



SPECIAL REPORT

2014 Political Balance, towards a change in the electoral cycle of Latin America?

Madrid, January 2015

 LLORENTE & CUENCA

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LLORENTE & CUENCA

1. INTRODUCTION

2014 has been a very intense year in Latin America. Seven electoral processes have taken place and they have brought important changes and developments to the regional political scene. The presidential elections held in Costa Rica, El Salvador, Panamá and Colombia during the first half of the year, and in Brazil, Bolivia and Uruguay during the second half of the year, have opened the door to a new political and electoral era. An era that emerges in a different economic context (the region has entered a phase of economic slowdown) and in a different social context (there was an increase in social unrest, protests and demonstrations).

This new political and electoral era is marked by heterogeneity, volatility and difficulty regarding certain political parties and their ability to keep their hegemony and leadership in the political scene. So far, these parties seemed unbeatable in the polls, because they won with relative ease and by a wide margin. Latin America is characterized by its heterogeneity and this has been reflected once again in 2014, thanks to the victories of right-wing candidates (Juan Carlos Varela in Panama), centrist candidates (Juan Manuel Santos in Colombia), center-left candidates (Luis Guillermo Solís in Costa Rica, Dilma Rousseff in Brazil and Tabaré Vázquez in Uruguay), and left candidates (Salvador Sánchez Cerén in El Salvador or Evo Morales in Bolivia).

In Latin America, in 2014, re-election and continuity have become the biggest challenge for the ruling governments, due to vote volatility. This is a major change and contrasts with what happened a few years ago in that region (re-election of Hugo Chávez and Dominican PLD in 2012, Rafael Correa and the "chavismo" with Nicolás Maduro in 2013). During the first half of 2014, the party of Ricardo Martinelli in Panama and the PLN in Costa Rica lost the power, whereas the candidate of the FMLN in El Salvador ensured his continuation in office. However, it was a close victory: he won with a difference of 6,000 votes against ARENA. In Colombia, Juan Manuel Santos could not win the first round (he was the second most voted candidate) and undergone untold suffering to win the re-election in the second round. In Brazil, the changes regarding electoral trends were very frequent. One week before the elections were held, the electoral surveys predicted a duel between Dilma Rousseff and Marina Silva in the second round, but in the end the duel was between Dilma Rousseff and Aécio Neves.

“The emerging middle-class has started to mobilize in order to demand better public services, a real commitment in the fight against corruption and more public safety”

Volatility and heterogeneity are a consequence, among other factors, of the current situation in Latin America. A situation marked by the economic slowdown (the region will have had a 2.5% growth in 2014 after having a 4% growth in previous years). This slowdown is a consequence of both the Chinese slower economic growth and the international economic difficulties. The slowdown raises the risk of social unrest in the region: the emerging middle-class has started to mobilize in order to demand better public services, a real commitment in the fight against corruption and more public safety. As the political scientist Daniel Zovatto points out, "victories of incumbent governments, especially in the context of consecutive re-elections, will no longer be as easy and infallible as in the recent past, even if they maintain their predominance. This is the reason why a second round and, even the risk of losing, have become more frequent, as happened with the re-election of Santos in Colombia and in the slim victory of government candidate Sánchez Cerén in El Salvador."

2. HETEROGENEITY, CHANGE AND CONTINUITY IN THE 2014 ELECTIONS

Heterogeneity, volatility and the duel between change and continuity have been the key factors of the 2014 elections in Latin America. These cornerstones have characterized the elections during the first and second half of the year.

The Central American heterogeneous electoral processes

Central America started the 2014 election processes in Latin America. Costa Rica, El Salvador and Panama were the first countries that held elections, between February and May. The first round in Costa Rica and in El Salvador took place on February 2. A second round was needed in both cases, and it took place on March 9 in El Salvador and on April 6 in Costa Rica. A month later, on May 4, Panama conducted its elections.

The duel between change and continuity which characterized the 2014 electoral processes was very present in Costa Rica, El Salvador and Panama. So far, the electorate (especially the emerging middle-class) apparently preferred the ruling governments and preserving the social and economic progresses obtained during the golden decade (2003-2013). However, in this new context, the situation is now beginning to change, because social changes have had an impact on the political scene. As the expert Patricio Navia points out for the Chilean case (although his point of view can be applied to the whole of Latin America). *"In a country where the middle-class is now larger and more powerful than ever before, both the elites and the popular sectors have lost relative weight [...] elites feel threatened by the arrival of a middle-class that wants to better distribute the power. As former President*

COSTA RICA	February 2 (first round)
EL SALVADOR	March 9 (second round)
COSTA RICA	April 6 (second round)
PANAMA	May 4

Source: Prepared by the authors

“The electorate, with a middle-class profile, did not wanted the continuity of the Arias-Chinchilla governments (2006-2014)”

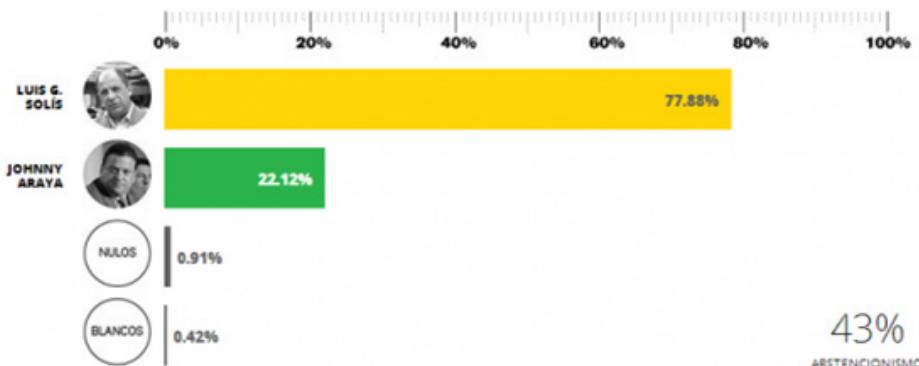
Piñera painfully discovered in 2011, if La Moneda alienates the growing middle-class, the political costs are much more important than if it ignores the popular sectors.”

Be that as it may, it is exactly what happened in Costa Rica, were parties such as the Citizen's Action Party (PAC) and, to a lesser extent, the Broad Front, grew significantly. They presented their pro-change proposals as an alternative to the continuity agenda of the National Liberation Party (PLN), in power since 2006. The candidate Luis Guillermo Solís, from the center-left party PAC, with 30.64% of the votes, and the candidate of the ruling party Johnny Araya, from the PLN, with 29.71%, were the most voted candidates in the first round. The left candidate from the Broad Front, José María Villalta, came in third place with 17% of the votes. Otto Guevara, from the right-wing Libertarian Movement, won 11% of the votes. After the second round, Solís, a 53 years old teacher,

won the elections, ending the eight years' hegemony of the PLN (governments of Óscar Arias and Laura Chinchilla between 2006 and 2014). Solís won 77.88% of the votes while its opponent, the candidate of the PLN Jhonny Araya, won 22.12% of the votes, with an abstention of 43% (the highest in the last 60 years). The second round had unprecedented characteristics: Araya choose not to campaign (although he maintained his candidacy because the Constitution does not allow the withdrawal of a candidacy), after several electoral surveys predicted his limited possibilities of winning the elections.

Araya and his continuity agenda were superseded by the heterogeneous vote in favor of change, represented not only by the social democrat Solís (30%), but also by the left party Broad Front (17%) and the neoliberal Libertarian Movement (11%). They all had different ideological stances, but they all wanted to end the dominance of the PLN. The electorate, with a middle-class profile, did not wanted the continuity of the Arias-Chinchilla governments (2006-2014), as the governments of the PLN neither responded nor adapted to the new agenda put forth by this emerging electorate. An agenda which focuses on improving public services and creating an administration more agile and less corrupted.

Salvador Sánchez, the pro-continuity candidate from the left party FMLN in El Salvador, was the most voted candidate in the



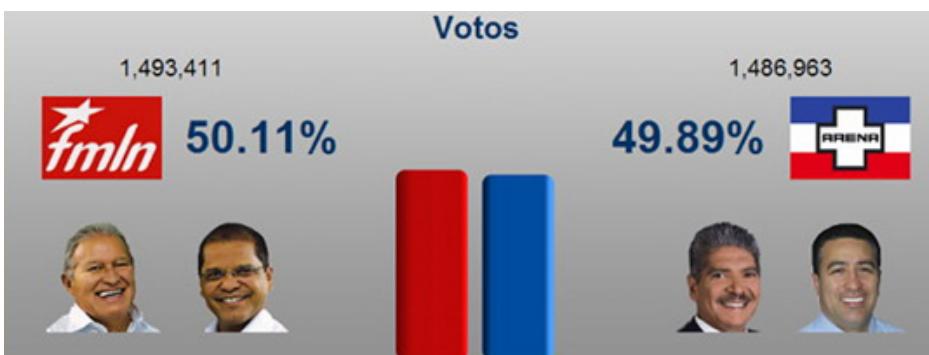
“In addition to heterogeneity, the region oscillates between change and continuity”

first round. However, a second round was needed because he did not win more than 50% of the votes (Sánchez Cerén won 48.9% of the votes and Norman Quijano, from the right-wing party ARENA, was 10 percentage points behind with 38.9% of the votes). The second round was held on March 9, and Sánchez Cerén won a very close race with a 0.22 points advantage (approximately 6,400 votes) over the candidate of ARENA. Quijano gathered the entire anti FMLN vote, such as the centre vote (they voted for the former President Tony Saca), and the right-wing vote –ARENA–. Both of them were against the continuity of the former guerrilla.

In this case, the historic political polarization existing in the country since the 80-90's (FMLN vs. ARENA) and the attrition of Mauricio Funes' government (caused mainly by the low economic growth of the country and the endless security problems) provoked this tight election victory. Another consequence was that the anti-communist vote supported the center-right candidacy of ARENA:

These elections, as well as the elections held in Panama on May 4 showed that Latin America and especially Central America are also extremely complex and very heterogeneous from a political point of view.

During the first five months of 2014, we have seen the victory of the left candidate (former guerrilla), Salvador Sánchez Cerén, in El Salvador; the victory of a candidate from the centre-left ("social-democrat") such as Luis Guillermo Solís in Costa Rica; and the rise of a right-wing party in Panama (Juan Carlos Varela was its presidential candidate). There were surprises in Panama, because according to the political surveys the favorite candidate was José Domingo Arias. He was supported by President Martinelli in a context of triple technical tie between Juan Carlos Varela from the Panamanian Party, Navarro (left-wing) and him. In the end, the victory was for Juan Carlos Varela, leader of the alliance between the opposition parties: the Panamanian Party (PPa) and the People's Party (PP). He won with a 7 percentage points' advantage (which was much more than expected) over the candidate of the government, José Domingo Arias (Democratic change and Nationalist Republican Democratic Movement) who won 31.39% of the votes, and with a 10 percentage points' advantage over Juan Carlos Navarro (Democratic Revolutionary Party), with 28.15% of the votes.



Source: El Diario de Hoy

In addition to heterogeneity, the region oscillates between change and continuity because there is an emerging middle-class that has

"The desire for a change was evident even where the continuity current has won"

grown in good times but now has a new agenda (it wants better public services, more safety and more substantial efforts in the fight against corruption).

El Salvador voted for continuity, and elected once again the FMLN (a party that reached power with Mauricio Funes in 2009). However, Costa Rica voted for a change and elected the PAC (a party with a little more of a decade of life that had never won the elections before). Panama also voted for a change. Nonetheless, in this case it was in order to return to power one of the most traditional and historic parties of the country

(the Panamanian or "*arnulfista*" party). A political party that came into power thanks to its legendary leader, Arnulfo Arias, in 1941, 1951 and 1968. After the return of democracy in 1989, it won the presidency in 1989, 1999 and now in 2014. Panama was a special case, as the Panamanian Party made an alliance with the party of Ricardo Martinelli, Democratic Change, for the 2009 elections (Varela was his Vice-President). However, the alliance only lasted until 2011.

Moreover, the desire for a change was evident even where the continuity current has won. A clear example of that was El Salvador: Sánchez Cerén only won with an advantage of 6,000 votes, and ARENA almost won against the FMLN. This was because in the second round against the FMLN, ARENA obtained 400,000 new votes, obtained from voters who voted for Tony Saca (Centre) in the first round. This explains why the right-wing party lost the elections with a difference of only 6,000 votes. During the first round, the difference between the two parties was 10 percentage points (48% vs. 38% in favor of Sánchez Cerén). However, in the second round, the results were much tighter (50.11% in favor of Sánchez Cerén and 49.89% in favor of Norman Quijano). The results showed a very divided and polarized country.

The close election results in Colombia

In a similar vein, volatility (uncertainty and unpredictability of the results) was one of the most important characteristics of the

ELECTIONS	RESULTS
LEGISLATIVE ELECTIONS (MARCH 9)	Chamber: Party of the U 16.05% Liberal Party 14.13% Conservative Party 13.17% Democratic Center 9.47% Radical Change 7.74% Green Party 3.35% Democratic Pole 2.89%
FIRST ROUND OF THE PRESIDENTIAL ELECTIONS (MAY 27)	Senate: Party of the U 15.58% Democratic Center 14.29% Conservative Party 13.58% Liberal Party 12.22% Radical Change 6.96% Green Party 3.94% Democratic Pole 3.78%
SECOND ROUND OF THE PRESIDENTIAL ELECTIONS (JUNE 15)	Óscar Iván Zuluaga 29.25% Juan Manuel Santos 25.69% Marta Lucía Ramírez 15.52% Clara López 15.23% Enrique Peñalosa 8.3% Blank vote 5.99% Abstentionism 59.9%

"Surprisingly, the 'uribismo' won against Santos in the first round and forced the second round of elections"

Colombian elections held in May. It also was a key factor during the elections held in October in Brazil and Uruguay.

In Colombia, there were legislative elections in March, the first round of the presidential elections was held in May and the second round in June. There was a lot of unpredictability regarding the final results. They were published after half a year.

The Colombian presidential elections were very exciting and unpredictable: the results were surprising and tight. The "uribismo" (and its presidential candidate Óscar Iván Zuluaga) gradually grew stronger during the legislative elections in March. Then, in April, it became a very good option for the presidential elections of May. The movement took advantage of Juan Manuel Santos' stagnation in the political surveys, and overcame the other rivals of the President (especially the greens, led by Enrique Peñalosa).

Surprisingly, the "uribismo" won against Santos in the first round and forced the second round of elections:



Source: Semana

The second round was a very intense and tough duel, characterized by its unpredictability. It divided the country between those in favor of "uribismo" and those against it. President Santos was re-elected at a high political cost. What message did a 15 days campaign full of insults and accusations conveyed about Colombia? Basically, that the country was divided between "uribistas" and "antiuribistas." This was evident during the peace talks with the FARC. Moreover, in addition to the rivalry between Santos and Zuluaga, which was a political rivalry, there was a deep and personal animosity between the current President and the former President, Álvaro Uribe (who supported Zuluaga's candidacy).

Santos even described Uribe as a "far-right": *"his Democratic Center is basically the extreme-right, and converting into something I never imagined, a bunch of kids with black shirts trying to sabotage my campaign..."*

...and Uribe made harsh accusations against the President: *"In Ocaña they told me that the FARC and the coke were back in Catatumbo. Today, the African Palm is wilting and the coke has returned because President Santos has allowed the FARC to do so."*

The final difference of five points that granted Santos' victory was a consequence of a very important mobilization of the "santistas" in zones controlled by local leaders of the Liberal Party, especially in the Atlantic and Pacific coast.

"In Brazil, the results were conditioned by an electoral campaign full of surprises and divided in three phases during the first round"

Conversely, the urban vote, which demanded changes and transformations, largely voted for Zuluaga. It is worth stressing out that the alliance between Santos and the Left for the second round made some urban voters vote for the President:

The vicissitudes of the Brazilian elections

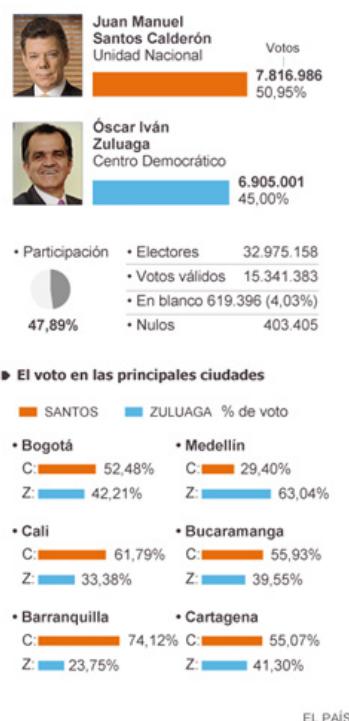
The same characteristics of the Colombian elections marked the Brazilian electoral process a few months later: uncertainty regarding the results, the government's loss of support, protest voting and disenchantment of the middle-classes.

In Brazil, the results were conditioned by an electoral

campaign full of surprises and divided in three phases during the first round. The phases were marked by uncertainty and constant changes regarding voting intention. The electoral campaign only started after the Brazil World Cup ended on July 11. The World Cup was extremely well organized, the demonstrations had little impact and the "canarinha" national team failed categorically (although the failure of the Brazilian national team did not affect the electoral campaign at all).

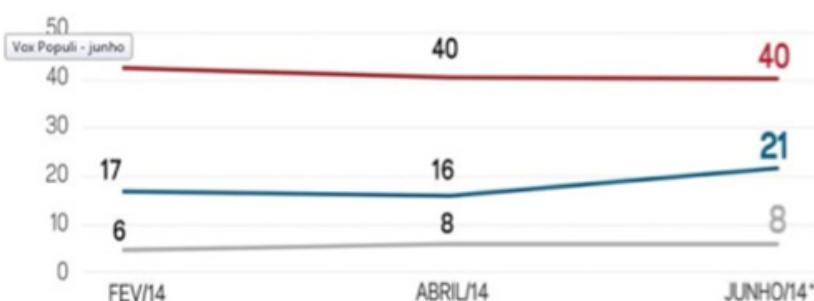
As a result, the electoral campaign started in mid-July, ended in October and went through different phases which led to the results of the first round of the elections, held on Sunday, October 5, 2014.

- **1º Phase (July-August 2014):** At the beginning of August, it seemed evident that Dilma Rousseff had an electoral ceiling of 40% and a wide advantage over the second presidential candidate Aécio Neves (approximately 20% of voting intention). The third presidential candidate, the socialist Eduardo Campos, who run for elections together with Marina Silva, had a stable voting intention of approximately 10%. Considering this scenario, it was probable that Dilma Rousseff would face Aécio in a second round. The clear favorite for this hypothetical second round would be Dilma Rousseff.



Intenção de voto estimulada para presidente

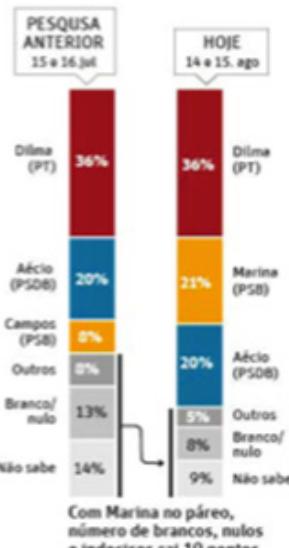
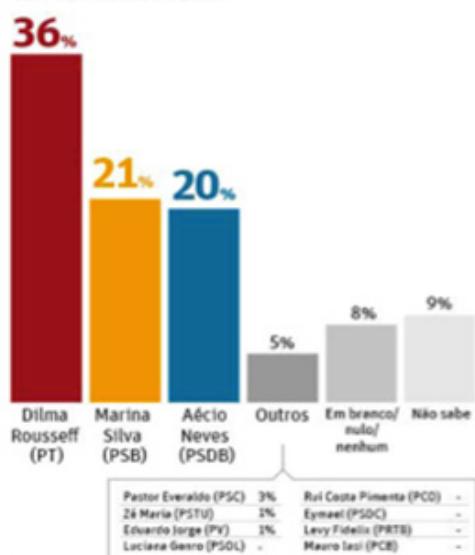
Dilma Rousseff Aécio Neves Eduardo Campos



*Pesquisa realizada nos dias 30/05 e 1º/06 com 2,2 mil eleitores em 161 municípios e registrada na Justiça Eleitoral sob o número BR-00156/2014.
Mais detalhes do levantamento estarão disponíveis na edição 804 de CartaCapital, que começará a circular nesta sexta-feira 13.

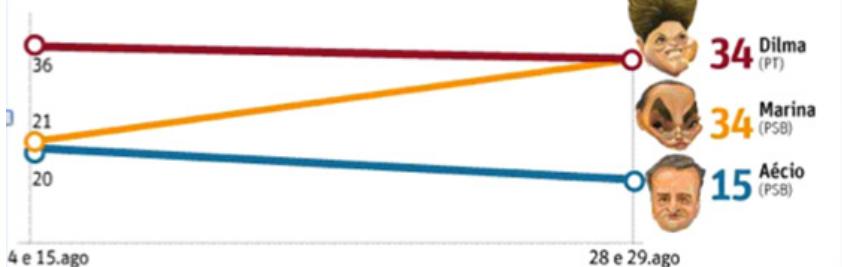
August 2014 survey. Infographics made by Folha de São Paulo.

CENÁRIO COM MARINA



Survey of the second half of August 2014. Infographics made by Folha de São Paulo.

A CORRIDA PRESIDENCIAL



Datafolha survey at the end of August. Infographics made by Folha de São Paulo.

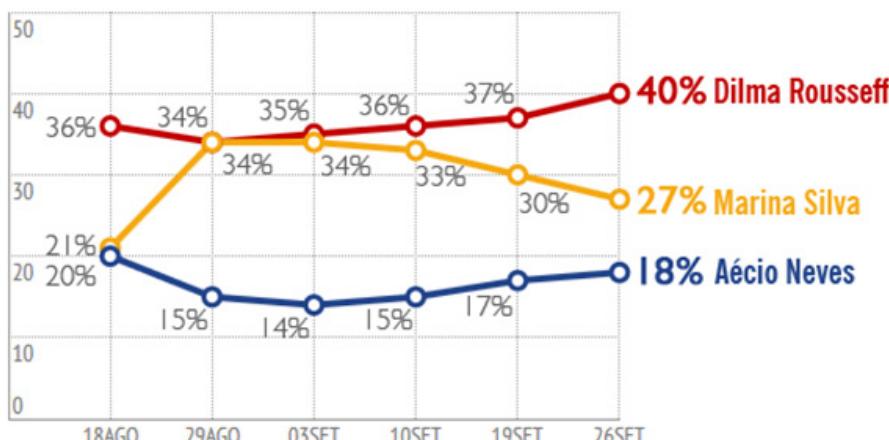
However, everything changed when Campos died in a plane crash on August 13. A fortuitous event transformed the electoral campaign (in a more important way than the failure of the Brazilian national team, as some said) and caused uncertainty, which was a new factor in this campaign. Campos was replaced by his Vice-President, Marina Silva, who revolutionized the campaign. In two weeks, Marina relegated Aécio Neves, from the PSDB, to the third place (although initially the surveys showed that he will probably be Dilma's opponent in the second round of the elections) and spread like wildfire in a few weeks only: Campos had a voting intention of 10%, whereas Silva had a voting intention of 21% after being elected as a presidential candidate, and would even win against Dilma in the second round, 47 to 43.

- 2º Phase (August- first half of September 2014):** At the end of August and according to the Datafolha's survey, Dilma would win 34% of the votes and would be technically tied with Marina. On the second round, the ecologist and candidate of PSB would win with a difference of 6 to 9 percentage points.

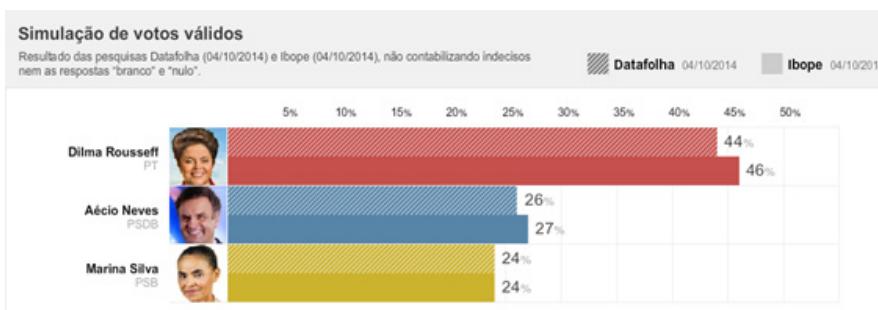
Marina Silva's upward progression ended when Aécio Neves and Dilma Rousseff made harsh attacks against the new candidate.

So far, they have ignored her, because they thought it was a temporary and structural phenomenon.

- **3º Phase (second half of September-October 2014):** Marina's progression ended two weeks before the elections took place and her voting intention was down to 25%, a difference of 15 percentage points compared to Dilma (40%). Aécio Neves regained an upward trend that started



Datafolha survey at the end of August. Infographics made by Folha de São Paulo.



Source: Folha de São Paulo newspaper

after Campos' death and he was just behind Marina regarding voting intention. The machinery of the PT mobilized votes and attacked its rivals. In addition to this, the program of Marina Silva was inconsistent regarding issues such as abortion, she had a very conservative evangelical profile and she was a weak leader (she broke into tears a few times during the campaign). As a result, Marina Silva fell into discredit.

PT's machinery had efficiently destroyed Marina's phenomenon and, as the political expert Fernando Bizarro points out in *ConDistintosAcentos*: "When Marina had to face the difficulties of an electoral campaign, the lack of depth of her proposals and the heterogeneity of the interests she represented were harmful to her. She lost the support she had initially received."

It was true. On Sunday, October 5, on Election Day, Aécio was ahead of Marina. It was another clear example of how volatile the voting intention of the electoral campaign was:

Finally, Dilma Rousseff won the first round with 41% of the votes, Aécio Neves won 33% of the votes and Marina won 21% of the votes. However, 15 days ago surveys predicted that she will win 30% of the votes.

“Brazil country is in the midst of a social, political and (soon) economic transition”

Brazil electoral campaign showed that the country is in the midst of a social, political and (soon) economic transition. Political loyalties to parties and to leaderships are more and more volatile and circumstantial.

- **4º Phase (October 2014):** The beginning of the electoral campaign for the second round was marked by the fact that Aécio won more votes and obtained the explicit support of Marina Silva from the PSB. He also obtained the support of the Popular Socialist Party (PPS), which

made a coalition with Silva. In addition to this, he also had the support of Eduardo Jorge, from the Green Party (PV), and Everaldo Dias, from the Christian Social Party (PSC). These two parties represented 1.36% of the votes. Moreover, the first surveys conducted predicted a technical tie between Dilma and Aécio on the second round and a slight advantage for the former governor of Minas Gerais.

According to Ibope, in mid-October, the PSDB candidate would win 46% of the votes in the second round and Rousseff

BRASIL

CANDIDATO / PARTIDO



1º Dilma / PT



Matematicamente no 2º turno

Ver mapa do candidato



2º Aécio Neves / PSDB



Matematicamente no 2º turno

Ver mapa do candidato



3º Marina Silva / PSB



Ver mapa do candidato

4º Luciana Genro / PSOL

SEÇÕES TOTALIZADAS
100%

VOTOS VÁLIDOS

41,59%

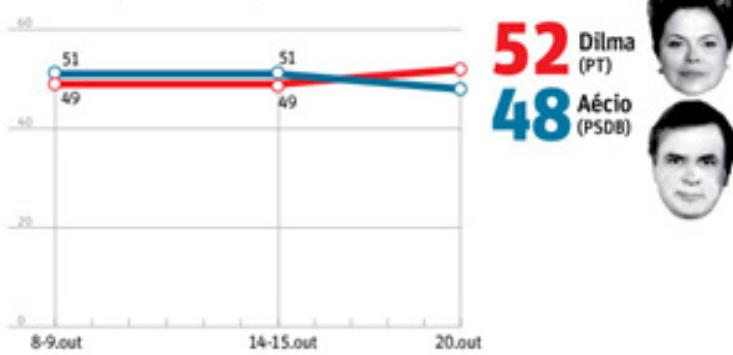
43.267.668

CORRIDA PRESIDENCIAL

Dilma assume a liderança, mas ainda está empatada tecnicamente com Aécio

VOTOS VÁLIDOS*

Exclui brancos, nulos e indecisos, em %

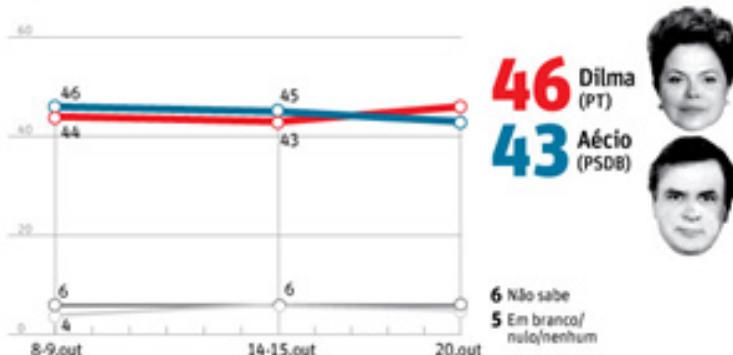


VOTOS TOTAIS

Em %

33,55%

34.897.211



Source: Folha de São Paulo newspaper

Infographics made by Folha de São Paulo newspaper.

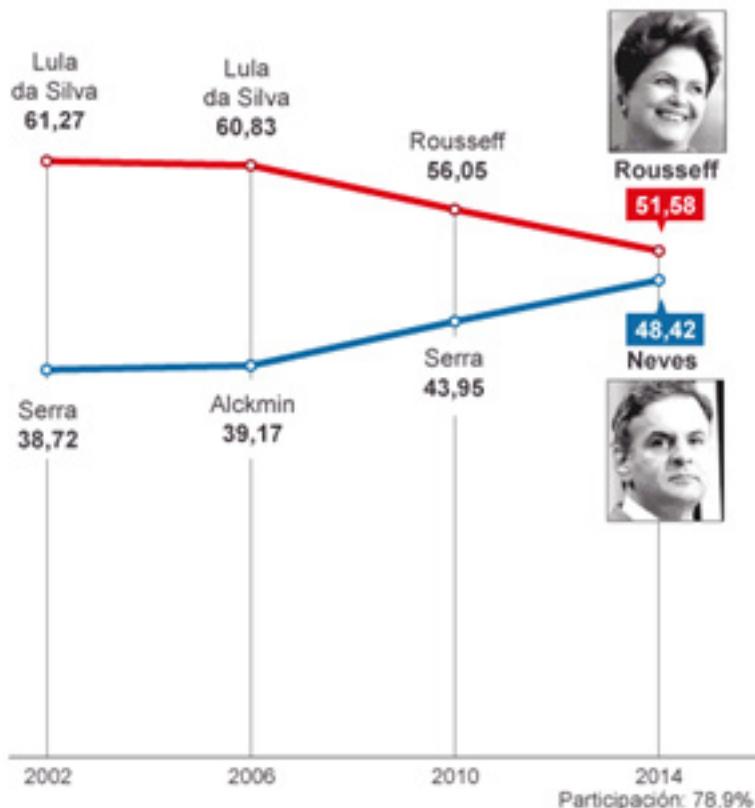
"In 2014, politics in Latin America have gone through a period of great volatility in the different electoral processes that have took place in the region"

would win 44% of the votes. According to Datafolha and considering the valid votes, Neves would win 51% of the votes, whereas PT's candidate would win 49% of the votes. However, this trend started to reverse during the first week of October, when Dilma Rousseff took the lead.

Finally, the second round of the elections was very similar to the first round. During the final stage of the electoral process, the PT's machinery made Dilma win over Aécio Neves, who won less than 50% of the votes. Once again, it was a clear example of the volatility of voting trends, but the Brazilian tendency to re-electing its leaders.

As Daniel Zovatto pointed out, "regarding Brazil and Colombia, the voters feared to lose the important social progresses made in the last decade. It is true that people want change and voters have "flirted" with candidates that have proposed to end the status quo (Marina Silva, Aécio Neves and Luis Lacalle Pou). However, in the moment of truth, the voters were more "conservative" and did not choose a political alternative, because they feared that the social progresses obtained in the last years could be lost. Numerous and generous social programs are a powerful weapon that create political loyalty and electoral credit for the ruling governments."

Elecciones presidenciales. Sobre el total de votos válidos, en %



Infographics made by El País newspaper.

The Bolivian exception

In 2014, politics in Latin America have gone through a period of great volatility in the different electoral processes that have took place in the region. As we have already explained before, this was the case for countries such as El Salvador and Colombia during the first half of the year, and for Brazil and Uruguay during the second half of the year. However, in Bolivia there was neither uncertainty nor volatility. Evo Morales was re-elected for the 2015-2020 period, winning 61% of the votes and with an advantage of more than 35% points over his main rival, Samuel Doria Medina, who won 24% of the votes. The clear electoral victory confirmed the hegemony of the political party of Morales,

"The results of 2014 confirmed the strong 'masista' and 'evista' hegemony in Bolivia, which does not seem to diminish over the years"

Movement for Socialism (MAS), from a geographic perspective: he was the most voted candidate in all departments with the exception of Beni: MAS won in 8 out of 9 departments. Even if Morales lost in Beni, he improved his results from 37.66% to 43%. The hegemony was also evident from a legislative point of view, where the "*masismo*" (the ruling party movement) won two-thirds of the legislative chamber in 2014. This would allow Morales to change the Constitution without negotiating with the opposition.

The electoral results

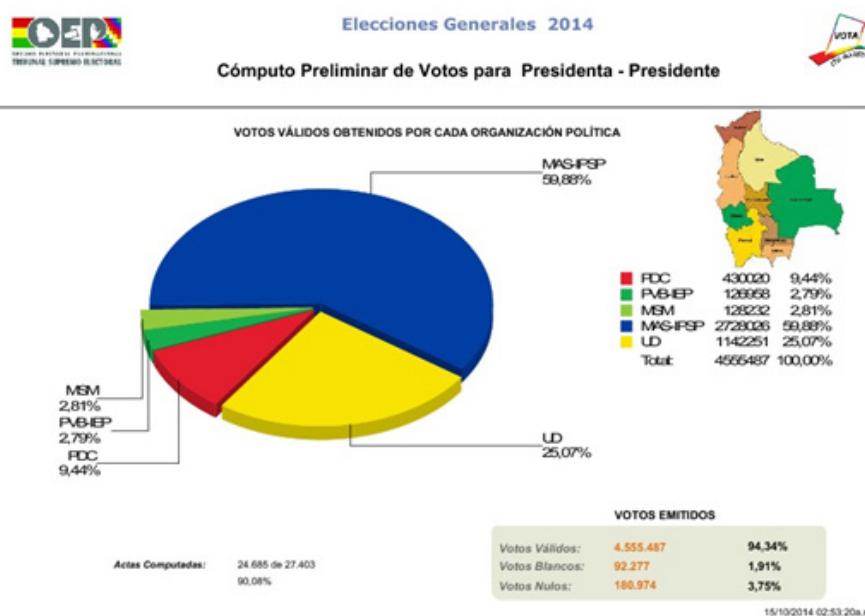
The results of the October 12 elections left no room for doubt: Morales won in eight out of nine departments, including Santa Cruz de la Sierra. Furthermore, even if he suffered major setbacks in the main Andean districts he almost always won more than 60% of the votes:

In addition to the clear victory of Morales, the Electoral Day was marked, after the closing of the polling stations, by the severe technical failures that delayed the publication of the official results for three days. During these days, the only reliable data were the predictions regarding voting intention made on Sunday night, which predicted Morales' victory: he would obtain more than 60% of the votes.

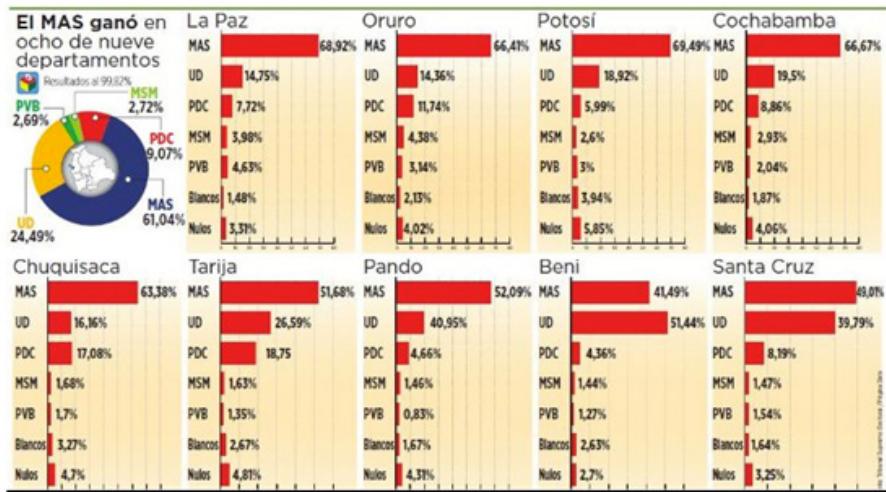
It was a very clear victory for Morales. After winning these elections, he will try to conquer all the local power in the 2015 departmental elections. In 2014 and despite elections in sub-national areas have a different dynamic, MAS won in all departments with more than 50% of the votes with the exception of Beni (where it only won 41% of the votes) and Santa Cruz, where it won 49.07% of the votes but was still the most voted political force.

Why is Bolivia the exception regarding the hegemony of the ruling government in comparison with other countries of the region, where the ruling governments are in distress?

The results of 2014, as well as the results of 2005 (when Evo Morales won 54% of the votes), and the results of 2009 (in this case he won 64% of the votes) confirmed the strong "*masista*" and "*evista*" hegemony in Bolivia, which does not seem to diminish over the years (Morales support only diminished by four points between 2009 and 2014 and is



Data and computer graphics made by Bolivia's TSE



Infographics made by La Razón newspaper

Evolución del PIB boliviano entre 1985 y agosto de 2013

La expansión de la economía boliviana podría registrar este año un récord histórico si se mantiene el ritmo de crecimiento del Producto Interno Bruto (PIB).



INFOGRAFÍA: JULIO HUANCA. FUENTE: MINISTERIO DE ECONOMÍA Y FINANZAS PÚBLICAS E INE

Infographics made by La Razón newspaper

still above 60%). The hegemony is a consequence of the collapse of the party system in place since 1982 and a result of the economic growth that has helped Morales to have the necessary income in order to develop an ambitious social policy.

After the nationalization of hydrocarbons in 2006, the state revenue reached 2,300 million dollars whereas in 2005 the state revenue was approximately 526 million dollars. This is an increase of 334.60%. Moreover, during the previous seven years, the nationalization of hydrocarbons generated revenues of 19,000 million dollars, whereas during the preceding five-year period, they generated revenues of 3,300 million. This new revenues explain the redistribution policies that have allowed almost one third of the Bolivian people to receive social assistance bonuses and direct economic aid from the state (the Juancito Pinto bonus for the students; the *Renta Dignidad* for older adults; or the Juana Azurduy de Padilla bonus for pregnant women and children younger than two years old).

The economic growth (the country GDP grows at a rate of 4% since 2010) and the surplus revenue explain how a regime that was on the edge of collapse and civil war between 2006 and 2009 is now fully consolidated.

Reinforced and reaffirmed thanks to the 2014 re-election, Evo Morales faces a five-year period which will be marked by three variables:

"Taking into account the 'evodependence' of his party, the future of Bolivia and its current regime depends on the final decision Evo Morales will take"

- From a political viewpoint, the main issue is to know if Morales will seek or not re-election in 2020. The 2009 Constitution does not allow him to do so, and the Bolivian President has stated that he does not wish to continue in power. However, the "*masista*" and "*evista*" project has no clear heir and both MAS and the regime depend on the charismatic and symbolic figure of Evo Morales. Without his leadership, everything that has been built since 2006 can collapse and disappear. Moreover, other examples in the same region (the re-election of Hugo Chávez, Rafael Correa, Daniel Ortega...) make the possibility of Evo Morales leaving politics in 2020 to become manager of a restaurant (as he has claimed) hard to believe. Taking into account the "*evodependence*" of his party, the future of Bolivia and its current regime depends on the final decision Evo Morales will take.
- Regarding the economy, although Evo Morales maintains an anti-imperialist and anti-colonialist tone, he focuses on development and is very close to the business elite. He is particularly close to the department of Santa Cruz, which traditionally disapproves his management. However, he has obtained a clear victory in this department in the last elections winning almost 50% of the votes.

Thanks to this strategy, he maintains a "revolutionary" discourse (*"The dignity and sovereignty of the people of Bolivia has won, and this is dedicated to all the people of the world that fight against imperialism"*). However, during this five-year period he will focus even more on development because he wants to improve areas such as gas industrialization, lithium and steel. According to Morales, *"the objective is very clear, we will not continue to export raw materials in the same manner as in the past; we will rather export the raw material (industrialized) for construction"*

However, promoting industrialization requires investments that the Bolivian State cannot afford. In order to afford them, the State would have to find foreign allies such as Russia or China, or attract foreign capital. In that sense, the relationships with important companies such as Repsol YPF, after the 2006 nationalization, have ended up being excellent. In fact, the nationalizations that traditionally have taken place on the first of May might continue, but would have no effect on those big international consortiums. In 2013, Evo pointed out that *"To all those companies that invest in Bolivia, I want to assure them that their investments are guaranteed, that they have the right to*

"The Uruguayan elections were the last elections held in Latin America in 2014. They are in themselves a clear example of all the dynamics that characterized the region this year"

recover those investments and to make a profit."

Be that as it may, there are still doubts regarding the viability of the economic model of the regime. The model has fueled the economic growth for the past years. However, the region enters now a period of economic slowdown. As a result, the monetary policy does not seem feasible anymore. The policy is based on freezing the exchange rate, increasing internal debt or substantially enlarging the number of workers in state-owned companies, among others.

- The third key factor that will mark the five-year period is the regime's own nature.

Thanks to the electoral victory, Evo Morales has accumulated a lot of power. He has two-thirds of the legislative chamber, where the opposition is very weak. This raise doubts regarding the opposition capacity to supervise and control the government. In that sense, everything seems to indicate that the creation of a regime highly patronage-based, self-oriented and not very institutionalized will continue after the five-year period.

As the former Bolivian President Carlos Mesa points out, "*the rule of law is extremely weak; a weakness that arises from a deep*

deinstitutionalization at all levels, masked by the President's legitimacy of origin and his personal and convening power. It is time to ask him if he really thinks that the personality cult (reflected in the pictures all over the country) and his omnipresence in the public and semi-public media are good for his historic project and for his own connection with reality."

The Uruguayan elections

The Uruguayan elections were the last elections held in Latin America in 2014. They are in themselves a clear example of all the dynamics that characterized the region this year, especially in the South American region:

- The ruling party Broad Front (in power since 2005) won the elections. The ruling parties of Colombia, Brazil, Bolivia and El Salvador also won their respective elections.
- The left-wing party won. In this case, it was the moderate and reformist left party led by Tabaré Vázquez. The left also won in El Salvador and Bolivia, the center-left won in Costa Rica, Brazil and in Colombia, the center party (Santos), supported by the left, also won the elections.
- As in other countries such as Colombia, Brazil, Costa Rica and El Salvador, the candidate won the presidential elections in the second round.

- In addition to his, the Uruguayan opposition obtained the votes of the emerging middle-class (though less efficiently than Colombia and Brazil), which want better public services, is tired of the ruling party's hegemony and uncomfortable with the mounting fiscal pressure.

The electoral campaigns for the first and second round of the presidential elections of Uruguay were radically different. The first round was characterized by emotion and uncertainty whereas the second round was characterized by boredom and lack of tension. Luis Lacalle Pou, the candidate of the National Party turned the campaign for the elections of October 26 into a thrilling duel between him and the candidate of the ruling party (Broad Front), Tabaré Vázquez. His rise in popularity seemed to endanger Vázquez re-election and he became the most important figure of the electoral

campaign between July and October, thanks to his fresh tone and new and appealing proposals.

However, the results of the October 26 elections revealed no big surprises: Tabaré Vázquez was left at the gates of re-election: he won 47.8% of the votes whereas the sum of the votes won by the so called whites (Lacalle Pou, 31%) and reds (Pedro Bordaberry, 13%) were not enough to win against the Broad Front.

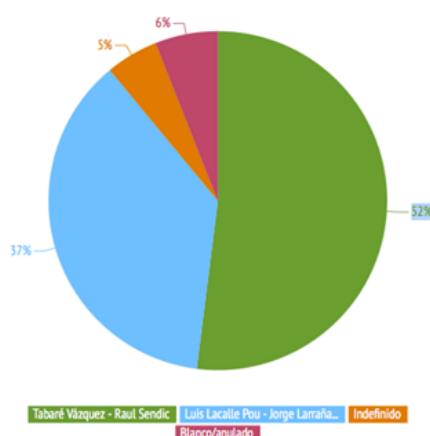
Moreover, the lack of emotion was confirmed when the first surveys for the second round were published: the former President Tabaré Vázquez (2005-2010) had a wide advantage over his opponents less than three weeks before the second round was held.

The final results after the November 30 elections confirmed the surveys: Tabaré Vázquez won with an advantage of 12% points over Lacalle Pou. With all the votes counted, Tabaré Vázquez and Raúl Sendic won 53.6% of the votes (1,226,105 votes) and Lacalle Pou and Jorge Larrañaga, from the National Party (the whites) won 41.1% of the votes (939,074).

3. CONCLUSIONS

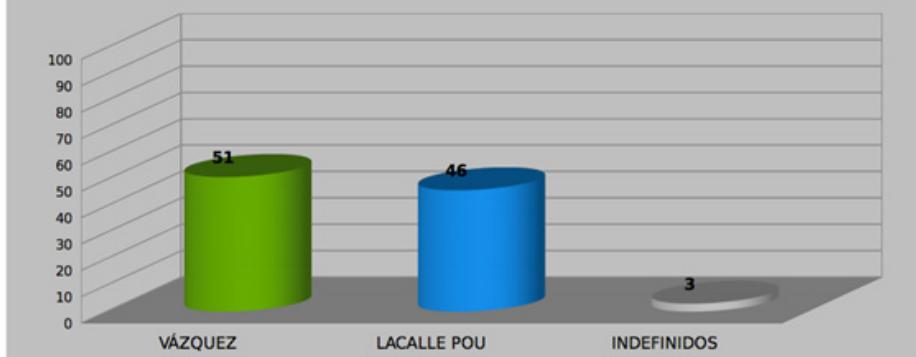
2014 has been a very important year in Latin America from an electoral viewpoint. It has been important because of what happened and also due to what will probably happen in the next elections: it has been confirmed that the region may be at the gates

FACTUM: Intención de voto para el balotaje del 30 de noviembre



Source and infographics: El País newspaper

LA FOTOGRAFÍA: PREFERENCIA PRESIDENCIAL ACTUAL



Data and infographics Factum

"It has been confirmed that the region may be at the gates of a change of its political cycle. This change is a consequence of the social and economic changes that have occurred during the last decade"

of a change of its political cycle. This change is a consequence of the social and economic changes that have occurred during the last decade. As a result, the political hegemonies are no longer safe, and will probably be even less safe in the near future: Juan Manuel Santos won his re-election by a small margin and the hegemonies of the PT in Brazil, FMLN in El Salvador and Broad Front in Uruguay had been at stake. Furthermore, PLN's predominance in Costa Rica is over.

So, what is happening? Actually, in 2014 there were several seasonal and general characteristics that explain to a large degree the current situation and predict what may come next:

- First of all, it is evident that in many countries the political hegemonies are no longer as strong as before.

This is the case of the PLN in Costa Rica (2006-2014), of the "*lulismo*" in Brazil (in power since in 2003, it has obtained the worst electoral results since 2002) and the case of the Uruguayan Broad Front (in 2020 it will complete 20 years in power). In a similar way, this is also the case of the "*chavismo*" in Venezuela, the predominant political force since 1999, and of the "*kirchnerismo*" in Argentina, in power at the "*Casa Rosada*" since 2003.

- The ruling parties still win the elections. However, winning in

the future will be much more difficult for them.

In that sense, the clearest examples were the cases of Juan Manuel Santos, who lost the first round against Óscar Iván Zuluaga and then won re-election in the second round; and Salvador Sánchez Cerén, who won the second round with an advantage of only six thousand votes.

Brazil was a paradigmatic example. The candidate of the Workers' Party (PT) won the second round of the elections with an advantage of a little more than 3 percentage points: it is the worst result of the party founded by Lula da Silva since 2002, what means that the new Government of Dilma Rousseff will face one of the biggest competitions after the mandates of Lula.

The PT defeated the PSDB in 2002, 2006 and 2010: Lula won against José Serra in 2002 with an advantage of more than 22 percentage points and against Geraldo Alckmin in 2006 with an advantage of more than 20 percentage points. Dilma won against Serra in 2010 with an advantage of 12 percentage points, whereas in 2014 she won against Aécio Neves with an advantage of only 3 percentage points:

Be that as it may, consecutive re-elections (such as the re-elections in Colombia, Brazil and Bolivia), remain very

"It is increasingly evident that it is difficult for the ruling parties to win elections easily"

present: all South American Presidents who have sought immediate re-election between 1978 and 2014 have been re-elected. The only two Presidents who did not win re-election during that period were not from the South American region: Daniel Ortega in 1990 (Nicaragua) and Hipólito Mejía in 2004 (Dominican Republic).

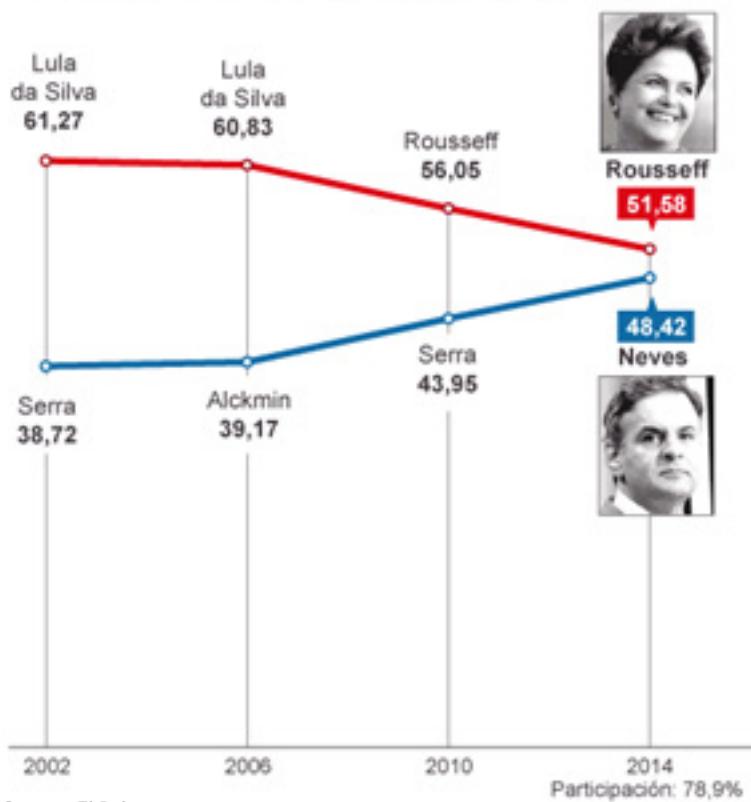
All the ruling governments have won the elections held in South America in 2014. Juan Manuel Santos in Colombia, Evo Morales in Bolivia, Dilma Rousseff in Brazil and Tabaré Vázquez in Uruguay: they all

have won. What is happening to the opposition parties that raise such high expectations and then are defeated time after time in all South American electoral processes? Interestingly, when everything suggested that the opposition parties could win against the ruling parties (at least in Colombia, Brazil and Uruguay), they ended up being defeated. It seemed that the opposition parties had understood the citizens' social dissatisfaction, especially among the middle-class. However, in the moment of truth, the electorate turned its back on them.

As Daniel Zovatto pointed out "*it is increasingly evident that it is difficult for the ruling parties to win elections easily (this happened in El Salvador, in Colombia, and again in Brazil). But it is also true that it has not been easy for the oppositions to defeat the parties in power (they failed this year in El Salvador, Colombia, Bolivia, Brazil, and probably in Uruguay as well). It seems that the electorate does not want a change, understood as alternation, but rather a "change in the context of continuity," reelecting the parties in power yet at the same time sending them a message of dissatisfaction with the current situation."*"

Despite the defeats of opposition parties, it seems that nothing will be the same anymore. Clear hegemonies

Elecciones presidenciales. Sobre el total de votos válidos, en %



“The emerging middle-class who grew up in the economic boom years and in a stable political context has now other demands: an improvement of the public services (health, public transport and education), more safety and less corruption”

will be rare, with some exceptions such as the Evo Morales' case. The emergence of opposition parties in South America will continue (they have forced the second round of elections in three out of four cases). Furthermore, 2014 is the first phase of this emerging phenomenon. As the analyst Julio Burdman pointed out "*the re-election of Dilma Rousseff in Brazil and before that, the re-election of Evo Morales in Bolivia, conspire against the opposition "momentum" thesis... Vázquez, together with Bachelet and Lula, are all part of a generation of long-term South American Presidents who still are at the center of the political scene. As a result, in a few years, the generational demand will be a more powerful issue: it is still too early.*"

- In addition to the attrition, these hegemonies have lost connection with society in two fronts:
 - » Firstly, they have lost connection with a younger generation that has only seen parties such as the PT in Brazil or the Broad Front in Uruguay in power. These young people have almost reached voting age. The director of the Uruguayan consultant, Cifra, Mariana Pomiés, stated this regarding the Uruguayan case: "*To put it in football terms, the youngsters were the reserve of young*

players of the Broad Front. During the last year, we have changed the natural predisposition of the young people to vote for the Broad Front.”

- » Secondly, the emerging middle-class who grew up in the economic boom years and in a stable political context has now other demands: an improvement of the public services (health, public transport and education), more safety and less corruption. For now, the ruling parties have not been able to meet these demands.

The analyst Álvaro Vargas Llosa explains that "*the emerging middle-class, depicted in Brazilian statistics as "class C", is dissatisfied with the government... It is not hard to understand what is happening. This middle-class is beginning to understand that, as in Cinderella, magic could disappear at midnight and everything could return to the sad reality again. The Brazilian economy has not grown in four years and if things remain unchanged, the increase in unemployment after years of job creation could become a trend. Moreover, households – explains Vargas Llosa – are quite indebted and have to devote an important*

“2014 may actually be considered as the first year of a change of cycle. It would be the beginning of a new political cycle characterized by electoral volatility and weakness of the self-oriented and partisan hegemonies”

amount of their revenues to repay credits. Finally, the expectations regarding public services have not been met. The state is in fact a third-world state very far from the brilliant BRIC dream of a few years ago.”

- The region is still politically heterogeneous

From an economic, social and political point of view, the 2014 elections held in Costa Rica, El Salvador, Panama, Colombia, Brazil, Bolivia and Uruguay have shown a very heterogeneous region. The left parties have won four out of five South American elections held during the last 12 months, and five out of seven elections held in Latin America. The re-election of Juan Manuel Santos in Colombia was the only exception to this regional trend. This contrasts with the situation in Central America and Mexico, where there is more heterogeneity: victories of the left (the FMLN in El Salvador), the center-left (the PAC in Costa Rica), the center-right and the right (the Panamanian party of Juan Carlos Varela).

- Fifthly, the economy has not been an ally of the ruling governments in 2014. The economic slowdown of the region is beginning to be felt and it may be more intense in 2015, which is harmful to the progression and maintenance of the projects of the different ruling governments. The low economic growth, which might continue during the next years, will have a direct impact on both the increase of social dissatisfaction and the changes regarding voting intention.

Considering all this, 2014 may actually be considered as the first year of a change of cycle. It would be the beginning of a new political cycle characterized by electoral volatility and weakness of the self-oriented and partisan hegemonies. All of this in a context of a less dynamic economy and, sometimes, in a context of economic crisis (Venezuela and Argentina are good examples of that). The society is more heterogeneous and there will be several contradictions and an underlying and growing disquiet. Everything suggests that a period characterized by higher volatility could become a reality. It will be caused by social changes (an increase in demonstrations and a dissatisfied emerging middle-class) and by economic changes (worldwide economic slowdown). This volatility will have a direct consequence: the long-term political hegemonies will be much more difficult to maintain. For instance, in 2015,

VICTORIES OF THE LEFT IN 2014	Salvador Sánchez Cerén (El Salvador) Evo Morales (Bolivia) Dilma Rousseff (Brasil)
VICTORIES OF THE CENTER-LEFT IN 2014	Luis Guillermo Solís (Costa Rica) Tabaré Vázquez (Uruguay)
VICTORIES OF THE CENTER-RIGHT IN 2014	Juan Manuel Santos (Colombia) Juan Carlos Varela (Panama)

Source: Prepared by the authors



“The public opinion wants changes, but there is no well-defined agenda regarding those changes”

the kirchnerista predominance will be harder to maintain, and it will be very difficult to sweep the polls as Cristina Kirchner did in 2007 and 2011.

Actually, the region is in a triple transition phase:

- » It is a social transition due to the emergence of the middle-classes, which have changed the political agendas, the public policies and even the social relations.
- » It is a political transition, caused by the changes and tensions of the party systems, and by the difficulties the governments have in order to meet the citizens' demands.
- » It is an economic transition, provoked by the end of a decade of strong economic growth that Latin America has experienced thanks to the high prices of commodities exports.

Moreover, in a context characterized by an economic slowdown, more expectations and social demands, loyalties to parties and to some leaders are more and more volatile. The public opinion wants changes, but there is no well-defined agenda regarding those changes. For instance, Juan Arias explains

the Brazilian situation in *El País* newspaper, "74% of Brazilians want a change, according to the Datafolha institute. However, their feelings are mixed on this issue: they want something that will improve their lives, because what they have achieved in the previous 12 years is no longer sufficient. At the same time, they fear they might lose what they already have if there is a change. This fear is especially strong among the poorest and among those who have benefited the most from the social measures of the PT governments. They represent the vast majority of Rousseff's voters."

To conclude: this is the beginning of a new Latin America, which will be more difficult to govern because the region is entering a new social and economic phase in its history (a more complex phase, with less economic growth, more tensions and more demands made by the emerging middle-class and by the working classes). All of this has a direct impact on the party systems and on the governance of the countries of the region. It tests the governments' capacity to deal with social pressures and their capacity to promote public policies that have a broad consensus among citizens.

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