99	-0.01** (0.00)	-39.43	65	11	246
Democracy (Polity2)	0.84	-0.18 (0.20)	-41.89	65	11	246
Partisan Support	0.96	-0.05*** (0.01)	-38.80	65	11	243
Ruling Coalition Size	0.10	-2.28* (0.99)	-40.20	65	11	246
Party System Fragmentation	1.07	0.07 (0.11)	-41.69	63	11	237
Constraints on the Executive	1.31	0.27 (0.31)	-41.93	65	11	246
Share of Votes First-Round	0.97	-0.03 (0.02)	-41.55	65	11	246
Economic Growth	0.90	-0.11* (0.05)	-40.29	63	11	240
GDP/capita (logged)	0.18	-1.73* (0.70)	-41.04	63	11	238
Inflation (logged)	2.02	0.70 (0.57)	-40.88	63	11	240
Presidential Scandals	2.60	0.96 (0.79)	-33.92	49	10	177
Anti-Gov. Demonstrations	1.18	0.16 (0.15)	-41.29	63	11	238
General Strikes	1.18	0.16 (0.23)	-41.52	63	11	238
Riots	1.47	0.39* (0.16)	-40.73	63	11	238

Robust SE clustered by country in parentheses.

$HR = e^{(Coeff.)}$

* $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

Democracy is indeed a factor in presidential failure. As theorized, higher levels of democracy (Polity2) are associated with less risk of presidential ousters. Yet, confirming previous findings, its coefficient lacks statistical significance (p-value = 0.373). On the other hand, *democratic tradition* is significant and negatively associated with the occurrence of presidential failures (p-value = 0.002), thus, supporting the “democratic

continuity” hypothesis. That is, presidents ruling over countries with more solid democratic traditions are less likely to be kicked out of office.

Other institutional factors are also important. As predicted by the theory, the risk of presidential failure decreases as a president’s level of *partisan support* (share of legislative seats) increases. But contrary to the expectation that more parties in the government may make political bargaining cumbersome and lead to more presidential instability, the variable *ruling coalition size* makes presidential failure less likely. Given the well-known risky combination of presidentialism and multipartism for Latin American democracies (Mainwaring 1993), it is noteworthy that *party system fragmentation* has no significant effects on presidential survival (p-value = 0.551). *Constraints on the executive*, which would encourage the president to cooperate with other political institutions (e.g., congress) and thus be more likely to remain in office, did not reach statistical significance (p-value = 0.374). Finally, receiving a low share of votes in the presidential election (or in the first round in a two-round system) does not make them any more likely to be deposed than those obtaining larger shares (p-value = 0.185).

The three variables measuring a country’s economic performance behave as expected. Both *economic growth* and *GDP per capita* have a significant negative relationship with presidential failures. That is, economic recessions make presidents less likely to survive in office, whereas presidents ruling over countries with higher levels of economic development face less serious threats for their survival. In contrast, higher *inflation* would make presidents more vulnerable to the risk of failure, however, as also found by previous studies, its coefficient is not statistically significant (p-value = 0.213).

Additionally, incumbents seem to be unaffected by their political wrongdoing. Even though the bivariate regression shows that *political scandals* would increase the hazard of presidential failure, this causal relation did not reach 95% statistical significance (p-value = 0.224). Perhaps surprisingly, social mobilizations exhibit only mixed impact on presidential failures. Neither *anti-government demonstrations* (p-value = 0.285) nor *general strikes* (p-value = 0.475) alone seem to be powerful enough to drive presidents out of office. Nonetheless, *riots* is statistically significant (p-value = 0.012), suggesting that presidents who are seen as responsible for the outcome of violent showdowns between protestors and the police are less likely to fulfill their terms. This finding is consistent with what Hochstetler and Edwards (2009) report about dead protestors significantly increasing the risk of presidential removal.

Table 6 shows the different multivariate analyses performed. In models 1-3, I test the three institutional covariates that were statistically significant in the bivariate regressions: *democratic tradition*, *partisan support*, and *ruling coalition size*. Models 4-6 test the effects of economic factors, *GDP per capita* and *economic growth*, and the only type of social mobilization that reached significant level in the bivariate analysis: *riots*. Since there has usually existed a close relation between a country's economic conditions and political institutions, models 7-10 pit the variable *democratic tradition* against *GDP per capita* and *economic growth* (*partisan support* is also controlled for). Models 11-13 address whether it is political institutions or social mobilizations that matter more when it comes to presidential failures. Finally, model 14 is included in order to offer a more clear illustration of the hazard rates of *democratic tradition* and *partisan support*.

Table 6. Multivariate Cox's Proportional-Hazard Regressions

	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6		Model 7	
	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.
Democratic Tradition	0.99	-0.01*** (0.00)	0.99	-0.01* (0.00)										
Partisan Support	0.95	-0.05*** (0.01)			0.96	-0.04*** (0.01)					0.95	-0.05*** (0.01)		
Ruling Coalition Size			0.15	-1.93 (1.04)	0.19	-1.65 (1.14)								
Economic Growth							0.91	-0.10 (0.05)			0.90	-0.10 (0.05)		
GDP/capita (logged)							0.29	-1.26 (0.70)	0.23	-1.49* (0.65)	0.08	-2.54*** (0.64)		
Riots									1.46	0.37* (0.15)	1.45	0.37 (0.20)		
Democratic Tradition (dummy)														
Partisan Support (dummy)														
Prob>Chi2	0.00		0.00		0.00		0.01		0.01		0.03		0.00	
Log p-Likelihood	-39.09		-38.17		-37.86		-39.81		-39.92		-39.23		-37.13	
Subjects	65		65		65		63		62		62		63	
Failures	11		11		11		11		11		11		11	
Obs.	243		246		243		238		231		233		235	

Robust SE clustered by country in parentheses.

HR = $e^{(\text{Coeff.})}$.

* p ≤ .05; ** p ≤ .01; *** p ≤ .001

Table 6. *Continued*

	Model 8		Model 9		Model 10		Model 11		Model 12		Model 13		Model 14	
	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.	HR	Coeff.
Democratic Tradition	0.99	-0.01** (0.00)	0.99	-0.01*** (0.00)	0.99	-0.01*** (0.00)	0.99	-0.01*** (0.00)	0.99	-0.01** (0.00)				
Partisan Support			0.94	-0.06*** (0.02)	0.95	-0.05*** (0.01)	0.95	-0.05*** (0.01)			0.96	-0.04*** (0.01)		
Ruling Coalition Size														
Economic Growth					0.91	-0.10 (0.06)								
GDP/capita (logged)	0.27	-1.31 (0.88)	0.11	-2.23* (1.02)										
Riots							1.38	0.32 (0.18)	1.50	0.40* (0.17)	1.33	0.29 (0.15)		
Democratic Tradition (dummy)													0.51	-0.68*** (0.18)
Partisan Support (dummy)													0.34	-1.07*** (0.29)
Prob>Chi2	0.01		0.00		0.00		0.00		0.00		0.00		0.00	
Log p-Likelihood	-38.75		-34.99		-34.89		-34.89		-38.19		-37.87		-36.04	
Subjects	63		63		63		63		63		63		65	
Failures	11		11		11		11		11		11		11	
Obs.	238		235		237		237		238		235		243	

Robust SE clustered by country in parentheses.

HR = $e^{(\text{Coeff})}$.* $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

Model 1 shows that a country's *democratic tradition* and the president's *partisan support* are still statistically significant and negatively related to the occurrence of presidential failures. In models 2 and 3, we observe that the variable *ruling coalition size* does not reach 95% significance level, suggesting that its effects on presidential failures are rather weak and quickly disappear when a second covariate is included in the regression. In model 2, the variable *ruling coalition size* is slightly not significant (p-value = 0.063) as *democratic tradition* is introduced into the model. Similarly, when *partisan support* is also controlled for, *ruling coalition size* is not statistically significant (p-value = 0.143). A possible explanation for why the variable *ruling coalition size* was not statistically significant in model 3 is that large ruling coalitions may also control large shares of seats in congress (strong *partisan support*). In fact, there is relatively high correlation (0.41) between the variables *partisan support* and *ruling coalition size*.³

Model 4 shows that both a country's level of economic development (*GDP per capita*) and economic performance (*economic growth*) reduce the likelihood of presidential failure, however, these variables were slightly not significant. Whereas *GDP per capita*'s p-value was 0.072, *economic growth*'s was 0.058. In models 5 and 6, we compare how well the two economic variables, *GDP per capita* and *economic growth*, perform when a second covariate, *riots*, is added into the regression. In model 5, we observe that both *GDP per capita* and *riots* have significant effects on presidential failures. Model 6 shows that both *riots* (p-value = 0.068) and *economic growth* (p-value = 0.057) were slightly not significant. A possible explanation for this result is that since

³ In a model not reported here including the variables *democratic tradition*, *partisan support*, and *ruling coalition size*, the former two were still significant at the 0.001 level, whereas the *ruling coalition size*'s p-value was 0.288.

violent street demonstrations are usually triggered by economic recessions, the statistical significance of their effects is severely reduced when both variables are included in a regression.

In models 7-10, I put the economic variables (*GDP per capita* and *economic growth*) to the test again but this time controlling for *democratic tradition* and *partisan support*. Model 7 shows that both the share of seats controlled by the president's party or coalition (*partisan support*) and economic development (*GDP per capita*) matter for presidential survival. Both variables have negative effects on the occurrence of presidential failures. In model 8, we observe, however, that the impact of *GDP per capita* loses its statistical significance (p-value = 0.137) when controlling solely for *democratic tradition* (p-value = 0.002). Despite the changes of its significance levels in models 7 and 8, model 9 clarifies that *GDP per capita* is significantly and negatively associated with failed presidencies even when controlling for both *democratic tradition* and *partisan support*.⁴ Model 10 shows that when *democratic tradition* and *partisan support* are accounted for, the effects of *economic growth* on presidential failures are once again not statistically significant (p-value = 0.106). Thus far, *economic growth*'s coefficients have not reached 95% significance levels in any of the multivariate regressions.⁵ These findings come as a surprise since previous studies have found that economic decline was

⁴ The variables *democratic tradition* and *GDP per capita* (logged) are moderately correlated (0.31), which might explain the changes in significance levels of the latter. Additionally, as suggested by Allison (2010: 417), I tested for multicollinearity in model 9 by regressing the failure time on *democratic stock*, *partisan support*, and *GDP per capita* (logged). Nevertheless, the variance inflation factor (VIF) for each of these three variables did not exceed 1.2, which suggests that no high collinearity was actually in place.

⁵ Moreover, although not reported here, *economic growth* is not significant when pitted separately against *democratic tradition* and *partisan support*. When controlling for *partisan support* (p-value = 0.000), *economic growth* is slightly not significant (p-value = 0.052). Similarly, when only including *democratic tradition* (p-value = 0.007), *economic growth* narrowly fails to reach 95% significance levels (p-value = 0.054).

a powerful factor driving presidents out of office. What these results show is that institutional variables such as *democratic tradition* and *partisan support* (i.e., the share of legislative seats held by the president's party or coalition) are clearly stronger predictors of presidential failures than a country's economic performance (*economic growth*), and their effects are more consistent than those of economic development (*GDP per capita*).⁶

Results of models 11-13 are especially interesting as they offer key insights to the “institutions vs. street” debate (Marsteintredet, 2009). Model 11 shows that effects of the most violent type of social mobilization, *riots*, practically disappear when *democratic tradition* and *partisan support* are also accounted for. Nevertheless, it still remains unanswered whether the impact of *riots* is undermined by a country's democratic experience, a president's level of partisan support, or both. Model 12 tests the effects of *democratic tradition* and *riots*, and find that both are statistically significant. However, when it comes to determining whether social mobilizations or congress has a greater impact on the occurrence of presidential failures, model 13 shows the effects of *riots* are not statistically significant, whereas the coefficient and significance level of the *partisan support* variable remains practically unchanged. Therefore, when it comes to explaining presidential failures, the share of legislative seats held by the president's party or coalition is more important than any type of social mobilization, even bloody confrontations (e.g., *riots*).

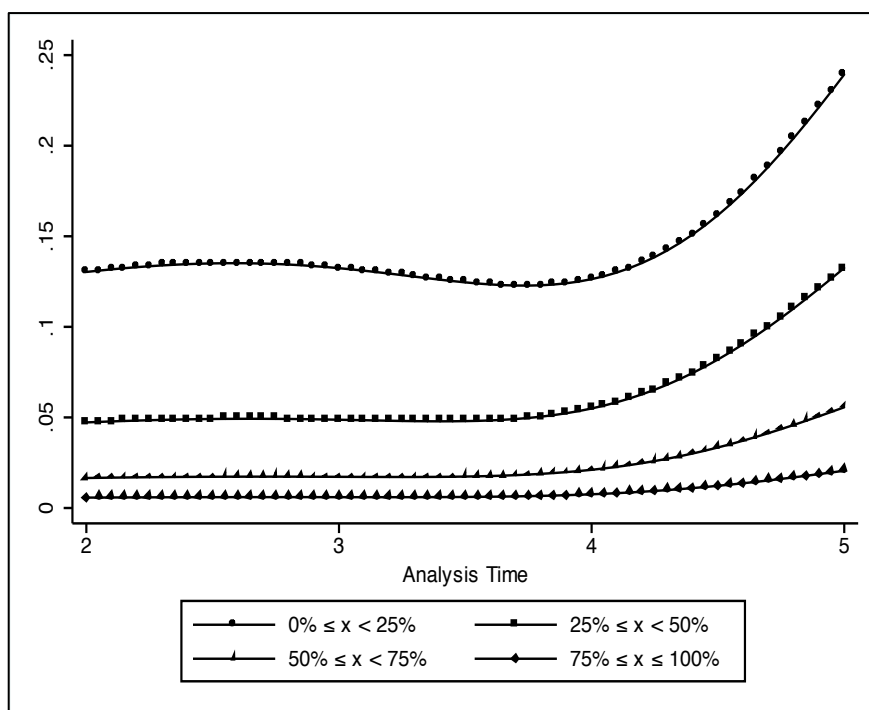
⁶ A separate analysis was run to test the consistency of the effects of the *democratic tradition*, *partisan support*, and *GDP per capita*. Each of these three variables was pitted against the other 13 independent variables so as to observe whether its level of significance changes or not when a second variable was included into the regression (see Appendix C). *Partisan support* was the most consistent variables of the three, being statistically significant in all the 13 models it was tested with a second independent variable. Similarly, *democratic tradition* was significant in all but one model (when pitted against the variable *presidential scandals*). Finally, *GDP per capita* reached statistical significance in only seven out of the 13 regressions.

The results of the multivariate analyses clearly show that both *democratic tradition* and *partisan support* are key variables explaining presidential survival. Their coefficients and significance levels did not dramatically change even when other variables were also included. Still, how is the hazard of presidential failure affected by *democratic tradition* and *partisan support*? In all models in which the variable *democratic tradition* was included, its hazard ratio was 0.99, i.e., $e^{(-0.01)}$, which means that for one-unit increase in a country's *democratic tradition*, the hazard of presidential failure goes down on average by approximately 1% (calculated as $[0.99 - 1] * 100 = -1$). The effects of *democratic tradition*, albeit consistent, may be deemed somewhat weak. However, in considering its range of 475.35 points (from -292.20 to +183.15) and the average difference between the smallest and largest *democratic tradition* per country (79.76 points), a country's *democratic tradition* may still have substantial effects on the occurrence or prevention of presidential failures. On the other hand, the hazard ratio of *partisan support*, 0.95 (in models 3 and 13, the hazard ratio was 0.96), means that when the president's party increases its share of legislative seats by 1%, the risk of presidential failure diminishes by 5% ($[0.95 - 1] * 100 = -5$). This finding seems quite strong. If the president manages to increase the size of his legislative coalition, he could ensure a longer survival time in office. Yet, when it comes to executive and legislative relations, it is also necessary to pay attention to the congressional thresholds, e.g., 50% of the share of seats, which may determine whether a president stays until the end of his term or leaves office early.

With the sole purpose to illustrate the effects of both *democratic tradition* and *partisan support* variables on presidential failures, a separate analysis (model 14) is run.

Model 14 includes both independent variables but now as categories.⁷ As model 14 shows, the significance and signs of their coefficients did not vary.

Figure 4. Cox's Proportional-Hazards Regression: Partisan Support



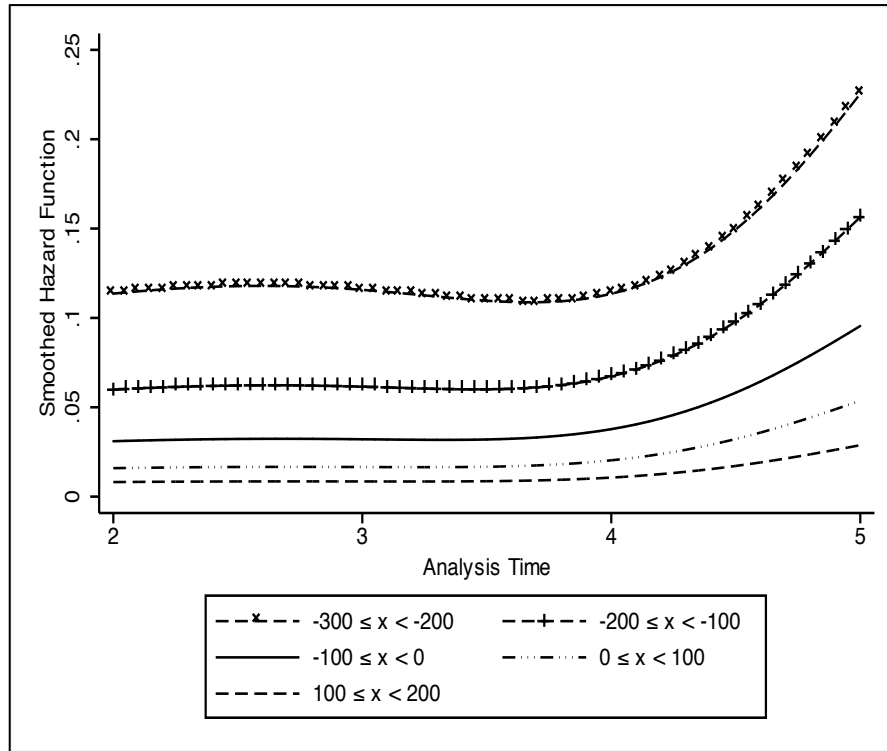
Notes: Elaborated by the author in Stata based on the results of Cox PH model 14.

Figure 4 shows that there is clear difference of having an absolute majority of seats in congress when it comes to presidential survival. The hazard rates for majority presidents are relatively close to each other, and presidents are not expected to face any major threat to their survival. Not surprisingly, the situation becomes more daunting for the president when his party or coalition only holds a plurality in congress. The risk further increases when this plurality does not exceed the 25% of legislative seats. For instance, majority presidents have a ≈ 0.02 probability to fail by the end of the third year,

⁷ Partisan support was grouped into four categories: presidents whose party or coalition controls (a) less than 25% of legislative seats, (b) between 25% and <50%, (c) between 50% and <75%, and (d) more than 75%. Democratic tradition was divided into five groups: presidents ruling over countries with a democratic tradition score (a) below -200, (b) between -200 and <-100, (c) between -100 and <0, (d) between 0 and <100, (e) greater than 100.

whereas those whose parties hold less than 25% of seats in congress have a ≈ 0.13 probability to be unseated at the same point in time.

Figure 5. Cox's Proportional-Hazards Regression: Democratic Tradition



Notes: Elaborated by the author in Stata based on the results of Cox PH model 14.

Figure 5 illustrates how hazard rates vary for groups of countries with different *democratic traditions* when also accounting for the effects of *partisan support*. For example, presidents who have survived to their third year in office have a ≈ 0.12 probability to fail in the fourth year in countries that accumulate less than -200 points in democratic tradition (e.g., Paraguay). By contrast, the hazard for presidents in countries with democratic traditions exceeding 100 points is practically zero (e.g., Chile, Colombia, and Uruguay).

Assessing the Risks of Presidential Failures in South America

Unlike previous works (Kim and Bahry, 2008; Alvarez and Marsteintredet, 2010), we found no statistically significant relation between *party system fragmentation* and presidential failures, which suggests that presidentialism and multipartism would not be a deadly combination for South American chief executives. Economic recessions (*economic growth*), which were thought as affecting the perception of president's performance, do not seem to be a strong predictor of failed presidencies. Additionally, presidents may pay political costs for being involved in *political scandals*, but the survival analysis shows that being forced to step down is not one of them. Even though some presidents were unseated due to corruption scandals (e.g., Pérez in Venezuela and Collor in Brazil), many others managed to survive in office (e.g., Menem in Argentina, Cardoso in Brazil, Samper in Colombia, Gonzalez Macchi in Paraguay, and Herrera Campins in Venezuela).

The effects of social mobilization were significantly weaker than expected. One possible explanation is that social mobilizations are not rare events in South American politics. That is, even though some presidents were deposed due to strong street demonstrations, many others survived. In fact, presidents managed to survive in five out of seven years with the largest number of anti-government protests and general strikes combined: Menem (Argentina 1990 and 1997), Chávez (Venezuela 2001 and 2002), De la Rúa (Argentina 2001, failed), Sánchez (Bolivia 2003, failed), and Durán Ballén (Ecuador 1994). Another explanation is that it is the intensity social mobilization that increases the likelihood of presidential failure rather than its occurrence. The variable *riots* was significant in the bivariate analysis, but it was not significant in models 11 and

13 (p-values of 0.067 and 0.055, respectively), when *partisan support* was also included in the model.

Even though economic recessions, social mobilizations, and scandals may create the scenario for a presidential failure, according to the survival analysis the fate of presidents seems to ultimately depend upon *partisan support*, the share of seats controlled by the ruling coalition, *democratic tradition*, and, to a lesser extent, economic development. Even though the variable *GDP per capita* was found to reduce the likelihood of presidential failures, it did not reach significance levels in models 6 and 8 when pitted against *economic growth* and *democratic tradition*, respectively. Still, the statistical evidence presented here points that countries with higher levels of economic development seem to offer better chances for presidents to survive until the end of their terms.

When the president is able to gather a majority of legislators on his side, his chances of survival substantially increase. Congress provides him with a “legislative shield” (Pérez-Liñán, 2007 and 2014) to block challenges coming either from the streets or from other political actors. But if serious presidential crises unfold, their fate will depend critically upon loyal partisan support. When the president’s party controls a substantial share of the legislative seats, that loyal contingent typically will rally behind the chief executive even if the incumbent is bedeviled by political scandals or social protests. As *partisan support* decreases, so does the political cost of defection, thus substantial numbers of legislators may choose to withdraw their support and even be tempted to unseat the president.

When it comes to democracy, the survival analysis lends support to the “democratic continuity” hypothesis. That is, a country’s *democratic tradition* or legacy matters for presidential survival. This *democratic tradition* may be observed through the behavior and interactions of domestic political actors, which Pérez-Liñán and Mainwaring (2013) call “institutional carriers.” In countries with larger democratic traditions or legacies, political actors are more likely to bargain, accommodate, and play by the democratic rules to pursue their political goals, which make chief executives more likely to fulfill their terms in office. The working of a country’s democratic tradition may also be indirectly observed, for example, in the role played by the military undermining presidential authority (Siles Zuazo, Alfonsín, Mahuad, and Pérez), in the blatant betrayal of electoral promises (Pérez, Bucaram, Mahuad, Gutiérrez, and De la Rúa), by forming ad-hoc electoral alliances that either tore apart or turned out useless once in office (De la Rúa, Bucaram, Mahuad, Gutiérrez, Lugo, and Sánchez), or by adopting downright illegal decisions (Cubas and Gutiérrez). Finally, the relative low number of cases in which the president was deposed via an institutional mechanism, e.g., impeachment, also reveals the low level of democratic institutionalization linked to presidential failures. Out of the 11 cases, only four were unseated via impeachment including the controversial “express” ouster of Paraguayan President Fernando Lugo (2012). In the remaining cases, presidents were unseated either by twisting institutional procedures (Bucaram, Mahuad, and Gutiérrez) or amid a generalized political alienation (Siles Zuazo, Alfonsín, De la Rúa, and Sánchez).

Final Remarks

This chapter shows that the risks of presidential early departure from office are primarily institutional. Quite surprisingly, the multivariate survival analysis shows that economic growth, political scandals, and social mobilizations have no significant effects on presidential survival when the new operationalization of democracy –*democratic tradition*- and *partisan support* are controlled for. In summation, when it comes to surviving in office, the fate of presidents chiefly hinges upon the share of seats controlled by the ruling coalition and their countries' democratic legacies.

Partisan support is thus central to understanding the risks of a president being prematurely unseated. As explained in the theory discussion, the role of congress is likened to a “two-edged sword”: it may either shield the president or turn against him. In addition, as the “democratic continuity” hypothesis suggests, in countries with larger democratic traditions, political patterns are more institutionalized and therefore more predictable. A country's *democratic tradition* influences political actors' strategies, ideas, objectives, making them more or less likely to respect the rules of the democratic system and its institutions, which then affect the risk of presidential failure.

This chapter still leaves some questions unanswered. For instance, if political scandals do not increase the likelihood of presidential failures, what do they do to presidents and their coalitions? In addition to their occurrence, is it the intensity or the type of participants that matter for social mobilizations to bring down elected presidents? If declining economic growth does not make presidents more likely to abandon office early, would the economic policies they issue during times of economic hardship that finally trigger a generalized public outrage asking their resignation?

More research is needed not only to detail the causal relationship between *democratic tradition* and the likelihood of presidential failure, but also to understand how other forces may indirectly contribute to the political demise of chief executives. Furthermore, bearing in mind the gaps left by quantitative research, the two case studies analyzed in chapters 5 and 6 are even of greater value since the survival analysis cannot include enough covariates to build robust theoretical models without compromising the accuracy of their results due to the limited number of presidential failures (only 11).

CHAPTER FIVE

THE FORCED RESIGNATION OF FERNANDO DE LA RUA IN ARGENTINA

(DECEMBER 10, 1999 – DECEMBER 21, 2001)

Introduction

Incapable of reviving an economy that had entered its fourth year of recession, facing an opposition-controlled Congress, with no political support from his own coalition, besieged by social mobilizations, and a death toll of 25 people, President Fernando de la Rúa was forced to resign after two years in office, halfway through his constitutional term. The aftermath of the crisis, Argentina's most severe sociopolitical crisis in its recent history, was the country defaulting on its public external debt (the world's largest ever recorded), five presidents in less than a month, a 30% devaluation of the Argentine peso, unemployment near 30% of the work force, and a GDP that contracted to the levels of the early 1990s (Kacowicz 2013: 153).

The case of Fernando de la Rúa is theoretically relevant for the study of presidential failures since it offers a wide array of factors contributing to his political demise. Chapter 2 showed that the literature has identified that presidents lacking strong partisan support, economic crisis, relatively low democratic tradition, coalition size, economic development, a fractioned party system, undisciplined parties, issuing market-oriented policies, corruption scandals, mobilizations targeting the president, and riots (i.e., violent showdowns between protestors and the police), all affect presidential

survival. In Chapter 4, these variables were put to the test.¹ The bivariate survival analysis found that economic growth, a country's democratic tradition, economic development, coalition size, a president's level of partisan support, and only one type of mass mobilizations, riots, significantly affect presidential survival. The multivariate analysis, nevertheless, showed that the effect of riots, economic development, coalition size, and economic growth lost their significance when democratic tradition and partisan support were also accounted for. By closely examining the De la Rúa administration, I am able to understand how these forces affect De la Rúa's survival. In addition, this case sheds light on the role played by other potential forces such as international financial organizations, the provincial governors, the president's leadership style, and the challenges of heading a coalition government.

I begin this chapter by briefly describing the political context in which De la Rúa was elected and the economic constraints he inherited. Then, we proceed to the in-depth news analysis whereby the De la Rúa administration is chronologically broken down focusing on how a declining economy, financial constraints, adopting market-oriented economic policies, inter-institutional frictions, coalition issues, and political scandals led to De la Rúa's ouster. We conclude this chapter by pondering on the implications this case offers for the study of presidential failures.

¹ Due to insufficient data, the variables measuring the adoption of neoliberal economic policies and party discipline were not included in the survival analysis.

Background

Argentina's Recent Democratic History

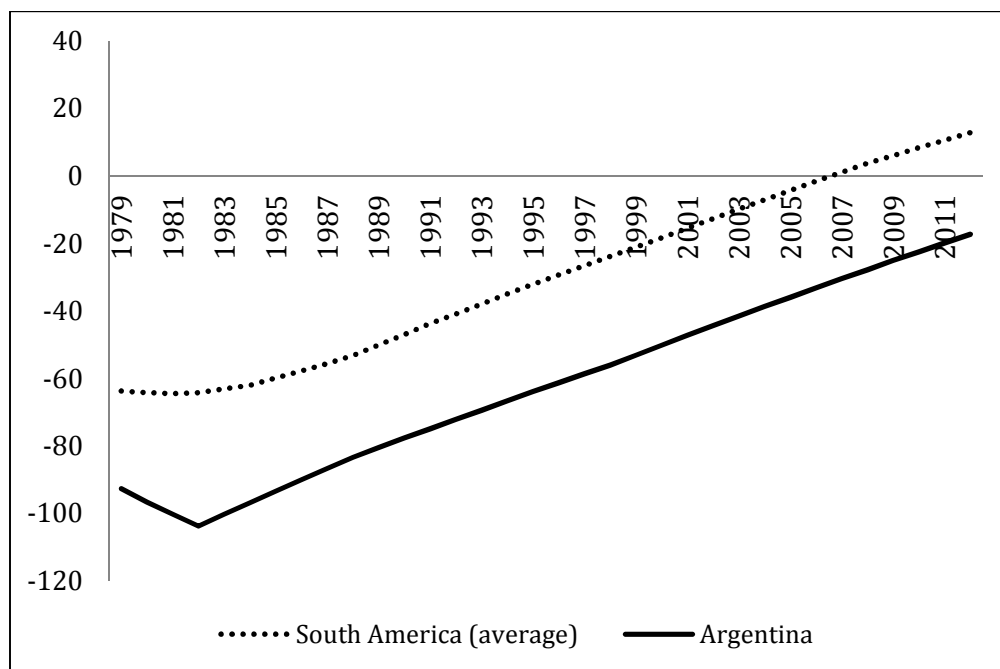
In July 1989, mass mobilizations forced the resignation of President Raúl Alfonsín, *Unión Cívica Radical* (UCR, Civic Radical Union), five months before completing his constitutional term. Carlos Menem, *Partido Justicialista* (PJ, Justicialist Party), took over after Alfonsín's failure in 1989, and ruled for two consecutive terms until 1999. Menem even managed to strike a deal with the Radical opposition to reform the constitution (1994) to seek immediate reelection. After ten years of Justicialist dominance, the Radicals were back in power again. UCR Fernando De la Rúa defeated the Justicialist candidate in the 1999 presidential election. De la Rúa became the third civilian president to be elected after the military dictatorship (1976-1983), and was the second Radical leader to win a presidential election in Argentina's recent political history.²

Argentina is one of the South American countries with repeated cases of presidential failures. The two Radical presidents elected after the military dictatorship failed to hold on to power. When De la Rúa took office in December 1999, Argentina had a relatively low score of democratic tradition (-53.1) compared with the South American average (-21). It is noteworthy that during the entire period of analysis of this research, Argentina's democratic tradition has been lower than the South American average. Some authors argued that Argentina had exhibited a "persistent institutional instability" and lacked "stable democratic rules," which had been reinforced by the "socially irresponsible" performance and short-term goals of Argentine political players (Levitsky and Murillo 2003: 162). This institutional outlook is precisely where President De la Rúa

² The first Radical president was Raúl Alfonsín (1983-1989).

and other “institutional carriers” would interact. The survival analysis in Chapter 4 showed that a country’s democratic tradition is positively related to presidential survival. Thus, Argentina’s rather low democratic tradition meant that De la Rúa would find more obstacles to survive in office.

Figure 6. South America’s (average) and Argentina’s Democratic Traditions



Source: Elaborated by the author by updating Gerring et al.’s (2005) democratic stock formula.

The De la Rúa Electoral Victory?

With almost half of the votes (48.5%), Fernando De la Rúa, UCR candidate, defeated Justicialist Eduardo Duhalde (38.1%) in the 1999 presidential election (Political Database of the Americas). Ever since former President Alfonsín’s early resignation in July 1989, the UCR suffered successive electoral setbacks that seriously weakened its popular support in the 1990s. In order to defeat the *Justicialistas* in the 1999 presidential election, the UCR joined forces with the newly formed conglomerate *Frente País Solidario* (FREPASO, Country in Solidarity Front), and created the *Alianza por el*

Trabajo, la Justicia y la Educación (Alliance for Work, Justice, and Education)

commonly known as the *Alianza* (Alliance).

Whereas the center-left UCR had been a one of the two most important parties in Argentina's history, the FREPASO had just been created. The FREPASO was formed by several former Peronist leaders (including Carlos "Chacho" Alvarez) who left the *Partido Justicialista* due to the Menem administration's right-turn, as well as by left-leaning politicians such as Christian democrats, socialists, and well-known political activists (Schamis 2002: 87). The potential of the *Alianza* rested upon the combination of each partner's strengths. FREPASO's lack of well-developed internal rules and structure could be overcome by the UCR's "national organizational structure" (Llanos and Margheritis 2006: 81). On the other hand, the left-of-center FREPASO was mostly recognized by its two major leaders, Carlos "Chacho" Alvarez and Graciela Fernández Meijide, who enjoyed broad popular support and media communication skills, which were one of the major flaws of the UCR (Llanos and Margheritis 2006: 81).

Table 7. Argentina's Major Political Parties as of December 1999

Coalition/Party	Abb.	Ideology	Lower House	Senate
<i>Alianza:</i> (Alliance)			47%	31.9%
<i>Unión Cívica Radical</i> (Radical Civic Union)	UCR	Centrist Left-leaning		
<i>Frente País Solidario</i> (Country in Solidarity Front)	FREPASO	Left-of-Center		
<i>Partido Justicialista</i> (Justicialist Party)	PJ	Right-leaning Populist	38.9%	55.6%

Note: Information about Congress's composition from Observatorio Electoral (2001 and 2003). Parties' ideology from (Llamazares and Sandel 2003: 51).

The *Alianza* ran on an anti-corruption/more-transparency platform, promised to strengthen social policies, reduce unemployment (Tedesco 2002: 471), and to move away from Menem's neoliberal economic model (Cooney 2007: 30; Teubal 2004: 185; Vilas 2007: 124), while keeping the Convertibility Law, improving "democratic governance mechanisms" (Llanos 2010: 62).³ As described below, some of these electoral promises quickly vanished from the government agenda. Despite its electoral success, the two partners in the *Alianza* did not have a thorough government program to pursue once in office (Llanos 2010: 62).

The electoral victory in the 1999 presidential election was the first in which a coalition seized power in Argentina. Defeating the *Justicialistas* was noteworthy, nevertheless, De la Rúa failed to get an absolute majority of the votes and so did his ruling coalition in Congress. The *Alianza* only achieved a plurality in the lower house, whereas the *Justicialistas* had a majority in the Senate and also controlled most of the governorships (see Table 7).⁴ Moreover, De la Rúa's leadership and style hindered his relations with the *Alianza* and his own party. De la Rúa only gave secondary government positions to FREPASO members (Schamis 2002: 87), and more surprisingly, he excluded influential radical leaders from his inner circle mostly formed by friends and family (Llanos and Margheritis 2006; Schamis 2002). As described later, the De la Rúa's leadership was constantly questioned and even UCR president Raúl Alfonsín (and former

³ The Convertibility Law pegged the Argentine peso to the dollar (one-to-one). That is, it required that the Central Bank had to back all the Argentinean monetary base with international reserves, which meant that the government could inject money into the economy only when international reserves increased via "trade surpluses or net capital inflows" (Schamis 2002: 83). Basically, the Convertibility Law eliminated the possibility of the executive using monetary and exchange policies to counteract "economic shocks" (Levitsky and Murillo 2003: 153).

⁴ The UCR held only seven governorships (19.2%), whereas the PJ held 15 (62.5%), including the most politically relevant (e.g., Buenos Aires, Córdoba, and Santa Fe) (Observatorio Electoral 2003).

president) undermined it as Alfonsín became an influential power broker within the *Alianza*.

Economic Hazards of De la Rúa's Survival in Office

On the economic front, De la Rúa inherited a country in a 2-year recession, with two-digit unemployment rates, a large fiscal deficit, and an external debt out of control. Carlos Menem's second reelection attempt led several PJ governors, who were seeking to run for president in 1999, to increase public spending in order to keep up with Menem's, which left the provinces with a large and growing deficit (Corrales 2002: 33).⁵ Furthermore, adopted during Menem's administration, the Convertibility Law meant that no mechanisms for economic stimulus remained under the president's control (Schamis 2002: 82), narrowing the policy options available for De la Rúa. Finally, large-scale privatizations undertaken by Menem left De la Rúa with limited mechanisms to increase state revenues (Levitsky and Murillo 2003: 153), which would have come in handy to weather the economic woes.

In summation, President Fernando de la Rúa was off to a challenging start. Some of the political and economic hazards to presidential survival identified by the scholarship (Chapter 2) and the survival analysis (Chapter 4) were already present at the time of his inauguration: a declining economy and low partisan support.⁶ As further described below, facing a divided government and leading a fragile coalition meant that De la Rúa had a weak "legislative shield" to protect him from social mobilizations. The depressing

⁵ In the 1998 budget bill, Menem sought to increase spending in spite of the country's worsening financial accounts (Corrales 2002: 33). In 1996, the provinces kept fiscal deficit under control, around 7% of total revenues; whereas by 1999 the fiscal deficit had grown to encompass 25% of revenues (Corrales 2002: 33).

⁶ About economic factors, the survival analysis only shows that economic growth has a statistically significant effect on presidential failures in the bivariate regressions, but such effect disappeared in the multivariate analyses when partisan support and democratic tradition were controlled for.

economic conditions and the eventual adoption of unpopular economic policies may trigger wide street protests. Specifically, in Chapter 4, the survival analysis's findings showed that low partisan support was consistent and an important source of presidential instability. Thus should the ruling coalition split or lose the mid-term election, De la Rúa's survival in office would be at a high risk. In addition, the limited options for increasing public revenues left De la Rúa with little room to deliver on his campaign promises of fixing the economy and promote social programs, while juggling to handle the growing fiscal deficit (of the central and the provincial governments) and to service the country's external debt.

Data Analysis

Overview of the Data

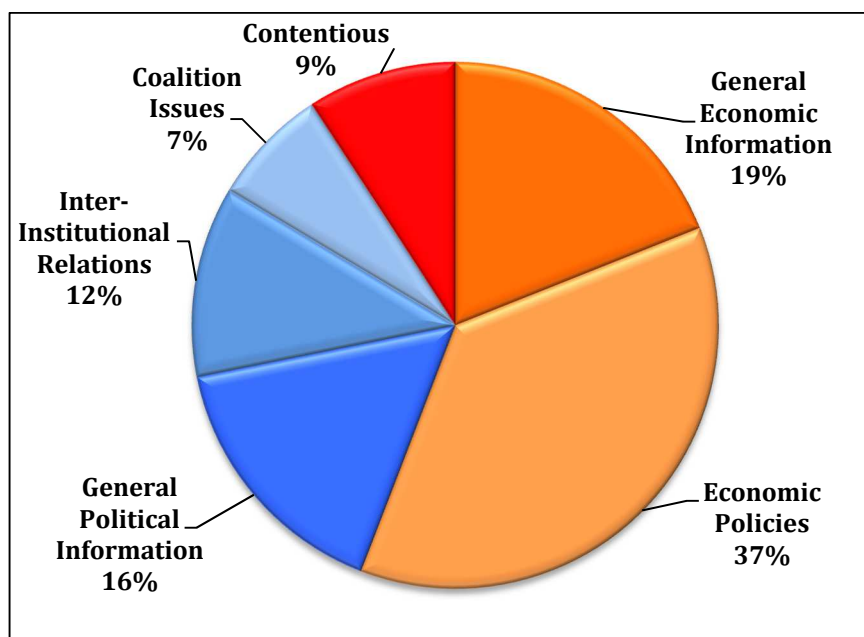
In the following sections, I describe and analyze the main sociopolitical events during the De la Rúa administration. Specifically, I focus on the constraints imposed by the worsening economic situation, the role played by the International Monetary Fund (IMF) as the main international source of revenues for Argentina, the political struggles within the ruling coalition, De la Rúa's leadership style, inter-institutional relations, political scandals, pressures on the executive by the unions, and how social mobilizations affected De la Rúa's survival in office.

This analysis is based on 355 news articles gathered from three archival sources: Latin American Weekly Report (LAWR), the New York Times (NYT), and El País. Since news articles sometimes address more than one event or topic at a time, each news article was further analyzed in order to determine how many news topics it contained.⁷

⁷ See Appendix D for further detail on the news topics.

Figure 7 shows that more than half of news topics, 56%, reported during the De la Rúa administration were related to economic issues (general economic information and economic policies), compared to 35% of news topics on political subjects (general political information, inter-institutional relations, and coalition issues) and 9% on contentious events (social mobilizations).

Figure 7. News Topics on the De la Rúa Administration

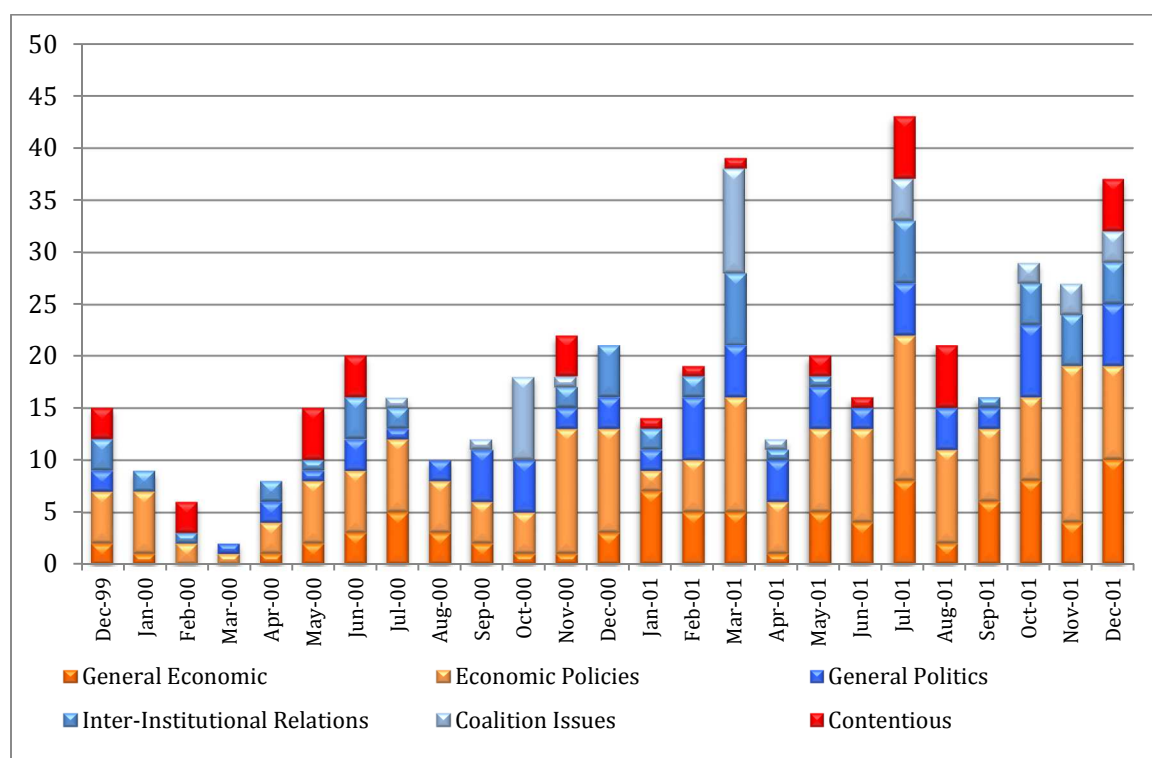


Source: Elaborated by the author based on the LAWR, NYT, and El País.

The difference in the share of news topics reported offers a hint at the major troubles that the president faced while in office. De la Rúa inherited a country with a 2-year economic recession and his mandate was marked by countless negotiations for loans with the IMF and efforts to reduce fiscal deficit (economic policies). When observing the evolution of news topics over time, Figure 8 shows that economic issues occupied a large share of media attention, especially since November 2000 when the risk of debt default became a real possibility. As seen on Figure 8, the number of political news topics reached its peak twice: March and July 2001. March 2001 was marked by cabinet

reshuffles, defections from the government, and the appointment of a more experienced economy minister, Domingo Cavallo. In July 2001, rumors about De la Rúa and his cabinet resigning, the president's attempt to form a government of national unity, and never-ending negotiations with ruling *Alianza* legislators to reach agreement on key economic bills drove both the economic and political agendas. Since October 2001, following De la Rúa's coalition defeat in the mid-term election, most news topics focused on the Argentine government's inability to pay its debt, and a wave of protests spreading across the country that ultimately forced De la Rúa out in December 2001.

Figure 8. News Topics during the De la Rúa Administration (by month)



Source: Elaborated by the author based on LAWR, NYT, and El País.

Note: Y-axis shows the number of news topics reported each month.

A Daunting Beginning

The most pressing task De la Rúa had to address immediately after swearing in was reviving the economy. In his second day in office, De la Rúa complained that he had not received “public accounts in order” from the previous administration in reference to the growing public deficit inherited from Menem (El País 1999, Dec 11). De la Rúa quickly announced tax increases on high-earners and sales, which was known as the *impuestazo* (the big tax) or tax shock (Ares 1999, Dec 17). With this measure, the government aimed at slashing the \$5.8 billion fiscal deficit expected for 2000 (LAWR 99-49-579).⁸ The executive also hoped that the unemployment rate could be brought down from the current 13.8% (LAWR 99-50-596).

In his first two weeks in office, De la Rúa faced challenges from the streets and in Congress. Troubles arose when thousands of protestors in several provinces (Corrientes, Entre Ríos, Formosa, Jujuy, Neuquén, Río Negro, and Salta) took to the streets demanding more jobs (Ares 1999, Dec 18). Clashes with police forces ended up with five protestors killed in Corrientes, in the northeast of the country (LAWR 99-50-596). Simultaneously, in Congress, the opposition Justicialist Party rejected De la Rúa’s economic measures included in the 2000 budget bill, anticipating that the government would take the blame for the austerity measures (LAWR 99-49-579). Even though the executive faced an adverse political context because of the *Justicialista*-controlled Senate, De la Rúa scored a significant victory in Congress when he managed to hammer out a deal with several opposition legislators and passed his budget proposal. The new

⁸ In fact, the Argentine fiscal deficit was estimated even higher, US\$6.2 billion, by one of the economy minister’s advisers (LAWR 99-50-596).

budgeted allowed De la Rúa to raise taxes and cut spending despite the opposition of former president and PJ leader, Carlos Menem (Krauss 1999, Dec 30).⁹

Significant opposition in Congress notwithstanding, De la Rúa tried to show that the country could be rescued from a long recession, provided that the economy grew by at least 3.5% and inflation did not exceed 1% in 2000 (LAWR 00-05-50). Moreover, the president knew that in order to bring the fiscal deficit down, he needed to increase state revenues. First, the government successfully secured funding from a \$778 million bond placement (LAWR 00-02-14), and second, De la Rúa reached a stand-by agreement with the IMF, which made available \$2.9 billion for 2000 (LAWR 00-05-50). These efforts were not only aimed at reducing the fiscal deficit but also at building confidence in the markets, which later became his overarching goal. Help from the IMF, however, came with pressure for cutting more than \$1.4 billion in public spending (LAWR 00-04-42). As shown later, this was a recurrent request that De la Rúa had to deal with in his negotiations with the IMF during his mandate.

Despite De la Rúa's measures to get the economy running, there were no significant signs that the domestic demand and tax revenues were growing in early 2000 (LAWR 00-14-158). In fact, in April 2000, the IMF mission chief for Argentina, Teresa Ter-Minassian, pointed out that Argentina might need to revise its economic targets "if the economy remains stagnant" (LAWR 00-14-158). Even though the IMF and the Argentine government rushed to assure that there would be no need for new taxes in

⁹ The government expected to raise almost \$2 billion in taxes and to cut \$1.4 billion in public spending (LAWR 00-01-12).

2000, Economy Minister Jose Luis Machinea stated that if tax revenues did not increase, spending cuts would ensue (LAWR 00-16-183).

In addition to fighting an opposition-controlled Senate, dealing with dire economic conditions, and resisting pressures from the IMF, De la Rúa had to face yet another challenge to his survival as he entered his third month in office: Hugo Moyano, the newly elected leader of the union umbrella organization called *Confederación Central del Trabajo* (CGT, General Confederation of Labor).¹⁰ Moyano, who had initially supported the *Alianza* during the presidential race, vowed “tough opposition” via lobby and mobilizations if the government kept siding with the IMF rather than with Argentine workers (LAWR 00-06-62).¹¹ The root of the conflict was the labor flexibility bill pushed by the executive, a project that the IMF had supported even since Menem administration (LAWR 00-09-99).¹² Under the new labor law, which would no longer require that work-related negotiations had to be held at the national level, the CGT would lose political leverage (Krauss 2000, Apr 28).¹³ In February 2000, despite the uphill scenario in Congress and street protests, thanks to an agreement struck with small provincial and conservative parties, De la Rúa managed to navigate his labor flexibility reform through the Chamber of Deputies, where the majority of the *Justicialistas* and even a few *Alianza*

¹⁰ Two factions fought for the CGT leadership: the “*gordos*” (fat) and the “*combativos*” (combative) (Schurman 2000, Feb 25). The *gordos* controlled the CGT leadership until Moyano, head of the combative faction, won the internal election (Schurman 2000, Feb 25).

¹¹ Moyano, who also led the *Movimiento de los Trabajadores Argentinos* (MTA, Movement of Argentine Workers), opposed former President Menem even since his first presidential term in the early 1990s (Schurman 2000, Mar 17).

¹² Interestingly, in 1997 Hugo Moyano and Vice-President Carlos “Chacho” Alvarez participated in a meeting organized to criticize Menem’s flexibility labor reforms (Schurman 2000, Feb 25).

¹³ The labor flexibility bill’s core amendments include the extension of the “test period” up to three months during which employees could be fired without the severance package, the elimination of collective agreement’s automatic renewal, and the replacement of nationwide “branch-of-activity” settlements by company-level ones (LAWR 00-09-99).

legislators had opposed the bill (LAWR 00-09-99). As promised, the more combative CGT faction led by Moyano responded by gathering about 20,000 protestors in front of the government building (LAWR 00-09-99). This is the first glimpse of what was yet to come.

By the end of April 2000, clashes between the police and protestors left more than 30 civilians wounded, and 14 police officers were charged with brutality (Krauss 2000, Apr 28). Called by Moyano against the labor flexibility bill, which was being discussed in Congress, the first national strike took place on May 5th (Ares 2000, May 6). Although the immediate goal of the strike was to exert pressure over the executive, Moyano declared that the protest was not aimed at De la Rúa but against the neoliberal economic model established during the 1990s (LAWR 00-18-206). Up to this point, relations between the president and the unions led by the CGT had not yet reached a breaking point.

After six weeks, De la Rúa was able to push his labor reform bill through the *Justicialista*-controlled Senate, which returned the project to the lower house with only minor changes, where it was finally approved on May 11 (LAWR 00-19-218). For a week, it seemed that De la Rúa was indeed turning things around. Yet, mobilizations against the government started anew in mid-May 2000. In Salta, violence erupted when the government sent in police forces to repress *piqueteros* (picketers), who had been blocking highways for almost two weeks (LAWR 00-19-218).¹⁴ As the clashes continued, more people took to the streets leading to more episodes of violence. A couple

¹⁴ *Piqueteros* (picketers) are a group of people who protests by blocking roads and highways in order to call the attention regarding certain policy issues. This tactic began during the second Menem administration (1996-1999) and it significantly grew in the incoming years. The average number of road blockings in 1997 was 11 per months, and by 2000 it had grown to 42 a month (LAWR 01-25-297).

of days later, rioters set local government buildings on fire as people from neighboring cities joined in the mobilizations (LAWR 00-19-218). According to a government report, due to worsening socioeconomic conditions, a total of nine provinces –Catamarca, Chaco, Chubut, Jujuy, La Rioja, Salta, Misiones, Rio Negro, and Neuquén–were at the brink of social turmoil (LAWR 00-20-235). Even though public discontent in the provinces had been building up for a couple of years, since the Menem administration, it was mostly during De la Rúa’s first months in office that it started to show its true potential for disrupting the political system.

Fears about a slow economic growth were looming large again. The Economy Ministry published that the fiscal deficit target for May 2000 had reached \$637 million instead of the \$500 million predicted by the government (LAWR 00-24-281). By the end of May, in order to “send the right signal to the markets,” i.e., the government’s commitment to keep fiscal deficit under control, De la Rúa announced a \$600 million cut affecting public employees with salaries over \$1,000 a month (LAWR 00-21-243). The plan was aimed at meeting the IMF requirements in order to have access to a more than \$7 billion “emergency credit” from the fund (Krauss 2000, Jun 10).¹⁵ De la Rúa’s cuts led to significant opposition from its very announcement.

In the beginning of June 2000, the *Justicialistas* presented a legislative motion in the Senate to reverse the public-sector pay cuts (LAWR 00-22-254). Meanwhile on the streets, both CGT factions, *gordos* and *combativos*, joined forces and called for a one-day national strike, which brought millions of people (mostly workers and the unemployed)

¹⁵ To make the plan more palatable to the people, the vice-president and FREPASO leader, Carlos Alvarez, proposed to a 12% pay cut for federal legislators (LAWR 00-22-254). Even though other politicians supported the idea, little evidence was found that the voluntary pay cuts were indeed ever implemented.

to mobilize against De la Rúa's austerity plans (Krauss 2000, Jun 10). In addition to the walkout of transportation workers, *cacerolazos* (pot and pan banging) and the blocking of bridges, railroads, and highways spread all over the country (Krauss 2000, Jun 10). This was De la Rúa's second round of mobilizations and the largest in four years (Krauss 2000, Jun 10). As suggested by the theory, large and widespread social mobilizations have powerful destabilizing effects against incumbent presidents. It is noteworthy that such mass demonstration took place only six months after De la Rúa's swearing-in. The political toll the government took from its austerity measures (the *impuestazo* and public-sector pay cuts) and the country's poor economic performance was substantial. Post-strike public satisfaction with the government was only 33%, whereas dissatisfaction exceeded 50% (LAWR 00-24-281).

Furthermore, between December 1999 and March 2000, public debt had grown to more than \$1 billion, whereas the economy only grew 0.9% in the first quarter and unemployment went up from 13.8% in October 1999 to 14.5% in May 2000 (LAWR 00-25-291). According to Horst Koehler, IMF managing director, the economic landscape in Argentina was not going to change if the government austerity measures were not accompanied by economic-growth promoting policies such as spending on infrastructure that fosters job creation (LAWR 00-26-303). Despite Argentina's growing public debt, the IMF "allowed" Argentina to be more flexible in meeting its economic goals, thus providing it with more room to spend on social programs. Moreover, the World Bank (WB) approved a \$3 billion loan to be spent in poverty programs through 2004, which was aimed at helping Argentina to meet its "structural reforms" (LAWR 00-26-303). As further described below, financial aid from foreign actors such as the IMF and WB was

conditioned upon the adoption of austerity economic measures and structural adjustment programs, which later proved to be highly unpopular.

In July 2000, the situation seemed to have slightly changed in favor of the De la Rúa administration. The president was able to increase public spending in social programs, and the ruling *Alianza* managed to block, in the lower house, the opposition's proposal that sought to reverse De la Rúa's public-sector salary cuts, which allowed the president to continue with his austerity economic plan (LAWR-00-26-303). Moreover, a poll conducted by Gallup showed that even though a large majority (63%) were not fully satisfied with the president's handling of the economy, almost half of Argentines (47%) still held a positive opinion of De la Rúa, and 48% regarded him as less corrupt than his predecessor, Carlos Menem (LAWR 00-27-324). More good news was on the way. A 15.4% growth year-to-year on tax revenues in June 2000 (LAWR 00-27-314), a \$726.6 million fiscal surplus in June 2000, an increase of international reserves, and funding coming from abroad thanks to Brady bonds exchanges (LAWR 00-28-327) were the first signs in a long time that the Argentine economy might be recovering. Finally, to cap off a good couple of weeks, the fiscal deficit target for the January-June period was \$451.4 million below the IMF-agreed target of \$2.24 billion (LAWR 00-29-343).

Nevertheless, unemployment, one of the most pressing problems for the public, had gone up to 15.4% in June 2000 compared with 14.5% one year before (LAWR 00-29-343). The revenue increase registered in June proved to be transitory. In July 2000, tax collection only grew by 3.7% (1% lower than expected), which hindered the government's ability to meet its fiscal goals with the IMF (LAWR 00-31-365). To make matters worse for De la Rúa, reports showed that the provincial deficits underwent a

dramatic 103.9% increase in 1999 (LAWR 00-30-357), whereas the economy had only grown 1.2% in the first semester (LAWR 00-33-391), still running behind the 3.5% growth expected by the government (LAWR 00-23-266).¹⁶

De la Rúa's first seven months in office show that an extreme adverse scenario to his survival was still not in place. Social mobilizations, although strong, mostly consisted of unions, the unemployed, and public servants protesting against the policies adopted by the De la Rúa administration. Previous studies found a significant difference between general protests against the government and demonstrations specifically aimed at the president since only the latter are powerful enough to unseat a president. It is also revealing that a significant share of the population still held a positive view of the president. Notwithstanding the divided government, in his first months in office, about 40% of De la Rúa's bills were approved by Congress, not very different from Carlos Menem's approval rate (Calvo 2007: 269). Moreover, no serious attempts were made to bring the president down during this period, showing that despite Argentina's relatively low democratic tradition, political actors were still committed (or willing) to play by the rules. Nevertheless, economic factors such as the subpar economic performance, significantly high unemployment, and the implementation of economic austerity measures, all of which reduce presidential survival according to the theory, would soon serve to fuel mass protests against De la Rúa, thus making him more likely to be overthrown.

¹⁶ The government had initially predicted an economic growth rate of 4% for 2000 (LAWR-00-23-266).

Scandal I: Bribing the Senate

Rumors about bribes offered to senators to gain their support for the labor flexibility reform pushed by the government began to circulate by the end of August 2000 (EFE 2000, Sep 1). The judge investigating the accusations pointed out that bribes had indeed taken place, although it was not clear who had paid them (LAWR 00-35-409). Hugo Moyano, the CGT leader, claimed that Labor Minister Alberto Flamarique, FREPASO member, had even bragged that the labor reform would pass through the opposition-controlled Senate with credit card payments (EFE 2000, Sep 5). President De la Rúa quickly dismissed the accusations, stating that the government had had no participation in the bribery (EFE 2000, Sep 5).

Pressure for De la Rúa's greater involvement in investigating the scandal started to grow within the ruling *Alianza*, which was facing a credibility crisis in the eyes of the electorate. Vice-President Carlos Alvarez, and leader of the ruling partner FREPASO, stated that, since De la Rúa had run for president on an anti-corruption platform, corruption should not be tolerated under his watch (EFE 2000, Sep 1). In fact, almost three months after taking office (March 2000), during the inaugural address at the National Congress, De la Rúa delivered an adamant speech against the "structural corruption" of the government and the bureaucracy inherited from the previous administrations, and his determination to eradicate it (El País 2000, Mar 2). Notwithstanding the lack of clear evidence in the bribery scandal, a poll by Gallup showed that 85% of Argentines believed that senators had taken bribes (LAWR 00-38-453). The government also saw its popularity plummet as only 14% of respondents held a

favorable opinion toward it after the scandal went public, compared with 30% in July (LAWR 00-38-453).

Since De la Rúa's response to the scandal was weak at best, pressures to investigate continued to grow. Finally, on October 5, De la Rúa announced his first cabinet reshuffle by appointing Jorge De la Rúa (his brother) as justice minister and Chrystian Colombo as cabinet chief (New York Times 2000, Oct 6). One of the most striking changes carried out by De la Rúa was the promotion of Alberto Flamarique, who had been directly linked to the bribery scandal, as his chief of staff (LAWR 00-40-469). It is also noteworthy that De la Rúa kept his friend Fernando de Santibañes as secretary of intelligence, who was also under investigation for the bribery case (Krauss 2000, Oct 9). As De la Rúa's response to the scandal seemed late and weak, on October 6, Vice-President Carlos Alvarez resigned (Krauss 2000, Oct 7). His departure triggered the most serious internal crisis faced by De la Rúa in his ten months in office. More important, the stability of the ruling coalition seemed to be in jeopardy when the president's Chief of Staff Rodolfo Terragno, Alberto Flamarique -one of the new appointees during De la Rúa's cabinet shake-up- as well as Jose Genoud, president of the Senate after Carlos Alvarez left, also resigned (LAWR 00-40-469).

Furthermore, De la Rúa took a significant blow by standing by his friend and second in command, Fernando de Santibañes. De Santibañes was seen as the main suspect of the bribery scandal and was continuously attacked by members of the FREPASO, including former Vice-President Carlos Alvarez (Krauss 2000, Oct 11). De la Rúa continued arguing that there was no evidence that the executive had been involved in the scandal, and he went even further by stating that the scandal occurred in the Senate,

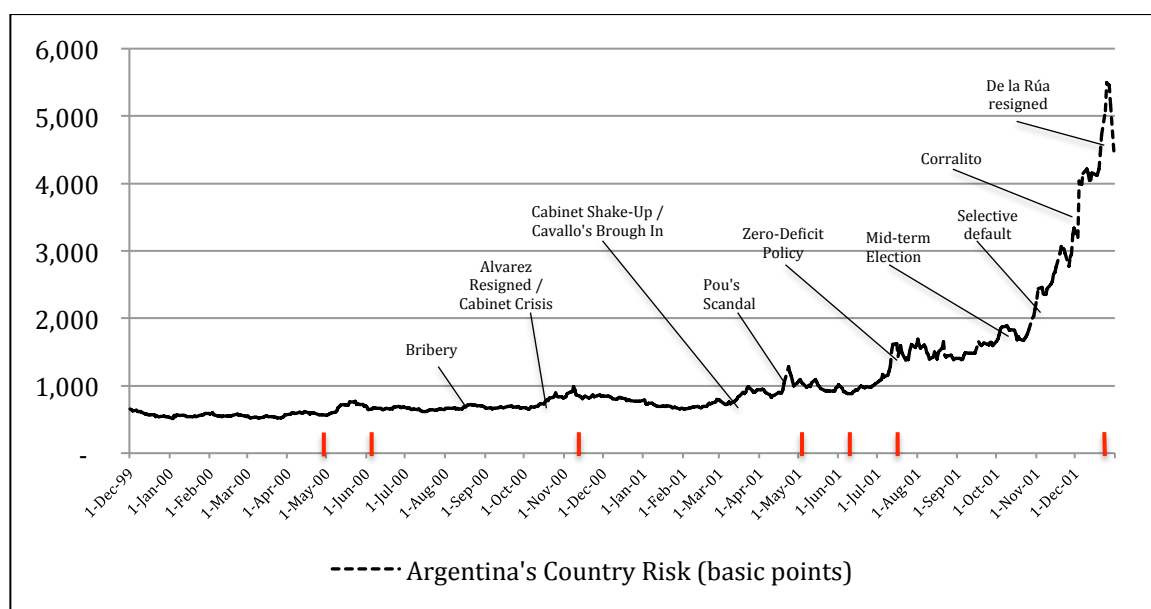
where the vice-president was the president of the Senate, indirectly pointing to Carlos Alvarez's potential involvement (Krauss 2000, Oct 11). Furthermore, despite De la Rúa's efforts to distance the executive from the scandal, the *Sindicatura General del Estado* (SGE, State General Auditing) found two bank accounts held by the *Secretaría de Inteligencia* (SIDE, Intelligence Agency) led by Fernando de Santibañes, which were used to pay more than \$20 million in salaries (LAWR 00-42-494). Although, it was not clear what salaries were paid or whether the money was used to bribe senators, this episode was shady enough to make public pressure insurmountable for De Santibañes, who ended up quitting his post on October 23 (LAWR 00-42-494). By the end of October 2000, out of the five *Alianza* founders that started with De la Rúa in December 1999, only two remained in the government: De la Rúa himself and the Minister of Social Development Graciela Fernandez Meijide (LAWR 00-40-470).¹⁷

The political damage suffered by De la Rúa and the *Alianza* was tremendous. First, De la Rúa's popularity dramatically decreased after the scandal. Second, the cost the president paid for protecting two of his key men in the executive, Flamarique and De Santibañes, turned out fruitless as both resigned. And most important, Alvarez's resignation meant a major blow for *Alianza*'s unity, whose support could have spared De la Rúa from some of the challenges he faced in the following months. The vice-president's resignation was a breaking point for the ruling *Alianza* and thus for De la Rúa's survival. Specifically, Alvarez waking out meant that the FREPASO was left with no political leader with whom De la Rúa might negotiate. In addition to a divided

¹⁷ The five founders of the *Alianza* were Carlos "Chacho" Alvarez (FREPASO), Graciela Fernández Meijide (FREPASO), Raúl Alfonsín (UCR), Rodolfo Terragno (UCR), and Fernando de la Rúa (UCR).

government, now De la Rúa was heading a fractioned coalition. Even though the bribery negatively affected the support toward the government and was the most serious scandal during the De la Rúa administration, the major blow came from the cabinet split. To illustrate, Figure 9 shows that Argentina's country risk, in fact, did not significantly increase when the bribery scandal went public, but after De la Rúa's cabinet shake-up and Alvarez's resignation.¹⁸

Figure 9. Argentina's Country Risk during Fernando De la Rúa's Presidency



Source: Elaborated by the author (red bars represent each one of the seven waves of mobilizations). Data on Argentina's risk premium by Ambito Financiero.

As discussed in Chapter 2, previous findings suggest that political scandals would make the occurrence of presidential failures more likely; nevertheless, as this case shows, their impact would not be straightforward. The bribery scandal brought about a political

¹⁸ Country risk is usually defined as the combination of financial, economic, and political risks, which measures the overall risk of investing in a specific foreign country (Investopedia). Argentina's country risk rose in October 2000 compared to September when Carlos Alvarez was still in the government (see Figure 9). This meant an approximate 2% increase of the interest rates of Argentina's bonds, i.e., borrowing became \$20 million more expensive than one month before (LAWR 00-43-509). Later, the country's borrowing interest rates went up to 16%, compared with 8.9% in a similar transaction in July 2000, when the government issued treasury papers in early November (Krauss 2000, Nov 9).

crisis within the ruling *Alianza*, which in turn weakened De la Rúa's partisan support.

It is this type of support that has been identified by the theory and the survival analysis as an important and consistent force influencing presidential survival.

The “*Blindaje*” (Financial Armour-Plating) and Social Mobilizations

As the bribery scandal unfolded, economic prospects for Argentina began to look grim again. Economy Minister Jose Luis Machinea admitted that the economy would grow less than 2%, rather than the 4% initially predicted by the government, later lowered to 3.5% (LAWR 00-38-452). Machinea also recognized that instead of the \$4.7 billion target agreed with the IMF, Argentina's fiscal deficit for 2000 would be \$8.2 billion (LAWR 00-36-429). Despite the delicate political scenario faced by the executive and the *Alianza* after Alvarez's exit, Congress approved two important pieces of legislation aimed at keeping the budget under control -the economic emergency plan and the anti-evasion tax bill- thanks to the disciplined voting of *Alianza* legislators in the Chamber of Deputies (LAWR 00-42-494). The *Alianza*'s support, especially the UCR, in the lower house still provided De la Rúa with some room to deal with the economic woes.

The government began to negotiate a new credit package with important international lenders –i.e., IMF, the WB, and the Inter-American Development Bank (IDB)- to meet its financial obligations (Relea 2000, Nov 13). De la Rúa's *blindaje* package (or financial armour-plating) included two important austerity measures: doing away with the state pension from 2002 (i.e., keeping state involvement to a minimum in the pension system) and freezing provincial and federal spending until 2005 (LAWR 00-45-529). In so doing, the IMF had agreed to relax some of Argentina's fiscal targets (e.g.,

fiscal deficit of \$6.4 billion instead of the original \$4.1 billion goal) and to secure additional resources (LAWR 00-45-529).

Still, De la Rúa's margin of maneuver was extremely limited by this time. On the one hand, due to the worsening economic condition, Argentina needed access to international funding so not to default on its debt. To do so, Argentina was forced to adopt austere economic policies, which mostly meant cutting public spending. On the other hand, social demands for more government involvement to ease the effects of a 3-year economic recession kept growing. Since De la Rúa had decided to prioritize the former over the latter even since he took office, social discontent was expected to continue building up.

In November 2000, in the province of Salta (where mobilizations had begun as soon as two weeks after De la Rúa swore in), clashes with the police left one protestor killed and several others injured at a demonstration against high unemployment (LAWR 00-45-530). A couple of days later, a 36-hour strike was called by the rebel CGT faction led by Hugo Moyano (AFP 2000, Nov 24). The demonstration, the third and the largest that De la Rúa faced in his 11 months in office, included the combative CGT faction and the *blandos* (soft), its moderate faction, although the latter only engaged in the last 24 hours of the strike (LAWR 00- 47-564). Moyano accused the De la Rúa administration of kowtowing to the IMF and of continuing Menem's neoliberal model (AFP 2000, Nov 24). In fact, De la Rúa blatantly betrayed his campaign promise of moving away from Menem's market-oriented policies. Overall, although more widespread than other street

demonstrations held against De la Rúa, the third general strike was not violent and only one minor incident was reported (Ares 2000, Nov 24).¹⁹

Mobilizations against spending cuts notwithstanding, the president remained fully committed to reduce Argentina's fiscal deficit. De la Rúa stated that a "catastrophe" would follow if Congress and the provinces did not support his austerity measures (LAWR 00-47-557). At the same time, the IMF threatened not to deliver on the \$20 billion *blindaje* package (financial armour-plating) if the government failed to implement the federal-provincial spending freeze strongly opposed by PJ governors (AFP 2000, Nov 24). Fortunately for De la Rúa, an agreement with the provinces was finally struck (LAWR 00-48-568), and Congress approved the president's budget whose main feature was a "zero-deficit" target to be reached in 2005 (Krauss 2000, Dec 8).

Even though Argentina had secured the \$15 billion *blindaje* to pay interests on its debt and to partially finance its fiscal deficit, the loan did very little to revive the economy and to reduce unemployment (Relea 2000, Dec 24). The indicators of most interest to the people remained at critical levels: economic growth rate for 2000 was finally estimated at 0.5% (LAWR 00-48-568) and unemployment at 14.7% (LAWR 00-50-590). Furthermore, the government's austere economic policies, the bribery scandal, Alvarez's resignation, and the poor economic performance during 2000 took a toll on the popular support toward the president. By the end of 2000, De la Rúa's popularity had plunged to only 7% (Krauss 2000, Dec 8), 65% regarded his first 12 months in office as

¹⁹ The incident involved one opposition deputy, Humberto Roggero (PJ), who was hit by a stone thrown by a truck union's worker at the entrance of the Congress building in Buenos Aires (Ares 2000, Nov 24).

negative, and 61% felt they were poorer than when he was sworn in one year ago (LAWR 00-49-588).

As it did over the federal-provincial spending freeze, the IMF made its position very clear that had Argentina failed to do away with the state pension system, the Fund would reject the financial-armour plating (LAWR 01-01-02). In January 2001, in a bold move, De la Rúa issued a decree to reform the state pension system while Congress was in recess, which was known as the *decretazo* or the big decree (LAWR 01-01-02). Even though the executive surprisingly expected no opposition to the *decretazo* (LAWR 01-01-02), only one day later a court suspended it to analyze its constitutionality (LAWR 01-02-13). Meanwhile, opposition PJ legislators and several FREPASO congressmen (separately) started to consider mechanisms to overturn De la Rúa's decree (LAWR 01-02-13). De la Rúa sidestepped Congress again by issuing a second round of decrees, more than 30, on several policy issues (LAWR 01-06-66).²⁰

After one year in office, President De la Rúa was facing a more hazardous outlook for his survival. Economic woes and the adoption of unpopular –neoliberal– economic policies were behind the growing public discontent. De la Rúa had failed to re-launch the economy, reduce unemployment, and prevent the fiscal deficit from growing. In terms of social mobilizations, despite that the third general strike led by the CGT was the largest De la Rúa had faced so far, it was neither violent nor asking for the his resignation. The theory suggests that these two types of street protests are destabilizing enough for presidents, whereas general strikes are not. In fact, the survival analysis

²⁰ As argued by one *Alianza* politician, De la Rúa could have had most of his policies approved in Congress, had he chosen this mechanism rather than the *decretazo* (LAWR 01-06-66).

(Chapter 4) showed that general strikes do not significantly reduce presidential survival, but it found partial support for violent protests in the bivariate analysis. Despite the worsening economic situation, international financial institutions were still pouring resources into Argentina, which helped De la Rúa to weather the country's financial problems. For now, both Congress and the provinces (mostly controlled by the *Justicialistas*) were still willing to cooperate with De la Rúa in approving key pieces of legislation (e.g., the *blindage*). Nevertheless, two important determinants of presidential failure identified by the theory, economic woes and low partisan support, were already present at this time. The president, who now lacked a strong "legislative shield" after the coalition split over the bribery scandal, would be at a greater risk of being deposed if the worsening economic situation triggers mass street demonstrations against him.

Scandal II: Pedro Pou's Money-Laundering Involvement

In February 2001, the executive was dragged into yet another political scandal. De la Rúa stood behind the Central Bank Chief, Pedro Pou, who had allegedly failed to disclose key details in a money-laundering case back in 1997 (LAWR 01-08-87). Elisa Carrió, a UCR congresswoman, brought up a U.S. Senate report showing that two Argentine financial institutions were involved in a \$10 million money-laundering operation (LAWR 01-08-87). Despite former Vice-President Carlos Alvarez (FREPASO leader) and former President Raúl Alfonsín (UCR president) adamantly demanded Pou's dismissal, De la Rúa rallied behind Pou and refused to fire him (LAWR 01-08-87).

A bicameral committee offered evidence that Central Bank Chief Pedro Pou's wealth had grown more than six times during 1995-1999, from \$940 thousand to \$5.9 million (LAWR 01-16-192). A week later, De la Rúa was forced to dismiss Pou after the

bicameral committee in Congress finally accused him of “misconduct” (LAWR 01-17-194). This new scandal once again called into question the president’s real commitment to eradicate corruption as promised during his presidential campaign. The electorate, expecting to see the president taking a firmer stance, punished him by partially withdrawing its political support. A Gallup survey showed that De la Rúa’s popularity ratings fell to 22% in April 2001 compared to 24% the month before (LAWR 01-17-194).

Even though the scandal did not bring about calls for De la Rúa’s resignation, it furthered popular discontent toward the president. More important for De la Rúa’s survival, the scandal also exposed the president’s weak responsiveness toward his coalition’s leaders, yet another example of his unilateral leadership style.

Cabinet Shake-Up: Cavallo is Brought In

In early March 2001, the resignation of the Economy Minister Jose Luis Machinea opened up another flank for the executive. According to former Vice-President Carlos Alvarez, Maquinea’s dismissal had been already discussed in January 2001, but deciding over his replacement had turned out quite a challenge for the stability of the ruling *Alianza* (Ares 2001, Mar 4). Regardless, Maquinea’s resignation triggered a cabinet shake-up as De la Rúa asked all his ministers to resign (Krauss 2001, Mar 6). The president expected that the cabinet reshuffle would somehow increase confidence in the markets and thus shore up the economy (Krauss 2001, Mar 6). Machinea was ultimately replaced by Defense Minister Ricardo Lopez-Murphy, a University of Chicago graduate, known for favoring public spending cuts (LAWR 01-10-109). The cabinet reshuffling demonstrated the increasing isolation of De la Rúa from his coalition since the last founder of the *Alianza* who still held a ministerial position, Graciela Fernandez Meijide,

was demoted to a lower rank post: prime minister's coordinator (LAWR 01-11-123).

De la Rúa then focused on seeking broader political support by calling for a government of national unity. Former economy minister during the Menem administration (1991-1996), Domingo Cavallo, and his conservative party accepted De la Rúa's invitation, although it was not entirely clear what role Cavallo would be playing in the government (New York Times 2001, Mar 19).^{21 22} Still, by bringing in two conservative economists, Lopez Murphy and Cavallo, De la Rúa intended to send a clear "signal to the markets" that Argentina was committed to meet its fiscal goals. It is worth noting that De la Rúa's current economic stance clearly contradicted his rhetoric and campaign promises against neoliberalism. Still, President De la Rúa had assured that neither public-sector pay cuts, layoffs, nor new taxes would be implemented by Lopez Murphy (LAWR 01-11-123). Nevertheless, the newly appointed economy minister quickly announced major public spending cuts, which were welcome by the IMF (LAWR 01-12-133). Lopez Murphy's announcement created a political upheaval that ended up with the resignations of four cabinet members (LAWR 01-12-133). Due to the political reactions against his economic plan and the hard criticism it received, Lopez Murphy offered resigned after only two weeks in office (Krauss 2001, Mar 21). De la Rúa took advantage of the situation and found no obstacle to appoint Cavallo as economy minister (Krauss 2001, Mar 21), which seemed to be what the president had wanted all along.

Upon taking office, Cavallo requested broad extraordinary powers in order to

²¹ Domingo Cavallo was known for defeating hyperinflation in the early 1990s and was considered the "father" of the neoliberal economic model implemented under Menem's presidency (Vilas 2007: 124).

²² The original idea was to appoint Cavallo as Central Bank Chief upon the dismissal of Pedro Pou by Congress in the money-laundering investigation (LAWR 01-12-133). However, since Lopez Murphy resigned (March 20, 2001) weeks before Pou was finally removed (April 25, 2001), Cavallo ended up replacing the former as economy minister rather than Pou as Central Bank chief.

increase revenues and reactivate the economy (Krauss 2001, Mar 30). Congress agreed to give Cavallo most of what he asked for, although it denied him powers in sensitive issues, such as reforming the labor sector, privatizing state companies, and cutting public employees' salaries (Krauss 2001, Mar 30). Although several UCR legislators were not fully comfortable with an all-powerful Cavallo, PJ leaders such as former President Carlos Menem and the Governor of Buenos Aires Province, Carlos Ruckauf, offered their support, while Congress discussed whether or not to grant Cavallo emergency powers (Krauss 2001, Mar 25).

Even though the economy had shown slight signs of recovery by the end of March (Krauss 2001, Mar 24), it was not all-good news for De la Rúa. Cavallo's quick-paced takeover on economic (and political) matters seemed to have overshadowed the president (Krauss 2001, Mar 30). Tellingly, only a few news articles from the three sources used here (LAWR, the NYT, and El País) actually focused on De la Rúa after Cavallo was brought in. Most news reports addressed what Cavallo was doing (or would do) to reactivate the economy and reduce the fiscal deficit, and the way he had taken control over the government's economic decisions. Some articles did talk about the president, however, it was mostly to inform on the negative economic impact that might result based on the abundant rumors about him stepping down (Krauss 2001, Mar 24).

De la Rúa's policy switch eventually proved to be fairly damaging for his ruling coalition. In April, De la Rúa's coalition suffered a significant defection when ten FREPASO legislators stated that they would not vote with the *Alianza* in Congress (LAWR 01-14-161). Two months later, the ruling coalition lost another five FREPASO deputies to the *Alternativa para una República de Iguales* (ARI, Alternative for a

Republic of Equals), party founded by Deputy Elisa Carrió and former member of the *Alianza* (LAWR 01-26-311). The fragile partisan support that De la Rúa had at the time of his inauguration was dissolving, and with it his chances to survive in office.

Despite Cavallo's relentless efforts to show that Argentina's economy was taking off, the international financial community was reluctant to believe it. The economy minister stated that an 11% interest rate on Argentina's treasury papers was ruinous, intolerable, and that it would not be accepted (LAWR 01-19-223). Yet, in May 2001, when a \$350 million auction of 90-day treasury bonds took place, its interest rate (12.44%) clearly exceeded Cavallo's 11% limit (LAWR 01-19-223). A month later, Cavallo was again put to the test. Government officials cheerfully informed about a successful *megacanje* (mega bond swap) of \$29.48 billion bond swap (New York Times 2001, Jun 5), in which the government exchanged short-term bonds for papers with longer maturities (AGENCIAS 2001, Jun 5). However, the operation went ahead with a 15.3% interest rate, four points over Cavallo's "tolerable" threshold (LAWR 01-22-255). Regardless of the higher-than-expected price paid for the *megacanje*, Cavallo was able to buy the country some more time to avoid defaulting on its debt.

In May, the fourth wave of mobilizations since De la Rúa took office began. In Buenos Aires and Jujuy provinces, the jobless took to the streets and blocked highways in response to the cuts made by the government on the *Trabajar* (make-work) program (LAWR 01-19-228).²³ These mobilizations were led by local protest "bosses" who controlled the allocation of the make-work scheme's posts offered by local governments

²³ The make-work scheme consisted of paying around \$200 a month to unemployed workers in exchange for a specific job of questionable productive value.

(LAWR 01-25-297). The bosses would organize protests and road blockings should the local governments fail to deliver on the number of posts and the monthly payment for each one of them (LAWR 01-25-297). The protests came to an end only after the government committed itself to continue with the make-work scheme and to reincorporate those beneficiaries who had been cut off from the program a month earlier, and offered tax breaks to companies that agree not to fire their employees (LAWR 01-21-242).

Nevertheless, in mid-June, another round of protests, the fifth, began in impoverished areas of the Salta province. Protest “bosses” were once again behind these mobilizations (LAWR 01-25-297). After three weeks of protests and road blockings, two protestors had been killed, many others were wounded, and almost 30 police officers were injured as a result of clashes between demonstrators and police forces (LAWR 01-25-296). Mobilizations had slowly grown more violent. Although they had no specific political reasons against the government, protest “bosses” played an important role in creating havoc in several provinces forcing the government to respond to their demands.

In summary, De la Rúa’s leadership style was erratic and his decisions were at times even inconsistent.²⁴ More important, De la Rúa had so far failed to deal with two key issues that affect presidential survival: the country’s economic performance and partisan support. After 18 months in office, he had not fixed the economy and managed to weaken his already fragile ruling coalition. Despite having now a weaker “legislative shield,” the opposition in Congress was still cooperating with him (e.g., special powers

²⁴ For example, De la Rúa had three economy ministers in less than three weeks, he assured that no further austerity measures would be implemented, and still his economy minister announced budget cuts, which were only reversed after the political reactions against them.

conferred to Cavallo), and had not yet attempted to oust him. Regarding Argentina's democratic tradition, the various rounds of street mobilizations demonstrated that political institutions were not adequately funneling people's demands into the political system. Moreover, De la Rúa blatantly broke his electoral promises and moved to the right, thus, showing little regard for the democratic mandate his electorate had put on him. Finally, even though De la Rúa's risk of presidential failure was now significantly higher than months earlier, it had still not reached critical levels since neither Congress nor the street had seriously begun considering to oust him yet.

Opposition to the "Zero-Deficit" Policy

The situation for President De la Rúa kept worsening. In July, rumors about him and Cavallo resigning, and an imminent cabinet reshuffle had resurfaced again. Despite the fact that several renowned politicians visited De la Rúa to show their support, the stock market crumbled to the lowest levels in almost two years, chiefly caused by the uncertainty surrounding the government's future (Krauss 2001, Jul 8). The executive opened another flank when it announced a new round of major cuts to limit public spending later known as the "zero-deficit" policy (LAWR 01-27-314). The goal, as it had been since De la Rúa took office, was to reduce Argentina's public deficit and thus avoiding defaulting on its external debt (Krauss 2001, Jul 13).

De la Rúa's "zero-deficit" plan basically prevented the government from spending more money than entered into the government treasury (LAWR 01-38-447). As expected, labor organizations set up another round of street demonstrations and road blockings against the "zero-deficit" plan (LAWR 01-28-326). The announcement also triggered congressional opposition, which refused to share with the president the political costs of

cutting spending on sensitive policy issues such as education, health care, and pensions (Krauss 2001, Jul 13). The “zero-deficit” plan also needed the commitment of the three largest and wealthiest provinces controlled by the *Justicialistas* –Buenos Aires, Córdoba, and Santa Fe- to ensure that it would be actually implemented (Ares 2001, Jul 14).

As he did in March 2001, De la Rúa called again for a government of national unity to support his new economic package just to find out that he was utterly alone. The opposition refused to help him and not even the *Alianza* was willing to rally behind the president’s new austerity plan. Several *Alianza* legislators, especially from the FREPASO, had constantly accused the executive of economically moving “to the right” (LAWR 01-28-326). Opposing new adjustment measures by De la Rúa, UCR and FREPASO leaders began to meet at Raúl Alfonsín’s office, which was seen as a “parallel government,” to work out an alternative economic plan to the “zero-deficit” policy (Ares 2001, Jul 15).²⁵ On the other hand, the *Justicialistas* refused to form a government of national unity with De la Rúa and to bear the political costs of an economic plan that was not even supported by the president’s own coalition (Ares 2001, Jul 15).

In July, after being in office for 18 months, De la Rúa found himself politically isolated and trying to fix an economy that showed no signs of improvement: unemployment exceeded 16%, the stock market had just hit bottom, industrial outputs kept falling, consumption refused to take off, and the risk of default on loans was ever present (Krauss 2001, Jul 18). Still, even in this dark scenario, Cavallo managed to pull off enough political support for the “zero-deficit” policy by bringing on board the

²⁵ In fact, many *Alianza* legislators were willing to push the “*Alianza Alternative*,” as the alternative plan was called, through Congress if needed (LAWR 01-28-326).

governors, once again buying more time to breathe for De la Rúa (Ares 2011, July 18).

Provincial governors were promised a \$1 billion special fund (mostly coming from taxes collected in advance) in exchange for slashing public budgets at 13% on pensions and public servants' salaries (LAWR 01-29-338).²⁶ *Alianza* legislators finally accepted Cavallo's austerity plan when the government guaranteed that the 13% cut on pensions would not affect public employees making less than \$1,000 a month (LAWR 01-29-338). The PJ congressional bloc sought to appear neither supporting nor rejecting the "zero-deficit" economic plan. The PJ did not want to share the political cost of the unpopular bill with the executive, but it still wanted to give the government a way out. Even though all PJ legislators who were present in the Senate voted against the austerity bill, the PJ only sent in the minimum number of legislators to reach the quorum and it ensured that their votes would not jeopardize the approval of the bill (LAWR 01-30-350).

After the approval of the "zero-deficit" policy, the major political toll for De la Rúa came from mobilizations. With unemployment growing more than 200% from July 2000 to July 2001 (LAWR 01-31-374), massive street demonstrations quickly followed. A 24-hours national strike, the sixth since De la Rúa's term began, took place on July 20 (Krauss 2001, Jul 20). Some of the consequences of the strike were road blocking, most of private businesses not opening their doors, public services closing, and ground and air transportation barely working (Krauss 2001, Jul 20). Two weeks later, students, the unemployed, and public-sector employees took to the streets in major cities across the country demanding the government to drop the "zero-deficit" bill (Krauss 2001, Aug 1).

²⁶ Unlike *Alianza* governors, the PJ-ruled provinces would receive the sum of the special fund immediately (Ares 2001, Jul 18).

Days later and after a 72-hour mobilization, the *piqueteros* had blocked about 30 major highways and more than 300 roads across the country (LAWR 01-33-386).²⁷

After two rough weeks, demonstrations began to wind down. Nevertheless, it became clear that despite Cavallo's efforts to shrink the deficit and boost the economy, the GDP would contract in 2001 (LAWR 01-32-373). Moreover, the political and social turmoil had led to a relentless drain of dollar reserves: in one single day (August 3, 2001), almost \$700 million left Argentina (LAWR 01-32-373). Moreover, the executive came under fire by *Alianza* and PJ governors when the central government failed to deliver on time the \$1.36 billion minimum monthly transfer of federally collected taxes to the provinces (LAWR 01-37-434). Some provinces even replaced public servants' salaries with bonds, a desperate measure to meet their financial obligations (LAWR 01-38-447). Furthermore, services such as health care for senior citizens and food distribution were cut, and the government was still considering new cuts on social services aimed at the unemployed (Ares 2001, Oct 5).

De la Rúa faced three waves of mobilizations between May and July 2001, accumulating a total of six in only 19 months in office.²⁸ On the political arena, the contention over the "zero-deficit" policy uncovered the ideological differences that had plagued the ruling coalition since its very beginning. Within the *Alianza*, De la Rúa sided with the most conservative, pro-market members, in opposition to the left-of-center FREPASO and the more progressive factions of the UCR led by Raúl Alfonsín. This

²⁷ Yet, such strategy usually does not elicit popular support. This was captured by a Gallup survey that showed that a good share of the population (73%) was against road blockades (LAWR 01-31-362).

²⁸ Compared to other South American presidents, this is a rather high number of general strikes. On average, South American presidents faced 0.54 general strikes per year between 1979 and 2012 (Banks and Wilson 2011).

suggests that the political outlook was even more adverse for De la Rúa since his true partisan support was actually lower than that represented by the share of legislative seats held by the *Alianza*. Additionally, the adoption of even harsher austerity measures exacerbated the perception that De la Rúa had betrayed his campaign promises of not to advance Menem's neoliberal economic model. In brief, known factors that reduce presidential survival such as low partisan support, a severe economic crisis, the adoption of unpopular economic policies, and a high number of mass mobilizations were all already undermining De la Rúa's prospects for survival in office. Despite that street protests did not specifically target the president and congressional opposition kept cooperating with him, the risk of presidential failure was at its highest.

The Beginning of the End: An Economy Adrift and the Electoral Defeat of the *Alianza*

September 2001 came to be known as “black September” because of the dramatic drop in sales of cars (45%), shoes (32%), clothes, (33%), and restaurants (42%) (LAWR 01-40-469). In addition, the “zero deficit” plan caused that payments from the central government to public workers and retirees were stopped (LAWR 01-43-505). De la Rúa struggled to convince the provinces (mostly controlled by the opposition) to forfeit part of their federal tax sharing (LAWR 01-43-505). Talks between the executive and *Justicialista* governors came to a halt when Cavallo stated that the government was still in no position to deliver the monthly \$3.16 million payment to the provinces agreed to one year before (Relea 2001, Oct 28). Social pressure increased as the provinces found it harder to meet their financial obligations (Krauss 2001, Nov 1).²⁹ A week later, the

²⁹ To ameliorate the consequences of the worsening economic panorama, De la Rúa announced a series of measures to boost the economy, which he called “a new social contract”: transactions using credit cards

government was finally able to bring enough governors on board to sign its agreement. The deal on the federal tax sharing scheme consisted of the provinces accepting to have their share cut by a maximum of 13% in 2002 and to receive the overdue sum in bonds called “Lecops” (Krauss 2001, Nov 16).³⁰

In the meantime, Cavallo had been working on restructuring a large share of Argentina’s \$132 billion debt. The government tried to convince holdout creditors to exchange old bonds by new ones with longer maturities and lower rates (LAWR 01-42-494). Creditors would be offered bonds with interest rate around 7% rather than the 12% they actually had, but the president assured that payment would be guaranteed (Relea 2001, Nov 2). Nonetheless, risk-rating agencies cautioned that the bond swap was the equivalent to defaulting on its debt (Krauss 2001, Nov 1). Since for bondholders the only available choices were either accepting the bond swap or virtually not getting paid, credit agency Standard and Poor’s warned to downgrade Argentina to “selective default” if creditors suffered any financial loss during the operation (New York Times 2001, Oct 31).

The worsening economic situation and the adoption of unpopular economic policies made electoral prospects for the October mid-term election look dim for President De la Rúa. In fact, in order to distance themselves from the De la Rúa administration, influential UCR members such as Raúl Alfonsín and Rodolfo Terragno,

would receive a slightly lower sale tax (to decrease tax evasion and spur consumption), and children and the elderly would be entitled to cash subsidies (Krauss 2001, Nov 2). Still, such measures had limited impact on the worsening economic situation.

³⁰ Lecops (short for *Letras de Cancelación de Obligaciones Provinciales*, Letter of Cancellation of Provincial Obligations) were one of the many circulating bonds used as de facto currencies during the 2001 crisis. Unlike other bonds issued by the provinces, Lecops were federal bonds printed by the central government and given to the provinces in order to pay their employees.

founders of the *Alianza*, were running for the Senate on a platform against the government's economic policies (LAWR 01-33-385; Krauss 2001, Sep 30). Most Argentines expressed their apathy toward the legislative election, caused by the 3-year recession along with a generalized disaffection with politics (Relea 2001, Oct 14). The mid-term election was marked by a relatively low turnout (less than 75%) and by the *voto bronca* (angry vote), in which a large share of the electorate cast a blank vote or spoiled their ballots.³¹

The mid-term election turned out as an electoral disaster for De la Rúa and the ruling coalition. Compared with the 1997 legislative election, the *Alianza* lost over 5 million votes, Cavallo's party 1.2 million, and the *Justicialistas* around 1 million (Villas 2007: 128). In spite of the losses of all major parties, the *Justicialistas* managed to strengthen its control in Congress. The PJ consolidated its majority in the Senate, the *Alianza* gave up its plurality in the Chamber of Deputies to the *Justicialistas*, and the PJ gained more governorships (LAWR 01-41-481). In the Senate, the *Alianza* slightly increased its share of seats from 31.9% in 1999 to 33.3% in 2001 (Observatorio Electoral 2003). However, the *Alianza*'s electoral defeat in the lower house was categorical. It passed from controlling 47% in 1999 to 34.2 in 2001 (Observatorio Electoral 2001). By contrast, the *Justicialistas* increased their share of seats in the lower house from 38.9% to 44.4%, and in the Senate from 55.6% to 56.9% (Observatorio Electoral 2001 and 2003).

The electoral defeat brought about more internal struggles within the *Alianza* and made executive-legislative relations more difficult to handle for the president. The last

³¹ The *voto bronca* was the second electoral force obtaining about 20% of the preferences, nearly 4 million votes (Armony and Armony 2005: 50).

FREPASO member at the cabinet level, the Minister of Social Development Juan Pablo Cafiero, quit his post in protest for the continuous spending cuts carried out by President De la Rúa (LAWR 01-42-494). Taking advantage of the momentum, in the lower house the PJ tried to revoke the special powers granted to Cavallo in March 2001, yet it failed for there was not enough quorum for a vote on the initiative (Relea 2001, Oct 25). Still, by the end of November, the PJ flexed its muscle and appointed Ramón Puerta, *Justicialista* senator-elect, as the president of the Senate (LAWR 01-48-570).³² In so doing, the PJ broke an unspoken rule of always appointing a representative of the ruling coalition as the next in the presidential line of succession (Mustapic 2005: 273).³³

On the economic front, the executive successfully launched, at the domestic level, the first phase of its bond swap for about \$40 billion (LAWR 01-48-570). However, November saw another year-to-year drop in tax revenues, which had been falling every month since June 2001 in spite of the government's efforts (LAWR 01-49-578). More important, the IMF denied payment of \$1.3 billion, promised as part of the "financial armour-plating," arguing that Argentina had consistently failed to comply with its financial goals, i.e., cutting public spending, increasing tax collection, and reactivating its economy (Krauss 2001, Dec 11). Following suit, the World Bank also refused to release a \$650 million loan to Argentina until a new agreement on financial targets for 2002 were struck (LAWR 01-49-578). The Argentine economy was utterly adrift with no external support whatsoever.

³² According to the *Ley de Acefalia* (acephaly law), it is the vice-president who steps in should the president be unable to perform his duty; and in case there is no vice-president, it is the president of the Senate who would become acting president.

³³ The *Justicialistas* had followed this rule until then even when they had controlled the Senate (Ollier 2003: 180).

By the end of October 2001, worried that major banks would collapse due to the bond swap, thousands of Argentines ran to the banks and withdrew over \$500 million in just a couple of days (Krauss 2001, Nov 3). Later as the fears over devaluation and a freeze on bank accounts grew even larger, the number of withdrawals skyrocketed. In November, \$4.5 billion were withdrawn from Argentine banks, and 40% were pulled between November 29 and 30 (LAWR 01-50-590).³⁴ With such a liquidity crisis hitting the country, the government responded by limiting withdrawals to a maximum of \$250 per week for 90 days, and by restricting wire transfers abroad (Krauss 2001, Dec 3).³⁵ The government went even further by allowing no more than two bank accounts per person (due to the explosive increase of new accounts used to exceed the weekly \$250 withdrawal limit) and by freezing 75% of the new deposits (Ares 2001, Dec 12). This policy came to be known as *Corralito* (playpen or financial corral) and proved to be highly unpopular.

After the *Alianza* resounding defeat in the October mid-term election, the *Justicialistas* began to seriously challenge De la Rúa as they had not done before. The president, who by now lacked a “legislative shield,” was more vulnerable than ever. The *voto bronca* showed a dangerously growing anti-politics feeling, a symptom of the ongoing crisis of representation, which undermined the legitimacy of the entire political system. Moreover, the economy was shrinking at a fast-pace and the risk of default was looming. Not only had the president failed to revive the economy and to service the external debt but he had also led the country to an even worse economic situation than

³⁴ Since June 2001, there had been \$13 billion in withdrawals (LAWR 01-48-570).

³⁵ Should consumers need to use more than \$250 per week, they were to use their credit and debit cards (Krauss 2001, Dec 3).

when he was sworn-in. External financial institutions withdrew support from Argentina, which severely limited its access to revenues and credit. At this point, most of the major forces behind presidential failures had coalesced: an active and powerful opposition, an economy in its third year of recession, low partisan support, and the adoption of unpopular economic policies. With such harsh economic conditions and by implementing the *Corralito* policy, it was a matter of time before widespread and violent social mobilizations aimed at De la Rúa arise. The threat of presidential failure was looming over De la Rúa, who now had no resources to cope with the ongoing political crisis.

The De la Rúa Administration's Collapse

The severity of the long-lasting economic recession and the adoption of the *Corralito* once again took a toll on the government. Major unions called for a 24-hours general strike, the seventh since de la Rúa took office, held on December 13, in which ten of thousands of Argentines called for Cavallo's dismissal (El País 2001, Dec 14). Numerous resignations followed: Finance Under-Secretary Julio Dreizzen, Secretary for Modernization Marcos Makón, Economic Policy Secretary Federico Sturzenegger, Social Security Minister Patricia Bullrich, and Finance Secretary Daniel Marx left their posts (LAWR 01-44-528; LAWR 01-46-552; LAWR 01-47-555; Altman 2001, Dec 15). In a desperate move to weather the socioeconomic and political storm, De la Rúa sought support from *Justicialista* leader Carlos Menem, meeting him at the *Casa Rosada* (the Pink House, Argentina's presidential palace) (Relea 2001, Dec 14). Menem's visit was

mostly symbolic, though.³⁶ De la Rúa continued to be politically isolated as the public outrage kept piling up.

On December 20, 2001, unlike previous organized general strikes, spontaneous looting and food riots started to spread all over the country. Tired of the economic recession now in its 42nd month, people took to the streets protesting against the government, while others after waiting days in line for food simply broke into grocery stores (Krauss 2001, Dec 20). What began as isolated disturbances early in the morning ended up in widespread chaos later that day. Clashes with the police were inevitable. Police forces tear-gassed and shot rubber bullets to disperse stone-throwing protesters and looters, leaving five people killed and many more wounded (Krauss 2001, Dec 20). Mayhem was replicated in almost every major city in the country.

Cacerolazos (banging pots and pans) and horn-honking accompanied the thousands of Argentines who headed toward the government palace asking for De la Rúa's resignation after the president declared a 30-day stage of siege (Krauss 2001, December 20). Late in the night, angry protestors surrounded Cavallo's house asking him once again to resign, which he finally did (Krauss 2001, Dec 21).³⁷ The next day, December 21, violence continued. As the crowd besieged the *Casa Rosada* while shouting *Que se Vayan Todos!* (Everybody –politicians- must go!). The police open fired and anti-riot forces joined in containing the demonstrators who had set bonfires near government buildings (Krauss 2001, Dec 21). After the two-day social unrest and clashes

³⁶ It is telling that De la Rúa, who campaigned against Menem's neoliberal economic model and was elected by a left-of-center electoral coalition, had sought help from Carlos Menem.

³⁷ On December 19, the lower house finally succeeded in taking Cavallo's special powers back, which it had failed to do in October 2001 (BBC Mundo 2001, Dec 20).

with the police, the death toll had jumped to 25 people (LAWR 02-01-01).

For a third time, a desperate De la Rúa asked to form a government of national unity. He offered major concessions in most political and economic matters (monetary policy, reform of the state, etc.), however, the *Justicialistas* refused to take the deal (Relea 2001, Dec 21).³⁸ On December 21, after being rejected by the opposition, leading a shattered coalition, isolated from his own party, and two days of brutal repression, De la Rúa gave a televised address in which he resigned, only halfway through his constitutional term.

Final Remarks

Fernando de la Rúa faced a perfect storm for his survival. From the very beginning, the president had to deal with two major hazards for presidential survival identified by the theory: harsh economic conditions and a divided government. As the time went by, other hazards ensued. De la Rúa had to endure an economy that kept shrinking, political scandals, a fragile and fractioned ruling coalition, an opposition that grew stronger in Congress and at the provincial level, and foreign financial aid that stopped flowing into the country when it was needed the most. Tired of De la Rúa's poor performance and after his administration implemented one unpopular economic policy after another, people took to the streets en masse against the government in December 2001, sealing De la Rúa's fate in office.

According to the survival analysis (Chapter 4), one of the most consistent and robust variables affecting survival in office is a president's level of partisan support, and

³⁸ Schamis (2002: 85) explains that when the PJ took De la Rúa's offer to UCR leaders, the latter rejected arguing that they did not want to "take part in any government [De la Rúa] might head."

this case illustrates how and when this variable matters. Growing political differences within the ruling *Alianza* (e.g., the president's right turn), De la Rúa's self-caused isolation from the UCR and FREPASO, and his moderate reactions to political scandals that led to a series of internal splits, which further weakened his "legislative shield." Furthermore, despite De la Rúa faced a divided government since day one, it was only after the October 2001 mid-term election that the PJ began to openly challenge him by appointing Ramón Puerta as president of the Senate and to threaten him with using the Acephaly Law. That is, this case shows that the opposition became more combative when the ruling coalition lost control of both the lower house and the Senate. De la Rúa's failure points that another handicap of heading a divided government and especially a fractioned coalition is being unable to maintain a "legislative shield," as the theory suggests, which could have helped the president to reduce the damage caused by the *Justicialistas* in Congress and protestors on the streets.

This case also offers some evidence suggesting that Argentina's democratic tradition may have contributed to the unfolding of the presidential crisis.³⁹ For instance, the *voto bronca* and the widespread street protests show that democratic institutions did not appropriately funnel people's demands into the political system. Moreover, by betraying his campaign promises and breaking the democratic mandate given by the electorate, De la Rúa himself added to the delegitimization of Argentine politics, while also alienating his political allies. It can also be argued that, although they did not actively seek to depose De la Rúa, the *Alianza* and the *Justicialistas*, acting in their own

³⁹ According to the "democratic continuity" hypothesis, which the survival analysis supported, presidents are more likely to survive in countries with long democratic tradition since "institutional carriers" (i.e., political actors) would rather play by the rules and, thus, be less prone to seek early government terminations

self-interest, let him to his own devices and did nothing to prevent his ouster.

However, it is hard to imagine how far along his term could De la Rúa have survived even with the support of the *Alianza* and the opposition, considering such thundering financial meltdown.

The impact of economic factors is central to understand De la Rúa's political demise. A long-lasting recession, a growing fiscal deficit, and the risk of default were insurmountable threats for De la Rúa's survival. The president's strong commitment to meet IMF-austerity goals "no matter what cost" plus his continuous public-spending cuts sent a clear message to the electorate and unions: the markets and foreign financial interests came first. The government constrained itself from increasing public spending to alleviate people's economic hardship when it adopted the "zero-deficit" policy to please the IMF. Interestingly, neither the markets nor the IMF came to his rescue when the Argentine economy was sinking. The continuous adoption of highly unpopular policies, which the *Corralito* was the last economic measure that people were able (and willing) to bear, triggered the last massive wave of protests that toppled the president.

De la Rúa faced seven rounds of mass mobilizations (2000: May, June, and November; 2001: May, June, July, and December), and in all of them, either unions or local protest "bosses" were behind. The president was on the ropes in several occasions, nevertheless, it took more than that to bring De la Rúa down. Even though the national strikes and road blocking ceaselessly undermined the president's popular support, it was the widespread public outrage that erupted in several cities in December 2001, in which thousands of regular Argentines took spontaneously to the streets, that ultimately forced De la Rúa out.

The in-depth analysis of De la Rúa's political demise enables to identify and understand how other determinants of presidential survival work. In the case of Argentina, its federal organization hindered the president's ability to negotiate with the provinces especially with those headed by opposition governors. Additionally, the role played by foreign financial institutions, in this case, the IMF, limited the policy options a president can undertake.⁴⁰ The Fund offered financial aid conditional to strict fiscal targets. The requirements imposed by the IMF got stricter as Argentina failed to comply and fell more deeply into the crisis.⁴¹ A president's leadership style or capacity also may indirectly affect his survival in office. In the case of De la Rúa, the way he led his coalition and how he betrayed some of his electoral promises damaged his own coalition, while losing popular support. Finally, it is noteworthy the consequences of scandals. Even though scandals eroded the president's popular support, they did not directly put in jeopardy De la Rúa's survival. Scandals' major effects were the damage inflicted upon the coalition via resignations and internal struggles.

⁴⁰ Although their study did not intend to test the impact of foreign actors on presidential failures, Kim and Bahry (2008) indirectly measured the potential for intervention of foreign financial institutions in domestic policy-making by including a variable that measured whether a country had signed a stand-by or extended fund facility agreements with the IMF, as a proxy for the adoption of neoliberal economic policies. However, their study shows that this variable had no statistically significant effects on presidential failures.

⁴¹ Corrales (2002) labeled this approach as "toughen-as-you-sink," which he identified as partially responsible for Argentina's financial crisis in 2001-2002.

CHAPTER SIX
THE OUSTER OF LUCIO GUTIERREZ IN ECUADOR
(JANUARY 15, 2003 – APRIL 20, 2005)

Introduction

Lucio Gutiérrez was the third consecutive elected Ecuadorian president to be unseated before completing his constitutional term.¹ Shortly after taking office, President Gutiérrez betrayed his campaign promises and alienated his partners in the government, a “critical juncture” that unleashed a reactive sequence of events that ultimately led to his removal from power. After the left-leaning indigenous *Pachakutik* party left the government, President Gutiérrez, with few parties willing to support him and facing an opposition committed to oust him, packed the Supreme Court with friendly judges so as to allow former President Abdalá Bucaram to return from exile as part of a deal struck with Bucaram’s party. Social discontent, which had been building up since Gutiérrez packed the Supreme Court in December 2004, led to widespread protests in April 2005 after Bucaram finally arrived in Ecuador. Demonstrators took over the streets of Quito beleaguering the president who found himself politically isolated and struggling to hold onto power. After a couple of weeks of strong social mobilizations and lacking support from the military, Congress seized the opportunity and dismissed Gutiérrez after declaring his abandonment of office, and appointed his vice-president in his place.

¹ Lucio Gutiérrez stayed in office for almost 27 months, which represents 56.6% of his original four-year constitutional term.

The failure of President Lucio Gutiérrez illustrates how political factors can be the most important force driving presidential survival. It did not even help Gutiérrez that Ecuador's economy grew 8.2% in 2004, the highest rate between 1980 and 2012. With no economic hardship to fuel social outrage, the causes of Gutiérrez's ouster mostly rest on a dramatically low partisan support and on Ecuador's rather modest democratic tradition. In this case study, I follow the path toward confrontation between Gutiérrez and his partners in the government from even before the swearing-in to the political struggle between the president and the opposition in Congress, and discuss how key political actors were willing to game the system to attain their aims, all of which increased the risk of presidential failure.

In the chapter I consider whether or not the main determinants identified by previous works -economic factors, mass mobilization, partisan support, and scandals- played a role in Gutiérrez's fall from power. I also assess whether this case study lends support or not the findings of the survival analysis regarding the consistent effects of a country's democratic tradition on presidential failures. This chapter begins with a description of the sociopolitical setting before Lucio Gutiérrez takes office, emphasizing his original campaign promises, the nature of his alliance with indigenous peoples, and how he slowly begins to move to the right. The rest of the chapter is dedicated to the data analysis, following a chronological description and scrutiny of the political events and how they affected the prospects of Gutiérrez's survival in office.

Background

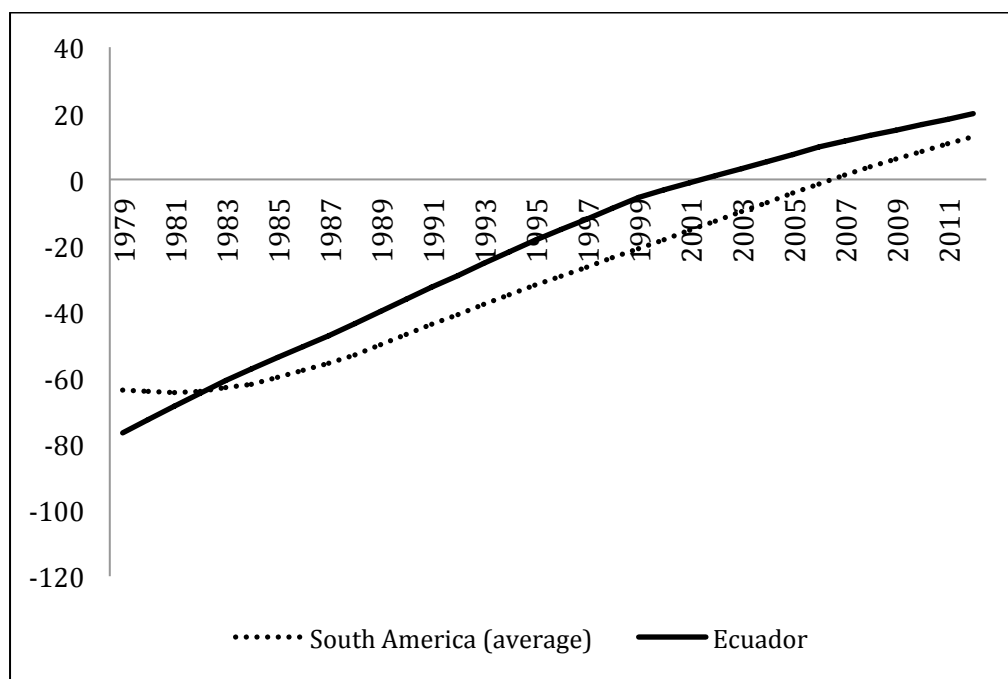
Ecuador's Democratic Tradition

Ecuadorean politics have been historically characterized by democratic institutions that have failed to channel citizens' preferences, weak political parties, and vigorous *populismo* or mass populist movements (De la Torre 1997: 15). In fact, Ecuadorean people have traditionally engaged in politics through two major mechanisms: a somewhat restricted political representation via political institutions, and mass mobilizations (De la Torre 1997: 14). This duality was caused by the excluding nature of Ecuador's political system back in the 1930s when mass populist politics was born (De la Torre 1997: 14). De la Torre (1997: 15) postulated that Ecuador's populist movements have created a type of political participation that at times has challenged the "rule of law" and "liberal democratic procedures." These political dynamics have endured important sociopolitical changes, including a seven-year long military dictatorship (1972-1979). Zamosc (2007: 8) states that even after 10 years of civilian government, during the 1990s Ecuadorean political actors remained weakly committed to abide by democratic rules, whereas the electorate lacked a well-developed "political culture." Ecuadorean institutional context and democratic tradition did not look quite reassuring for Gutiérrez's survival.

Even though Ecuador's democratic tradition score had been slightly higher than the South American average since the early 1980s, when President Gutiérrez won the presidential election in November 2002, Ecuador had a relatively low democratic tradition score (1.15). As shown by the survival analysis, presidential survival is substantially reduced in countries with weaker democratic traditions such as Ecuador. To

make matters more challenging for Lucio Gutiérrez, Ecuador's had recently witnessed two consecutive elected presidents being kicked out of office: Abdalá Bucaram (1996-1997) and Jamil Mahuad (1998-2000). With the eventual ouster of Gutiérrez in April 2005, Ecuador became the country with the highest number of presidential failures in the South America.

Figure 10. South America's and Ecuador's Democratic Tradition



Source: Elaborated by the author by updating Gerring et al.'s (2005) democratic stock formula.

Ecuador's Political Parties and Congress during Gutierrez' Administration

Ecuador had a unicameral National Congress formed by 100 deputies (Political Database of the Americas). Ecuador has historically lacked an institutionalized party system, whose parties are well known for their personalistic, clientelistic, and non-ideological features (Coppedge 1998: 551, 559). Furthermore, from 1979 to 2003, Ecuador's average number of parties in Congress was 5.91, which is well above the South American average (4.09) in the same period (Bormann and Golder 2013). When

Lucio Gutiérrez began his term, the number of effective legislative parties in Ecuador was 7.19 (Bormann and Golder 2013).² Table 8 shows the number of seats held by the largest legislative parties after the 2002 election and their inferred ideological grounds. It is noteworthy that after the 2002 legislative election no single party held even a quarter of the seats in Congress.

Table 8. Ecuador's Largest Political Parties as of January 2003

Party	Abb.	Ideology ^a	Seats ^b
<i>Partido Social Crisitiano</i> Social Christian Party	PSC	Right-of-center Conservative	24
<i>Izquierda Democrática</i> Democratic Left	ID	Left-of-Center Social democrat	16
<i>Partido Roldosista Ecuatoriano</i> Roldosist Ecuadorian Party	PRE	Right-leaning Populist	15
<i>Movimiento de Unidad Plurinacional Pachakutik</i> <i>Pachakutik</i> Plurinational Unity Movement	PK	Left-leaning Indigenous	10
<i>Partido Renovador Institucional Acción Nacional</i> Institutional Renewal Party of National Action	PRIAN	Right-leaning Populist	10
<i>Partido Sociedad Patriótica</i> Party of Patriotic Society	PSP	Not clear Personalistic	7
<i>Democracia Popular</i> Popular Democracy	DP	Right-of-center	4
<i>Movimiento Popular Democrático</i> People's Democratic Movement	MPD	Left-of-Center	3

- a. Source: information for PK, PSC, DP, PRE, and ID from Freidenberg and Alcántara (2001). MPD's ideology according to Mejía Acosta and Polga-Hecimovich (2010). PRIAN ideology by Hernández Enríquez (2002). The PSP and PRIAN were newly formed parties at that time, which hinged upon their leaders' popularity, Lucio Gutiérrez and banana magnate Alvaro Noboa.
- b. Source: International Parliamentary Union (Inter-Parliamentary Union 2002).

Adding to Gutierrez' difficulties, since 1996 Ecuador's political parties had been experiencing troubles forging and maintaining political coalitions. In 1996, a constitutional reform was adopted to limit the unduly influence of legislators seeking

² 7.1 is the second-highest number of effective legislative parties in the period 1979-2011 for Ecuador. The highest number of legislative parties was 7.59 during the period 1986-1988 (Bormann and Golder 2013).

rewards from the president in exchange for legislative support (Mejía Acosta and Polga-Hecimovich 2010: 78). Prior to the 1996 constitutional reform, presidents and political parties resorted to clandestine agreements by which presidents offered budgetary allocations for their constituencies, policy concessions, among others to political parties, which in turn would support presidential bills in Congress (Mejía Acosta and Polga-Hecimovich 2010: 77). This informal practice was known as legislative “ghost” coalitions (Mejía Acosta 2009). Since fewer incentives for building and maintaining coalitions remained in place after the reform, coalitions were short-lived, presidents were more likely to issue presidential decrees than to submit bills, and ministers on average left the cabinet more often than prior to 1996 (Mejía Acosta and Polga-Hecimovich 2010: 79-80). For example, in Lucio Gutiérrez’s case, since his ability to deliver budget allocations to friendly parties was fairly reduced by the 1996 reforms, the president offered to tamper the Supreme Court in exchange for the PRE’s support (Mejía Acosta and Polga-Hecimovich 2010: 84).

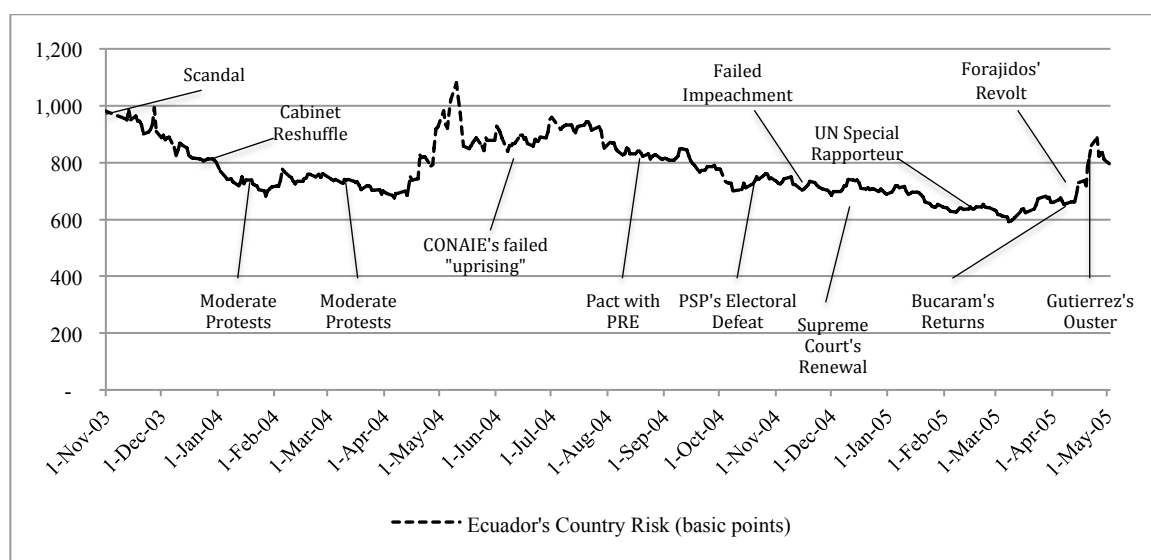
Economic Outlook

When Gutiérrez was sworn in, there was some bad economic news. In 2002, even though unemployment was rather under control (9%) and the economy was growing (4.1%), inflation reached 12.09% (World Bank Data).³ Still, the major focus of concern was servicing the foreign debt and reducing the fiscal deficit. Ecuador’s deficit grew significantly in 2002 because the incumbent President Gustavo Noboa (not related to banana magnate and PRIAN leader Alvaro Noboa) went on a spending spree during

³ Since Ecuador’s economy was dollarized, inflation was indeed relatively high. It was about five times higher than that of the United States (LAWR 03-03-31).

which he increased public servants' wages in more than 50% and sold in advance 20% of all oil to be produced in 2003 (Salmon 2003). Gutiérrez inherited a \$150 million fiscal deficit and a \$2.1 billion foreign debt due in 2003 of which \$500 million had to be service by April 2003 (Oxford Analytica 2002, Nov 29). Moreover, Ecuador's reserves decreased 20% between October and December 2002, from \$1.18 billion to \$930 million in only two months (LAWR 03-01-08). In order to tackle Ecuador's fiscal problems, before swearing in, Gutiérrez sent his finance minister to Washington to hammer out a deal with the IMF in order to secure a \$240 standby credit (LAWR 03-02-21).

Figure 11. Ecuador's Country Risk (October 2003 – May 2005)



Source: Elaborated by the author. Data on Ecuador's risk premium by Ambito Financiero.

In addition, as Figure 11 shows, Ecuador's country risk only once exceeded the 1,000 basic points (May 2004).⁴ This spike, however, followed an international trend rather than being caused by domestic factors.⁵ Not even the César Fernández corruption

⁴ Country risk is usually defined as the combination of financial, economic, and political risks, which measures the overall risk of investing in a specific foreign country (Investopedia).

⁵ Analyses by Equitrend (2006) and Ambito Financiero show that country risk of emerging markets, including Ecuador, began to increase in April and May 2004.

scandal that hit the Gutiérrez administration in October 2003 increased the risk of Ecuador on defaulting on its external debt, which only increased the weeks before Gutiérrez was unseated.⁶ Unlike Fernando de la Rúa's failure, it appears that Lucio Gutiérrez's downfall had less to do with economic factors than with political ones. De la Rúa had inherited a 2-year economic recession and later in his term Argentina defaulted on its debt, none of which were imminent threats to Gutiérrez's survival. Hence, even though the economic prospects were not promising at this point, neither inflation nor unemployment, two highly sensitive issues for the people, were dramatically high or out of control, and the economy was still growing.

Gutiérrez and the 2002 Presidential Election

Lucio Gutiérrez, a former army colonel, was a political outsider (Carreras 2012: 1471). His involvement in politics began in 2000 when he joined the protests staged by Ecuador's largest indigenous umbrella organization, the *Confederación de Nacionalidades Indígenas de Ecuador* (CONAIE, Confederation of Indigenous Nationalities of Ecuador), against elected President Jamil Mahuad. After being ordered to disperse protesters who had surrounded government buildings for days, Colonel Gutiérrez instead led them to destabilize President Mahuad, who was finally overthrown on January 21, 2000 (BBC News 2002, Nov 25). In the aftermath of the crisis, Gutiérrez, who had attempted to seize power but ultimately failed to hold onto it, was sent to jail for six months and expelled from the army (BBC News 2002, Nov 25). After his release, Gutiérrez began his political career campaigning on an anti-corruption and left-wing

⁶ Data is not available between December 31, 2002 and October 31, 2003. For that reason, I am not able to assess whether the teachers' strike in May 2003 and the *Pachakutik*'s walkout in August 2003 created or not any significant political turmoil that could have pushed Ecuador's country risk up.

populist platforms, and was often likened to Hugo Chávez due to his past as a military man and coup plotter (Economist 2002, Oct 26).

Against the odds, the 2002 runoff pitted two self-defined outsiders: Lucio Gutiérrez against banana tycoon Alvaro Noboa. Gutiérrez created his own party, the *Partido Sociedad Patriótica* (PSP, Patriotic Society Party) and with the support of the leftist *Movimiento Popular Democrático* (MPD, Popular Democratic Movement), the indigenous *Movimiento de Unidad Plurinacional* (MUPP or PK, *Pachakutik* Plurinational Unity Movement), and other small leftist parties, formed a center-left electoral coalition for the 2002 presidential race (Acosta and Polga-Hecimovich 2010: 83). On the other hand, there was Alvaro Noboa, a billionaire and right-wing populist, backed by his own party, the newly created PRIAN (Hernández Enríquez 2002: 28). Gutiérrez and Noboa had received a meager 20.43% and 17.37% of the votes, respectively (Political Database of the Americas). Gutiérrez ultimately won the presidency obtaining 54.79% of the ballots, whereas Alvaro Noboa received 45.91% (Political Database of the Americas).

Despite the victory, Lucio Gutiérrez and his partners held a minority status in the 100-seat unicameral Congress. The ruling coalition controlled only 23 legislative seats, with *Pachakutik* holding 10 seats, followed by Gutiérrez's PSP with seven seats (see Table 8).⁷ The influence of Gutiérrez's alliance in Congress was frail vis-à-vis the 24 seats held by the conservative *Partido Social Cristiano* (PSC, Social Christian Party) and the 16 seats controlled by *Izquierda Democrática* (ID, Democratic Left) (IPU). Both the

⁷ The other two parties, the MPD and the *Partido Socialista Ecuatoriano-Frente Amplio* (PSE, Ecuadorian Socialist Party-Broad Front) held three legislative seats each one (Inter-Parliamentary Union).

PSC and the ID made it clear that they would not cooperate with the Gutiérrez administration, leaving the *Partido Roldosista Ecuatoriano* (PRE, Roldosist Ecuadorian Party) as a potential party from which Gutiérrez may seek legislative support in the future (Oxford Analytica 2002, Nov 29). From its very inauguration, the Gutiérrez administration lacked strong partisan support, a key variable affecting presidential survival, thus making him more vulnerable to being deposed early.

Lucio Gutiérrez's Campaign Promises and his First Right Turn

For the 2002 presidential election, Gutiérrez ran against market-oriented economic policies, promised to increase public spending on social policies and to foster foreign trade, called for a reevaluation of the dollar as Ecuador's currency, seemed interested in renegotiating Ecuador's foreign debt, stood against neoliberal economic policies and foreign intervention, and -resembling Hugo Chávez- wore his military uniform during most of the presidential campaign (Forero 2002, Nov 22; Forero 2002, Nov 24; Economist 2002, Nov 30; Moss 2002, Oct 22).

Even though the indigenous movement led by CONAIE and its political arm, *Pachakutik*, partnered with Gutiérrez to topple President Mahuad in 2000, it was via democratic elections that they finally got to power. The 2002 presidential election was a unique political event. Ecuador's indigenous people, who comprised between 25% and 45% of the national population, for the first time in the country's history made it to the government with Lucio Gutiérrez as their candidate (Relea 2002, Nov 28⁸). In fact, Ecuador's indigenous movement led by CONAIE, and especially the role played by ,

⁸ Indigenous organizations estimated that the share of the indigenous population was about 45%, whereas government figures pointed to less than 25% (Relea 2002, Nov 28). Ecuador's national population was estimated in 12.15 million according to the 2001 Ecuador's Census (Ecuador's National Institute of Statistics and Census 2010).

were principally responsible for Gutiérrez's victory in the 2002 presidential election (Mainwaring, Bejarano, and Pizarro Leongómez 2006: 34).

Despite the seemingly strong political partnership, conflicts within the ruling alliance arose shortly after the first round, when Gutiérrez moderated his anti-neoliberal rhetoric. Gutiérrez began to meet with business associations and International Monetary Fund (IMF) representatives, committed himself to allow foreign companies to invest in the oil sector, to bolster dollarization, to pay Ecuador's debt, to request a new standby credit from the IMF, not to shut down the U.S. air base in Ecuador, and was even willing to give cabinet positions to businessmen (Relea 2002, Nov 23; Forero 2002, Nov 22; Economist 2002, Nov 30). Gutiérrez's dramatic policy switch and right turn created tension and a threatened walkout among the parties supporting him. By and large, the indigenous and leftist parties expected from Gutiérrez greater spending on social programs rather than favoring IMF-led adjustment reforms or paying off the external debt (Oxford Analytica 2002, Nov 29). Gutiérrez was warned several times that they would withdraw their support should he continue moving to the right (Oxford Analytica 2002, Nov 29). However, the coalition remained united by the time Colonel Gutiérrez was sworn in.

In summation, Lucio Gutiérrez began his term facing medium-high risks for his survival in office. Although not optimal, the economic situation did not severely constrain what Gutiérrez could do. In fact, as described later, even though Ecuador experienced modest economic growth in 2003, the economy took off in 2004 thanks to increased oil production and higher oil prices. Gutiérrez's economic dilemma was either following his campaign promises of greater social spending or the IMF's austerity

guidelines and paying the external debt. Political issues, however, were the major obstacles for the president as he begins his term. A rather low share of seats controlled by his own party (7%), the ideological differences within the ruling coalition, the potential conflicts with the two major opposition parties in Congress (PSC and ID), a fragmented party system, undisciplined parties, and a limited capacity to offer perks to friendly political parties due to the 1996 constitutional reform were some of the major hazards for Gutiérrez's survival. Moreover, should the ruling coalition split, CONAIE and its political arm, *Pachakutik*, could eventually call for massive social mobilizations to destabilize Gutiérrez as they did with failed President Mahuad in 2000. In addition, as found in the survival analysis, partisan support and democratic tradition consistently affect presidential survival. In fact, the lack of "legislative shield" owing to his limited partisan support and Ecuador's modest democratic tradition may significantly reduce Gutiérrez's chances to stay in office.

Data Analysis

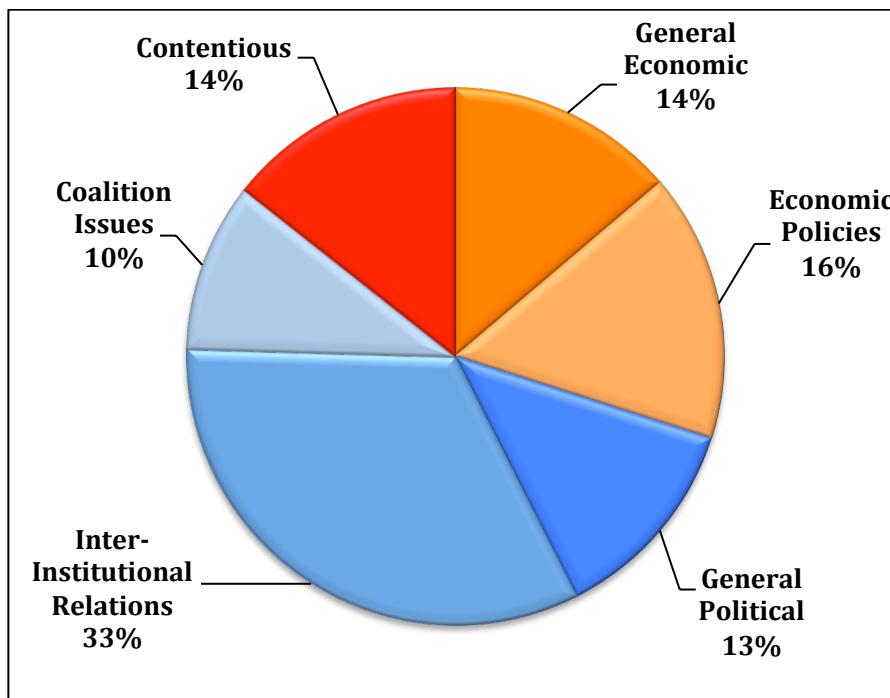
Overview of the Data

In the following pages I describe and analyze the chain of events that led President Lucio Gutiérrez to be voted out from office by Congress in April 2005. Such events were mostly about coalition issues and inter-institutional conflicts involving the president and Congress, and later the Supreme Court. During his last months in office, not only did President Gutiérrez have to deal with an increasingly belligerent congressional opposition but also with widespread protests asking him to step down.

The analysis is based on 137 articles from the Latin American Weekly Report (LAWR), El País, and the New York Times (NYT), from January 15, 2003 to April 26,

2005. It has to be pointed out that the bulk of news articles come from the LAWR (123), whereas El País and the NYT reported eight and six news articles, respectively. Even though Gutiérrez struggled with economic woes during his first year in office, 56% of news topics covered was political in nature, 30% involved economic issues, and 14% focused on public demonstrations (Figure 12). In fact, the Gutiérrez administration was chiefly characterized by coalition infighting (coalition issues) and by battling congress and the courts (inter-institutional conflicts).

Figure 12. News Topics on the Gutiérrez Administration

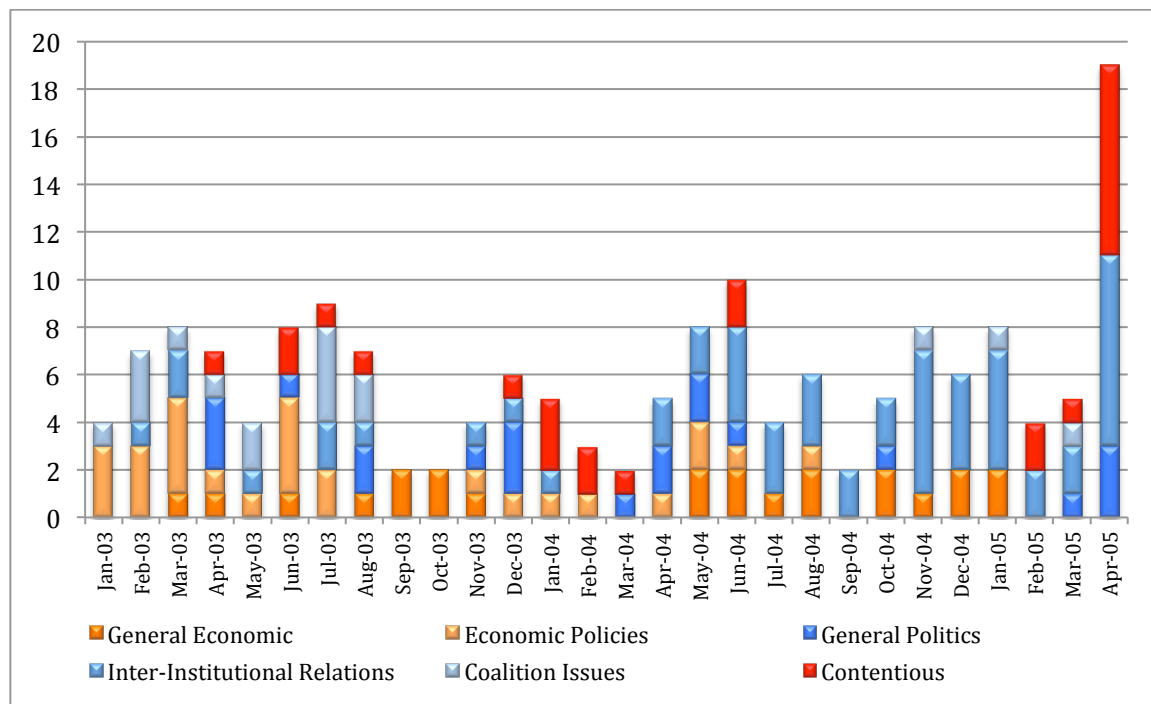


Source: Elaborated by the author based on the LAWR, NYT, and El País..

The IMF-led policies he adopted to deal with Ecuador's economic problems during his first months in office clashed with the position of the *Pachakutik* party, one of the original ruling partners and responsible for many public demonstrations against the president. From the very beginning, Gutiérrez struggled to keep his ruling alliance together (coalition issues), while also facing strong opposition in Congress (inter-

institutional relations). Since December 2004, most news topics reported on how Gutiérrez's new "institutional majority" took over Congress, and managed to fire judges of the Supreme Court and pack it with government allies (inter-institutional relations). As shown in Figure 13, protests against Gutiérrez soon followed, which were particularly relentless from February to April 2005. The number of news topics on inter-institutional relations went up in April 2005 as Congress carried out several attempts to remove Gutiérrez until he was finally unseated on April 20.

Figure 13. News Topics during the Gutiérrez Administration (by month)



Source: Elaborated by the author based on the LAWR, NYT, and El País.

Note: Y-axis shows the number of news topics reported each month.

Balancing the Budget and Servicing the External Debt: Lucio's First Goals

During his inaugural speech, President Gutiérrez made a desperate call to foreign creditors that Ecuador could not pay its external debt, which amounted to 40% of Ecuador's national budget (LAWR 03-03-31). Even though Gutiérrez was aware that the

public deficit must be reduced, he assured that the price of cooking gas, heavily subsidized and an especially sensitive issue among low-income families, would not go up (LAWR 03-03-31). Gutiérrez's ruling indigenous partner, *Pachakutik*, made it very clear that they would not tolerate future austerity measures pushed by the IMF (LAWR 03-03-31), while MPD leader, Luis Villacís, accused Gutiérrez of betraying the electorate (El País 2003, January 20).

Three weeks after Gutiérrez' inauguration, however, Economy Minister Mauricio Pozo came up with an adjustment package, which included an increase in fuel prices (17.8% of standard petrol and 39% for high-octane gas), a 10% pay cut for high-ranking government officials (for President Gutiérrez it was 20%), restrictions on the use of government cars, and limits on trips abroad, among other cuts (LAWR 03-04-42). Even though the executive increased the *Bono Solidario* (solidary bonus) aimed at the poor, from \$11.5 to \$15 per month, adverse reactions quickly ensued (LAWR 03-04-42). CONAIE and members of the MPD harshly criticized the package and threatened to withdraw their support if more IMF-led adjustment measures were pursued by Gutiérrez (LAWR 03-04-42). Luis Villacís even claimed that the Gutiérrez administration had been “high-jacked” by the IMF (LAWR 03-04-42).

It could already be observed how the some potential causes of presidential failures were slowly taking place. Previous works find that unpopular, neoliberal economic policies have driven a significant share of presidents out of office. In fact, Gutiérrez had hinted that he might turn to the right when it came to economic policies even since the first round of the presidential election. Gutiérrez's right turn, however, became even more evident during his first month in office. The president began to sell out his

campaign promises of increasing social spending and his critical stance on pro-market economic policies. More important, Gutiérrez was in effect betraying his political allies such as CONAIE and *Pachakutik*, which not only were well organized and carried significant popular support, but also had already toppled an incumbent president. Additionally, as the survival analysis shows, presidents with low partisan support are significantly more likely to be deposed from power. Hence, for a president whose own party held only 7% of seats in Congress, alienating the electorate and his political allies was a risk not worth taking.

Gutiérrez's Fragile Ruling Coalition

Only partly owing to Gutierrez' right turn, frictions within the ruling coalition emerged shortly after the swearing-in. Initially, members of both *Pachakutik* and Gutiérrez's PSP criticized the president for not giving them top-rank positions within the government, which were mostly offered to Gutiérrez's former military officers (LAWR 03-06-68). Gutiérrez finally appointed *Pachakutik*'s leaders Nina Pacari and Luis Macas as heads of foreign affairs and agriculture, respectively, and offered second-tier positions to his PSP (LAWR 03-01-08; LAWR 03-06-68). Tensions escalated further after the announcement of the adjustment package when *Pachakutik* requested Gutiérrez's economic team to step down, and threatened to walk out of the coalition (LAWR 03-06-68). *Pachakutik* finally decided to stay on board provided that their demands would be satisfied and after Gutiérrez himself asked them to reconsider (LAWR 03-06-68). Despite the seeming reconciliation, *Pachakutik* leaders announced a 24-hour national mobilization in protest of Gutiérrez's close relations with the United States and the IMF (LAWR 03-07-74), and gave the president a 30-day deadline to amend the austerity

policies he had adopted (LAWR 03-08-96). Whether in response to these pressures or just merely a coincidence, Gutiérrez met with León Febres Cordero, former president and leader of the conservative Social Christian Party (PSC), a week after the *Pachakutik*'s one-day protest, which heightened the perception that Gutiérrez was indeed moving to the right (LAWR 03-08-96).

In addition to coalition infighting, disagreements between the executive and Congress soon began to arise. In March, even though Congress approved the 2003 budget bill submitted by the executive (\$6.7 billion), it reallocated \$109.8 million from defense, external debt payment, and foreign affairs to social programs (LAWR 03-09-105). Weeks later, lawmakers belonging to the ruling coalition joined the opposition in Congress to reject an IMF recommendation to bring custom revenues under the control of Ecuador's tax collecting agency in order to gain access to the \$200 million standby agreement (LAWR 03-11-129). Gutiérrez was finding it increasingly difficult to both keep his legislators in line and deal with the opposition in Congress.

On April 25, the largest Ecuadorian indigenous organization, the *Ecuadorunari*, although still a member of CONAIE, withdrew its support for the president (LAWR 03-16-188). *Ecuadorunari* announced that it would organize a round of social mobilizations against Gutiérrez and Pozo's pro-market economic policies, as well as the president's submission to the United States and the IMF, and to oppose any future increase of the cooking gas price (LAWR 03-16-188). At least President Gutiérrez could still rely on the *Pachakutik* (and CONAIE), which had threatened with leaving the ruling coalition but had not done so yet (LAWR 03-16-188).

Although a few mobilizations against his economic policies had taken place, neither serious economic woes nor political scandals had arisen to severely undermine the Gutierrez administration. Nevertheless, just two months after his inauguration, President Gutiérrez began to first realize the hurdles that his administration would have to overcome within Congress. As found by previous studies and shown by the survival analysis, weak partisan support is a central force driving presidents out of office. The problems within the ruling coalition, such as *Pachakutik*'s threats of walking out, and the increasing differences with COANIE depict the first elements in the causal chain that would soon lead to the weakening of Gutiérrez's already thin legislative support.

Economic Performance and Public Reactions

These problems notwithstanding, good news was on the way. In March, the IMF's forecast for 2003 was rather positive: Ecuador's economic growth rate would be 3.5%, whereas inflation was expected to come down to between 7% and 6% (LAWR 03-12-139). More importantly, the IMF finally approved the \$205 million standby agreement, delayed payment of the 2000 standby agreement due in 2003, and paved the road for Ecuador to access up to \$500 million in loans from foreign lenders (LAWR 03-12-139).

Gutiérrez's relationship with the Fund was at a high point. The IMF had praised Gutiérrez for his "impressive leadership" in balancing public accounts (LAWR 03-12-139). Nonetheless, at home the Ecuadorian electorate had a different view. A Cedatos/Gallup poll showed that half of respondents regarded the president's performance as "less than good" or flatly bad, which was accompanied by a significant drop of public support: in less than four months, Lucio Gutiérrez's popularity fell from 64% in January to 46% in April (LAWR 03-16-188).

In May, the economic growth rate prognosis for 2003 was downgraded to between 3% and 3.5% (LAWR 03-19-221). Moreover, Economy Minister Pozo once again raised the issue of eliminating the cooking gas subsidy by the end of 2003, triggering several protests and adverse reactions from Gutiérrez's own coalition (LAWR 03-22-263). Gutiérrez rushed to assure that this measure would be compensated by offering cheaper gas to the poor, but he ultimately backed down and promised that the subsidies would not be lifted in the short term (LAWR 03-22-263). Still, Lucio Gutiérrez received good news as a \$1 billion loan was made available from the World Bank (WB) thanks to the standby agreement previously signed with the IMF (LAWR 03-21-247). The loan did not only help the government to reduce Ecuador's public deficit but it also came in handy to fund anti-poverty programs aimed at increasing primary school enrollment and reducing infant mortality (LAWR 03-21-247).

Since mid-May, approximately 120 thousand teachers, some of them on a hunger strike, took to the streets calling for increases in public spending, on education infrastructure and teacher's salaries, a total of \$125 million (LAWR 03-22-264). Gutiérrez, however, offered to only increase wages by \$10 per month, at a cost of \$90 million a year, and threatened with calling the teachers' strike illegal (LAWR 03-22-264). Even though the government and teacher organizations finally struck a deal, Gutiérrez continued to experience problems. By mid-June, Petroecuador's workers stopped the production of oil, protesting against the "production-sharing contracts" with private firms and asking for the energy minister's resignation (LAWR 03-23-265). One of the immediate consequences of the conflict was a dramatic drop in domestic oil supply and the inability to deliver on export contracts (LAWR 03-23-265). Gutiérrez replied by

sending in the military to Petroecuador's facilities in order to resume oil production (LAWR 03-23-265). Luckily for Gutiérrez, the dominant view among the public was against the strike and even supportive of the energy minister, according to a Celo-Gallup poll (LAWR 03-23-265).

Summing up, even though Ecuador's external debt represented a significant share of its GDP, Gutiérrez had not been severely constrained by it when managing the country's finances. International financial institutions, e.g., the IMF and WB, had even supported Gutiérrez's performance and granted credits that eased Ecuador's fiscal deficit. Notwithstanding, a growing dissatisfaction among the people with Gutiérrez, and the teachers' and Petroecuador's workers' strikes, which were considerable, did not present serious hazards for his survival. More important, mobilizations directly targeting Gutiérrez or asking for his resignation had not occurred. As discussed in Chapter 2, the type of social mobilization matters when it comes to presidential survival since only those specifically aimed at the president affect his likelihood to stay in office. Moreover, the bivariate survival analysis in Chapter 4 shows that riots or violent confrontations between demonstrators and the police are also significantly damaging for a president, which in this case had not taken place at this point.

Internal Divisions Persist: The *Pachakutik* Walk Out

We have seen that friction between the president and his allies had begun even before Gutiérrez took office. Relations between the PSP and *Pachakutik* became particularly strained when Gilmar Gutiérrez, a PSP legislative leader and the president's brother, brought up racial issues to the table by suggesting that the *mestizo* (mixed race) members of *Pachakutik* were responsible for causing discord in the governing coalition

(LAWR 03-29-343) Additionally, the PSP had requested the termination of Rosa María Gutiérrez as education minister as early as one month after her swearing-in (LAWR 03-29-343). A final episode involving the PSP came when the Interior Minister Mario Canessa left the government arguing personal reasons, although it was speculated that his true motive was the appointment of a PSP member as his undersecretary instead of someone from *Pachakutik* (LAWR 03-30-08).⁹

At the beginning of July 2003, relations between the president and the *Pachakutik*, which for months had threatened with joining the opposition in Congress, seemed to have finally begun moving forward. Listening to his indigenous partner's demands, Gutiérrez agreed that he would attempt neither to privatize state assets nor to eliminate the cooking gas subsidy, which satisfied the *Pachakutik* and deterred them from leaving the ruling coalition (LAWR 03-25-296). Nevertheless, the peace between Gutiérrez and his indigenous allies did not last long. Two weeks later, Gutiérrez sent a bill to Congress to reform Ecuador's civil service and make it more "efficient" as requested by the IMF in order to release a \$42 million credit (LAWR 03-27-319). *Pachakutik* quickly accused the president of moving to the right and denounced a supposedly secret pact between Gutiérrez's PSP and the conservative PSC, which triggered the resignation of *Pachakutik* leader Virgilio Hernández as undersecretary of the interior (LAWR 03-27-319). In response, *Pachakutik* leaders once again warned Gutiérrez that they were seriously considering leaving the government and opposing him in Congress exactly as the MPD

⁹ The position was open since the resignation of *Pachakutik* leader Virgilio Hernández.

had done one week earlier (LAWR 03-27-319).¹⁰ Gutiérrez toughened up and issued an ultimatum to his indigenous allies by making it clear that anyone occupying government positions who criticized his administration would be fired (LAWR 03-28-330). This reflected Gutiérrez' refusal to compromise with his allies and willingness to use coercion.

By the end of July, tensions within the ruling coalition heightened even further. After disobeying Gutiérrez's order to not speak out against the government, *Pachakutik* Rosa María Gutiérrez (education minister) was dismissed, which was followed by the resignation of 24 *Pachakutik* members occupying government positions appointed by her (LAWR 03-29-343). *Pachakutik* accused the president of violating an agreement by which no *Pachakutik* member could be dismissed from the government without previous discussion with the *Pachakutik* leadership (LAWR 03-29-343). The *Pachakutik*'s sponsor, CONAIE, even toyed with the possibility of a *levantamiento* (uprising) against Gutiérrez in response to Rosa María Gutiérrez's dismissal (LAWR 03-29-343).

Finally, by mid-August and after months of threats, *Pachakutik* left the government and joined the left-of-center opposition in Congress (LAWR 03-31-08). The last straw was the defeat of Gutiérrez's bill reforming the civil service in Congress, owing to *Pachakutik* legislators walking out during the voting (LAWR 03-31-08). Gutiérrez retaliated by firing the three *Pachakutik* members who still held cabinet positions: Luis Macas (agriculture), Nina Pacari (foreign relations), and Doris Solís (tourism) (LAWR 03-31-08). The *Pachakutik* materialized its threat and finally

¹⁰ The MPD (Popular Democratic Movement) left the government after accusing Gutiérrez of having turned to the right (*derechizado*) as observed in his continuous compliance with the IMF's economic guidelines, his willingness to privatize state-owned assets, and to let the price of fuels rise (La Hora 2003, Jul 6).

abandoned the ruling coalition, bringing to an end the first indigenous direct participation in the Ecuadorian government. This was the critical juncture that sealed Gutiérrez's fate as president of Ecuador. After the *Pachakutik* left the government, Gutiérrez failed to build a stable and reliable legislative coalition that could have shielded him from social mobilizations and from the opposition in Congress.

In less than eight months, Gutiérrez had lost two of his political partners with it 13% of the legislative seats, leaving his administration with a meager 10% of seats under its control in Congress. To top it off, by mid-August, only 31% of people approved of Gutiérrez's performance as president compared to 46% in April and 64% in January (LAWR 03-32-11). Even though protests against the president (or demands for his resignation) were still to come, *Pachakutik*'s walkout undermined Gutiérrez's political capital in Congress, strengthened the congressional opposition and also undermined his popular support among indigenous people. As previous research has shown and as found in the survival analysis, partisan support plays a central role in either protecting presidents from threats or destabilizing them. Thus, the ruling coalition's breakdown dramatically increased the likelihood of presidential failure for Gutiérrez.

Economic Troubles

On the economic front, after two consecutive quarters of a shrinking GDP, the economy was technically declared in recession (LAWR 03-36-09). Defensively, Economy Minister Pozo argued that Ecuador had not entered into recession yet, and that despite the two quarters of economic contraction the overall growth for 2002 was expected to be around 2.5% (LAWR 03-37-05). With such an economic outlook, spending on social programs would be constrained given that approximately 50% of the

2003 budget would be used to pay the external debt and public employees' salaries (LAWR 03-37-05). Moreover, Petroecuador's oil production had fallen from 237,000 barrels per day (bpd) at the beginning of 2002 to 205,000 bpd in the third quarter of 2003 (LAWR 03-39-09). Also, in order to comply with the IMF terms, the executive resumed the discussion of eliminating the cooking gas subsidy, whose price might go up from \$1.6 to \$5 (for the 15-kilo canister), although the subsidy would not be lifted for the poorest (LAWR 03-45-09). The announcement, as expected, was followed by a warning of uprising made by the *Federación Nacional de Campesinos e Indígenas Libres del Ecuador* (FENACLE, National Federation of Free Peasants and Indigenous Peoples of Ecuador) should the subsidy be lifted (LAWR 03-45-09). Weeks later, the government backed down and announced that the cooking gas subsidy would not be eliminated in 2004 (LAWR 03-48-09).

By the end of April, the government began talks with the IMF for a second loan, after it failed to meet the financial targets attached to the \$205 million standby agreement signed in 2003, for which it only received \$38 million before it was aborted (LAWR 04-16-05). More important, the IMF agreed to a one-year delay of Ecuador's interests to be paid in 2003 (LAWR 04-17-08). Despite this seemingly good news, the IMF later accused Ecuador of misreporting its oil revenues, which were being used to subsidize fuels such as electricity and cooking gas (LAWR 04-21-06). In addition, oil production of state-owned Petroecuador, Ecuador's most important sources of revenues, kept waning. Petroecuador's 200,000 bpd oil production was almost 40% lower than ten years earlier mostly due to lack of investment (LAWR 04-20-05).

Luckily for the president, these issues were not threatening enough to destabilize him. The literature identifies two economic forces driving presidents out of office: economic recessions and enacting unpopular, neoliberal economic policies. No serious economic crisis was expected to hit Ecuador while Lucio Gutiérrez was in office. On the other hand, a potential source of instability for Gutiérrez could be the adoption of market-oriented economic policies, which he had actually done. The theory predicts that such decisions would be followed by social mobilizations, which took place but were neither widespread nor violent. As this case shows, the enactment of neoliberal economic policies also alienated the president's supporters, thus increasing the risk of presidential failure.

Alleged Links with Drug Traffickers, Shifting Sides and Moderate Social Mobilizations

As though the ruling coalition's breakdown and the economic troubles were not enough, a corruption scandal involving the president and close collaborators was exposed by a police operation and became public knowledge by the end of October 2003. After a tripartite operation by the Mexican police, the U.S. Drug Enforcement Agency (DEA) and Ecuador's antinarcotics unit, César Fernández was found in possession of cocaine and arrested under charges of international drug trafficking (LAWR 03-46-10). César Fernández, a businessman and former governor of the province of Manabi, was close to government circles. The tourism minister even acknowledged to have used one of Fernández's aircraft (LAWR 03-46-10). Fernández, who had allegedly financed Gutiérrez's presidential campaign, had been photographed with President Gutierrez, the first lady and, the president's brother during the presidential campaign (LAWR 03-46-

10). In order to investigate the accusations of possible links between César Fernández and government officials (including the president), Gutiérrez created a “truth and transparency” commission while Congress formed an “oversight committee” (LAWR 03-46-10).

The scandal’s immediate effect was that for the first time people started to ask for Gutiérrez’s resignation. The César Fernández issue undermined the president’s already weak popular support as a poll showed that 46% of respondents wanted Gutiérrez to step down, while 57% believed that Gutiérrez’s inner circle had links with César Fernández (LAWR 03-48-06). More important, the scandal limited the ability of the president to forge new political alliances by increasing the costs for other parties of associating with a president who was being investigated on having links with a drug trafficker.

Seeking a breather from the César Fernández’s scandal, Gutiérrez carried out his first cabinet reshuffle in mid-December (LAWR 03-47-08).¹¹ The new appointees, albeit not members of any party, were closely related to the conservative PSC and the right-wing populist PRE (LAWR 03-50-02). As the president sought to build a new congressional majority with the PSC and PRE, erstwhile Gutiérrez’s political allies—*Pachakutik* and the MPD—joined forces with *Izquierda Democrática* (ID) forming a left-of-center opposition bloc in Congress (LAWR 03-48-06). In less than a year, political alliances had dramatically changed: betraying his campaign promises, the president seemed to have finally moved to the right, while his former political allies became a major opposition force in Congress.

¹¹ Although not reported by the LAWR, President Gutiérrez replaced his minister of interior, Luis Felipe Mantilla, and appointed Raúl Baca in his place. Baca became the president’s third interior minister in less than a year in office.

In early 2004, the *Pachakutik*, ID, and the PRIAN had made Gutiérrez's removal its overarching goal, meanwhile several social mobilizations took place in January asking the president to step down (LAWR 04-01-14). The call for mobilizations was originally made by CONAIE and supported by the *Frente Popular* (FP, Popular Front) and the *Seguro Social Campesino* (SSC, Social Security Peasant Committee), but ultimately only the FP and the SSC marched on the streets (LAWR 04-04-10).¹² Although still committed to oust the president, both CONANIE and *Pachakutik* decided not to participate in the wave of street protests sensing that any attempt to topple Gutiérrez at that time would fail (LAWR 04-03-09). In fact, the mobilizations scheduled for January 21st (commemorating the 4th anniversary of the military-indigenous alliance led by Gutiérrez that overthrew President Mahuad in 2000) were notoriously weak without the support of CONAIE (LAWR 04-04-10).

In March, Ecuador saw the emergence of a new round of protests. While celebrating his 37th birthday, at the *Banco Nacional de Fomento* (National Bank of Development), health care workers protesting for back pay owed by the central government surrounded the buildings and prevented the president from leaving for a couple of hours (LAWR 04-13-05). Days after this non-violent protest the government was not able to strike a deal with health care employees, who had already shut down all public hospital facilities, except for emergency rooms (LAWR 04-13-05). In addition, teacher's associations, municipal employees, and prison guards in the coastal province of Guayas began a wave of protests against the central government (LAWR 04-13-05).

¹² The FP is an organization comprised by some unions, peasants, and students; whereas the SSC is a relatively small indigenous association (LAWR 04-04-10).

These mobilizations depicted a slowly growing wave of protest against the Gutiérrez administration, which had been building up since January 2004. As described later, 2004 turned out to be a positive year for the Ecuadorian economy, but President Gutiérrez failed to capitalize on such positive news.

By mid-April, several changes were under way in the government and coalitions in Congress. The president decided to send the military cronies he had appointed to government positions back to the barracks (LAWR 04-04-16).¹³ Gutiérrez wanted to distance himself from several corruption scandals that shook the military, such the arms theft scandal dating back to August 2003 (LAWR 03-34-09).¹⁴ Additionally, rumors about a coup plot orchestrated by the military against Gutiérrez had been floating as early as three months after the swearing-in, which was one of the reasons why the president let the army officers go (LAWR 04-15-02).¹⁵ Meanwhile, in Congress, Gutiérrez still could not build a new legislative coalition after the *Pachakutik* walked out. The conservative PSC continued awaiting the results of two investigations: one on the president's links with César Fernández, who had been accused of drug trafficking; and the other on illegal financial contributions received by Gutiérrez's party, the PSP, from Mexico's Labor Party (LAWR 04-15-01).

¹³ Nonetheless, it has to be pointed out that the positions occupied by army officers were not at key political ministries. The 13 army generals dismissed by Gutiérrez held positions in the sport national office, planning department, communication office of the presidency, among others (LAWR 04-14-16).

¹⁴ In August 2003, the arms theft was exposed after weapons and ammunitions were found hidden in a clandestine warehouse (LAWR 03-34-09). Arms thefts were reported since 1999, and in 2001 Colombia claimed that a significant number of Ecuadorian arms were found in possession of the FARC (LAWR 03-35-09). Although, Gen. Octavio Romero, Ecuador's Chief of the Joint Staff, assured that no more than 2% of the arms seized by the Colombian military came from Ecuador (LAWR 03-36-07).

¹⁵ See also LAWR 03-15-176.

In May 2004, several crises hit the Gutiérrez administration. The *Confederación de las Nacionalidades Indígenas de la Amazonia Ecuatoriana* (CONFENAIE, Confederation of Indigenous Nationalities of the Ecuadorian Amazon), one of the two largest associations within CONAIE (the other was Ecuarunari), withdrew its support from Gutiérrez after he failed to fulfill promises made in January 2004 (LAWR 04-18-06). Moreover, although no official explanation was given at the time, the cancellation by Washington of the U.S. visas of the social welfare minister and his wife cast doubts once again on government officials' involvement in shady deals (LAWR 04-21-01). After several attempts to materialize the Gutiérrez-PSC alliance, the PSC finally backed down. The PSC leadership accused Gutiérrez of not listening to their ideas, and then adopted a tougher stance toward the president even threatening him with seeking his removal (LAWR 04-21-01). To make matters worse, Vice-President Palacios suggested that he would be available to take over should the president be forced to resign, triggering an immediate response from the PSP accusing Palacios of carrying out negotiation with the opposition to destabilize Gutiérrez (LAWR 04-17-08).

In summary, within one year after Gutiérrez took office, the opposition in Congress formed by the ID, PRIAN, and *Pachakutik* (16, 10, and 10 seats, respectively; see Table 8) had already made a commitment to oust the chief executive. Even though the conservative PSC (24 seats) had rejected a deal with Gutiérrez's PSP (7 seats), it had not joined the left-of-center opposition. The other major party in Congress, the PRE (15 seats), had not yet decided whether or not they would support Gutiérrez. Even though the president's party only held 7 seats in Congress, luckily for Gutiérrez, the opposition (36 seats) had so far failed to muster enough partisan support to challenge him. Furthermore,

it is worth noting that the César Fernández scandal did not cause Gutiérrez to fall from power. Previous studies have found that scandals negatively affect prospects for survival in office; however, the survival analysis (Chapter 4) did not find any statistically significant evidence about it, not even in the bivariate analysis.

The scandal, however, deterred other parties from being linked with a president involved in shady deals, thus preventing Gutiérrez from increasing his partisan support. Finally, widespread and violent social mobilizations, which previous studies have found to usually precede a presidential failure, had not yet taken shape. In the months to come, however, an aggressive opposition led by the *Pachakutik* and ID, now backed by the conservative PSC, began to battle Gutiérrez, who desperately used all resources available to him, even questionable ones, to fight back in a vain attempt to stay in office.

Unseating the President: The tug-of-war between Gutiérrez and the Opposition

Even though ousting Gutiérrez was a goal set at the beginning of 2004, not until the end of May did the opposition in Congress seriously begin to outline ways President Gutiérrez might be kicked out of office (LAWR 04-21-01). By this time, the conservative PSC had sided with the opposition against the president (LAWR 04-21-01), thus heightening the risk of presidential failure for Gutiérrez. The *Pachakutik*, ID, and MPD leaned toward impeachment, while the conservative PSC considered charging Gutiérrez with abandoning his post since this move only required an absolute majority (LAWR 04-21-01). Whereas the *Pachakutik* and MPD wanted to charge Gutiérrez with treason, the ID aimed at kicking the president out because of “blatant ineptitude” resembling President Bucaram’s ouster in 1997 (LAWR 04-21-01). Despite this rejection of Gutiérrez, there were not enough votes in the opposition to initiate the impeachment

proceeding against Gutiérrez, since a two-thirds majority was required (LAWR 04-21-01).

Rumors had surfaced that Gutiérrez might attempt to shut down Congress (resembling what Fujimori had done in Perú in 1992) apparently in response to the opposition parties trying to oust him (LAWR 04-22-03). On June 7, the Organization of American States' (OAS) General Assembly held its 34th Regular Session in Quito, which helped to soothe the reigning political mood of confrontation in Ecuador (LAWR 04-22-03). In fact, CONAIE had organized a national “uprising” against Gutiérrez scheduled for June 7, but it ultimately failed to muster significant popular support (LAWR 04-23-09).

In August, Gutiérrez seemed to have finally broken his political isolation in Congress by hammering out a deal with the PRE. The agreement, however, would include a rather controversial clause: to allow Abdalá Bucaram, PRE leader and exiled former president, to return to Ecuador (LAWR 04-31-03). Bucaram, known as *el loco* (the crazy one) and whom Congress ousted in 1997 after declaring him mentally incapable to rule (without medical examination), had pending charges of embezzlement of public funds and was living in Panama (LAWR 04-31-03). Naturally, continuous bickering marked the debate over Bucaram's return. After Bucaram accusing Gutiérrez of not abiding by a lower-court's acquittal of his embezzlement charges, the former president announced that he was not coming back to Ecuador (LAWR 04-33-06). Nevertheless, days later and after denying that Gutiérrez would visit Bucaram during an official trip to Panama, the president and Bucaram met and discussed the latter's return to Ecuador as a free man, Gutiérrez even offering him to form a commission of experts to analyze legal paths to such end (LAWR 04-35-09). Weeks later, Gutiérrez announced

that he would reform the Supreme Court in order to strengthen its independence from political parties; the president claiming that in the past the parties had used the Court against their political adversaries (LAWR 04-39-09). Nonetheless, Gutiérrez's principal intentions were to have Bucaram's pending charges dropped by the "reformed" Supreme Court so he could return to Ecuador without being arrested, thereby paying off the PRE's support.

Meanwhile, León Febres Cordero, PSC leader and former president, warned that by allowing Bucaram's return the president would put the "security of the state" at risk, a potential cause for impeachment (LAWR 04-32-05). Similarly, the *Pachakutik* pointed out that Gutiérrez might face trial under the charge of "obstruction of justice" if he let Bucaram come back to Ecuador (LAWR 04-35-09). Nevertheless, both the PSC and *Pachakutik* considered that there were still no strong grounds to impeach Gutiérrez (LAWR 04-36-09).

Both the opposition and the government had revealed their plans, and had shown how far they were willing to go. The opposition would even attempt to unseat Gutiérrez by using petty charges similar to those used to oust Bucaram in 1997 (declared "mentally incapable to govern"), although they ultimately refrained from doing so. On the other hand, the president was now allied with the right-wing populist PRE, as opposed to the left-of-center electoral coalition that got him to power, and was trying to bend the democratic rules by reforming the Supreme Court to pay off the PRE for their political support. The behavior and strategies used by the opposition and the executive branch show us the low level of democratic institutionalization in Ecuador, a country with a

democratic tradition index that barely exceeded zero in 2003 (3.28).¹⁶ By allying with the PRE (15 seats), Gutiérrez managed to increase his partisan support, which encompassed 22 legislative seats, but the risk of presidential failure still remained high.

Failed Impeachment and the “Reform” of the Supreme Court

Gutiérrez’s popular support kept decreasing as his own party offered a poor showing in the local and provincial elections in October 2004. The PSP barely gathered the minimum share of votes (5%) to avoid being disqualified as a party, while the opposition PSC and ID increased their number of governors and mayors (LAWR 04-41-08; LAWR 04-42-01). In early November, seizing the political momentum, the opposition’s efforts to unseat Gutiérrez began anew. The conservative PSC joined the left-of-center *Pachakutik*, *Izquierda Democrática*, and *Movimiento Democrático Popular* to accuse Gutiérrez of misusing public funds (LAWR 04-43-07). Even though more than 50 legislators submitted a petition to begin discussions on whether Gutiérrez could be impeached (the petition only needed to be endorsed by at least 25 lawmakers), all the opposition’s votes combined would still fall short of the 67 required to vote Gutiérrez out of office (Agencias 2004, Nov 6). Nevertheless, Gutiérrez’s risk of being impeached remained extremely high considering that any minor party might join the opposition in Congress and help it secure the 67 votes.

Given the looming threat of impeachment, one of the president’s chances to survive was that either the *Contraloría General del Estado* (CGE, Comptroller General of the State) or the Supreme Court might dismiss the misappropriation charges, but this

¹⁶ In 2003, South America’s democratic tradition’s median was 2.93 (its average was -9.72). The countries with the largest (152.75) and smallest (-268.91) democratic traditions were Uruguay and Paraguay, respectively.

was unlikely according to Gutiérrez himself who had even accused both institutions of being “politicized” against him (LAWR 04-43-07). Still, good news for the president was on the way. Gutiérrez seemed to have finally broken his political isolation. In addition to the support of the PSP (7 seats) and the PRE (15 seats), Gutiérrez was now backed by the right-leaning populist PRIAN (10 seats), which had defected from the opposition bloc in Congress (LAWR 04-44-04).¹⁷ However, as Gutiérrez planned on how to fight the accusation in the legislature, his third interior minister, Raúl Baca, announced his resignation owing to political differences with the Gutiérrez administration (LAWR 04-44-04).

Surprisingly, Gutiérrez pulled off a last minute gamble to stave off impeachment. Gutiérrez was backed by his own PSP, the PRE, and the PRIAN totaling 32 legislative seats (LAWR 04-44-04; LAWR 04-45-05). In addition, the president “convinced” a couple of legislators from *Pachakutik*, PSC, and ID to withdraw their support from the impeachment, which sufficed to fall short of the 51 votes needed to begin the proceedings (LAWR 04-45-05). The opposition immediately accused Gutiérrez of “buying” votes, and, although he utterly denied it, some of the congressmen who backed down were in fact offered “political rewards,” e.g., control of local government agencies (LAWR 04-45-05). Even though the opposition missed the opportunity to unseat Gutiérrez, it was still able to kick out his social welfare minister and threatened to do the same to the

¹⁷ The backing of the PRIAN, whose leader was the banana magnate and former presidential candidate Alvaro Noboa, was not entirely reliable. At the beginning of 2004, the PRIAN sided with the Pachakutik in their goal to unseat Gutiérrez. Later in early May 2004, a PRIAN legislator’s stance on Gutiérrez was at least controversial as he offered the following statement: “let him stay in power, so Ecuadorians will never vote for him again” (LAWR 04-17-16).

newly appointed interior minister, even though the latter eventually remained in his post (LAWR 04-46-16).

In mid-December, it was the president who tried to seize the political momentum. Taking advantage of the ad-hoc “new majority” that helped him dodge the impeachment accusation, Gutiérrez targeted the Constitutional Court and the Supreme Electoral Tribunal, and packed both of them with allies (Forero 2003, Dec 18). Furthermore, Gutiérrez, sensing that his “new majority” might be short-lived, quickly pushed for important bills that included a major constitutional reform, whose content he did not further explain, and his long-awaited “de-politicization” of the Supreme Court (LAWR 04-48-11).

Gutiérrez ultimately succeeded on the latter and in a bold move replaced 27 of the 31 Supreme Court justices (Forero 2004, Dec 18). Gutiérrez’s play was possible thanks to the support of his “new majority,” which gave him the necessary 52 votes in Congress to pass the reform, while most opposition legislators walked out during the voting labeling the move as “unconstitutional” (LAWR 04-49-08). The PSC, ID and even the Catholic Church asked people to take to the streets to protest against Gutiérrez’s “illegal” reform of the Supreme Court (LAWR 04-49-08).

In fairness, years earlier the conservative PSC, using its power in the executive and legislative branches, had packed the Supreme Court with “friendly” justices, which was what Gutiérrez sought to undo (LAWR 04-50-01). Nevertheless, far from “de-politicizing” the Supreme Court, Gutiérrez’s immediate goal was to appoint sympathetic judges who would drop the charges against former President Bucaram, thus allowing the former president to return to Ecuador as a free man (LAWR 04-49-08). In fact, the

president personally appointed Ramón Rodríguez as Supreme Court president, who resigned only weeks later, after seemingly being forced to facilitate Bucaram's return (LAWR 05-03-06). As though packing the Supreme Court was not shady enough, Ramón Rodríguez's replacement, Guillermo Castro, had been a close friend with Bucaram, both men having helped to found the PRE (LAWR 05-03-06).

Once again, the low levels of democratic institutionalization show that the government led by Gutiérrez was willing to resort to such questionable political gimmicks to achieve its political goals, tactics that other presidents had also used recently. Political actors, including presidents, in countries with a relatively short democratic traditions are usually more inclined to bend the rules, which consequently may make presidential failure more likely. In this case, from Gutiérrez's point of view, violating the system was a strategy worth using in the short-term since it prevented the opposition from voting him out of office. Still, the medium-term effects of such a move would soon prove to be fatal for Gutiérrez's survival.

The failed impeachment attempt illustrates the well-known lack of discipline and ideology of Ecuadorian political parties. The PRIAN left the opposition in Congress to side with Gutiérrez, and later, on the eve of the impeachment, more opposition legislators followed suit. For now, the lack of discipline of some Ecuadorian political parties and their partisans worked in Gutiérrez's favor. Nevertheless, the theory points out that poorly institutionalized and undisciplined political parties are also a source of political instability for presidents, which would soon become evident. Additionally, the ill-fated impeachment also illustrates how partisan support, albeit through a temporary and ad-hoc

majority, may shield the president, thus, enabling him to survive in office longer but not necessarily until the end of his term.

The Golden Weeks of the “Institutional Majority”

At the beginning of 2005, the Gutiérrez administration seemed to have escaped its political problems. Even though economic prospects looked grim at the beginning of the year, the economy ultimately grew at 8.2% in 2004 (compared to 2.7% in 2003 and 4.1% in 2002) and inflation was brought down from a two-digit rate in previous years to 5.6% in 2004 (World Bank Data). Economic growth was in great part a result of the increase in oil production (mostly led by private companies), which rose from 152 million barrels in 2003, to 191 million barrels in 2004 (LAWR 05-02-06). Moreover, Ecuador also saw a record of export revenues, of which oil was responsible for 55% (LAWR 05-02-06).

In early January 2005, Gutiérrez’s coalition, now calling itself “institutional majority” (hinting that they controlled all three branches of government), flexed its muscle and took from the ID’s hands the presidency of Congress (LAWR 05-02-03). The presidency of the Ecuadorian Congress alternates between the two-largest legislative blocs, which were the PSC and ID in January 2003 (LAWR 05-02-03). However, the PSC, the largest legislative party, forfeited its right of holding the presidency of Congress in favor of the ID, the second-largest party (LAWR 03-01-12). But in November 2004 the ID lost its second-largest legislative party status to the PRE when two ID lawmakers defected from the party (LAWR 05-02-03). Gutiérrez’s “institutional majority” had no trouble securing a majority of the votes (52-3) to appoint PRE leader, Omar Quintana, as president of Congress (LAWR 05-02-03).¹⁸

¹⁸ Most opposition legislators stormed out during the voting (LAWR 05-02-03).

Despite its newfound leverage, the Gutiérrez administration continued hitting bumps on the road. By the end of February, the president lost his fourth interior minister, Jaime Dámerval, who experienced political differences with the president, and was replaced by Xavier Ledesma, who had defected from ID on the eve of the failed impeachment in November 2004 (LAWR 05-09-07). Furthermore, Gutiérrez did not have an easy ride pushing the Supreme Court's justices to clear the path for Bucaram's return. In early February, almost half of the judges (14) submitted a petition requesting the newly appointed Supreme Court president, Guillermo Castro, not to review Bucaram's case, which Castro refused to accept (LAWR 05-06-03). This episode had two consequences for Gutiérrez. First, tensions increased between Gutiérrez's PSP and Bucaram's PRE because it seemed that the president once again would fail to deliver on his promise of allowing Bucaram back in Ecuador (LAWR 05-07-06).¹⁹ Second, Gutiérrez announced he would reshuffle the Supreme Court using his majority in Congress, or, if that failed, via a referendum (LAWR 05-07-06). The president seemed to be fully committed to shaking-up the Supreme Court for a second time in less than three months.

After a United Nations (UN) statement was released warning about the potential threats to judicial independence, a UN special rapporteur was sent to Ecuador in March to investigate the legality of Gutiérrez's Supreme Court renewal (LAWR 05-10-06).²⁰ This scenario was not entirely undesirable for Gutiérrez, who had even asked the international

¹⁹ During a session in Congress, the PSP's leader Gilmar Gutiérrez (the president's brother) and the president of Congress Omar Quintana (PRE's member) were involved in a confusing incident, which included insults, jostle, and even punches (El Universo 2005, Feb 11).

²⁰ The visit had been originally scheduled for May but it was moved forward by the critical results of the UN report (LAWR 05-10-06).

community to mediate between him and the opposition over the Supreme Court's reorganization (New York Times 2005, Mar 24). The UN special rapporteur, though, emphasized the need for rectifying the undue influence of the presidency and Congress on the Supreme Court (LAWR 05-13-02). The statement was very critical of what Gutiérrez and his "new majority" had done to the Supreme Court, which, according to the report, had "compromised" judicial independence in Ecuador (LAWR 05-13-02).

The breather provided by the "institutional majority" proved to be short-lived, as many had anticipated. Further frictions between the president and his ruling coalition arose after Congress vetoed Gutiérrez's three-nominee list for attorney general (New York Times 2005, Mar 24). In a clear sign of division, Gutiérrez's defeat was possible due to PRIAN legislators who, albeit nominally members of the "institutional majority," voted against Gutiérrez's candidates (LAWR 05-13-01). Moreover, the most serious issues during the session was that as opposition lawmakers refused to leave the floor, unidentified personnel teargassed and forced them to abandon the room (New York Times 2005, Mar 24). To cap it off, on March 27, after two months as minister of interior, Xavier Ledesma stepped down, owing to health reasons, being replaced by Oscar Ayerve, Gutiérrez's sixth interior minister (LAWR 05-13-01).

To summarize, the changes carried out by Gutiérrez and his "institutional majority" are evidence of Ecuador's relative weak democratic tradition. Ecuadorian democratic institutions were subjected to the undue influence of temporary powerful political actors, which showed little regard for democratic values or institutions. Ecuador's check-and-balance system was clearly deficient. Especially worrying was the "renewal" of the Supreme Court, which compromised the very foundations of the

Ecuadorian judiciary and, with it, the legitimacy of the political system. As discussed in Chapter 2, some actors are willing to bend the rules in order to achieve short-term political gains. However, as Gutiérrez would soon find out, that was a game that his political adversaries were also ready to play so as to kick him out of office.

The Return of Bucaram, the *Forajidos*, and the Colonel's Fall from Power

After months of waiting, Gutiérrez was finally able to honor his part of the deal with the PRE. On March 31, the president of the Supreme Court, Guillermo Castro, quashed the charges pending against his close friend, Abadalá Bucaram, arguing that the former president had been “denied due process” (LAWR 05-13-01). Negative reactions quickly ensued after Bucaram returned to the country.²¹ Several Supreme Court judges outlined ways in which Guillermo Castro could be removed from his post (LAWR 05-13-01). Banana tycoon and PRIAN leader Alvaro Noboa orchestrated the defection of his party from the ruling coalition and asked for the president's resignation (LAWR 05-13-02), whereas Vice-President Palacios once again pointed out that he was available to take over should Lucio Gutiérrez be forced to step down (LAWR 05-13-01). From the opposition, Quito mayor (ID) called for nationwide protests against Bucaram's return (LAWR 05-13-01). A poll showed that most Ecuadorians held a negative opinion toward Bucaram's return: 65% and 80% of respondents rejected it in Guayaquil (Bucaram's home town) and Quito, respectively (LAWR 05-14-03).

In April, demonstrators took to the streets asking for Gutiérrez's resignation, triggered by the political crisis over the judiciary and by the return of Bucaram to

²¹ Bucaram arrived to Ecuador on April 2, 2005, two days after Guillermo Castro dropped the charges of public embezzlement (Mendoza 2005, Apr 2)

Ecuador (Creamer 2005, Apr 17 and Apr 19). Belittling protestors, Gutiérrez labeled the mobilizations as the act of *forajidos* (outlaws), but demonstrators in turn proudly adopted the name for themselves (LAWR 05-16-01). In a scenario that resembled the ouster of President Mahuad in 2000, police forces remained outside of government buildings protecting government officials from the *forajidos* who had surrounded the area (LAWR 05-15-01). On April 15, accompanied by the chiefs of the armed forces, the president declared a state of emergency in Quito after a week of widespread protests led by students, middle-class citizens, and member of indigenous communities who were tired of the Gutiérrez administration and politicians in general (Forero 2005, Apr 18). Ignoring the state of emergency, the *forajidos* continued protesting on the streets as *cacerolazos* (banging of pots and pans) and horn honking were heard all over the capital, while the police and military forces just stood idly-by (Forero 2005, Apr 17). Since suspending personal liberties did not work and after receiving strong international criticism, Gutiérrez backed down and cancelled the state of emergency the next day (Forero 2005, Apr 17).

On April 15, Gutiérrez also announced the dissolution of the Supreme Court, i.e., he dismissed all the justices he and his “new majority” had appointed when they packed the Supreme Court in December 2004 (Creamer 2005, Apr 17). Since Gutiérrez realized that he could not adopt such a decision on his own, for it violated constitutional rules, he met with Omar Quintana, president of Congress and PRE leader, to hammer out a deal by which Gutiérrez would undo his own decree (dissolving the Supreme Court) if Congress dismissed the Supreme Court and passed a reform regarding the appointment of new justices (LAWR 05-15-01). Nevertheless, the deal failed. Congress decided to ignore

Gutiérrez's petition to reform to the judiciary, but it still dismissed the 27 justices appointed during the controversial Supreme Court's renewal in December 2004 (LAWR 05-15-01).

Gutiérrez, in almost complete denial of the situation's severity, flew to Babahoyo, north of Guayaquil, to attend a ceremony held in his honor, organized by a governor personally chosen by him. At the ceremony the president stated adamantly that there was no chance that he would resign (Creamer 2005, Apr 19). In the meantime, anti-Gutiérrez protests, mainly comprised by regular people who took spontaneously to the streets, continued in Quito as the situation became more critical for the president (LAWR 05-15-01). On April 20, rioters spearheaded by students broke into the Congress forcing lawmakers to move to a different building (LAWR 05-16-01). Once there, legislators removed Omar Quintana as president of Congress and in an express procedure voted Gutiérrez out of office (60-0) for having "abandoned his post" (LAWR 05-16-01). Vice-President Alfredo Palacio, whose readiness to take over was well known, quickly stepped in as caretaker president being sworn in by Congress on April 20 (Forero et al. 2005, Apr 21).

Gutiérrez, refusing to abide by the Congress's decision, asked Bucaram to leave the country so as to defuse social mobilizations (Marirrodiga 2005, Apr 21). Even though Bucaram eventually flew back to Panama, it was already too late for the president. Once the military withdrew its support, Gutiérrez had no other option but to resign (LAWR 05-16-01). Meanwhile, Alfredo Palacios ordered a closure of Ecuador's borders to prevent Gutiérrez and other politicians from fleeing the country (Marirrodiga 2005, Apr 21). That night Gutiérrez left the government palace in a helicopter and attempted to

fly to Chile or Panama to seek asylum (Marirrodiga 2005, Apr 21). However, anticipating the failed president's intentions, protesters took control of Quito's international airport and thwarted Gutiérrez's escape (Forero et al. 2005, Apr 21). Finally, it became known that Gutiérrez had sought refuge at the Brazilian embassy in Quito (Forero et al. 2005, Apr 21).

Final Remarks

Unlike other cases of presidential failure, the fall of Lucio Gutiérrez was eminently political. Neither an economic recession nor a serious financial crisis preceded his political demise. In fact, in 2004 Ecuador registered its highest rate of economic growth (8.21%) between 1980 and 2012, oil production was reviving, and he was not nearly as constrained by international financial institutions as De la Rúa was. On the other hand, despite CONAIE and *Pachakutik*'s well-known capacity to take people to the streets, social mobilizations were not a continuous threat to Gutiérrez's survival. Other than the last round of mobilizations in April 2005, the largest protest that the Gutiérrez administration faced was the teachers' strike in May 2003. Still, this protest, which was not appreciably violent, neither targeted Gutiérrez himself nor asked for his resignation. The literature suggests that mobilizations directly aimed at the chief executive are "deadly," whereas the bivariate survival analysis shows that violent protests increase the risk of presidential failure. Fueled by the political problems rather than economic ones, only the April 2005 mobilizations were massive, widespread and violent enough to destabilize Gutiérrez, an opportunity that the opposition in Congress did not squander to vote him out of office.

Still, the major hazards for Gutiérrez's survival were political and institutional in nature. Even before the runoff, Lucio Gutiérrez began to slightly distance himself from the promises made to the electorate and his left-of-center electoral coalition. Shortly after the swearing-in, the president bet on closer relations with the IMF and following its guidance on economic policies, despite several warnings and threats made by Gutiérrez's partners in the government. A critical juncture during the Gutiérrez administration was the *Pachakutik*'s walkout that activated a "reactive sequence" in which the president and the opposition in Congress engaged in a never-ending political battle.²²

As the theory points out, high levels of partisan support may help the president to survive in office longer by shielding him from threats coming from the streets and congressional opposition. However, presidents with low partisan support, such as Lucio Gutiérrez, would be vulnerable to such challenges. In less than eight months, Gutiérrez lost his major source of partisan support, the *Pachakutik*, and passed from controlling 23% to 10% of legislative seats. As shown by the survival analysis (Chapter 4), prospects for survival are critically low for presidents whose parties or coalitions held less than 25% of legislative seats compared to those relying on a coalition controlling more than 50%. By turning his back on his coalition, Gutiérrez himself held the sword of Damocles over his head.

Furthermore, Gutiérrez's failed presidency also shows how a country's democratic tradition matters. The central tenet of the "democratic continuity" hypothesis tested in Chapter 4 is that in countries with weak democratic traditions, political actors,

²² Mahoney and Villegas (2007: 80) state that after a critical juncture takes place, it might cause a "reactive sequence." Reactive sequences are those that once the critical juncture activates a reaction, the latter may impact on other events, which in turn creates their own effects (Mahoney and Villegas 2007: 80).

i.e., the “institutional carriers” of a regime legacy, would have more trouble bargaining and be more likely to bend the rules to pursue their political objectives. It is telling that after only a year in office the left-of-center bloc and the conservative PSC sought to depose a democratically elected president on fairly feeble grounds, i.e., abandoning his post, treason, and blatant ineptitude, which just required an absolute majority of the votes. The opposition eventually succeeded when it took advantage of the revolt of the *forajidos* and voted Gutiérrez out of office in a rather express procedure. On the other hand, not only did the president betray his electoral promises, in December 2004 he and his later political allies packed the Supreme Court by appointing most of its judges and its president.²³ Finally, both indigenous organizations led by CONAIE attempting to destabilize Gutiérrez, on the one hand, and the military withdrawing its support from the president, on the other, showed a weak commitment to abide by democratic rules. It is the goals, strategies, and values of these “institutional carriers” that ultimately bring to life a country's (poor) democratic tradition and legacy. By calling for the early removal of President Gutiérrez, Ecuador's “institutional carriers” showed little regard for one of the fundamental features of presidential systems: chief executives’ fixed terms.

Gutiérrez's failed presidency also illustrates the role and impact of political scandals. The literature recognizes scandals as a cause of presidential failures; however, the survival analysis does not find them statistically significant. Evidence in favor of the survival analysis is that the César Fernández corruption scandal did not cause the fall of

²³ Still, the undue influence of political parties on the Supreme Court precedes the Gutiérrez administration and dates back to the late 1990s when the conservative PSC selected most of its justice.

Gutiérrez. In fact, it neither brought people to the street to protest nor even triggered an impeachment proceeding. The scandal, however, hindered the president's capacity to bring political allies on board, which were reluctant to share the political cost with a president being investigated for corruption, thus deepening even further his political isolation.

Additionally, it is worth noting the role played by political parties. Scholars have pointed out that both multiparty systems and undisciplined parties are damaging for presidential survival. Nonetheless, it seems that the fate of Gutiérrez's political demise had less to do with Ecuador's fragmented party system than with undisciplined and ideologically weak parties. Once the PSP-*Pachakutik* alliance broke down, Gutiérrez was never able to rely on well-disciplined and loyal partisan support to survive.

In summary, the in-depth analysis of Gutiérrez's failed presidency illustrates that when low partisan support is coupled with a low democratic tradition and widespread social mobilizations, prospects for surviving in office are severely reduced. In addition, this case lends support to the survival analysis by showing that political scandals would not be a cause of political failures, thus challenging previous works' findings. This case study is also useful in understanding the effects of policy switches (Stokes 2001) and party discipline, which are not tested in the quantitative chapter. Presidents who blatantly do not honor their campaign promises may be subject to growing popular dissatisfaction and may alienate their ruling partners. Also, undisciplined parties would be a source of uncertainty and instability for presidents.

CHAPTER SEVEN

CONCLUSION

Introduction

This dissertation has examined the phenomenon of presidential failures in South America. More specifically, it tried to discover why 11 South American chief executives were not able to fulfill their presidential term in office. This research has identified the major causes of presidential failure, has shown *how* these factors influence the political fate of standing presidents, and has shed light on a new variable, democratic tradition only, that may affect the duration of a presidential term. This study also sought to offer new evidence for the “institutions vs. the street” debate (Marsteintredet 2009), i.e., whether it is a country’s democratic institutions or social mobilizations that matter more when it comes to presidential failure. As I reviewed the literature, I was struck by the fact that previous studies had not found statistical evidence suggesting that a relation between democracy and presidential failure actually existed. This led me to revisit this causal relation and to construct a different, more appropriate conceptualization of democracy. Consequently, the data analysis and case studies show that there is a significant relation between democratic tradition and the likelihood of presidential failure.

This chapter is divided into three sections. In the first section, I discuss the main findings of the survival analysis and the in-depth case studies. In section two, I point out the main contributions of this research to the study of presidential failures. In the final

section, I address the limitations of this dissertation and make suggestions for future research.

Institutions Matter: Partisan Support and Democratic Tradition

The major finding of this dissertation is that political institutions clearly matter for presidential survival. The quantitative analysis (Chapter 4) showed that partisan support (the share of seats controlled by the president's coalition) and democratic tradition play a pivotal role when it comes to surviving in office. Through different statistical models, both independent variables were found to significantly affect the occurrence of presidential failures. That is, as the share of legislative seats controlled by the president's party or coalition increases, the risk of early presidential termination decreases. Additionally, presidents in countries with a strong democratic tradition are more likely to complete their presidential terms than those in countries with weak democratic experiences. The in-depth analysis of the Fernando de la Rúa (Argentina, 1999-2001) and Lucio Gutierrez (Ecuador, 2003-2005) administrations shed light on how these two variables affect presidential failures.

Partisan Support: The Importance of the Legislative Shield

The two case studies supported the survival analysis's finding about the impact of partisan support on presidential failures. President De la Rúa was confronted with many problems owing to his weak and waning partisan support: a divided government since the swearing-in, the defection of several FREPASO legislators following the bribery scandal, and an even more powerful opposition after his *Alianza* (Alliance) was beaten in the 2000 mid-term elections. Similarly, since day one of his administration, President Gutiérrez headed a rather fragile coalition that only controlled a plurality of legislative seats, which

was further weakened when his major political partner, the *Pachakutik*, walked out of the government. Owing to these defections, both presidents sought desperately to increase their partisan support by building legislative alliances with opposition parties (De la Rúa asked for a government of national unity, whereas Gutiérrez led a short-lived “institutional majority”), which at the end did not work out. Their efforts to gain more support instead further alienated their original supporters, thus weakening them even further. With no partisan support to rely on, neither De la Rúa nor Gutiérrez had a “legislative shield” to help them weather the political storms that ultimately drove them out of office.

Democratic Tradition

The case studies also offer evidence regarding the effects of a country’s democratic tradition on presidential failure. Although the failure of De la Rúa could be chiefly explained by the 2001 economic meltdown, Argentina’s fragile democratic tradition, known for its weak democratic rules and institutions, also contributed to his ouster. Growing anti-politics sentiments (e.g., *voto bronca*), democratic institutions and representatives unable (or unwilling) to channel people’s demands into the political system, and a president who was ready to betray his electoral promises of not furthering the neoliberal economic model introduced by his predecessor created a hostile environment for De la Rúa’s survival. In December 2001, neither De la Rúa’s own coalition, nor the opposition, nor the public in general were concerned with whether or not the president should fulfill his term in office as stated in the constitution. Clearly most political actors were willing to ignore the democratic rules of the game.

The case of Gutiérrez offers even more compelling evidence supporting the “democratic continuity” hypothesis, i.e., that a country’s democratic tradition has negative effects on the occurrence of presidential failures. The congressional opposition and indigenous organizations began to ask for Gutiérrez’s resignation after only one year in office (January 2004). This fact is interesting in showing the lack of commitment with democratic rules since at that time there had not been corruption accusations leveled against Gutiérrez, nor had he engaged in borderline illegal decision as he did later. Gutiérrez and his political allies also shared the opposition’s lack of respect for democratic rules. In December 2004, Gutiérrez and his temporary legislative majority packed the Supreme Court and handpicked its president, who months later dropped the charges pending against (his friend) former President Abdalá Bucaram to return from his exile in Panama. Finally, Gutiérrez himself contributed to his political demise when he moved to the right, which meant a blatant betrayal of the democratic mandate given by the electorate and for his left-of-center political allies. Likewise, Congress showed a similar disregard for the democratic rules in declaring that Gutiérrez had abandoned his office only by a simple majority, and then kicked him out of office. Overall, Argentine and Ecuadorean “institutional carriers” did not seem to hesitate when deciding between playing by the rules or achieving their short-term political goals. Most of them chose to ignore the democratic rules.

The survival analysis and the two case studies confirmed previous studies’ findings about the central role of partisan support for presidential survival. That is, being unable to rely on a strong “legislative shield” makes the president more likely to succumb to the attacks launched by the congressional opposition and street demonstrators, thus,

considerably increasing the risk of presidential failure. On the other hand, this dissertation also challenges the existing literature on presidential failures. Unlike, previous works, we found that a significant and negative causal relation, indeed, exist between a country's democratic tradition and the occurrence of presidential failures.

“Bad” Presidents and Democracy

This research shows that chief executives in countries with longer democratic traditions are less likely to leave office early. This finding raises the question of how accountable are presidents in more stable democracies if they have very low risks of being ousted. Does this mean that “bad” presidents would hardly be kicked out in consolidated democracies? Or, would countries with shorter democratic traditions see significantly more “bad” presidents than countries with longer democratic experiences? The argument put forth in this research favors the latter explanation, i.e., “bad” presidents are more likely to happen in countries with weaker democratic legacies.

Based on the regime legacy literature, the “democratic continuity” hypothesis posits that political actors –including the president- are more prone to bend the rules of the game to achieve their goals in countries with shorter democratic traditions. That is, by pursuing fairly questionable or downright illegal course of actions, presidents would be more likely to be criticized and attacked by congressional opposition, which will undermine their chances to complete their terms in office. Certainly, several impeached presidents deserved to be ousted. The impeachments of Collor in Brazil (1992), Pérez in Venezuela (1993), and Cubas in Paraguay (1999) were triumphs for democracy. However, my argument is that that type of presidents, “bad” presidents, are not as common in countries with stronger democratic legacies as in countries with weak

democratic experiences. In other words, “bad” presidents, and “bad” politicians in general, would be more likely to happen in countries with short democratic traditions, which would heighten the risk of presidential failure.

What Triggers Presidential Failures?

As discussed above, the survival analysis results, complemented by the two case studies, informed our understanding of how the level of partisan support for a president and democratic tradition affect the likelihood of presidential failure. We know that a country’s democratic tradition indirectly affects presidential failure through the values, strategies, and goals of “institutional carriers.” We are also aware that presidents are more at risk when they lack strong “legislative shields.” However, one of the problems of the survival analysis’s findings is that it does not shed light on which factors may ultimately trigger a presidential failure. That is, we do not know what conditions convince legislators to unseat a president, or what conditions convince people to take to the streets en masse to overthrow a president whom they had previously voted for.

A rising inflation, political scandals, and slow economic growth, factors that might fuel legislative and street actions against the president, did not reach a 95% significance level in the survival analysis. The literature on presidential failures had found that inflation did not affect the risk of presidential failure. However, it was surprising that political scandals and economic growth were not statistically significant since several studies have identified these two variables as important predictors of interrupted presidencies. Is it possible that the survival analysis was unable to estimate the effects of political scandals and economic growth given the “events per variable” (EPV) limitation and the data restrictions? Or, are there other factors, not included in the

quantitative analysis, which might set in motion a presidential failure? In the following paragraphs I address these questions.

Presidential Scandals

A rather interesting non-finding in the survival analysis concerns presidential scandals. The survival analysis did not find any statistically significant relationship between corruption scandals and presidential failures. One possible reason for this is that scandals are difficult to measure. Since the dataset used in this research only counts whether or not the president (or his inner circle) was involved in corruption at a certain year (a binary variable), it leaves out important issues such as the type of scandal, its severity, how long the media cover it, or even if there was more than one corruption accusation leveled against the president in the same year. However, supporting the survival analysis's findings, the two case studies also suggest that political scandals do not lead to presidential failure. After his ruling coalition tore apart, the César Fernández scandal prevented Lucio Gutiérrez from building a new political alliance with the conservative Social Christian Party; whereas for De la Rúa, the bribery scandal led to the resignation of his vice-president and leader of the FREPASO, Carlos Alvarez, and the ensuing defection of several of its member. Although the scandals did not trigger the presidential failures of De la Rúa and Gutierrez, they nevertheless severely weakened their ruling coalitions, which in turn undermined their partisan support.

Economic Growth

The bivariate analysis showed that economic growth was negatively related to the likelihood of presidential failure; however, it was not statistically significant in any of the multivariate regressions in which it was included. Lucio Gutiérrez did not encounter

threats to his survival owing to poor economic performance. In fact, in 2004 Ecuador registered an economic growth rate of 8.2% (World Bank), which many other presidents would have wished for. However, even during this time of economic bonanza, Gutiérrez was thrown out of office. On the other hand, when De la Rúa took office, Argentina was entering into its second year of recession. Still, De la Rúa stayed in office during two years of dire and worsening economic conditions. However, this is not to say that economic growth does not influence presidential failure. The bivariate analysis showed that this variable was significant, but probably its impact was rather weak vis-à-vis other predictors such as partisan support, democratic tradition, and economic development.

Questionable Decisions

It is noteworthy that, in spite of ruling over countries with low democratic traditions, leading fragile coalitions, and enjoying weak partisan support, both presidents survived in office for quite a while. Both presidents completed more than 50% of their original four-year constitutional terms.¹ Lucio Gutiérrez ruled during a period of economic growth in Ecuador (2004), which helps us to understand why he lasted as long as he did in office. It is surprising, however, that De la Rúa managed to survive as long as he did amid Argentina's worst economic crisis in its history.

Hence, if neither inflation, nor economic recession, nor political scandals trigger presidential failures, what is the immediate trigger? One study suggests (Hochstetler 2006) that the adoption of unpopular – neoliberal – economic policies lead to interrupted presidencies. Even though Hochstetler's (2006) argument was later rejected by Kim and

¹ Fernando De la Rúa stayed in office for 24 months (50.8% of his original term), whereas Lucio Gutiérrez held onto power for almost 27 months (56.6% of his original term).

Barhy's (2008) work, it seems likely that certain government decisions may initiate a presidential failure. After all, if legislative action or social mobilizations target the president, it should be for something they believe he did or failed to do. The case studies revealed that both presidential failures actually began after De la Rúa and Gutiérrez adopted rather questionable and widely criticized policies.

In the case of Fernando De la Rúa, the last straw was the adoption of the highly unpopular policy that restricted bank withdrawals known as *corralito* in early December 2001. De la Rúa had previously adopted several IMF-designed austerity policies, such as the *blindaje* package and the "zero-deficit" policy, which received wide criticism from his allies, the opposition, the unions, and the electorate. Nevertheless, De la Rúa's decision to temporarily deprive people of their savings was the catalyst that ignited the massive, widespread, and violent demonstrations that forced him out of office. For Lucio Gutiérrez, the trigger of his ouster was the packing of the Supreme Court (December 2004) aimed at allowing former President Abdalá Bucaram to return to Ecuador. Once Bucaram's return materialized in early April 2005, mass mobilizations quickly followed and demonstrators besieged government buildings. Taking advantage of the social turmoil, the opposition in Congress voted him out of office. What ties these actions together is that both presidents betrayed their supporters. IMF policies alienated those who originally supported De la Rúa, and the return of former President Bucaram was accepted by Gutierrez to appease a right wing party but it was widely rejected.

After enduring a political crisis or economic troubles for months, one questionable decision may finally seal the political fate of a standing president. The two failed presidencies did not only illustrate how the lack of a "legislative shield" makes presidents

more likely to be kicked out, but also how highly controversial decisions, that alienate a president's original backers, may give legislators and potential street demonstrators the last push that sets in motion a presidential failure.

Contributions to the Study of Presidential Failures

When I began this project, I had several research goals I wanted to accomplish. First, I sought to offer a more comprehensive understanding of the causes of presidential failures. Second, I hoped to find new overlooked independent variables that may stir debate and open new avenues for research. And, third, I was also interested in shedding light on how presidents are forced from office early, that is, the historical narrative tied to the theory of a presidential failure. To different degrees, I believe I have achieved these three goals.

Combining survival analysis and the two case studies enabled me to assess how various factors affect the political fate of incumbent presidents. I now know that partisan support is perhaps *the* most important determinant of presidential failures; that fragile coalitions, policy switches, and scandals weaken a president's partisan support; that democratic tradition *does* matter and decreases the likelihood of failed presidencies; that not all types of social mobilizations have the potential to topple a president; and that there seems to be a specific set of government policies or decisions that fuel public outrage and legislative action against a chief executive, which is the last link of the causal chain leading to the political demise of standing presidents.

This dissertation also contributes to the "institution vs. the street" debate (Marsteintredet 2009) by siding with the former: institutions do matter, and seem to matter more than social mobilizations. A country's institutional history (democratic

tradition) and congress (partisan support and the “legislative shield”) are central factors upon which presidential survival hinges. This is not to say that social mobilizations have no effect. However, considering the survival analysis’ results and since De la Rúa endured six rounds of mobilizations, and Gutiérrez withstood two major protests, we must wonder to what extent street demonstrations actually have a significant impact on presidential failures.

Perhaps, the major contribution of this dissertation is that it vindicates the role of democracy on presidential failures, theoretically and empirically. Students of presidential crises had not found any significant evidence suggesting that the level of democracy and presidential failures were causally related. I argue that using a country’s current levels of democracy does not fully capture democracy’s effects, and that thinking of democracy as a legacy may better enable us to see its true effects on presidential failures. In Chapter 2, drawing upon the literature on regime legacies, I offered a theoretical model that depicted a country’s democratic tradition as a structural force affecting the behavior and interactions of “institutional carriers,” upon which the fate of standing presidents rely. I also hypothesized that countries with weak democratic traditions would have fragile democratic institutions and political actors that behave with scant regard for democratic rules, which would lead to more interrupted presidencies.

The survival analysis supported the “democratic continuity” hypothesis, and found that a country’s democratic tradition consistently, in every model it was included, reduced the hazard of presidential failures. Furthermore, the case studies showed that political institutions and the behavior of “institutional carriers” matter for a president’s likelihood of surviving in office. When not even the chief executive cares for abiding by

the democratic rules, it is likely that other “institutional carriers” will behave in the same fashion; or vice versa. That is, the opposition and other political actors will not hesitate to violate the rules of the system in order to get rid of an incumbent president, should he become “undesirable.”

Limitations of the Dissertation and Further Research

In this study, I sought to offer a comprehensive examination of the phenomenon of presidential failures in South America. Although I believe I have significantly advanced the understanding of the causes of failed presidencies, one of the limitations of this research has to do with the survival analysis. Due to the low number of presidential failures or “events” (11), no more than three independent variables could be included in each statistical model. I dealt with this issue by running bivariate analyses and several multivariate regressions in order to determine which variables consistently showed a statistically significant relation at the 0.05 level. In addition, to overcome the survival analysis’s limitations and to complement its findings, I carried out the in-depth analyses of the failed presidencies of Fernando de la Rúa and Lucio Gutiérrez. These two case studies provided important insights not only to further scrutinize, for example, how partisan support and democratic tradition are linked to presidential failures, but also to shed light on other potential causes of interrupted presidencies. The mixed-method research strategy enabled me to tackle this study’s limitations by approaching the phenomenon of presidential failures from different perspectives and at different levels, thus offering a more comprehensive and robust picture of the causes and processes leading to failed presidencies.

The results of this dissertation have also opened new venues for future research. Since no study had previously found that democracy affects presidential failures (as this dissertation did), there is a fertile terrain for developing new inquiries about how a country's democratic tradition may influence the fate of incumbent presidents. In this stage, I believe that a case-study approach would be appropriate to identify causal mechanisms and generate new hypotheses. It would be useful to determine the extent to which political actors abide by democratic rules in countries with different democratic legacies, and how this correlates with failed presidencies. Another necessary question to answer is regarding what "institutional carriers" matter (or matter more) when it comes to presidential survival. This research shows that the behavior of the president and congress is central to understand why a president may stay (or not) in office. But what about the role of the judiciary, political parties, the military, or civil society? More important, is it the values held by political parties or congress as institutions that allow a president to finish out his term? Answering these questions may enable us to understand more clearly why a country's previous experiences with democracy or authoritarian politics is important for presidential survival.

Another research path that I think needs to be addressed is regarding the relation between policy switches and presidential survival. In her book "Mandates and Democracy," Susan Stokes (2001) analyzed whether presidents who engage in policy switches, i.e., breaking campaign promises, will be punished (or their parties) in the next elections. Based on De la Rúa's and Gutiérrez's betrayals of electoral promises and how such policy switches affected the unity of their coalitions and popular support, I wonder if policy switches would increase the likelihood of presidential failures. If they do, would

all policy switches have the same effect on presidential survival? Or, would only those switches that involve moving from left-of-center electoral promises to adopting neoliberal economic policies, as the two case studies suggest? One of the limitations to pursue this endeavor is that there is no up-to-date dataset available about whether Latin American presidents delivered or broke their campaign promises once in office. Nevertheless, this is a research agenda worth following for it not only pays attention to the consequences of not delivering on campaign promises (e.g., being kicked out of office), but investigates a normative aspect of democratic mandates: how responsive and accountable Latin American presidents are to the people.

It is also necessary to determine to what extent, and what types, of street demonstrations matter. The survival analysis showed that violent mobilizations, riots, would increase the likelihood of presidential failures, but this relationship was no longer significant when the variable partisan support was controlled for. Still, the failed presidencies of De la Rúa and Gutiérrez illustrated that a specific type of street demonstrations could have the potential to oust a chief executive: those that are violent and mobilize a large share of regular citizens against the president. De la Rúa fell from power when Argentines took to the street en masse and when riots and looting spread across major cities. Likewise, the *forajidos* (outlaws) besieged government buildings and even broke into Congress, creating a window of opportunity for the congressional opposition to vote Gutiérrez out. Future studies should focus on determining what type, if any, of social mobilizations significantly affects presidential failures.

Finally, the two cases studies raised the issue of the influence of International Financial Institutions (IFIs) on policy-making, and how these institutions may affect the

likelihood of presidential failure. The role of these types of organizations might be paramount when economic crisis hits a country. IFIs may refuse to help a government in times of economic distress, leaving it to its own devices; or, IFIs may decide to pour resources into the country, provided that a president adopts widely resisted austerity measures (e.g., structural adjustment programs). In either case, these external or international actors can certainly constrain a president's decision-making capacity, which might indirectly determine the political fate of a troubled president.

APPENDIX A
SUMMARY STATISTICS

Summary Statistics

Variables	Obs.	Mean	Std. Dev.	Min	Max
Presidential Failure	246	0.11	0.31	0.00	1.00
Democratic. Tradition	246	-9.75	106.23	-292.20	183.15
Democracy (polity2)	246	8.17	1.16	5.00	10.00
Partisan Support	243	53.49	17.98	9.28	100.00
Ruling Coalition Size	246	0.29	0.30	0.00	0.82
Party System Fragmentation	237	4.20	1.95	1.07	10.44
Constraints on the Executive	246	6.36	0.73	4.00	7.00
Share of Votes	246	43.47	11.59	19.60	64.22
Economic Growth	240	3.27	4.35	-11.80	18.29
GDP per capita (logged)	238	3.78	0.21	3.26	4.35
Inflation (logged)	240	1.67	0.44	0.00	4.09
Presidential Scandals	177	0.12	0.33	0.00	1.00
Anti-Government Demonstrations	238	0.90	1.47	0.00	8.00
General Strikes	238	0.55	0.95	0.00	6.00
Riots	238	0.34	0.78	0.00	4.00

APPENDIX B
CORRELATION MATRIX

Correlation Matrix: Independent Variables

	Demo. Tradition	Demo. (polity2)	Partisan Support	Ruling Coal. Size	Party System Frag.	Const. on the Exe.	Share of Votes	Eco. Growth	GDP per capita (logged)	Inflation (logged)	Presid. Scandals	Anti- Gov. Demonst.	Gen. Strikes	Riots
Demo. Tradition	1.00													
Democracy (polity2)	0.36	1.00												
Partisan Support	0.16	0.15	1.00											
Ruling Coalition Size	0.13	0.01	0.38	1.00										
Party System Frag.	0.01	0.00	-0.25	0.57	1.00									
Constraints on the Exe.	0.24	0.77	0.07	0.00	-0.02	1.00								
Share of Votes	0.03	-0.31	0.26	-0.07	-0.11	-0.32	1.00							
Economic Growth	0.14	0.00	0.01	0.02	0.04	0.03	-0.01	1.00						
GDP per capita (logged)	0.31	0.07	-0.17	-0.08	0.27	-0.18	0.24	0.20	1.00					
Inflation (logged)	-0.13	-0.07	0.08	-0.13	-0.19	0.00	0.12	-0.33	-0.32	1.00				
Presidential Scandals	-0.08	-0.09	-0.13	0.01	0.13	-0.09	0.05	0.09	0.08	0.01	1.00			
Anti-Gov. Demons.	-0.14	-0.13	-0.12	-0.06	0.03	-0.12	0.00	0.00	0.03	-0.03	-0.02	1.00		
General Strikes	-0.06	0.03	-0.03	-0.11	-0.13	0.06	-0.12	-0.13	-0.28	0.29	0.01	0.30	1.00	
Riots	-0.09	-0.05	-0.12	-0.17	-0.09	-0.13	0.01	-0.06	-0.01	-0.08	-0.05	0.44	0.28	1.00

Note: Pairwise coefficients.

APPENDIX C

SEPARATE ANALYSES FOR DEMOCRATIC TRADITION, PARTISAN SUPPORT, AND GDP PER CAPITA

Democratic Tradition

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13
Democratic Tradition	-0.01** (0.00)	-0.01*** (0.00)	-0.01* (0.00)	-0.01*** (0.00)	-0.01** (0.00)	-0.01*** (0.00)	-0.01** (0.00)	-0.01** (0.00)	-0.01** (0.00)	-0.01 (0.00)	-0.01** (0.00)	-0.01** (0.00)	-0.01** (0.00)
Democracy (Polity2)	-0.02 (0.13)												
Partisan Support		-0.05*** (0.01)											
Ruling Coalition Size			-1.93 (1.04)										
Party System Fragmentation				0.10 (0.08)									
Constraints on the Executive					0.41 (0.34)								
Share of Votes First-Round						-0.03 (0.02)							
Economic Growth							-0.09 (0.05)						
GDP/capita (logged)								-1.30 (0.88)					
Inflation (logged)									0.58 (0.59)				
Presidential Scandals										0.95 (0.73)			
Anti-Gov. Demonstrations											0.12 (0.16)		
General Strikes												0.17 (0.23)	
Riots													0.40* (0.17)
Subjects	65	65	65	63	65	65	63	63	63	49	63	63	63
Failures	11	11	11	11	11	11	11	11	11	10	11	11	11
Observations	246	243	246	237	246	246	240	238	240	177	238	238	238

Robust SE clustered by country in parentheses.

* p ≤ .05; ** p ≤ .01; *** p ≤ .001

Partisan Support													
Variables	14	15	16	17	18	19	20	21	22	23	24	25	26
Models													
Democratic Tradition	-0.01*** (0.00)												
Democracy (Polity2)		-0.03 (0.28)											
Partisan Support	-0.05*** (0.01)	-0.04** (0.01)	-0.04*** (0.01)	-0.05*** (0.01)	-0.05*** (0.02)	-0.05*** (0.01)	-0.04*** (0.01)	-0.05*** (0.01)	-0.04*** (0.01)	-0.05*** (0.01)	-0.04*** (0.01)	-0.05*** (0.01)	-0.04*** (0.01)
Ruling Coalition Size		-1.65 (1.14)											
Party System Fragmentation				-0.03 (0.13)									
Constraints on the Executive					0.44 (0.38)								
Share of Votes First-Round						-0.00 (0.02)							
Economic Growth							-0.11 (0.06)						
GDP/capita (logged)								-2.54*** (0.64)	0.74 (0.44)				
Inflation (logged)										0.90 (0.91)			
Presidential Scandals											0.11 (0.13)		
Anti-Gov. Demonstrations												0.22 (0.26)	
General Strikes													0.29 (0.15)
Riots													
Subjects	65	65	65	63	65	65	63	63	63	49	63	63	63
Failures	11	11	11	11	11	11	11	11	11	10	11	11	11
Observations	243	243	243	234	243	243	237	235	237	174	235	235	235

Robust SE clustered by country in parentheses.

* p ≤ .05; ** p ≤ .01; *** p ≤ .001

GDP per capita													
Variables	27	28	29	30	31	32	33	34	35	36	37	38	39
Democratic Tradition	-0.01** (0.00)												
Democracy (Polity2)		-0.22 (0.20)											
Partisan Support			-0.05*** (0.01)										
Ruling Coalition Size				-2.52* (1.16)									
Party System Fragmentation					0.13 (0.12)								
Constraints on the Executive						0.15 (0.33)							
Share of Votes First-Round							-0.02 (0.03)						
Economic Growth								-0.10 (0.05)					
GDP/capita (logged)	-1.30 (0.88)	-1.91* (0.76)	-2.54*** (0.64)	-1.97** (0.71)	-2.08** (0.80)	-1.60 (1.00)	-1.39 (0.92)	-1.26 (0.70)	-1.12 (0.78)	-1.24 (1.09)	-1.69* (0.75)	-1.46* (0.73)	-1.49* (0.65)
Inflation (logged)									0.54 (0.62)				
Presidential Scandals									1.07 (0.75)				
Anti-Gov. Demonstrations										0.18 (0.16)			
General Strikes											0.08 (0.24)		
Riots													0.37* (0.15)
Subjects	63	63	63	63	61	63	63	63	63	49	62	62	62
Failures	11	11	11	11	11	11	11	11	11	10	11	11	11
Observations	238	238	235	238	229	238	238	238	238	177	231	231	231

Robust SE clustered by country in parentheses.

* p ≤ .05; ** p ≤ .01; *** p ≤ .001

APPENDIX D

NEWS ARTICLES AND NEWS TOPICS

The table below shows the total number of news articles used in the two case studies, as well as the number of news topics, sorted by sources and by presidents. Since news articles sometimes address more than one event or topic at a time, each news article was further analyzed in order to determine how many news topics it contained. Six major types of news topics were identified: general economic information, economic policies, general political information, inter-institutional relations, coalition issues, and contentious events. On average, there were 1.32 news topics per article during the De la Rúa administration, versus 1.23 during Gutiérrez's.

News Articles and Topics per Presidency

	Fernando de la Rúa (Argentina)	Lucio Gutiérrez (Ecuador)
News Articles (total)	355	137
LAWR	260	123
NYT	61	6
El País	42	8
News Topics (total)	469	168
LAWR	327	152
NYT	84	6
El País	58	9

A continuation are described the different categories news topics fall into:

- “General economic information” may include topics such as the country’s GDP growth, unemployment, inflation, fiscal deficits, external debt, price variations of sensitive items, etc. News topics on “economic policies” encompass (but not limited to) government officials’ statements on economic decisions, economic policies concerning subsidies of sensitive items, public-spending cuts, exchange rate policies, bond swaps, tax cuts and hikes, negotiations with international

financial institutions (IMF, World Bank, Inter-American Development Bank, etc.), among others.

- “General political information” focuses on scandals involving coalition members, polls, and national (and local) elections.
- “Inter-institutional relations” may include conflicts over appointments, legislative initiatives to remove members of the cabinet or the president, efforts to remove judges of the courts by the presidents and/or his allies in Congress, passing of a bill, agreements between the opposition and the president, among others.
- “Coalition issues” focuses on resignations and appointments of cabinet members, parties leaving or entering the ruling coalition, pressure or threats from the president to coalition members or from coalition members toward the president, internal disagreements, etc.
- “Contentious events” represent street protests, general strikes, riots, looting, road blocking, or peaceful gatherings aimed at the national government.
- “Not relevant”: This category include topics such as bilateral relations, private companies with limited impact on the national economy, third countries, scandals not related to the government, issues prior to the analysis time span (before Dec-1999 for De la Rúa, and Jan-2003 for Gutiérrez), among others.

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