Brand Dilution and the Breakdown of Political Parties in Latin America

Noam Lupu
Juan March Institute and University of Wisconsin-Madison
nlupu@march.es

March 24, 2012

* This paper draws on research conducted for an ongoing book project; my debts in that broader project are too numerous to list here. For feedback on this particular paper, however, I thank seminar participants at Chicago, Northwestern, and Notre Dame. The fieldwork cited in this paper was supported by the Institute for International and Regional Studies, the Program in Latin American Studies, and the Mamdouha S. Bobst Center for Peace and Justice, all at Princeton. I also acknowledge the support of the Helen Kellogg Institute for International Studies at the University of Notre Dame and the Center for Advanced Study in the Social Sciences at the Juan March Institute. All translations in this paper are my own.
Abstract

Why would a national political party that has been competitive for decades collapse overnight? In recent years, parties across Latin America went from being major contenders for executive office to electoral irrelevance over the course of a single electoral cycle. I develop an explanation that highlights the impact of elite actions on voter behavior. During the 1980s and 1990s, political elites across the region implemented policies that were inconsistent with their traditional party brand, provoked internal party conflicts, and formed strange-bedfellow alliances with traditional rivals. Such actions diluted the brands of their parties, eroding voters’ attachments to these parties. Without the assured support of partisans, parties become more susceptible to retrospective voting and party breakdown. I test this interactive hypothesis against some alternatives by examining and comparing four party-election cases from Argentina and Venezuela.
“What characteristics of an electorate or what conditions permit sharp and decisive changes in the power structure from time to time?”

– Key (1955: 18)

Between 1958 and 1993, the average joint vote share of AD and COPEI,1 Venezuela’s two traditional parties, was 78%. Scholars criticized Venezuelan democracy as duopolistic (Coppedge 1994). But by 1998 a mere 3.5% of Venezuelans cast ballots for these two parties.2 Following Bolivia’s transition to democracy in 1980, the three parties that dominated politics – the rightist ADN, centrist MNR, and center-left MIR – together received an average of 67% of the vote.3 But in 2002 ADN received a mere 3.4% of the vote, and neither it nor the MIR fielded a presidential candidate in the 2005 election.

Such dramatic and sudden declines in the staying power of established political parties is one of the most puzzling features of Latin American democratic politics since the Third Wave of democratization. Between 1978 and 2007, one third of the region’s nationally competitive parties broke down, meaning that they suffered a sudden and dramatic electoral defeat that durably relegated them to uncompetitiveness. Particularly surprising were the decline to obscurity of nationally competitive parties – some over a century old. These parties had survived cycles of economic boom and bust, violent authoritarian interludes, guerrilla insurgencies, and revolutionary movements. Such breakdowns were precisely the kinds of “sharp and decisive changes” that V. O. Key implored scholars to investigate many decades ago.

Party breakdown is puzzling from the perspective of existing theories of party competition and voter behavior. Scholars of political parties have expected party systems to form around either enduring social cleavages or the political struggles surrounding their emergence. Alternatively, spatial models of party competition often posit an extremely dynamic vision of parties, one that expects them to adapt to match voter preferences. Neither tradition, however, provides a causal explanation for situations in which established parties break down suddenly and decisively.

1 Democratic Action (Acción Democrática, AD); Committee of Independent Electoral Political Organization (Comité de Organización Política Electoral Independiente, COPEI).

2 This figure counts the ballots cast for the original COPEI and AD candidates, Irene Sáez and Luis Alfaro Ucero, respectively. In the final weeks before the December 1998 election, both parties withdrew their support for these candidates and endorsed Henrique Salas Römer, the Proyecto Venezuela candidate, in a concerted effort to avoid a victory by Hugo Chávez, but it was too late to remove the other candidates’ names and party affiliations from the ballot.

3 Nationalist and Democratic Action (Acción Democrática y Nacionalista, ADN); Revolutionary Nationalist Movement (Movimiento Nacionalista Revolucionario, MNR); Revolutionary Left Movement (Movimiento de Izquierda Revolucionaria, MIR).
Country experts and comparative scholars have often attributed these party breakdowns to poor economic performance by incumbent parties, a phenomenon that also frequently plagued the region over the past three decades. However, bad incumbent performance is far more widespread than party breakdown, and parties have survived even major economic crises. In Peru, for instance, Alan García’s (1985-90) economic policies led to some of the worst hyperinflation in world history, peaking in 1989 at 12,378%. Still, at the end of García’s term in 1990, his APRA party received nearly a quarter of the vote and fell just 10% shy of the eventual winner. In the US, George W. Bush oversaw the worst economic crisis since the Great Depression during his final year in office, yet the Republican candidate received 45.7% of the popular vote that November.

Poor incumbent performance is undoubtedly important, but it is not the whole story. Party breakdowns were preceded by a gradual erosion of partisan attachments. In the early 1980s, many Latin American voters identified with these established parties, and many had inherited these attachments from their parents. During much of the 1990s, however, voters in many Latin American countries appeared to become gradually less attached to these political parties. In 1985, 64% of Argentines professed identifying with either the Peronist or Radical party, but that number had dwindled to 15% by 2002. In Venezuela, a 1973 survey found that over 70% of respondents identified with AD or COPEI, but less than 10% still did so in 1997. Importantly, the erosion of voters’ attachments to established political parties began before the economic declines to which their eventual fates are attributed. Something more than simple economic retrospection was clearly at work.

Observers of Latin America have suggested other plausible explanations of party breakdown. But these explanations often focus on changes at the level of the party system, highlighting system-level variables that fail to discern why some parties within a system break down while others survive. These studies also largely eschew behavioral explanations, or assume and leave untested underlying behavioral mechanisms. As a result, they have overlooked patterns in individuals’ attachments with established

---

4 Studies of the breakdown of political parties in Latin America in recent decades have so far largely focused on the level of the party system, defining system-wide collapses as situations in which all of the established parties in a system break down simultaneously (e.g. Benton 2001; Morgan 2007; Seawright 2007; Tanaka 2006). Such cases are of course particularly dramatic and consequential. But cases of party-system breakdown are extremely rare. This means that comparative inquiry limited to these two cases yields analytical tests that are over-determined. While studies of party-system breakdown have made significant contributions to our understanding of party competition and these important historical events, a focus on the breakdown of individual parties allows for greater analytical leverage through a comparative analysis across a larger sample of cases. Although even party breakdowns are infrequent events, their larger number allows us to adjudicate more convincingly among competing hypotheses and to provide more general theories of party and voter behavior that can broadly inform our understanding.
political parties, patterns that are no doubt related to party breakdown but that are far from consistent with the implications of existing theories.

I provide a novel explanation of party breakdown that treats the erosion of partisanship as a mediating variable and incumbent performance as an interactive variable. I argue that the erosion of partisan attachments was the result of a growing confusion among voters about party brands: voters’ beliefs about what a party stands for. During the 1980s and 1990s, political elites across the region implemented policies that were inconsistent with their traditional party brand, provoked internal party conflicts, and formed strange-bedfellow alliances with traditional rivals. Such actions diluted the brands of their parties, eroding voters’ attachments to these parties. Without the assured support of partisans, parties become more susceptible to negative retrospective evaluations and, when they performed poorly in office, broke down.

I test the implications of this theory by studying four party-election cases from Argentina and Venezuela. These studies allow me to trace the process of brand dilution and to compare outcomes within the same party over time, across parties within the same system, and across systems. These comparisons demonstrate that neither brand dilution nor bad incumbent performance are sufficient conditions for party breakdown on their own. But I find robust evidence that they are jointly sufficient causes.

This study thus offers the first general explanation of the puzzling phenomenon of party breakdown. My theory not only explains the breakdown of particular parties, it also explains variation within countries: why some parties break down while others in the same system survive. Moreover, my theory accounts for the erosion of partisanship that precedes these instances of breakdown, a behavioral regularity that prior theories overlooked.

1 Theories of Party Change

The breakdown of established political parties presents an important puzzle for theories of party and voter behavior. Cleavage-based theories of party-system formation expect individual systems – and therefore their constituent parties – to ‘freeze’ around certain salient social cleavages or to be based around the political struggles surrounding their emergence (Bartolini and Mair 1990; LaPalombara and Weiner 1966; Lipset and Rokkan 1967). At the same time, basic spatial models of party competition often have an
extremely dynamic vision of parties, one that expects them to shift ideological commitments to match voter preferences (Adams, Merrill, and Grofman 2005).5

Scholars of party competition have offered explanations for some types of party change. In Western Europe, the class-based cleavages around which party systems had organized in the early twentieth century appeared in the 1970s to be giving way to new, post-industrial cleavages that forced parties to reorganize (Dalton, Flanagan, and Beck 1984; Flanagan and Dalton 1984). At the same time, parties’ ideological foundations also seemed to give way as the franchise grew, party membership declined, and public financing for parties was introduced, leading to the emergence of cartel parties (Katz and Mair 1995, 2009). Similarly, historical moments of party breakdown and realignment in the US are often associated with the increasing salience of non-economic issue dimensions, such as slavery (Aldrich 1995; Macdonald and Rabinowitz 1987; Sundquist 1983).6 Yet the cleavage shifts highlighted by these theories are slow-moving: useful in predicting secular changes but difficult to apply to more rapid instances of changes to parties’ electoral fortunes. To the extent that party breakdowns are far more sudden and marked by dramatic shifts in electoral choices across socioeconomic strata, they seem difficult to explain solely on the basis of cleavages. In Latin America, moreover, studies suggest that class cleavages continue to animate political competition (Kitschelt et al. 2010; Lupu and Stokes 2009).

Another intuitive explanation for party change is institutional reform. Changes to electoral rules, for instance, could very plausibly affect the party system (Cox 1997). Indeed, such changes are typically cited in causing changes to the Italian and Japanese party systems during the 1990s (Cox, Rosenbluth, and Thies 1999; Cox and Rosenbluth 1995; D’Alimonte 2003; Reed and Scheiner 2003). Scholars of Latin America have also contended that the empowerment of local governments vis-à-vis the central government through a wave of decentralizing reforms facilitated party breakdown by providing politicians with alternatives paths to power outside traditional party organizations (Penfold-Becerra 2009; Sabatini 2003). Still, system-level institutional changes fail to account for within-system variation in the fates of individual parties. Where not all of the established parties within the same system broke down, it is difficult to point

---

5 Downs (1957) noted that parties would face reputation costs by constantly shifting positions, but which remains absent in most spatial models of party competition.

6 In a similar vein, Schofield and his co-authors (Miller and Schofield 2003; Schofield and Miller 2007; Schofield, Miller, and Martin 2003) argue that realignments are caused by the tensions inherent in the fact that political cleavages are unidimensional while voters’ positions are two-dimensional. In these models, the two parties divide either along economic lines or along social ones. Thus some voters (and activists) are always disaffected and, when mobilized by entrepreneurial candidates, can trigger a realignment. In the Latin American context, Myers (1998) and Tanaka (1998) suggest that economic development shifted social cleavages, obviating the class-based cleavages around which traditional parties were organized.
to systemic causes. At the very least, such systemic causes would need to be conditioned by some characteristic of individual parties to explain why some survive while others break down.⁷

Some observers of Latin American party transformations have instead attributed them to the economic crises of the 1980s and 1990s: the ensuing decline of union strength and informalization of the labor market, they argue, eroded parties’ capacity to mobilize supporters through state patronage (Cameron 1994; Roberts 2003, 2008; Schmidt 1996). Along similar lines, Benton (2001, 2007) argues that dwindling state coffers meant parties could no longer rely on patronage to form intraparty coalitions, increasing factionalism and weakening party organizations. But while economic crises and market reforms may have weakened some mobilization strategies and party organizations, there is little reason to think that they would cause sudden party breakdowns. While many established Latin American parties relied on patronage for some activities, their appeal to voters over the course of decades was based on far more. Labor unions, which often received patronage in return for mobilizing workers, were far from encompassing, rarely representing more than half of the labor force (Roberts 2002).

The most common explanation for party breakdown is anti-incumbency. Bad performance by the incumbent – whether in the form of corruption scandals or poor economic stewardship – is thought to induce mass voter rejection of the incumbent party, leading to the kind of dramatic voter rejection that accompanies party breakdown. Recent work on the US realignments shows that poor economic performance in the year before an election explains mass shifts in voter preferences (Achen and Bartels 2005; Mayhew 2004). In Latin America, unpopular market reforms and corruption scandals are thought to have eroded the legitimacy of traditional political parties and led to their collapse (Dietz and Myers 2007; Hellinger 2003; Kenney 1999; Lynch 1999; Mainwaring 2006; Seawright 2007).⁸

Yet anti-incumbency overpredicts party breakdown. Anti-incumbent sentiment is far more prevalent than party breakdown, and unpopular incumbents are routinely voted out of office for bad performance without triggering the breakdown of their party. Cases of economic crises and corruption scandals engulfing incumbent administrations and leading to electoral defeat abound in Latin America. In Argentina, the incumbent Radical party lost the 1989 election in large part because of the hyperinflationary crisis that had begun earlier that year. And yet the losing incumbent party came in second, with a sizeable

---

⁷ Moreover, changes to electoral rules were infrequent in Latin America in the 1980s and 1990s, and where they did occur seem to have had little impact.

⁸ Tanaka (1998, 2006) offers a reverse explanation, arguing that Alberto Fujimori’s early economic successes in Peru allowed him to dismantle the party system.
proportion of the vote (32.5%). Poor incumbent performance alone does not seem to be a sufficient condition for party breakdown.

Prior explanations of party breakdown have made important contributions to our understanding of recent events in Latin America and to a host of theoretical questions regarding changes in party systems and public opinion. Although they provide plausible accounts of some party breakdowns, their relevance seems limited from a comparative perspective. These explanations either provide insufficient leverage at the level of individual parties or are difficult to reconcile with the cross-national variation in party breakdown.

Moreover, the received scholarship has largely eschewed behavioral explanations or assumed rather than tested behavioral mechanisms. As a result, they have overlooked individual-level patterns in voters’ attachments to established political parties, patterns that are no doubt associated with party breakdown but that are far from consistent with the implications derived from prior theories.\(^9\) In this paper I offer a behavioral explanation of party breakdown, one that draws on a model of partisanship that also explains the observed variation in partisan attachments.\(^10\)

### 2 Brand Dilution and Party Breakdown

My explanation of party breakdowns focuses on the role of party brands in voter behavior. I argue that party breakdowns – that is, voter rejection of a nationally competitive party – occur when two conditions are met: (1) the party’s brand is diluted, leading partisan attachments to erode, and (2) the party performs poorly in office. When a party’s brand is clear, voters form strong attachments to it, attachments that are resistant to retrospective evaluations. Once the brand is diluted, however, voter attachments erode and retrospective evaluations become more determinative of vote choice. The breakdown of established political parties occurs when the dilution of the party’s brand increases the ambiguity surrounding voters’ perceptions of what the party stands for. As parties’ brands become diluted, parties become increasingly susceptible to voters’ short-term retrospective evaluations. And when such dilution is accompanied by poor incumbent performance, voters defect en masse from established parties. Hence, scholars are right to point

---


\(^10\) I use the terms partisanship, party attachments, and party identification interchangeably to refer to an individual’s self-identification with a political party.
toward poor incumbent performance as a cause of party breakdowns, but poor performance only leads to collapse when it is accompanied by a dilution of the party’s brand.

2.1 Party Brands and Partisanship

Social psychologists have long noted that group identities are based on individuals’ stereotypes about a social category – that is, a category prototype – and how well they perceive themselves to resemble (or “fit”) that prototype (Hogg, Hardie, and Reynolds 1995; Turner et al. 1987). Individuals thus self-categorize into social identities by constantly shifting back and forth between their individuality and that identity. The more that group membership maximizes similarities between an individual and other group members as well as differences with outsiders (a concept known as “comparative fit”), the more likely an individual is to identify with the group (Hogg et al. 2004; Turner 1999).

Like the theory proposed by Green, Palmquist, and Schickler (2005), my model of partisanship proceeds from this self-categorization notion of identity formation. Over the course of their lives, voters develop perceptions of partisan identities through their own observations of the party and its behavior. They learn what to associate with the prototypical partisan by observing what party elites say and do, and they use these prototypes to inform their identity. These prototypes compose what I refer to as a *party brand*. As in Achen (1992), voters update the party brand as they observe new information, so that the updated party brand (the posterior) combines prior and new information.

Party brands also have some variance around them, which is also updated as individuals observe party behavior. We can think of this variance as the strength of the party brand, the precision with which it signals its position. As the variance decreases, voters become more certain about the party’s position, develop a clearer image of its prototypical partisan, and the brand becomes stronger, more informative, and more useful as a heuristic. As voter uncertainty about the party’s position increases, the party appears to be more heterogeneous, perhaps containing multiple prototypes, and the brand becomes weaker or diluted.

A voter will feel the greatest affinity with the party whose prototypical partisan she thinks she most resembles, relative to all other parties. As with other social identities, partisan identity is determined on the one hand by the resemblance, or fit, between the voter’s self-image and her image of the party prototype (Turner et al. 1987). Party attachments are therefore increasing in the voter’s perceived fit with the party

\[\text{\scriptsize \textsuperscript{11} Fuller statements and empirical tests of the partisanship model can be found in Lupu (2011a, b).}\]
(expressed formally by the distance between her ideal point and the party brand). Moreover, the more heterogeneous, or ambiguous, the party brand, the weaker that attachment since a voter will perceive less fit with the party prototype (Hogg et al. 2004). Finally, the degree of identification also depends crucially on comparative fit, the degree to which an individual feels she resembles the prototype of one group and differs from that of another group (Turner 1999). Thus, a voter will also feel most attached to a party closest to her that is also perceived to be far away from other parties.

### 2.2 Brand Dilution

The implication of this conception of partisanship is that the behaviors of parties can affect voter attachments. In particular, parties dilute their brands through *inconsistency* or *convergence*.

Inconsistency increases voter uncertainty about the party brand in two ways. The first is what I refer to as *contemporaneous inconsistency*. When parties suffer from internal conflicts, individuals may receive inconsistent or conflicting signals from the party. As individuals observe conflicting messages from the same political party, they should find themselves more uncertain about the party’s true brand. A second type of inconsistency is *inter-temporal inconsistency*, in which the new observations are inconsistent with a voter’s priors about the party – as when parties reposition themselves – but may be consistent with each other in the sense that their variance is small. This would occur when a party attempts to *re-brand* or shift to a new position. Voters may, to take a well-known Latin American example, observe a party they thought was statist suddenly support free-market economic policies. Such inter-temporal inconsistency will increase uncertainty by increasing the distance between the individuals’ prior belief about the party brand and the observed actions of the party.

Partisanship is a function of resemblance with a particular party but also resemblance with other parties. That is, even when voters may be relatively certain about two party brands, their substitutability means that voters fail to form a strong attachment with either party. As major parties convergence, voters become unable to distinguish one party brand from another, weakening partisan identities. In other words, when rival (that is, previously divergent) parties converge in salient ways, the differences between their brands shrinks, making it less likely that voters will feel a comparative fit with one over the other. Party convergence thus weakens partisanship while divergence strengthens it; indeed, party divergence is a kind of product differentiation, whereby parties distinguish themselves from their competitors.

Voters may observe two types of party convergence. In purely ideological terms, voters may
observe that different party brands are indistinguishable because elites from different parties support the same kinds of policies. In more political terms, voters may observe different parties entering into formal or informal alliances, signals that they are willing to agree on some set of policies. To the extent that the policies in question are relevant to the political dimension along which voters evaluate party brands, we would expect either type of convergence to dilute party brands and mute partisan attachments.12

According to my theory, then, partisanship erodes in response to the actions of party elites observed by voters. But the erosion of partisanship also has electoral implications. Voters evaluate parties both in terms of the strength of their attachment to that party and in terms of performance. As voters become more attached to a party, they will discount bad performance. But as they become less attached to that party, performance will become an increasingly important determinant of vote choice. Party breakdown thus occurs when partisan attachments are weak or relatively scarce and performance is poor. The theoretical framework thus incorporates an explanation both of the erosion of partisanship over time in the years leading up to party breakdown as well as the actual timing of the breakdown itself.13

Figure 1 graphically summarizes my theory of party breakdown. Brand dilution occurs when voters observe party inconsistency or convergence. As a result, brand dilution erodes partisanship in the electorate, making the party more susceptible to retrospective evaluations. In the context of a diluted brand, if the ruling party performs poorly, the party will break down.

### 3 Identifying Party Breakdowns

I define a nationally competitive party as a party with a historically-based expectation of winning executive office.14 In other words, such parties have been at least competitive in national contests for executive office over several election cycles, making them likely future competitors. Across a sample of all 108 presidential elections that took place in 18 Latin American countries during the period 1978-2007,

---

12 The notion of party convergence via alliances is akin to the concept of party cartels proposed by Katz and Mair (1995, 2009) for Western Europe, with two notable differences. First, Katz and Mair see party cartels as the result of a long-term maximization strategy by politicians in mainstream parties. My theory, on the other hand, suggests precisely the opposite: convergence, given its detrimental long-term implications for parties, is the result of short-term strategies. Second, the party cartel thesis implies an expectation of exclusion of new parties and outsider politicians, whereas in my theory convergence yields dealignment, party fragmentation, and electoral opportunities for outsiders.

13 By this framework, parties always have an incentive to maintain strong brands. Of course, parties are not unitary actors and may not always be able to avoid internal inconsistency or convergence. Still, it is useful to think about the circumstances that would lead parties to dilute their brands, a question I take up elsewhere (Lupu 2011b).

14 Throughout the text I use the terms established party and nationally competitive party interchangeably.
there were 29 nationally competitive parties.\textsuperscript{15} This coding scheme necessarily involves some reasonable but arbitrary cut-off points. In general, however, it identifies a set of parties that appears to be consistent with the major parties typically identified by country experts (e.g., Alcántara Sáez and Freidenberg 2001; Mainwaring and Scully 1995).

I define party breakdown as a massive electoral defeat for a nationally competitive political party in a single election cycle. The party’s decline is so precipitous that it becomes, at least over the medium term, irreversible. When a party breaks down, it ceases to be competitive at the national level for a significant period of time, often permanently. Party breakdowns are thus dramatic and sudden events. They are not the steady ebbing of support, a secular decline that is conceptually less puzzling and typically accompanies the emergence of new parties. Instead, party breakdowns are typically accompanied by fragmentation of the political space. Party breakdowns are also such dramatic reversals of electoral fortune that they are nearly

\textsuperscript{15} The countries are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. The electoral data are drawn from Payne, Zovatto G., and Mateo Díaz (2007) and updated by the author; where relevant, they apply only to the first round of balloting. I identify nationally competitive parties on the basis of two primary criteria: (1) the party attains a plurality of the votes, (2) the party attains no less than one half of the winning vote share. A party is coded as nationally competitive at a particular presidential election $t$ if it fulfills at least one of the primary criteria in the three previous presidential elections ($t - 1$, $t - 2$, and $t - 3$). A party that changes its name between elections $t - 1$ and $t$ is not counted as a new party at election $t$. An alliance or merger of previously existing parties is not counted as a new party, and is considered nationally competitive if its constituent parties can be considered nationally competitive. A coalition among a new set of parties is counted as a new party. In the case of an alliance split, senior alliance members are considered continuous and junior alliance members are considered new parties. In the case of a party split, the dissenting party is considered a new party and the parent party is considered continuous. A party-election is coded as a breakdown at election $t$ if the party is nationally competitive and it does not meet at least one of the primary criteria in election $t$. A party-election is not coded as a breakdown if its failure to meet at least one of the primary criteria is the result of an elite-led party split.
impossible to overcome. Only a complete reorientation or reinvention of the party could allow it to reemerge as a nationally competitive party several election cycles later.

By this definition, then, the universe of cases in which breakdown is a possibility is limited to parties that reach a certain level of stability and competitiveness at the national level. This means that party breakdown is necessarily impossible in systems where no nationally competitive parties exist, in which parties are very fragmented and ephemeral. The rise and fall of parties in unstable systems follows a very different logic than the one examined here, and poses less of a puzzle for existing theories of party competition.\textsuperscript{16}

Consistent with previous studies of party-system breakdown in Latin America (e.g. Morgan 2007; Seawright 2007; Tanaka 2006), my coding scheme focuses on presidential rather than legislative elections. Although both types of elections are national in scope, presidential elections have been found to be far more influential with regard not only to political outcomes (given the strength of executives in Latin American political systems) but also to voter behavior (Mainwaring and Shugart 1997). They also typically have strong coattails effects on legislative elections (Jones 1995). Indeed, in all the cases of party breakdown that I identify, parties that broke down also suffered dramatic losses in either concurrent or subsequent national legislative elections. It therefore seems most appropriate to focus on presidential elections in identifying cases of party breakdown.

Using this coding, I identify 10 cases of party breakdown between 1978 and 2007 in Latin America, spanning eight countries.\textsuperscript{17} Remarkably, this means that fully one third of the nationally competitive parties operating in Latin America during this period broke down.

\textsuperscript{16} The focus here is on \textit{national} elections and therefore \textit{national} parties. Political parties of course compete at multiple levels of government and may be competitive at some levels while being uncompetitive at others. For instance, the Radical party in Argentina remains competitive in a handful of Argentine provinces even while it is unable to compete nationally since its breakdown in 2003. One could certainly explore variation in the ways in which nationally competitive parties broke down in Latin America, with some remaining competitive at subnational levels and others disappearing from the political map altogether. Still, the crucial distinction here is that existing theories of party competition and voter behavior fail to predict the sudden relegation of a previously competitive political party to uncompetitiveness within national electoral competition.

\textsuperscript{17} The specific cases are the UCR in Argentina (2003), the ADN in Bolivia (2002), the MIR in Bolivia (2005), the PUSC in Costa Rica (2006), the PR-PSC in the Dominican Republic (1996), the PAN in Guatemala (2003), APRA in Peru (1995), the PC in Uruguay (2004), AD in Venezuela (1998), and COPEI in Venezuela (1998). On average, party breakdowns entailed a 79.7\% drop in party vote shares, leaving these parties with an average vote share of 6.3\%. The worst drop in vote shares among non-breakdown cases of nationally competitive parties was 55.5\%. The average age of these parties at the time they broke down was 67.3 years.
Case Selection

My theory of party breakdown has implications at both the individual and aggregate levels. I examine some individual-level implications elsewhere and focus here on testing aggregate-level implications by studying and comparing four cases of party-elections observations. The selected cases represent the range of variation in which at least one of my key explanatory variables is present: whether or not brand dilution occurred in the prior electoral cycle, and whether the incumbent party’s performance was perceived to be good or bad. In this sense the method of case selection approximates what Gerring (2007: 97-101) calls the “diverse-case method.” If we thus think of the key explanatory variables as dichotomous, the arrangement of the selected cases can be illustrated with a 2 × 2 table, as in Table 1. The shaded bottom-right cell represents positive cases of party breakdown.

Table 1: Cases and key explanatory variables

<table>
<thead>
<tr>
<th>Brand dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
<tr>
<td>Incumbent performance</td>
</tr>
<tr>
<td>Good</td>
</tr>
<tr>
<td>Bad</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

I selected cases that would allow for overlapping within- and cross-country matched comparisons. Like Mill’s Joint Method of Agreement and Difference, this combination rules out potential sufficient causes (Gerring 2007; Mahoney 2007). The cases of the Radicals in Argentina in 1989 and 2003 allow me to match observations of the same party over time, a kind of matched most-similar case design (Gerring 2007: 131-9). This is an analytically powerful kind of “before-and-after” comparison (George and Bennett 2005: 166-7). Indeed, Argentina’s Radical party is the only party in the region that faced two economic crises while in power (that is, two separate incumbencies with bad performance) during the sample period. A useful comparison to the Radical party in 2003 is Argentina’s Peronist party in 1995, a within-country

---

18 I do test some individual-level implications within the case studies below. In Lupu (2011a, b), I test some implications of the partisanship model using survey experiments in Argentina.

19 I do not here consider any cases in which neither explanatory variable is present, following Mahoney and Goertz (2004). I do, however, take up such a case elsewhere (Lupu 2011b).
comparison that provides an additional test of whether brand dilution is a sufficient condition for party breakdown while holding constant the institutional factors that do not differ within Argentina.

While such within-party or within-country comparisons provide useful analytical leverage, additional leverage can be gained by comparing cases across differing contexts. To this end, I selected the case of Venezuela’s AD/COPEI in 1998. The comparison of AD/COPEI and the Radicals is akin to a most-different case design Gerring (2007: 139-44), allowing me to identify whether the proposed explanatory variables are indeed general causes of party breakdown. Argentina and Venezuela indeed vary on a range of institutional and sociodemographic variables suggested as potential alternative explanations by previous studies. While Venezuela underwent some decentralization and institutional changes during the early 1990s, Argentina did not. Moreover, AD and the Radical party also differ significantly. While the Radical party is a historically middle-class party with few labor ties, AD is a labor-based and traditionally statist party more comparable to the Peronists.

Within each case study, analysis proceeds through process tracing (Bennett 2008; George and Bennett 2005). In an effort to marshal diverse types of evidence and account for potential biases in the sources of evidence, I employ two strategies. The first relies on an examination of historical polling data, legislative data, and primary and secondary sources, including scholarly work, newspaper reports, memoirs of political actors, and recorded interviews conducted by previous scholars. A second strategy consists of open-ended interviews I conducted during 2008-2010 with political elites and observers from the relevant time-period. Particularly where specific events or individuals’ motivations are contested, I attempt to triangulate claims using a variety of sources. These cases also engage with some of the alternative explanations introduced by previous comparative theories as well as case-specific alternatives put forward by country experts.

5 Brand Maintenance with Bad Performance: Radical Party, 1989

The return of democracy to Argentina in 1983 brought with it the return of the two political parties that had contested elections in prior periods of democracy. The Radical Civic Union (Union Cívica Radical, UCR), Argentina’s first mass party, emerged in 1891 as a party of middle-class sharecroppers and small

---

20 As I explain below, Venezuela’s traditional parties entered into a de facto coalition in the late 1990s and are therefore treated here as a single case.
farmers threatened by the influx of European immigrants (Persello 2007). The Peronist party – officially called the Justicialist Party (Partido Justicialista, PJ) – was the electoral vehicle founded by Juan Domingo Perón in the 1940s (Levitsky 2003: Ch. 2). Proscribed on and off from openly competing in elections in the intervening decades, the party drew its electoral support from the rural poor and urban working classes (Lupu and Stokes 2009), developing corporatist and patronage ties to the Argentine labor movement. With the rise of Peronism, the Radical party became the party of middle- and upper-class opposition to Perón.

Both the Radical and Peronist parties relied on patronage to maintain internal discipline and to mobilize particular segments of the Argentine population (Calvo and Murillo 2004; Snow 1971). But the two parties also worked assiduously to build and maintain partisan attachments (Lupu and Stokes 2010). In a 1965 voter survey conducted by Kirkpatrick (1971: 87), 46 percent of Argentines identified with a party, of which 35 percent identified with the Radicals and 30 percent with the Peronists.

The victory of Radical Raúl Alfonsín in the 1983 presidential elections represented the first time a Radical had defeated a Peronist in a free and fair election in Argentina. Upon taking office, Alfonsín faced the delicate question of civil-military relations as well as a growing economic crisis. Argentina was already suffering from the economic effects of the regional debt crisis. Annual inflation had reached over 300 percent during the final year of the military regime and rose above 600 percent in 1984. Argentina’s external debt had grown to 80 percent of GDP and foreign capital had begun to flee the country in 1982, placing an enormous burden on state coffers.

5.1 Party Discipline: Radical Consistency

Despite facing enormous challenges from the military and the deteriorating economic situation, Alfonsín managed to maintain a remarkably high degree of discipline within the Radical party. Among the most controversial of the administration’s initiatives were two bills dealing with the crimes of the military regime. The military regime had become infamous for its secret kidnapping, torture, and killing of suspected dissidents, including students, journalists, and party activists. Alfonsín himself had gained national popularity in the 1970s for his open criticism of the regime and its abuses of human rights. And both Radical and Peronist party leaders had been imprisoned or killed by the regime.  

But in late 1986, with the investigations of military officers still ongoing and with dwindling public

---

21 Menem, the Peronist president who succeeded Alfonsín, was himself imprisoned by the regime from 1976 to 1981.
enthusiasm for more trials, the Alfonsín administration proposed the End Point (*Punto Final*) Law. It would limit new indictments of military personnel to a period of sixty days, an attempt to limit investigations of the regime’s crimes. The law instead backfired, generating a rush of subpoenas and provoking a military uprising during the 1987 Holy Week. Alfonsín subsequently agreed to propose the Due Obedience (*Obediencia Debida*) Law, which would exonerate all military personnel below the rank of colonel.

Despite going against the personal convictions and experiences of many Radicals, the End Point and Due Obedience Laws achieved a surprising level of consensus within the Radical party. The End Point Law passed with the near unanimous support of the Radicals in both chambers of Congress. And from then on, the Radicals no longer participated in demonstrations or marches in support of the military trials (Novaro 2009: 211). The Due Obedience Law passed in the Chamber of Deputies with the defection of only three of 122 Radical members; not a single Radical Senator opposed it (Mustapic and Goretti 1992: 266).

The UCR also proved remarkably accepting of the administration’s economic policies, which gradually became more market-oriented. The administration attempted to both negotiate support from the IMF and pump government spending into the economy. A heterodox economic plan, the Austral Plan, was unveiled in June 1985 to dampen escalating inflation. The plan gained broad support from the Radical party and achieved short-term success in controlling inflation and generating economic growth. But growing labor disputes and creeping inflation made the economic plan unsustainable. By mid-1987, the Alfonsín administration had embarked on a more market-oriented reform agenda. The 1988 Spring Plan (*Plan Primavera*) was the administration’s most reformist program, the culmination of its gradual move in a market-oriented direction. Although the plan went against the preferences of the left wing of the party, internal party dissent was minimal. Indeed, the UCR bloc in Congress expressed its support for the plan (Cavarozzi and Grossi 1992; de Riz 1994).

### 5.2 Failed Reforms: Interparty Conflict

While the Radicals achieved remarkable party unity even in the face of controversial policy stances and some marginal policy shifts, the PJ also demonstrated a great deal of programmatic discipline in its opposition to the administration’s agenda. The PJ controlled the Senate throughout his term and the

---

Chamber of Deputies beginning in 1987. Along with its labor backers, the PJ staunchly opposed – and often blocked – Alfonsín’s economic reforms. The PJ rejected both Alfonsín’s more heterodox Austral Plan of June 1986 and his more neoliberal 1988 Spring Plan.\footnote{Clarín, March 17, 1986; July 20, 1986; July 1, 1987; July 21, 1987; August 24, 1988; September 23, 1988; November 6, 1988.} Peronist-backed unions led a remarkable 13 general strikes during Alfonsín administration, all with the public support and participation of the Peronist leadership (Epstein 1992; McGuire 1992). Anything short of opposition to Radical proposals was seen by the Peronists as “illicit unions” (Mustapic and Goretti 1992: 268).

The Peronists mounted the same solid opposition to Alfonsín’s handling of civil-military relations.\footnote{The unanimous opposition of the PJ extended beyond the salient realms of economic and civil-military policies. In November 1984, the administration held a referendum on a treaty to resolve a longstanding territorial dispute with Chile. Opposing the treaty, the PJ chose to boycott the referendum altogether. It also staunchly opposed the administration’s legalization of divorce in May 1987, though the measure passed with some notable Peronist defections.} It voiced tremendous opposition to the End Point and Due Obedience Laws. The PJ nearly unanimously abstained from voting on the End Point Law in Congress.\footnote{Clarín, December 24, 1986.} And the party voted unanimously against the Due Obedience Law in the Chamber of Deputies, while three PJ Senators voted for it (Mustapic and Goretti 1992: 266).\footnote{Despite its very clear and unified position in opposition to the Alfonsín administration, the PJ in the 1980s did suffer an important internal conflict. Reeling from the party’s electoral losses in 1983 and 1985, one faction began to call for changes to the party organization (Levitsky 2003: 108-23). The Renovation faction, as it came to be called, sought to democratize the PJ internally, strengthen its local reach, and loosen its ties to labor. But while the emergence of the Renovators within the PJ entailed a kind of intraparty conflict, it did not represent an instance of inconsistency by the Peronists. Unlike the intraparty Peronist conflicts that would emerge in the early 1990s, the conflict with the Renovation faction centered on organizational, rather than ideological, issues. As Levitsky (2003: 119) notes, “the Renovation’s middle-class appeal was not accompanied by a substantial shift on the left-right axis.”}

Faced with economic crisis and legislative gridlock, Alfonsín made attempts to reach out to the Peronist opposition and its labor allies. His idea was to garner extraordinary powers of legislation to use in making the economic reforms needed to stop the economic crisis. But the Peronists, who controlled the Senate and a majority of the provincial governorships, saw no reason to offer Alfonsín a blank check. During the political crisis of the 1987 Holy Week military uprising, Alfonsín is said to have approached PJ leader Antonio Cafiero about forming a unity government in support of democracy.\footnote{The discussion was rumored to have surrounded either a coalition government with an agreed-upon distribution of cabinet positions among the two parties or a constitutional reform that would create the position of Prime Minister, to which Cafiero would be appointed (Clarín, September 7, 1989).} While Cafiero and...
the leaders of other parties appeared publicly with Alfonsín to defend the democratic regime, Cafiero
rejected any formal pact with the administration, calling it “electoral suicide.”

5.3 Partisanship and the 1989 Election

As the 1989 presidential election approached, Alfonsín threw his support behind the primary
candidacy of Córdoba governor Eduardo Angeloz and his calls for market-oriented economic reform.
Despite plummeting approval ratings, Alfonsín was still the undisputed leader of the Radicals, and Angeloz
handily won the party’s nomination in May 1988. On the Peronist side, Cafiero, whose Renovation faction
had called for party primaries, scheduled his party’s first such primary for July. Yet, La Rioja governor
Carlos Menem and his charismatic populism appealed to the Peronist rank and file, and Menem became the
party’s candidate.

The choice between the UCR and PJ in 1989 was a stark one. The Radical Angeloz defended his
party’s economic reform proposals while the Peronist Menem called for massive wage increases and price
controls. The worsening economic situation on his party’s watch made this an uphill battle for Angeloz.
The Radical candidate tried relentlessly to distance himself from Alfonsín (Waisbord 1995). Although the
peak of the hyperinflationary crisis would not hit until after the May election, it was clear well before May
that inflation was out of the Alfonsín government’s control. Inflation for the month of April reached 33
percent. As Rodolfo Díaz, who worked on Menem’s campaign, told me, “the campaign was overshadowed
by the hyperinflation; you could not talk about anything else.”

Argentine survey respondents clearly had a negative view of economic performance. Already in
March 1989, two thirds of respondents to one survey said their economic situation had worsened since the
previous month. The administration’s approval rating had fallen to nine percent by April 1989
(Catterberg and Braun 1989: 363).

Still, both parties had, broadly speaking, remained true to their party brands throughout the
Alfonsín administration, and the distance between them was as wide as ever. The Radicals’ gradual move

---

28 Cafiero in fact attributes his defeat in the 1988 Peronist primary to his statements of support for the administration during the
uprising (personal interview, June 9, 2010).

29 Clarín, April 28, 1989.

30 Personal interview, November 18, 2009.

31 Author’s calculations from Kolsky survey of 405 adult residents of metropolitan Buenos Aires. The question asked, “Has
your economic situation changed in the last month? Is it better; worse, or the same?”
toward a more neoliberal economic position represented some inconsistency, but only marginally so. From
the perspective of my theory of party breakdown, there is little reason to expect that partisan attachments
eroded during the 1980s even while opinions about the administration’s performance plummeted. Indeed,
across polls from the period, we see no large change in the aggregate levels of partisan attachments to
either party during the Alfonsín administration (Lupu 2011b).

It is no surprise, then, that Angeloz managed to garner 37 percent of the vote in May 1989. That
remarkable feat for the candidate of a party that had unequivocally failed in its economic stewardship
attests to the strength of Radical partisanship. Indeed, an analysis of vote choice in 1989 reveals that
partisanship is the only significant predictor of voting for Angeloz (analysis not shown). As expected by
my theory, Radical partisans in 1989 chose to vote for their party’s candidate despite their party’s poor
performance in office.

The case of the Radicals in 1989 is thus consistent with theoretical expectations. We do not see
party breakdown result in 1989 from bad incumbent performance in the absence of brand dilution. This
runs counter to the conventional wisdom that posits bad incumbent performance as a sufficient condition
for breakdown. The theoretical counterfactual is that had the Radicals significantly diluted their brand (and
had this dilution not resulted in better performance), the party would have broken down in 1989.

6 Brand Dilution with Good Performance: Peronist Party, 1995

Unlike the Alfonsín years, Menem’s first term witnessed dramatic inconsistency by the Peronist
party as the president abandoned its historic ideology and provoked intraparty conflicts. The period also
saw significant convergence between the Peronists and Radicals. The result was that both parties’ brands
were diluted, eroding partisan attachments. But Menem’s positive economic performance mitigated the
potential electoral effects of brand dilution, securing his reelection in 1995.

6.1 Policy Switch and Intraparty Conflict

Menem had been elected on a statist economic platform, promising to reverse the decline of the
Argentine economy with the campaign slogan “Follow Me” (Síganme). But upon taking office, he shocked
Argentine voters and his own party by pursuing both a staunchly neoliberal set of economic policies and a
series of alliances with anti-Peronist elites and former opponents. His first cabinet included close
associated of the notoriously rightwing conglomerate Bunge & Born.\textsuperscript{32} His first package of economic policies (the Bunge & Born Plan) included a sharp devaluation of the currency and deep cuts in government spending. Menem also announced a legislative alliance with the rightwing Union of the Democratic Center (\emph{Unión del Centro Democrático}, UCD) and its leader and presidential candidate, Álvaro Alsogaray.\textsuperscript{33} That Menem had abandoned the traditional ideology of Peronism was clear to the Argentine public. In an October 1990 survey, 59.6 percent of respondents agreed with the statement, “Menem is betraying the historical banners of Peronism.”\textsuperscript{34} Sixty-three percent of respondents who had voted for Menem the previous year agreed with this statement.

In order to contain the economic emergency, both the PJ and UCR supported Menem’s initial plans, including granting him emergency powers. But legislators from both parties made clear the temporary nature of their support for the administration. PJ Deputy and Chamber president Alberto Pierri told one newspaper, “The PJ is far from abandoning its historic model of effective protection of national production and the regional economies... the emergency project is a temporary concession that is made to the stabilization program.”\textsuperscript{35} But once Menem’s initial popularity began to sink, the PJ turned to opposing the reforms. When hyperinflation returned in late 1989, the PJ majority in Congress refused to ratify the administration’s new economic plan. The PJ also rejected the administration’s proposal to institute a value-added tax in December 1989, a failure that forced the Minister of the Economy to resign. Roberto Dromi, the Minister of Public Works in charge of the privatization plans, repeatedly faced harsh questioning by the PJ-led Congress and even came close to being censured. As late as February 1991, PJ leaders shouted Menem’s Minister of the Economy, Domingo Cavallo, out of Congress, calling for Menem’s resignation.\textsuperscript{36}

The intraparty conflict went beyond the halls of Congress. A December 1989 party congress in Buenos Aires had to be suspended after Menem supporters and critics began throwing chairs at one

\textsuperscript{32} The corporation was so clearly associated with anti-Peronism that two Born siblings were kidnapped by Peronist guerrillas in 1974.

\textsuperscript{33} \emph{Clarín}, June 29, 1990; February 28, 1992; March 5, 1992. Menem also appointed Alsogaray’s daughter, Maria Julia, to head the state-owned telephone company ENTel. She immediately stated she would begin a study on privatizing the company (\emph{Latin American Weekly Report}, July 6, 1989).

\textsuperscript{34} This includes respondents who said they “agree” or “strongly agree” with the statement. Author’s calculations from Equas survey of 400 adult residents of Greater Buenos Aires.

\textsuperscript{35} \emph{Clarín}, July 25, 1989.

another. In early 1990, Cafiero himself became increasingly critical of the administration, calling on
Menem to “return to the doctrinal sources of Justicialism.”

Another important source of internal dissent came from Ramón Saadi, the governor of Catamarca, whose family had controlled the province for decades. Saadi formed an outspoken PJ faction to oppose the administration’s reforms, particularly its cuts to federal revenue sharing.

Menem acknowledged the possibility of a division of the PJ, noting “I don’t want a split... but if it
happens, too bad.” Indeed, two prominent defections from the Peronist ranks did occur. Twenty
prominent PJ legislators defected from the PJ in early 1990 in protest over both the neoliberal economic
agenda and the military amnesty laws. Known as the Group of Eight, they eventually formed a coalition
with small leftist parties that became known as the Big Front (Frente Grande, FG). The second prominent
defection from the PJ was that of Mendoza Senator José Octavio Bordón in September 1994. Bordón had
been a vocal critic of Menem’s economic agenda for years, leading an internal opposition faction. But he
was eventually sidelined within the party and decided to form a new party, Open Politics for Social
Integrity (Política Abierta para la Integridad Social, PAIS).

The conflicts within the PJ also forced Menem to veto legislation proposed by his own party.
The table identifies whether the vetoed legislation was proposed by opposition parties, by the president’s own
party, or by the president’s party in cooperation with other parties. The contrast between the two
administrations is immediately apparent: while the majority of Alfonsín’s vetoes were aimed at legislation
proposed by opposition parties, the vast majority of Menem’s overturned legislation proposed by his own
party, either alone or with its allies.

The Menem administration’s response to this intraparty feuding was to circumvent the PJ and

37 La Nación, March 19, 1990. See also, Clarín, February 24, 1990; March 6, 1990; La Nación, January 2, 1990; April 23,
1990. Cafiero later wrote that, “Unavoidable ideological, cultural, political, economic, and social differences distinguish
Justicialism from neoliberalism” (Cafiero 1995: 50).

38 Clarín, February 11, 13, 21, and 22, 1990.

39 Clarín, April 1, 1990. Some of his supporters even spoke of splitting from the PJ and creating a Menemist party (Clarín, July
8, 1990, p.14). PJ party elites were not unwarranted in their concern about the electoral implications of the administration’s policy
agenda. In November 1989, the PJ lost two regional elections in the provinces of Santa Fe and Rosario.

40 Ambito Financiero, December 18, 1989; Clarín, December 15, 1989; March 1, 1990; March 17, 1990; March 18, 1990;
March 19, 1990; June 15, 1990. See also Abal Medina (2009); Novaro and Palermo (1998). Among the defectors was Cafiero’s
son, Juan Pablo.

Table 2: Presidential vetoes, by party of origin

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition parties</td>
<td>27 (60%)</td>
<td>25 (35%)</td>
</tr>
<tr>
<td>President’s party alone</td>
<td>10 (22%)</td>
<td>22 (30%)</td>
</tr>
<tr>
<td>President’s party with others</td>
<td>8 (18%)</td>
<td>25 (35%)</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Mustapic (2000). Only legislation initiated by Congress is included. Values do not include laws covered in more than one legislative initiative proposed by different legislators or laws initiated by the Bicameral Commission.

Congress. Granted emergency powers by Congress, Menem resorted to legislating much of his reform package by decree. While Alfonsín had issued only 11 decrees during his term, Menem issued 162 during his first term alone (Negretto 2004). Menem also attempted to forestall an electoral backlash, postponing the 1991 midterm elections and then separating the legislative and gubernatorial elections in an effort to avoid a negative coattails effect. A final alternative was to resort to cobbling together congressional support from opposition parties.

Even so, in late 1991 the PJ began to cooperate more fully with the administration. Menem’s power within the PJ had grown along with setbacks for his opponents – Cafero’s electoral defeat in August 1990 and Saadi’s downfall in 1991 – and the success of his new economic plan notable by the middle of 1991. As Miguel Ángel Toma, then a PJ Deputy, told me, “Economic success makes up for any switch... Once everyone saw Menem succeed, they closed ranks behind him.” Menem also developed working relationships with most of the country’s governors, whether or not they supported the economic program. Revenues from the privatization of public enterprises gave the administration leeway to disburse funds to the provinces and win the backing of dissenting PJ and UCR governors (Gibson 1997; Gibson and Calvo 2000). Finally, Peronist victories in the 1991 midterm elections cemented Menem’s leadership of the party by demonstrating his ability to deliver votes.

---

42 Cavallo later noted that “without the decrees of necessity and urgency we would not have been able to implement more than 20 percent of the economic reforms” (La Nación, August 31, 1993).
44 The new plan was the Convertibility Plan introduced by Cavallo, which pegged the Argentine peso to the US dollar at parity.
45 Personal interview, November 24, 2009.
46 The dramatic decline in Peronist intraparty conflict is attributed by some authors to a shift in strategy by the Menem administration, exemplified by a speech the president made at a March 1991 PJ Congress (Corrales 2002; Ostiguy 2009). But I agree with Levitsky (2003) that too much emphasis has been placed on the poorly attended and publicly inconsequential party congress of March 1991. Menem certainly became more “party-accommodating,” as Corrales (2002) notes, in 1992, but I view...
6.2 Peronist-Radical Convergence

Like the PJ, the UCR also found itself unprepared for the Peronist president’s policy switch. At first, confronted with a deteriorating economic crisis and a set of policy prescriptions nearly identical to those prescribed by Angeloz, the party’s own presidential candidate, the cost of obstructionism seemed extraordinarily high. Almost as soon as Menem took office he began talks with UCR leaders about forming a unity government or governability pact. Although a formal pact never materialized, the repeated attempts and negotiations received widespread media coverage and were far more serious than Alfonsín’s half-hearted attempts. Of particular note were two nearly-successful rounds of negotiation with Angeloz aimed at persuading the former UCR presidential candidate to formally join the Menem administration. As late as November 1991 Menem made serious public overtures for a governance pact among political parties. Indeed, Menem spoke often of forming a cross-party coalition in support of his economic agenda, calling it the League of Winners.

Having proposed an economic platform similar to the policies Menem was pursuing, some UCR leaders – like Angeloz and other governors – expressed outright support for the Peronist administration. Alfonsín himself oscillated between criticizing the speed of the economic reforms and offering his party’s support. But in what would become a recurring trope for critics of both the parties, Alfonsín and Menem began to be seen as two sides of the same coin. Figure 2 shows one such instance, in a political cartoon published in early 1991, depicting Alfonsín with Menem’s trademark sideburns.

In Congress, the UCR proved far less obstructionist than the PJ had been during its time in opposition in the 1980s. Although some in the party recommended taking a strong oppositional stance, the party leadership attempted to maintain the nuanced position of criticizing administration proposals,

---


49 Clarín, November 8, 1991.

50 Clarín, November 5, 1990.

51 Clarín, March 6, 1990.

52 UCR deputy Federico Storani, personal interview, November 24, 2009.
voting against some, but asserting its support for the broad thrust of the economic program (Llanos 2002; Palermo and Novaro 1996). When asked about the position of the UCR toward the privatization policies, Rodolfo Barra, then a Menem advisor working on the privatization programs, told interviewers, “[t]here was no serious political opposition.”

In the early months of 1992, Menem made clear his intention to be reelected in 1995. Although the Argentine federal constitution did not allow for consecutive reelection, Menem began exploring ways to change that provision. Similar efforts were being put forward by governors across the country who were interested in easing term limits in their provincial constitutions. As the reelection issue gained prominence, the UCR found itself again divided. Radical provincial governors seeking their own reelection publicly endorsed making similar changes to the federal term limits and discussed possibilities for a pact between the parties. Other Radicals, fearful of a second Menem term, spoke out against reelection as a power grab.

With the reelection debate appearing almost daily in the national press, in late 1993 Alfonsín and

---

54 Clarín, June 4, 1993; October 6, 1993; October 7, 1993; October 28, 1993. Indeed, Menem considered attempting to split the Radical vote in Congress by negotiating directly with these supportive Radical governors.
Menem emerged from the presidential residence in Olivos to announce their secret agreement to a pact for the general framework of a constitutional reform. The Menem-Alfonsín Pact of Olivos represented renewed convergence by the two parties, with the Radicals effectively conceding Menem’s reelection. Discussions of the pact and televised footage of the two leaders promoted the public perception that the two parties had become indistinguishable.

### 6.3 Partisanship and the 1995 Election

With the possibility of consecutive reelection secured, Menem focused his 1995 campaign on his success in stabilizing inflation and restarting Argentina’s economic growth. His economic policies had been the very opposite of Peronist ideology. My theory suggests that that programmatic inconsistency, the resulting intraparty conflicts, and the convergence with major opposition parties (in this case, the Radicals) would erode voters’ partisan attachments. Partisanship indeed declined dramatically for both parties in the 1989-92 period of inconsistency and convergence. As one Peronist voter put it, “Peronism is declining because the current government says it’s Peronist but is lying. So young people now say, ‘This is Peronism? No. I don’t like it’” (quoted in Martuccelli and Svampa 1997: 352).

Both parties thus entered the 1995 election with a diminished constituency of partisans. For Menem, the allegations of corruption and abuse of power surrounding members of his administration also became recurring campaign themes. But Menem was also widely credited with turning the economy around and leading Argentina out of its hyperinflationary crisis. A survey taken two weeks before the election found that only 35 percent of respondents had a negative view of Menem’s performance in office. Unemployment growth in 1995 offered the first signs of economic trouble, but Menem’s campaign used this hint of a downturn to suggest that the country was still not out of the woods and continued to need Menem’s leadership (Palermo and Novaro 1996: 456).

The context of Menem’s economic successes made him difficult to beat. He was the obvious choice for voters who supported his economic policies and for non-partisans who simply rewarded his good performance (Stokes 2001). Indeed, Menem won reelection with nearly 50 percent of the vote,

---


57 Multiple scandals implicated members of the administration in accepting bribes during the privatization processes.

58 Author’s calculations from Romer & Associates survey of a national sample of 1,325 adults. The question asked, “What opinion do you have of the way Carlos Menem is handling his tenure as president?”
surpassing the 45-percent threshold and hence avoiding a run-off. Good incumbent performance thus allowed Menem and the PJ to win reelection and to avoid the detrimental electoral effects of the party brand’s dilution, consistent with the interactive nature of my theory of party breakdown.

Even if my theory predicts no observable aggregate electoral effects in this type of case, it does have implications for individual-level effects. In particular, in cases of brand dilution combined with good incumbent performance, we should see partisanship become a relatively weak predictor of vote choice and retrospective evaluations become relatively strong. One way to test this hypothesis is to compare the relative effects of partisanship and retrospective evaluations on vote choice in 1995 with those in 1989. In the 1989 election, when party brands were strong but incumbent performance bad, we would expect partisan attachments with the incumbent Radical party to have a stronger effect on vote choice than retrospective evaluations. In that election, Radical partisans continued to vote for their party even though the incumbent Radical administration had performed dismally. Conversely, in the 1995 election, when party brands were diluted but incumbent performance was good, we would expect partisan attachment with the incumbent Peronists to have a weaker effect on vote choice than retrospective evaluations. In other words, the bulk of the incumbent’s (Menem) vote came from voters who approved of his performance in office rather than from voters who identified with his party.

A simple descriptive probit analysis can be used to compare these hypothesized relative effects across the two elections. I expect that partisanship had a larger effect than retrospective performance evaluations on vote choice in 1989. I also expect that the relationship reversed in 1995, with retrospective evaluations having a larger effect than partisanship in that election. For 1989, I use the survey data employed above with the same variable codings. For 1995, I use data from a national survey conducted by Romer & Associates two weeks before the May 14 election. To make the magnitudes of the coefficients comparable, I standardize the variables to vary between 0 and 1. I am interested here in examining the total relationship between each variable and vote choice, so I do not include control variables.

Table 3 presents the results of this analysis. In the 1989 election, partisanship had a much stronger effect on voting for the incumbent party’s candidate, Angeloz, than did retrospective evaluations. Consistent with my theoretical expectations, that ranking was reversed in 1995 for the new incumbent.

---

59 The retrospective evaluation question asked, “How would you characterize the general economic situation of the country?” Respondents were given the options “very bad,” “bad,” “average,” “good,” and “very good.” The variable here is coded so that higher values imply a more positive evaluation. The partisanship question asked, “With which party or political orientation do you most identify? Which best represents your way of thinking?”
Menem. Indeed, as the third column in Table 3 shows, the effect of retrospective evaluations on incumbent voting increased significantly and by orders of magnitude between 1989 and 1995, while the effect of partisanship declined significantly. This finding lends considerable support to my theory of party breakdown. Even though the dilution of the Peronist party brand during Menem’s first term did not reduce his aggregate vote share, it had significant and substantial effects on the bases of his support.

**Table 3:** Partisanship, economic evaluations, and incumbent vote in 1989 and 1995

<table>
<thead>
<tr>
<th>Variable</th>
<th>1989</th>
<th>1995</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrospective Evaluation</td>
<td>0.085</td>
<td>4.613</td>
<td>4.528***</td>
</tr>
<tr>
<td>(0.487)</td>
<td>(0.348)</td>
<td>(0.598)</td>
<td></td>
</tr>
<tr>
<td>Incumbent Party Identifier</td>
<td>2.276***</td>
<td>1.200***</td>
<td>-1.076**</td>
</tr>
<tr>
<td>(0.462)</td>
<td>(0.127)</td>
<td>(0.478)</td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>256</td>
<td>857</td>
<td>1,113</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>-103.831</td>
<td>-356.363</td>
<td>-460.194</td>
</tr>
<tr>
<td>Pseudo-$R^2$</td>
<td>0.188</td>
<td>0.397</td>
<td>0.385</td>
</tr>
</tbody>
</table>

Probit coefficients with robust standard errors in parentheses. Constant terms not shown.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$

Consistent with my theory of party breakdown, the dramatic dilution of the Peronist party brand during the early 1990s did not lead to party breakdown. To be sure, there were major inconsistencies in Peronist program and behavior in the first Menem term. These were both intertemporal – the administration’s abandonment of the party’s ideological commitments – and contemporaneous – the intraparty conflicts this about-face engendered. Moreover, the Peronist and Radical brands converged considerably both in the first years of the Menem administration and with the two parties’ confluence over the constitutional reform. As expected by my theory, these inconsistencies and convergence diluted both parties’ brands and eroded voters’ partisan attachments.

My theory also suggests that such brand dilution and eroded partisanship will only affect aggregate electoral outcomes in the context of bad incumbent performance. And that was certainly not the case for Menem in 1995. We have seen evidence of partisan erosion during Menem’s first term as well as a decline in the relative importance of partisanship for vote choice vis-à-vis retrospective evaluations between 1989 and 1995. But Menem’s reelection demonstrates that brand dilution alone is not a sufficient condition for

---

60 In a similar analysis, Gervasoni (1998) compares Menem’s electoral coalitions in 1989 and 1995, although he does not include a measure of partisanship.
party breakdown. Had Menem’s policies not improved the country’s economic situation in time for the 1995 vote, the outcome for Peronism would have been significantly different.

7 Brand Dilution with Bad Performance: Radical Party, 2003

The Radical party regained the presidency in 1999 through an electoral coalition. But the administration was riddled with intraparty conflict. The party’s inconsistencies in attempting to forestall an economic crisis and its renewed convergence with Peronism severely diluted the party’s brand. The unprecedented crisis of 2001-2 also made the party’s performance a dismal failure. The combination of having lost its stalwart partisan base and the party’s poor performance in office led to its breakdown in 2003.

7.1 Alianza: Intraparty Conflict

Following Menem’s reelection and the Radicals’ poor showing in the 1995 election, the Radicals began exploring the possibility of an electoral alliance with FREPASO. Although FREPASO was ideologically to the left of the UCR and had far more clearly rejected the Menem administration’s economic agenda, both the UCR and FREPASO saw an alliance as the only way to be competitive in the 1999 presidential race. In August 1997, the two parties formed an alliance to present joint lists in legislative elections that year. The Alliance for Work, Justice, and Education (Alianza por el Trabajo, la Justicia, y la Educación, or Alianza) promised to make “corrections” to the economic model – particularly to address social issues and unemployment – but said it would respect the pegged exchange rate and the privatizations.

Such a victory, though, would require some arduous reconciliation among the two parties. In a hard-fought primary battle, Fernando de la Rúa, the Chief of Government of the City of Buenos Aires, won out; but the two parties agreed to make FREPASO leader Carlos “Chacho” Álvarez his running mate (Novaro and Palermo 1998). With unemployment a growing voter concern, De la Rúa handily won the 1999 presidency, beating Eduardo Duhalde, Menem’s 1989 running mate and later governor of the province of Buenos Aires.62

---

61 Although I am not concerned here with the FREPASO party brand, given how new the party was, it is still worth noting that Álvarez was concerned with the effects of the alliance on his party’s burgeoning “identity” (Álvarez and Morales Solá 2002: 69).

62 The De la Rúa administration is a somewhat unusual case since there is technically no single party brand that is affected by the actions of the administration or other Alianza elites. Still, there is good reason to think that the De la Rúa administration was
The Alianza proved to be a useful electoral vehicle for the opposition to the Menem administration. But governing with this alliance would prove far more difficult. Economic policy had been one of the primary sources of conflict between De la Rúa’s UCR and Álvarez’s FREPASO on the campaign trail. While the FREPASO had called for greater emphasis on social issues throughout the Menem administration, the UCR was far more sympathetic to many of the reforms, particularly those enacted during Menem’s first term. Upon taking office, Minister of the Economy José Luis Machinea announced tax increases and austerity measures, including cuts in education and social services, the very areas the Alianza had promised to reinforce. The cuts were deeply criticized by FREPASO legislators and cabinet members. Although the Alianza held a majority in the Chamber of Deputies, the dissent of some of the FREPASO legislators made it difficult for the De la Rúa administration to gain support for its legislative agenda. In a telling sign of the conflicts within the Alianza, De la Rúa resorted to legislating by presidential decree; in fact, he issued more decrees in his first five months in office (28) than Menem had in his first five months (18).

De la Rúa also resorted to making decisions without consulting Álvarez or the rest of FREPASO. During the course of 2000, the conflict between the president and vice president became increasingly heated and public. On June 25, a columnist for the daily La Nación reported that some Senators – both Peronist and Radical – had been paid bribes by the administration in return for their support of the labor reform bill. Despite weeks of public and congressional calls for an investigation, De la Rúa denied the accusations and refused to investigate the matter. Álvarez and FREPASO had spent years accusing the Menem administration of corruption and demanded that the Alianza hold itself to a higher standard. Instead, De la Rúa announced some changes to his cabinet, but promoted Minister of Labor Alberto Flamarique – who had played a leading role in the alleged bribery – to Secretary of the Presidency. In seen primarily as a Radical one. One reporter noted during the 1998 Alianza primary that FREPASO’s Graciela Fernández Meijide was seen as “the candidate of Alianza” while De la Rúa was seen as “the candidate of Radicalism” (Clarín, February 22, 1998). In her memoir, Fernández Meijide notes that many of the 1999 campaign’s rallies used UCR symbols in addition to – or instead of – Alianza symbols (Fernández Meijide 2007: 145-6). Indeed, various officials from the administration affirmed that it was viewed as a Radical administration (Andrés Delich, personal interview, November 11, 2009; José Luis Machinea, personal interview, November 20, 2009; Graciela Fernández Meijide, personal interview, November 23, 2009).

63 The justification offered by the administration was that the federal government’s fiscal situation was worse than previously thought. Clarín, May 12, 2000.
66 La Nación, October 1, 2000.
protest, Álvarez announced his resignation during the swearing-in ceremony for the new cabinet members. Although FREPASO remained in the Alianza, Álvarez denounced the administration and days later discussed “forming a new social movement independent of FREPASO and the parties.”

While FREPASO congressional leaders assured the public that the Alianza remained intact, conflicts between the two parties continued to escalate, and new conflicts within the UCR began to emerge. By early 2001, the economic situation was worsening and Argentina could not meet the conditions set in its agreements with the IMF. After a brief conflict between De la Rúa and Machinea in March, the Minister of the Economy resigned. Without consulting his Alianza partners, De la Rúa appointed Ricardo López Murphy, who had been serving as Minister of Defense, to replace Machinea. López Murphy, a longtime Radical and staunch neoliberal, immediately announced a new and deeper set of austerity measures, including deep cuts in education, a pillar of the Alianza’s electoral platform. López Murphy’s plan precipitated criticism not only from FREPASO but from De la Rúa’s own UCR; three Radical cabinet members resigned from the administration in protest. Soon Alfonsín, who had returned to the leadership of the UCR, added his criticism, announcing the Radical party’s rejection of the López Murphy’s appointment.

De la Rúa was forced to reshuffle his cabinet yet again. Hoping to shore up his economic policy with international prestige, De la Rúa appointed Cavallo, the architect of Menem’s economic reforms, to replace López Murphy. The president had apparently decided that he could not govern with FREPASO and decided to rely instead on Cavallo and his backers in the PJ.

Again the reaction from FREPASO and the UCR was swift. Party leaders spoke out against the administration with unrestrained vehemence. To contain the fiscal and debt crisis, Cavallo sought emergency powers from Congress, just as he had in the 1990s. The powers were conferred with Peronist

---

68 *La Nación*, October 7, 2000; October 12, 2000. *Página 12*, August 6, 2000. Álvarez’s resignation was apparently celebrated within the administration (Novaro 2009: 587). A few months later, in May 2001, Álvarez also resigned from FREPASO.


73 *Clarín*, March 6, 2001.


75 *La Nación*, July 16, 2001. Administration officials had apparently expressed to reporters their willingness to govern without FREPASO (*Clarín*, March 18, 2001).

support; the administration’s own coalition parties opposed them. One prominent UCR Deputy, Elisa Carrió, denounced fellow Radicals who voted for the bill as “traitors,” and more than half of the FREPASO legislators voted against the measure.77 Days later, Carrió announced she was leaving the UCR to form a new party, the Alternative for a Republic of Equals (Alternativa por una República de Iguales, ARI).78 By August 2001, a newspaper column headline read, “An Administration Without a Party and With Few Friends.”79

The Radical party brand had become so diluted that politicians now preferred to form their own parties. As Fernando Melillo, at the time a FREPASO Deputy, told me, “What did it mean to be Radical? Radical like De la Rúa? Like Alfonsín? Like López Murphy, who was saying the exact opposite of Alfonsín?”80 In the ensuing months, other FREPASO and UCR politicians, including Melillo, followed Carrió’s lead, some joining the ARI.81 The infighting among UCR party leaders led to the headline “Everyone against everyone.”82 Following the Alianza’s major defeats in the October 2001 legislative elections,83 the last FREPASO cabinet member tendered his resignation.84 In March 2002, López Murphy also defected from the UCR to form his own party, Recreate for Growth.85

With the credibility of the De la Rúa administration in decline, economic uncertainty soared. International creditors began to speculate that the pegged exchange rate was unsustainable and massive withdrawals in late November 2001 led to a liquidity crisis. In response, De la Rúa froze bank deposits and imposed exchange controls by presidential decree. Now unable to access their bank accounts, Argentines took to the streets. After days of riots and looting, De la Rúa declared a state of siege on December 19. The next day, Cavalló and the rest of the administration’s cabinet resigned. De la Rúa himself resigned on December 21, boarding a helicopter on the roof of the presidential residence in Olivos.

---

77 La Nación, March 26, 2001. Carrió had spent a great deal of time on the campaign trail with De la Rúa during the 1998 primary, hoping to become his running-mate (La Nación, November 26, 1998).
80 Personal interview, November 18, 2009.
81 La Nación, October 5, 2001; October 18, 2001; October 25, 2001.
82 La Nación, October 18, 2001.
83 The Alianza received five million fewer votes than in 1999, a 24 percentage-point decline.
84 La Nación, October 21, 2001. This was Juan Pablo Cafiero, the PJ leader’s son who had defected from that party as part of the Group of Eight.
85 La Nación, March 27, 2002. López Murphy noted that his decision was based in part on the failure of the UCR to support the De la Rúa administration.
7.2 Crisis and Convergence

The appointment of Cavallo, a figure so closely associated with the Menem administration and a longtime Peronist, to the cabinet of a Radical president signalled the return of Peronist-Radical convergence. Cavallo’s appointment was the result of both the conflicts within the ruling Alianza and the deepening economic crisis. For the remainder of 2001, the De la Rúa administration governed with some Radical and some Peronist support, relying increasingly on Peronist governors.

The De la Rúa administration’s reliance on Cavallo and Peronist support lasted only nine months. After the Alianza’s devastating losses in the October legislative election, few elites from any party wished to be associated with the deeply unpopular administration. With De la Rúa’s resignation, the PJ-controlled Congress was forced to choose his successor (Mustapic 2005). After some false starts, Congress selected Duhalde, the former vice president who had lost the 1999 election to De la Rúa. His selection received the support of the PJ, UCR, and FREPASO.

Upon taking office, Duhalde called for a government of national unity and negotiated with both Peronist and Radical governors, promising not to run in the 2003 elections. Two Radicals and one FREPASO leader joined Duhalde’s cabinet. And both the UCR and FREPASO supported granting Duhalde emergency decree powers. During his 17 months in office, Duhalde also relied on Radical and FREPASO support in Congress. The remaining FREPASO Deputies went so far as to join the administration’s majority legislative bloc. In January 2002, Duhalde unpegged the exchange rate, plunging Argentina into an economic depression. Protests continued for weeks and a weakened Duhalde finally called for early elections.

7.3 Partisanship and the 2003 Election

Although the economy began to recover in late 2002, Argentina’s political parties were in disarray. The PJ was due to hold primary elections when former president Menem declared his candidacy. Fearful that Menem might capture the nomination, Duhalde convinced the party to run multiple candidates in the

---

86 The vice president would have been first in the line of succession, but De la Rúa had not replaced Álvarez.
87 See Clarín, May 19-20, 2002.
88 La Nación, January 5, 2002.
89 La Nación, January 2, 2002. A further faction of FREPASO, led by Aníbal Ibarra, the Chief of Government of the city of Buenos Aires, opposed the party’s support for the administration and broke away (Abal Medina 2009).
general election. In addition to Menem, former interim president Adolfo Rodríguez Saá and Duhalde-backed Santa Cruz governor Néstor Kirchner also ran as Peronist candidates. FREPASO, much diminished by the defection of many of its officials, chose neither to contest the 2003 election nor to support any candidate in the presidential race. The UCR, itself severely weakened by prominent defections, nominated one of its older party leaders, Leopoldo Moreau. Former Radicals Carrió and López Murphy both entered the presidential race under their newly minted parties.

The inconsistencies and conflicts within the Alianza administration diluted the Radical brand dramatically, and party attachments to the Radicals had all but disappeared (Lupu 2011b). At the same time, perceptions of incumbent performance were also dismal. By 2003, the party of the incumbent was the Peronist party, although voters almost unanimously blamed the Radicals for the economic crisis. In a November 2001 survey, less than three percent of respondents said the De la Rúa administration was managing things “well” or “very well,” 20 percent responded “neither well nor poorly,” and 77 percent said the administration was managing things poorly. At the same time, the performance of Duhalde was mixed. While the economy had begun to improve in the months leading up to the election, and the administration had managed to enact some social policies to help the unemployed, evaluations of his performance were understandably more ambivalent. In a March 2003 survey, 32 percent of respondents thought Duhalde’s performance had been good, 43 percent thought it was neither good nor bad, and 22 percent thought it was bad.

In the event, Menem attracted nearly a quarter of the vote, with Kirchner closely following in second place with 22%. Since no candidate passed the 45-percent threshold, the two were set to face each other in a second round of voting. But polls predicted a landslide victory for Kirchner and Menem’s supporters quickly began to distance themselves from the former president. Two weeks after the first round of voting, Menem decided to save face and drop out of the second round, making Kirchner the winner by default.

The most striking result of the 2003 election was the dismal showing by Moreau, the Radical

---

90 Author’s calculations from a national survey of 1,200 adults conducted by Mora y Araujo & Associates. The question asked, “How do you believe the national government is managing things?” One might prefer a similar question asked closer to the 2003 election, but polls by that time no longer included such evaluations. Polling experts expected responses at that time to be almost unanimous since, if anything, opinions of the De la Rúa administration could only have worsened after the president’s resignation and the subsequent deepening of the economic crisis (Eduardo Fidanza, personal interview, November 19, 2009).

91 Author’s calculations from a national survey of 1,000 adults conducted by Carlos Fara & Associates. The question asked, “What is your opinion of the performance of president Duhalde?”
candidate. With his party blamed for disastrous performance in office and with no partisan base, his candidacy was doomed. A party that only four years earlier had garnered 48 percent of the vote had been reduced to a mere two percent. The 2003 election thus dealt the death blow to the Radical party, which has remained uncompetitive at the national level since then.92

The Alianza administration was thus a dismal failure, ending in economic crisis and the ignominious resignation of president De la Rúa. As a consequence of the crisis and the fragility of the coalition government, it was also an administration riddled with intraparty conflict. The result was an erosion of the Radical party brand and the breakdown of the party. The combination of having lost its stalwart partisan base and the party’s poor performance in office led to its mass rejection by voters at the polls. And the anticipated rejection by voters led to defections by party elites. The Argentine party system had gone from a remarkably stable two-party system to a fragmented system of competing personalities with no clear party brands. Even the Peronist party, which muddled through its own brand’s dilution during the economic crisis, would need to reconstruct its brand to recover the level of partisan attachments and internal cohesion it had once enjoyed.

8 Brand Dilution with Bad Performance: AD/COPEI, 1998

Two parties dominated Venezuelan elections for much of its democratic experience. Democratic Action (Acción Democrática, AD) was founded in 1941 to mobilize mass opposition to the military regime. The party always saw itself as a multiclass organization even as it developed close ties with organized labor and, at times, the rural peasantry. Scholars have often classified AD, along with Argentina’s Peronists, as a labor-based, populist party (Roberts 2002), although its leaders often classified themselves as social-democratic. The Independent Political Electoral Organizing Committee (Comité de Organización Política Electoral Independiente, COPEI) was founded in 1946 by outspoken Catholic critics of Betancourt. The party’s support was based in the conservative and religious Andean states of Venezuela,

92 Another striking facet of the 2003 election is the lack of an anti-establishment vote. Several million Argentines had cast blank or null ballots in the 2001 legislative elections (Escolar et al. 2002) and chants of “kick them all out!” (“¡que se vayan todos!”) echoed through the 2001-2 street protests. One might have expected these events to signal widespread anti-establishment sentiment, a phenomenon that some scholars have suggested as an alternative explanation for party breakdown. But in fact none of the six top candidates in 2003 were anti-establishment candidates. The top two were a former president and a three-term governor. It seems implausible, therefore, that anti-establishment sentiment can account for the massive abandonment of the Radical party.
the same region that produced the country’s military dictators. Its adherents considered COPEI a Christian-democratic party.

The rise of oil prices and nationalization of the oil industry in the 1970s blurred some of the social cleavages that had divided supporters of AD and COPEI until then (Baloyra and Martz 1979; Myers 1998, 1986). Flush with oil rents, the parties incorporated organized interests through systems of patronage, subsuming nearly every aspect of political interaction to the party hierarchy in what Coppedge (1994) called partyarchy. But while the two parties dominated Venezuelan politics, intense interparty rivalries persisted and differences between the parties remained salient for many Venezuelans (Ellner 1984). Although both became catchall mass parties, AD drew greater support from the rural poor and labor, while COPEI attracted more urban and middle-class voters. Venezuelans continued to perceive meaningful differences between the parties (Lupu 2011b). In July 1983, 44.3 percent of Venezuelans identified with AD while 26.7 percent identified with COPEI.  

By 1998, both AD and COPEI had so thoroughly diluted their brands that very few Venezuelans identified with these established parties. Renewed economic crises, fear of new threats to democratic stability, and the necessity of legislative coalition-building led the parties to converge to the point of near-total indistinguishability. AD lent its support to the policies of the administration of Rafael Caldera, itself not formally associated with COPEI but widely viewed as a COPEI administration. Moreover, as the 1998 presidential election approached, the prospect of a victory for the former coup plotter Chávez grew. This new threat to Venezuelan democracy led AD and COPEI leaders to again converge in repeated, and ultimately failed, attempts to avoid Chávez’s election.

The result of this convergence was a decline in partisanship for both parties. In addition, the bad performance and unpopularity of the Caldera administration, associated as it was with both parties, led voters away from these established parties and toward independent candidates. With no significant partisan bases on which to fall back, poor performance led to the breakdown of both AD and COPEI with the 1998 presidential election. Both parties, once praised and then criticized for their stability and dominance of Venezuelan elections, subsequently became irrelevant in national politics.

---

93 Author’s calculations from a national survey of 2,298 adults conducted by Gallup International.
8.1 Coalition Government in Crisis: AD-COPEI Convergence

Caldera, the founder of COPEI and a former president, had been elected in 1993 under a coalition of small parties, including the Movement Toward Socialism (Movimiento al Socialismo, MAS), a party formed in 1971 by former leftist guerrillas. Despite his popularity at the time, Caldera determined that he could not win a COPEI primary and chose instead to form a new party, Convergencia. In fact, Convergencia was itself a coalition of dissidents from AD and COPEI. Caldera’s cabinet thus included prominent elites formerly associated with AD or COPEI. And it was difficult to dissociate Caldera entirely from COPEI, the party he founded. Indeed, Caldera spent much of the campaign reminding his supporters that casting the green ballot associated with COPEI would not mean voting for him. And COPEI leaders were concerned throughout the administration to remind voters that the Caldera administration was not associated with their party. As one prominent COPEI Deputy told me, “The people thought it was a COPEI administration and that its problems were internal problems with Caldera.”

Caldera also entered office from a weak position, having won merely a third of the popular vote. His party held a mere 13 percent of the seats in the Chamber of Deputies, with his coalition partner MAS holding another 12 percent. Indeed, no single party held anywhere near a congressional majority. The president was further weakened only days after taking office by a banking crisis. On January 7, 1994, Banco Latino, one of the largest commercial banks in Venezuela, declared bankruptcy, sparking a run on the currency and forcing a devaluation. Caldera provided government assistance to the bank, but as more banks became vulnerable and required assistance concern grew about the government’s solvency. By mid-1994, with inflationary pressures growing, Caldera was forced to impose price and financial controls. The financial crisis and inflation became the central concerns of his administration.

Caldera opted not to formalize an alliance with AD or COPEI at the outset, but to make alliances on an ad hoc basis. In the end, however, the administration formed a quasi-coalition government with AD. Following the Banco Latino crisis, it was AD that proposed delegating decree authority to the president through an Enabling Law. At the same time, both AD and COPEI criticized Caldera’s crisis-driven

---

94 Venezuelan voters were accustomed to using color-coded party ballots to cast their votes for president. White ballots were associated with AD, while green ones were associated with COPEI. News reports after the election suggested that many voters who cast their ballots for Álvaro Paz had intended to vote for Caldera (El Nacional, December 6-7, 1993). Caldera had spent the campaign referring to Álvaro Paz as “the official candidate of COPEI” (El Nacional, November 4, 1993) and calling himself “the true copeyano” (El Nacional, November 20, 1993).

95 Personal interviews with Oswaldo Álvaro Paz (January 20, 2010) and Eduardo Fernández (January 25, 2010).

96 Nelson Chitty La Roche, personal interview, January 19, 2010.
suspension of economic guarantees, triggering a standoff between Congress and the president until AD backed down. In time, AD came to be an unofficial member of Caldera’s coalition administration. In 1995, AD supported a series of laws granting the executive economic powers and then voted against congressional efforts to censure two members of Caldera’s administration. In return, Caldera supported judicial nominations made by AD and preserved the positions of AD-appointees in the bureaucracy (Ellner 1996). As Lepage put it, “[AD secretary-general] Alfaro practically co-governed with Caldera.”

The ever-closer alliance between AD and Caldera became a growing threat to his other coalition partner, MAS. In response, MAS began to form alliances with the other congressional parties, COPEI and LCR. The result, by the midpoint of the Caldera administration, was a dizzying spectrum of interparty alliances. A non-COPEI administration with COPEI’s founder as president had established an informal alliance with AD, while his formal partner MAS was making deals with COPEI. One AD Deputy characterized the period with a baseball analogy: “One day your jacket says Yankees, but then you see the other guy is winning and suddenly your jacket says Red Sox... That is the signal AD and COPEI sent.”

Caldera’s need for allies became even more acute as the economic situation deteriorated. By early 1996, annual inflation reached 60 percent and unemployment was at 15 percent. In April 1996, Caldera announced an economic adjustment program, dubbed *Agenda Venezuela*. The program called for liberalizing the exchange rate, lifting some price controls, privatizing some state-owned enterprises, restarting negotiations with the IMF, and reopening the oil sector to private investment. The change in economic policy led MAS to abandon the administration, leaving Caldera even weaker politically.

The economic crisis also stoked fears of social unrest and democratic instability. In an April 1996 survey, 64 percent of respondents thought there was imminent danger of rioting on the scale of the *Caracazo* and 50 percent thought there was imminent danger of a military coup. The fear of unrest and instability also affected party elites, who sought to shore up support for the administration. AD, having ousted its own president for pursuing a similar set of policies in 1992 (Lupu 2011b), now backed Caldera’s efforts. Its members in Congress voted to allocate resources to a debt-rescue fund and a financial bailout

---

97 *El Nacional*, May 23, 1995; March 27, 1996.
98 Personal interview, January 28, 2010.
100 Luis Emilio Rondón, personal interview, January 14, 2010.
101 Author’s calculations from a survey of 500 adults in Caracas conducted by Consultores 21.
fund, and voted for the privatization of the steel enterprise Sidor. As one AD leader told me, “we sustained the administration in order to save the democratic regime.” COPEI also supported the new economic reform program in Congress, and Caldera approached one of its leaders, Eduardo Fernández, about joining his cabinet. In an attempt to form a kind of unity government, the president even sought to incorporate the leaders of the February 4, 1992 coup attempt he had pardoned in 1994, including Francisco Arias Cárdenas and Chávez himself.

8.2 Partisanship and the 1998 Election

In 1998, the year of the presidential election, the economy contracted again. In April of that year, Hugo Chávez, the pardoned leader of an attempted 1992 coup, announced his candidacy for the presidency and formed a new political party, the Fifth Republic Movement (Movimiento V República, MVR). Elites from both AD and COPEI felt threatened not only by Chávez’s popularity, but also by his anti-democratic credentials as the leader of an attempted coup and his calls for rewriting the Venezuelan constitution. But their attempts to stem a Chávez victory only further demonstrated their convergence.

AD nominated its secretary-general, the aging Luis Alfaro Ucero, who had the endorsement of Caldera. Attempting to put forward a fresh face, COPEI endorsed Irene Sáez, the popular mayor of the Chacao municipality of Caracas and a former Miss Universe who had formed her own party. They also faced Henrique Salas Römer, the rightwing governor of Carabobo who had left COPEI in the early 1990s and in 1997 founded a national vehicle, Project Venezuela. As the campaign progressed, it became clear that neither Alfaro Ucero nor Sáez were very competitive and party elites worried about negative coattails effects hurting their chances in concurrent presidential, legislative, and gubernatorial elections. In May 1998, Congress approved a measure with AD, COPEI, and Convergencia support to move the presidential election to December, keeping the legislative and gubernatorial vote a month earlier. In the weeks leading up to the November balloting, news media began reporting talks between AD and COPEI about shoring up

---

104 El Nacional, December 24, 2009. Caldera had pardoned the jailed plotters of both the 1992 coups in early 1994 in an apparent attempt to both appeal to public opinion and appease military leaders.
106 In fact, Sáez’s party had already negotiated a series of alliances with AD in gubernatorial and mayoral races. Both AD and COPEI considered endorsing her presidential run in early 1998, when she led in the polls.
support by having one party abandoning its candidate and supporting the other’s. After suffering significant losses in those elections, both parties abandoned their own candidates and backed Salas Römer in a final gambit to avert a Chávez victory.

AD and COPEI had consigned themselves to near-total convergence. Indeed, in a November 1998 survey, respondents on average placed AD at 6.47 and COPEI at 6.51 on average on a 10-point left-right spectrum. My theoretical expectation is that this convergence should have led to a dramatic erosion of partisan attachment to AD and COPEI. The two parties seemed to be governing in coalition during the Caldera administration, a tacit alliance that made them seem indistinguishable. Similarly, in the run up to the 1998 election, the two parties very overtly cooperated to forestall a Chávez victory that they perceived as a threat to democracy. This too suggested to voters that Venezuela’s two traditional parties had converged. Aggregate partisanship figures indeed bear out the expectation that this convergence was associated with declining partisanship for both parties (Lupu 2011b). By the time of the 1998 election, only a small proportion of Venezuelan still identified with AD or COPEI.

Going into the 1998 election, Venezuela’s economic situation was again precarious. The Caldera administrations reform package had relied on stable oil prices providing government revenue. But oil prices began to decline in late 1997. In a survey taken between the November congressional and December presidential elections, only 3.9 percent of respondents thought the state of the country had improved in the prior year. Only 26.2 percent of respondents had a positive evaluation of the Caldera administration’s performance, and 25.6 percent evaluated positively the administration’s economic policies. Formally, of course, none of the parties that might be considered incumbents – Convergencia, AD, and COPEI – had their own presidential candidates in 1998. But this was because all three parties realized that negative retrospective evaluations and partisan erosion had ruled out anything close to victory for their candidates.

Despite the last-ditch efforts of the parties, Chávez won the December 1998 election with 56

---

107 Author’s calculation based on a national survey of 1,500 adults conducted by Datos. The question asked, “In politics, people talk about ‘left’ and ‘right’... Where is AD, in the center, on the left, or on the right? And COPEI?” The difference between these means is not statistically significant ($p < 0.846$).

108 Author’s calculation based on a national survey of 1,500 adults conducted by Datos. The general evaluation question asked, “In general terms, would you say that the situation in the country is better, the same, or worse than a year ago?” The administration evaluation question was worded, “Please tell us your opinion of the Caldera administration - has it been very bad, bad, good, or very good?” The question evaluating the administration’s economic policies asked, “What do you think of the economic policies of the current administration? Would you see the economic policies have been very good, good, bad, or very bad?"
percent of the vote, easily defeating Salas Römer’s 40 percent.\textsuperscript{109} Sáez attracted a mere 2.8 percent and Alfaro Ucero a stunning 0.4 percent. The results dealt a fatal blow to AD and COPEI, which never recovered their competitiveness in national elections. The strong established parties of Venezuelan democracy, once seen as examples for the rest of the region, had become irrelevant.

9 Discussion and Conclusions

Since the mid-1990s, fully one third of the established, nationally competitive political parties in Latin America have broken down. Within a single electoral cycle, they became electorally irrelevant for at least the medium term, and often longer. Surprisingly, these breakdowns have not been associated with major shifts in underlying social cleavages or their political salience, nor with changes in electoral rules.

Although the conventional wisdom among observers of Latin American politics has attributed party breakdowns to bad incumbent performance, this explanation overpredicts breakdown. Instead, I have offered a new explanation of party breakdown, one that also seeks to explain the erosion of partisanship that precedes these surprising events. I argued that party breakdown results from the interaction of two key variables: party-brand dilution and bad performance. Parties across the region engaged in policies and alliances that diluted their brands and eroded the ranks of stable partisans who identified with them. Brand dilution made parties more susceptible to retrospective voting and, when combined with poor performance by the party in office, led to the mass electoral rejection that constitutes the party’s breakdown.

Tracing the four party-election cases from Argentina and Venezuela demonstrated the processes of brand maintenance and brand dilution by the established parties in each system. In Argentina, we saw how Radicals and Peronists maintained their party brands in the 1980s but diluted them in the early 1990s. We also saw how the Radical party again diluted its brand in the early 2000s. Similarly, the case of the 1994-8 Caldera administration in Venezuela showed how AD and COPEI similarly diluted their party brands. In all three cases, this brand dilution was associated with the erosion of partisan attachments.

My theory of party breakdown posited that the interaction of brand dilution and poor performance is sufficient for party breakdown, but that individually these variables do not cause breakdowns. We have seen that the two key variables were both present in the cases of the Radicals in 2003 and AD/COPEI in

\textsuperscript{109} Salas Römer attributes his defeat in part to the last-minute endorsements of the unpopular AD and COPEI (personal interview, January 27, 2010).
1998, in which the parties broke down. The other two cases, the Radicals in 1989 and the Peronists in 1995, offer useful “off-diagonal” comparisons that control for potential confounding factors. Comparing the Radicals in 1989 and 2003 suggests that bad incumbent performance alone is not a sufficient condition for party breakdown. The same party had performed dismally in office and was widely seen to have failed. The institutional features of the party had not changed in that time, nor had the institutional and structural context changed significantly. But party breakdown resulted only in the latter case.

It is plausible that a crucial factor in the demise of the Radicals in 2003 was a “history effect” (Campbell and Stanley 1963). That is, voters punished the Radicals particularly severely because De la Rúa’s economic failure built upon Alfonsín’s bad performance in 1989. The prior performance of the Radicals no doubt played a role in some voters’ minds in 2003. But there are at least three reasons to doubt this as a sufficient condition for breakdown. First, a history effect would fail to account for the decline in partisanship for both the Radicals and the Peronists in the 1990s and early 2000s. Moreover, such a history effect cannot explain the breakdown of AD and COPEI in Venezuela. Finally, there is empirical reason to doubt the unanimity of voters’ memories of the Alfonsín administration in the early 2000s: in an April 1999 survey, only 29 percent of respondents felt negatively about Alfonsín. In fact, it was the older respondents who felt most positively about him, even though they had lived through the 1989 crisis.¹¹⁰

The comparison of the Peronists in 1995 to the Radicals in 2003 suggests that brand dilution alone is not a sufficient condition for party breakdown. The two parties do have some dissimilarities. The Peronists’ constituents are traditionally poorer and it has stronger links to organized labor. One might expect a less-informed constituency and labor ties to dampen the effects of brand dilution on partisan erosion. But this does not seem to have been the case. Instead, positive retrospective evaluations became far more determinant of the Peronist vote in 1995 than partisanship. Hence bad incumbent performance is the crucial variable that differentiates the two cases. Moreover, system-level variables like institutional change and resource depletion fail to explain the breakdown of the Radicals while the Peronist party survived.

The breakdowns of AD/COPEI in 1998 and the Argentine Radical party in 2003 suggest that differences between these cases cannot be sufficient conditions for party breakdown in general. Unlike Venezuela, Argentina did not decentralize political power during the 1990s. Nor did it change its electoral

¹¹⁰ Author’s calculations from a national survey of 1,389 adults conducted by Romer & Associates. The question asked, “What is your opinion of the following individuals who have occupied, are occupying, or may occupy important positions in Argentine politics? Is your opinion of Raúl Alfonsín very good, good, neither good nor bad, bad, or very bad?”.
rules significantly. This suggests that neither factor was determinative of the breakdowns across both countries.

The four case studies in Argentina and Venezuela and their comparison thus proved consistent with my theoretical expectations. The individual cases allowed me to test for the association hypothesized by my branding theory of partisanship between inconsistency or convergence and aggregate partisan erosion. Individual-level data from the cases also bore out other theoretical expectations about the electoral tradeoffs between partisanship and retrospective evaluations. Matched case comparisons, both within and across countries, allowed me to further test my theory of party breakdown, and the sufficiency conditions associated with its key interactive hypothesis, while holding constant possible confounding factors and variables highlighted by alternative explanations. These analyses have provided strong support for my theory of party branding and its implications at both the individual and aggregate levels.

The pattern of party breakdowns in Latin America and its implications raise concerns for the region’s democracies. Parties that have broken down are unlikely to be able to return to electoral competitiveness in the medium term, or at all. Generally, the breakdown of an established political party has led to the fragmentation of the party system, with new parties emerging largely as electoral vehicles for particular, already-prominent politicians. Voters have no priors about these new parties, and therefore very little credible information about the kinds of policies they support. An environment in which party brands are all but meaningless may also be self-reinforcing: if politicians are not at all bound by party labels, they may be freer to regularly change positions or alliances.

This study thus highlighted that partisanship, political parties, and partisan conflict are fundamental features of democratic politics. It is routine and facile to deride the unseemliness of partisan politics, the clubbiness of organized parties, and the thoughtlessness of mass partisanship. Yet, it is because political parties play crucial roles in facilitating democratic representation and accountability that the erosion of partisanship and party breakdown pose not only a theoretical puzzle for political science but also a threat to the quality of Latin American democracies. The fragmentation of party systems, emergence of unknown and, at times antidemocratic politicians, and ideological vacuousness that characterizes most post-breakdown democracies in Latin America should serve as a warning. There is surely much for democrats to dislike about political parties that are too strong and polarized and partisanship that is too stable; but democrats ought also beware the perverse effects of weak parties, partisan convergence, and widespread partisan independence.
References


Mahoney, James. 2007. “Qualitative Methodology and Comparative Politics.” *Comparative Political Studies* 40 (2): 122-144.


