

Comparative Democratization
and Peaceful Change in
Single-Party-Dominant Countries

Edited by
Marco Rimanelli

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COMPARATIVE DEMOCRATIZATION AND PEACEFUL CHANGE IN SINGLE-PARTY-DOMINANT COUNTRIES

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THREE

Democratic Transitions: The Portuguese Case

Alfred G. Cuzán

The Portuguese régime change from dictatorship to democracy, set in motion by the April 1974 military coup and finalized with the 1982 and 1989 constitutional amendments, offers clues for answering contested questions about transitions to democracy. Among those questions are the following: Are there socio-economic prerequisites for democracy? What conditions facilitate subordination of the military to the new democracy's civilian authorities? Who are the parties to the agreement a democratic constitution represents? What is the relationship between market economy and democracy? What works best in new democracies: parliamentarism or presidentialism?

This chapter first examines the highlights of Portuguese political history with those questions in mind. The next section reviews the twentieth century's salient political features: the First Republic, 1910–26, when Portugal tried democracy for the first time; the Salazar-Caetano dictatorship, 1932–74, known as the Second Republic; and the transition and consolidation of democracy in the Third Republic, which, initially against heavy odds, has taken place in Portugal during the last quarter of a century. This is followed by an analytical section in which the failures of the First and the successes of the Third Republic are scrutinized to extract clues for answering the questions of the previous paragraph.

I. Highlights of Portuguese Political History

Portugal is probably Europe's oldest nation-state, having broken away from Spanish Castile in 1385. The Portuguese came again under Spanish

domination for roughly a century beginning in the 1570s. In 1640 Duke João of Braganza declared independence from Spain, becoming King João IV, the first monarch of a dynasty that would reign for almost three centuries. But it took several decisive battles fought over some two decades before independence was finally secured, in 1665.¹

For some three decades after the Napoleonic invasion, which the royal family sat out in Brazil, the country went through military coups and civil wars, the upshot of which was the adoption of a royal charter. Under the charter, the king still wielded extensive powers, more than any other monarch in Western Europe, including the power to dissolve parliament and rule by decrees under certain conditions. As the nineteenth century came to a close, the monarchy lost much of its legitimacy on account of its seeming inability to put the government on a sound financial footing or promote development at home or in the African colonies. Republicanism spread among the middle class, including much of the intelligentsia, bureaucracy, and, ominously for the monarchy, the armed forces. In 1908 King Carlos and his oldest son were assassinated on the streets of Lisbon. Less than two years after the regicide a rebellion of armed republican civilians, aided by non-commissioned officers and a few junior officers, broke out in the capital. The bulk of the military stayed on the sidelines, failing to come out in defense of the monarchy. After a few skirmishes, King Manuel II, aged 20, along with his mother, went into exile. Portugal's First Republic was declared with great fanfare. At the time, Portugal was Western Europe's poorest and least educated country, with 80 percent of the population illiterate.²

One of the first acts of the provisional government was to launch a frontal assault on the Roman Catholic Church. Much of its patrimony was confiscated, churches became state property, religious orders, including the Jesuits, were expelled, religious instruction, even in private schools, was banned, religious holidays were abolished, priests and nuns were forbidden to wear their habits in public, and even the times of religious worship came under state regulation. Many years later, when asked why the First Republic had fallen, Marcello Caetano, Portugal's second and last premier of the dictatorship (overthrown in 1974), cited the religious policy initially adopted as one of two reasons (the other reason he gave was a party system plagued by factionalism).

A Constitutional Assembly was elected under restricted suffrage, which included only literate males. Universal suffrage was rejected for fear that women and illiterates were susceptible to manipulation by the clergy and other forces of reaction (such as the monarchists). The principal issue dividing the Assembly was whether to constitute a parliamentary or a presidential system. After much wrangling, a parliamentary system, with a weak president elected by the assembly, was adopted. The president would in turn appoint the prime minister, the effective head of the government.

The parliamentary system proved to be very unstable, indeed the most unstable in Western Europe. Until the overthrow of the republic in 1926, there were 45 governments headed by 30 different prime ministers appointed by seven different presidents. The average life of a government was four months. Two governments were brought down by military coup and a constitutional change establishing a strong presidency elected by universal suffrage was imposed by a provisional *junta*, with opposition parties boycotting the election of President Sidonio Pais. Pais was assassinated one year later. Other political figures, including a prime minister, also met violent death, and one president and another prime minister independently chose voluntary exile. Between 3,000 and 5,000 people died during several outbreaks of street fighting during the life of the First Republic.

The immediate cause of the instability was the concentration of power in the national assembly, combined with one party's consistent winning of elections—the Democrats, which won six out of eight elections—its near monopoly over patronage, with which it rewarded not only its cadre and voters but also vigilante groups (known as the “White Ants”), which terrorized real or suspected monarchists and supporters of opposition parties. The asymmetry in power among the parties corrupted both the Democrats and their opposition, the former becoming arrogant and oppressive and the latter irresponsible to the point of egging on the military to bring down the government in the hope of capturing it for themselves. Another cause of instability was the cost of Portuguese involvement in World War I on the side of the British and French. The war was unpopular at home, where it contributed to skyrocketing inflation, and exposed Portugal's ill-equipped and badly trained military to humiliating defeats in the field of battle.

In 1926 a revolution by junior officers, known as the “Young Lieutenants,” seized the government and dissolved the national assembly. By this time, the republic, like the monarchy it replaced, had few defenders left. As with the overthrow of the crown, the change was accomplished with little loss of blood. However, in a foreshadowing of what would happen in the 1970s, it proved easier for the military to overthrow a régime than to establish a new one on a stable footing. The same tendency to split into conflicting factions that plagued the First Republic afflicted the military, as well. In 1930, they turned the government over to Antonio Salazar, a former professor of law and economics from Coimbra University, who as the military government's minister of finance, had balanced the government budget for the first time in many years.

Salazar established a régime that would last for nearly half a century.³ Sometimes mischaracterized as Fascist, the Salazar régime was a civilian dictatorship staffed by professors and lawyers, which exercised corporatist controls over labor and business. Unlike Fascist régimes, Salazar's “aim . . .

was depoliticization rather than mass mobilization within a single party seeking completely to identify with or to transcend the state.⁴ Under Salazar, the military was at least nominally brought under civilian control by customarily electing as president a general or admiral hand-picked by Salazar who would in turn perform the constitutional duty of appointing the prime minister, a post always going to Salazar himself. However, the military enjoyed a great deal of institutional autonomy, and Salazar was careful to cultivate its support. Under Salazar, the privileges and properties of the Roman Catholic Church were partially restored (although the separation of Church and State enacted by the Republic was maintained). Also catered to by Salazar were small businesses and small farmers, who were granted certain protections from domestic and international competition. The press was censored, while the régime broadcast messages of patriotism, prudence and religion.

However, the régime was by no means totalitarian: opposition magazines and newspapers survived the dictatorship, and opposition organizations were allowed to contest elections for the National Assembly and, until 1958 (when a renegade military officer mounted a strong challenge to the official candidate), the presidency. The military was never rendered totally docile, however, there having taken place several coup attempts during the life of the régime. Still, a political police insured that recalcitrant opponents unwilling to live with the régime's political restrictions were jailed, exiled, or sometimes assassinated (the First Republic had abolished the death penalty, which was never restored). Ironically, the régime's suppression of opposition forces played into the hands of the one group with the ideology, internal organization, and external support capable of surviving, if not thriving under clandestine conditions: the Communist Party of Portugal (PCP).⁵

Salazar kept Portugal politically stable but also socially backward and economically poor. One of its main "exports" was human beings, who emigrated by the tens of thousands to greener pastures in Europe, Brazil, North America, and the African colonies. By 1974, approximately one in eight Portuguese resided abroad. Only during the last decade of the régime did Portugal experience exceptional economic growth, fueled by industrialization financed by foreign investment attracted by low wages and a construction boom stimulated by an inflow of tourists and émigré remittances. By the late 1960s Portugal was beginning to close the gap in per capita income with Spain, a trend that was reversed after the overthrow of the old régime.

In 1968, Salazar suffered an accident followed by a stroke, leaving him in a coma for over a year before he died in 1970. His successor, Marcello Caetano, also a professor, had the personality of "a follower, not a leader."⁶ He promoted economic growth by easing some of the restrictions meant to protect small businesses from competition, a policy that dismayed a loyal con-

stituency of the régime. He briefly flirted with political liberalization, satisfying neither the liberals, who thought the reforms did not go far enough, nor the *ultras*, or die-hard Salazarists.

But his biggest mistake was alienating the military. Since 1961, Portugal, having refused to follow the British and French into decolonization, had been fighting to retain its African empire, which included what is now Guinea Bissau, Angola and Mozambique. The war proved costly in terms of men and treasure. In the 1960s, 30 to 40 percent of the annual government budget was spent on the African war effort. By 1973, Portugal had 30 military personnel for every 1,000 inhabitants, one of the highest ratios in the world. A shortage of officers ensued. The government attempted to remedy the situation by making it easier to obtain battlefield commissions and promotions, something that outraged regular officers educated in the military academy who had waited years to rise slowly in the ranks. The controversy over the government's plan prompted some 200 professional officers, mostly in the middle ranks (captains and majors), to organize an Armed Forces Movement (MFA), ostensibly to address these personnel issues, but with larger political ends too.

The seemingly endless colonial wars had taken a toll on the military. A number of officers, including some high-ranking ones, came to the conclusion that the government's colonial policy was untenable and that the civilian leadership was indifferent to the sacrifices of the men in uniform. One of them, General Spínola, Governor of Guinea, had urged the government to grant greater autonomy to the colonies. Rebuffed in private, he published a book, *Portugal and the Future*, that was critical of the government's colonial policy. The book "shook the regime to its core."⁷ Furthermore, a number of junior and middle-ranking officers became radicalized during their Africa tours. Sent to suppress guerrilla movements inspired by Marx, Lenin, Mao, "Che" Guevara, Castro, and other Third-World liberationists, they came to agree with their adversaries. These officers concluded that Portugal should not only grant its colonies independence, but go through a process of radical Third World-style "liberation" itself in which the army would take the leading role.

The MFA absorbed these various currents of military opinion and organized what turned into a bloodless overthrow of the dictatorship in April 1974. Caetano resigned in favor of General Spínola, whom the MFA, by now dominated by radical factions, was willing to accept as a temporary figurehead. Its program was summed up three "D's": decolonization, democracy, and development. The colonies were promised independence, elections for a constituent assembly were scheduled for no later than one year after the coup, and large properties in industry, agriculture, services, and banking, were slated for nationalization. The policies under the "D" of development

were Socialist in nature, but proved counter-productive both economically and politically.

As with the First Republic, the initial euphoria soon evaporated. Portugal again plunged into chaotic, fierce factional infighting within the government and in the streets.⁸ As the structures of the old régime were dismantled, a revolutionary situation ensued in which contingents of workers and peasants, some acting spontaneously, others in league with radical parties, took over factories, farms, buildings, and houses. MFA radicals working hand in glove with the Portuguese Communist Party, a Stalinist party that had endorsed the Soviet invasion of Czechoslovakia and rejected Euro-Communism, seized the initiative. In September they forced out General Spínola in favor of a more pliant figurehead. The PCP was granted unprecedented power over labor unions, the bureaucracy, agrarian policy and even foreign policy, where it facilitated the Soviet and Cuban intervention in Angola. Trade with Cuba increased several fold. After the revolutionary period, trade with the island declined to its previous level, which suggests that political, not economic, considerations had been behind the increase.

Not all MFA radicals were in league with the PCP, however. A military faction included officers who had come to view itself as a "national liberation movement" like those which, only a year or so earlier, had been combating in Africa. Some of them, as well as others, were "in day-to-day contact" with "small, but militant Marxist-Leninist and Maoist parties" to the Left of the PCP.⁹ The spectrum of military opinion included non-radical shades, as well. One faction was sympathetic to the Socialists, led by Mario Soares. The Socialists are a Social-Democratic party member of the Socialist International, with good relations with English, German and Swedish parties, which came to their aid. Still another, smaller faction, was loyal to a reconstituted Right composed of two main parties, the Social Democratic Party (PSD; initially the Popular Democratic Party), which was founded by the liberal wing of the Caetano administration, and the Center Social Democrats (CDS). These democratic factions from the Center, Center-Left and Center-Right received aid from ideological counterparts outside of Portugal, including the Socialist International, the British Labor government and trade unions, and the CIA.¹⁰ Finally, there was a rump of marginalized officers less concerned with partisan politics or economic ideology than with the interests of the military as a professional institution that should be autonomous in its domain.

Following Spínola's failure to stage a comeback in a botched coup in March 1975, the MFA radicals seized the opportunity to carry out another wave of expropriations and purge schools, universities, and other public institutions of "reactionary forces." More significantly, the MFA forced the parties poised to contest elections for the national assembly to sign a pact committing themselves to putting Portugal on a path to socialism and shar-

ing power with two organs of the MFA: a General Assembly, which would act as a sort of second house of parliament, and a Council of the Revolution. This was a way of insuring "that the MFA political programme would be implemented regardless of any electoral results."¹¹ The parties were given 48 hours to read and sign the pact. Fearing that the elections would be cancelled unless they signed, the parties complied.

However, the April 1975 Constituent Assembly elections dealt the Communists and the MFA radicals a fatal blow. The Socialists came first, with 38 percent; the PSP second, with 25 percent; and the Communists only third, with less than 15 percent.¹²

Nevertheless, the outcome was in doubt through the summer, as the MFA radicals and their PCP allies attempted to circumvent the national assembly, carrying out additional expropriations and encouraging the taking over of the last independent newspaper, *La Republica*, as well as the Catholic radio station, by radical factions of employees. As during the First Republic, vigilante types (reminiscent of the "White Ants" of the First Republic) terrorized regime opponents. In fact, in an interview with an Italian journalist, Alvaro Cunhal, PCP general-secretary, confidently predicted that Portugal would never trade the revolutionary power of the streets for the electoral power of a parliamentary system.

What turned the tide was an anti-Communist backlash in the countryside, primarily in the north. Portugal is divided into two roughly equal parts by the Tagus River, at the estuary of which sits Lisbon. The north is a region of small proprietors and strong Catholic sentiment with a tradition for rebellion. It was here that Napoleon's occupation army encountered the fiercest resistance. Fearful that their land, too, would be confiscated by the State, and outraged at radical attacks on the Church, which warned of the threat of Communism, mobs sacked and burned PCP headquarters in at least 50 towns and villages, practically driving the party out of the region.¹³

The anti-Communist agitation in the north suggests that in the summer of 1975 the MFA was presented with a choice between backing down or sending an occupying army to subdue the region, a chancy prospect in any case, as it undoubtedly would have sparked a guerrilla war aided and abetted by exiles in Galicia, the neighboring northwestern Spanish province, linguistically close to Portugal. It would have been ironic indeed if the same military that had been motivated to overthrow Caetano, partly to end the war against African revolutionary guerrillas, had found itself waging a war against home-grown, counter-revolutionary guerrillas in Portugal itself. Had the military been of one Leftist mind, it might have taken the gamble. But it was not. If anything, the army was in danger of disintegrating, as units began to declare competing political allegiances and others mutinied. In September 1975 a Leftist faction of the military revolted but was suppressed

under the command of General Antonio Eanes (elected president of Portugal less than a year later).

Following the suppression of the Leftist rebellion and the ousting of other radical officers from the government, a slow-motion counter-revolution got underway. A new pact between the parliamentary parties and the MFA reduced, but did not eliminate, the latter's role. It did away with the MFA General Assembly and provided for an elected president of the republic. However, it retained the prohibition against even amending the constitution so as to allow the reversing of the nationalizations of property carried out by the MFA in the previous two years. Also retained was the "Council of the Revolution," composed of 20 self-appointed officers who would advise the president on issues of national interest, legislate on all military matters, and pass on the constitutionality of parliamentary legislation to ensure that it would not reverse the "conquests of the revolution."

The constitution adopted in 1976 established a mixed system, with an elected president and an elected parliament. The president is elected for a five-year term and may stand for reelection once. Initially, the president was made chairman of the Council of the Revolution and chairman of the General Staff of the Armed Forces. The constitution included a commitment to socialism and a classless society, and similar Marxist-style phrases. Most significantly, Article 83 stipulated that the nationalizations carried out in the previous two years were irreversible conquests of the revolution and could not be undone.¹⁴

The 1976 elections, the first under the new constitution, again yielded a plurality for the Socialists, and Mario Soares was elected premier, or head of government. The presidential election was won handily by General Eanes, supported by the Socialists and the parties of the Right, the PSD and CSD. During his first term (he was reelected in 1981), General Eanes restored hierarchy and discipline to the military. Under his leadership, too, the military was reduced in size and its mission reoriented towards NATO.

For the next decade politics was reduced to a series of parallel struggles between parliament and president, between parliament and the military, and between the PSD and the Socialists. The first two struggles were won by parliament. In 1980 the PSD government obtained a legislative majority in favor of a bill providing for the privatization of nationalized banks. However, this was vetoed by the Council of the Revolution. Two years later, in the teeth of vehement opposition from President Eanes, the military, and the PCP, which organized two general strikes, the PSD, CSD, and Socialists joined forces in Parliament to amend the constitutional text by the required two-thirds majority so as to do away with the Council of the Revolution, establishing a Council of State advisory to the president and a thirteen-member Constitutional Court charged with vetting bills and reviewing laws for constitutionality. The amendment also curbed presidential powers, includ-

ing the power to dismiss the government at will. The three parties again joined forces to override President Eanes' veto of a National Security Law, putting the military under effective control of the parliamentary government. A subsequent compromise provided for a sharing of appointments and removals of members of the general staff and top command posts between president and government. In 1989, another agreement between the Socialists and the PSD resulted in a second set of constitutional amendments allowing for the privatization of the nationalized properties and excising from the constitutional text all Marxist-style phraseology about socialism and the classless society. Article 83, which had prohibited future parliaments from amending the constitution so as to reverse the so-called conquests of the revolution, was unceremoniously dropped.¹⁵

As to the struggles between the parties, having won the 1979 election, the leader of the PSD argued in favor of a two-step process for constitutional revision that would require a parliamentary majority and popular ratification of all amendments. To this the Socialist Party would not consent. In 1982 the PSD wanted to revise the constitution both in its political and economic aspects, but the Socialists only went along with the political amendments that eliminated the Council of the Revolution. It was not until 1989 that the Socialists signed off on the economic amendments.

The two parties have been the main contenders in parliamentary and presidential elections. The Socialists have been more successful in presidential contests, having won three consecutive elections since 1986, while the PSD, which has yet to win a presidential election, has done better in parliament, having controlled the government either solely or in alliance with the CDS for all but two years between 1980 and 1995. In 1996, for the first time since the establishment of the Third Republic in 1976, president and premier are both from the same party, the Socialists.

II. What the Portuguese Case Suggests about Democratic Transitions

Transitology, or the study of transitions towards democracy, has wrestled with a number of important questions of both scholarly and practical interest, such as whether there are pre-conditions for democracy and what factors contribute to democratic consolidation and stability. The following sections scrutinize the Portuguese case in search of clues for answering such questions.

A. *Pre-requisites for Democracy*

Among the prerequisites for democracy that have been considered or suggested by, among others, Huntington, Lipset, Murphy and Neubauer¹⁶ are

those having to do with the level of literacy in the population and, relatedly, the density of the country's system of communications; ethnic, cultural, and religious homogeneity; minimal economic development; a culture that supports the values of constitutional democracy; a military and internal security apparatus not adamantly opposed to democracy; the contesting of elections by at least two mass-based political parties; and economic performance under the fledgling democratic government.

The Portuguese case suggests that the threshold of socio-economic development a country must cross before democracy can be established or sustained is rather modest. Portugal has had two experiences with democracy in 1910–26 and from 1976 to the present. In both the first and the start of the second period, Portugal was Western Europe's poorest and least literate country. Some might hold that fact at least partly responsible for the collapse of the First Republic. But it is not clear how illiteracy contributed to that, since illiterates were excluded from voting in most elections, precisely for fear that they would vote in favor of clerical and monarchist parties. Perhaps, had the suffrage been expanded to include them, elections during the First Republic would have yielded more conservative governments less willing to carry out those social and economic reforms that Di Palma advises would-be crafters of new democracies to avoid.¹⁷

Regarding the current period, at the time of the revolution Portugal was the poorest country in Western Europe. In 1975 life expectancy was 65 for males, the second lowest in all of Europe after Albania. In 1981, illiteracy was 21 percent of the total population (25 percent for females), the highest in all of Europe, bar none. As for the country's communication system, around 1974 there were only 11 telephones per 100 inhabitants; in 1980 there were fewer than 200 television sets per 1,000 inhabitants; and daily circulation of newspapers was 47 per 1,000 inhabitants. All these ratios are less than 20 percent the U.S. rate. In short, as Manuel puts it, "Even on 23 July 1976, when Portugal instituted a democratic system, the country did not 'measure' up on any of the modernization 'democratic' indicators in education, literacy, attitudes and industrialization."¹⁸

Thus, it seems that, while it may be true that some socio-economic threshold needs crossing before democratic crafting can succeed, the Portuguese case suggests that threshold may be fairly low. Indeed, Huntington sets it at a GNP per capita of \$1,000 (in 1988 dollars). But even this constraint may not be rigid. Reflecting on the Portuguese case, Bruneau concludes that "[c]ontinuing underdevelopment may not be a good basis for liberal democracy, but it does not preclude it. There is much more involved that relates to political institutions."¹⁹ The case of Costa Rica, Latin America's premier democracy, suggests likewise.

Regarding ethnic homogeneity, the Portuguese are one of the most homogeneous ethnic and linguistic peoples in the world. Roman Catholicism is by far the dominant religion. Yet, the country has experienced many civil wars, large and small, fought over ideological divisions. One of these, the rift between clericals and anti-clericals, contributed to the instability and final breakdown of the First Republic. It probably also led to greater support from Catholics for the Salazar régime than would otherwise have been forthcoming. By the 1980s, after the country had lived through a 50-year old dictatorship of the Right, and survived a revolutionary period in which the threat from a Communist and military Left loomed large, democracy appears to have gained wider acceptance among élites and the public alike. This suggests ideological cleavages trump ethnic and linguistic homogeneity. It is not social homogeneity but ideological consensus, i.e., widespread agreement about the political system and the scope of public policy, that is necessary for democracy. If this is lacking, as it was during the First Republic, ethnic and linguistic homogeneity count very little.

As for a culture that supports constitutional democracy, Portugal did have about a century of parliamentarism, first under the constitutional monarchy, then under the First Republic. But under the monarchy it was more of a parliamentary oligarchy and during the First Republic the suffrage was limited to 20 percent or so of the adult population, so the democracy had a narrow social base. Moreover, during the First Republic the behavior of parliamentarians in and out of the chamber was extremely uncivil. And for some half a century before the 1974 military coup, Portugal was under dictatorial rule. Nevertheless, the absence of a democratic culture did not prevent the establishment and apparent consolidation of democracy there in the last two decades. This suggests that democratic institutions may themselves produce a democratic culture where there is none.

B. Taming the Military

Concerning the military, Portugal has a tradition of *pronunciamentos*, or military uprisings in the name of a political program, dating at least as far back as the beginning of the nineteenth century. But its interventions have not been ideologically consistent, sometimes being in favor of liberalism, reform, or even radicalism, and other times in favor of authoritarianism or reaction. Once in power, the military has tended to fracture into contending factions. Both Salazar and the current democratic system were successful at subordinating the military to civilian control. In 1976, the democratic parties borrowed a page from Salazar's book, backing for president a senior military officer who would reinstate military discipline. Subsequently, the three principal democratic parties were able to present a united front in parliament vis-à-vis the very president

whom they had helped elect. Two other measures helped in subordinating the military to parliament: a drastic reduction in the size of the military (under 70,000 in 1993, it was less than one-fourth the 1974 peak) and its integration into NATO. While reducing the size of the military is a measure which any democracy can adopt, the option to join NATO remains unavailable to new democracies outside Europe.²⁰

The democrats' success in subordinating the military to civilian authority may be due, above all, to a stable political party system, which includes four main parties, each with an apparently secure political base.²¹ Each succeeding election has essentially boiled down to a contest between two mass-based parties, the Left-of-Center Socialists and the Right-of-Center Social-Democrats, each of which has attained, if for a limited period, an absolute majority in parliament. During a brief period, the two parties formed a grand alliance. It may be that, when the two dominant political parties, their other policy differences notwithstanding, join in a common front to subordinate the soldiers to civilian authority, the military is brought to heel.

C. Democracy and Economic Efficacy

According to Lipset, disappointing economic performance saps the legitimacy of democracy.²² If this is the case, then a fledgling democracy would be particularly vulnerable to economic downturns. However, this did not happen to Portugal. During the last decade of the old régime, Portugal was closing the gap with its Iberian neighbor: the ratio of Portuguese to Spanish per capita GNP peaked in 1973 at 69 percent. After the coup the trend reversed, with the ratio dropping below 50 percent under the impact of expropriations, nationalizations and the fear of Communism. In the 1990s the ratio has begun to recover, although as recently as 1993 it was lower than it had been in 1970. Thus, for nearly two decades the economy continued to underperform. This was one of the unwelcome legacies of the "Carnations' Revolution." It was not until the mid 1990s that the country resumed robust economic growth. Presently, it is once again gaining on its Spanish neighbor.

If Lipset is right, then Portugal's success in transitioning to and consolidating democracy during two decades of economic disappointment makes it an exceptional case. Either prosperity is less important for democratic consolidation than Lipset believes, or the relationship is mediated by contextual factors, such as who is to blame for the hardships. After all, it was not an elected government but a self-appointed military vanguard, working hand-in-glove with the Communist Party, that adopted the policies that drove the economy into the ground. It took years of political bargaining to build the parliamentary consensus necessary to overcome the military's opposition to reversing the bitter-tasting "conquests of the revolution." Thus, it is not un-

reasonable to assume that Portuguese voters, even as they held presidents and prime ministers accountable for economic conditions during their terms in office, did not blame democracy itself for their troubles. If so, they are now reaping the fruits of their perseverance.

D. Relationship between Democracy and the Market

Walter Murphy asks, "Does constitutional democracy need to be joined with a market economy?" Lipset answers yes.²³ The Portuguese case suggests that the democratic parties, from Center-Left to Center-Right, agree. Putting aside partisan differences, they enacted constitutional amendments that reversed the MFA-imposed constitutional provisions that committed the country to Socialism and a classless society and prohibited future parliaments from privatizing the nationalized properties. During the last several years, Portugal has begun to privatize those state enterprises, raising revenues for the government in the process.

Portugal's simultaneous pursuit of democracy and a market economy flies in the face of Elster's "impossibility" theorem.²⁴ He argues that to carry out reforms on both fronts involves several interdependencies that cannot be obtained simultaneously. To cite only two, privatization aggravates inequalities, which goes against the democratic grain, and the elimination of price controls sparks mass protests organized by labor unions and other constituencies, which intimidate vote-conscious political parties into backing down. The Portuguese case shows that, indeed, privatizations are opposed by certain groups, such as the PCP, capable of mobilizing tens of thousands of protesters to take to the streets. But, contra Elster, it is possible for the political parties bent on privatization to weather the storm and stay the course of privatization, as Portuguese governments have done.

E. The Constitution as a Pact

Who are "the parties to the agreement a constitution represents. Is the 'constitution' of a constitutional democracy a covenant *among* a people? *Between* a people and their rulers? Both?"²⁵ While these classical conceptions of constitutional democracy may help us understand earlier instances of democracy, the Portuguese case suggests still another possibility: that in contemporary times a constitution is, among other things, *a compact among political parties*. Election to the 1975 Portuguese constituent assembly was by party lists, so all members of the assembly were party members. Similarly, all constitutional amendments have been enacted by a two-thirds vote of the national assembly, a ratio obtained only by agreement among two or more parties in parliament. Interestingly, in 1979, having won the election but

lacking a two-thirds majority, the PSD wanted to enact constitutional amendments in a two-step process consisting of a majority vote in parliament followed by popular ratification in a referendum. However, the Socialists, presumably the most "democratic" and "progressive" of the parties, balked (as did then-President Eanes), seemingly desirous of preserving the inter-party nature of the compact.

F. Parliamentary vs. Presidential Democracy

The hypothesis that parliamentary systems are more conducive to democratic stability than presidential systems has received a good deal of scholarly support recently, although Lipset demurs.²⁶ It is said that the winner-take-all presidential system is inferior to the parliamentary system at incorporating and balancing a wide range of interests, particularly those of small but passionate minorities, which, shut out from the winner-take-all presidential system, are less loyal to the democratic regime. Presidential systems are alleged to be polarizing, divisive, and rigid, less able to strike delicate balances among conflicting interests. Indeed, comparative and historical evidence suggests that parliamentary systems are longer-lived²⁷ and suffer less from political violence²⁸ than presidential systems. Drawing on the Spanish experience, Linz offers a counter-factual hypothesis in favor of parliamentarism: "There can be no doubt that in the Spain of 1977, a presidential election would have been far more divisive than the parliamentary elections that actually occurred. . . . Spanish politics since Franco has clearly felt the moderating influence of parliamentarism; without it, the transition to popular government and the consolidation of democratic rule would probably have taken a far different—and much rougher—course."²⁹

Still, such apparent exceptions as the increase in political stability in France from the Fourth to the Fifth Republic, which incorporated a strong presidency in a hybrid system, not to mention the United States, stand out. Portugal may turn out to be another exception. The First Republic began as a parliamentary system with a nominal president. The ensuing chaos, however, led to a *de facto* constitutional change, shifting greater authority to a president. It was as if, during the First Republic, a balance between presidentialism and parliamentarism was being sought. The lesson was not lost by the crafters of the present constitution, which provided for a mixed system of president and parliament.³⁰ This resulted in a struggle for power between the two branches, a contest that, by the mid 1990s, had apparently been won by the legislature. However, this may turn out to have been but one swing of the pendulum, driven in that direction by special circumstances associated with the Third Republic's first two presidents. The first president, General Eanes, was a military man without a party base. The two

major parties, seated in parliament, coalesced against him. And the second president, Mario Soares, had to contend with a parliament in which his party, the Socialists, were in the minority. Whether a shift in the opposite direction, towards greater presidential power, will follow, now that since 1996 both branches are under the Socialists' control, remains to be seen.

What is clear, however, is that the present hybrid system has apparently succeeded where the First Republic definitely did not. To be sure, a host of other variables have also taken different values in the interim. Nevertheless, it cannot be ruled out that the institution of the presidency has been a stabilizing force in Portugal. Between 1976 and 1996, General Eanes and Mario Soares each served two consecutive five-year terms, having been re-elected to a second term by a wide margin. That Portugal has had only one president per decade, it may be argued, has lent ballast to a ship of state that was being buffeted by strong gusts of discontent and frustrated ambitions left in the wake of the revolutionary upheavals of the 1970s. Presidential continuity has also acted as a corrective to relatively short-lived governments, the average tenure until recently being seven to eight months.³¹ The office even seems to have had a moderating effect on the persona of the incumbent: Mario Soares, who as prime minister displayed a partisan, combative style, as president "gradually assumed the mantle of a constitutional monarch and a symbol of unity. Rather than using his office to crusade in favor of Socialism, as some had suspected, he settled for the role of a non-partisan, establishment figure and became known affectionately as *Rei Mario* (King Mario)."³² The performance of the presidency vis-à-vis parliament has been such as to lead one scholar to conclude that Portugal's constitution ought to be amended in the direction of presidentialism.³³ Thus, Portugal offers a sober counter-example, which enthusiasts of the parliamentary system need to take into account.

III. Conclusions

Portugal's transition demonstrates that a relatively poor country, with no prior experience with mass democracy, can emerge from 50 years of dictatorship, go through a chaotic period of revolution and counter-revolution, and still succeed in consolidating democracy. It also suggests that democracy and the market go together and, furthermore, that Socialism and democracy are incompatible. It seems that the wholesale nationalization of property can only be carried out and sustained by force of arms. From the point of view of a committed Socialist, elections are "reactionary," i.e., they produce parliamentary majorities favoring a return to the market. Finally, Portugal casts doubt on the notion that parliamentarism is always superior to presidentialism. As a statistical generalization, it may be true that parliamentary systems

have a longer life and are less subject to political violence than presidential systems. But it is a long way from a statistical generalization to a policy prescription. When it comes to the actual crafting of institutions, contextual and historical contingencies become paramount. Portugal's hybrid régime, like France's, suggests that the presidency can be a stabilizing check to mutable parliamentary governments.

Notes

1. David Birmingham, *A Concise History of Portugal* (Cambridge: Cambridge University Press, 1993).
2. On the First Republic see Douglas L. Wheeler, *Republican Portugal: A Political History, 1910–1926* (Madison, WI: The University of Wisconsin Press, 1978); R. A. H. Robinson, *Contemporary Portugal. A History* (London: George Allen & Unwin, 1979).
3. Lawrence S. Graham, *The Portuguese Military and the State: Rethinking Transitions in Europe and Latin America* (Boulder, CO: Westview Press, 1993); Paul Christopher Manuel, *Uncertain Outcome. The Politics of the Portuguese Transition to Democracy* (Lanham, MD: University Press of America, 1995); Kenneth Maxwell, *The Making of Portuguese Democracy* (Cambridge: Cambridge University Press, 1995); Walter C. Opello Jr., *Portugal: From Monarchy to Pluralist Democracy* (Boulder, CO: Westview Press, 1991); Robinson, *Contemporary Portugal*; Paul Christopher Manuel, "Portuguese Civil Society under Dictatorship and Democracy, 1910–1996," in *Perspectives on Political Science*, vol. 27, no. 3 (1998): p. 142 ff.
4. Robinson, *Contemporary Portugal*, p. 52.
5. Carlos Cunha, *The Portuguese Communist Party's Strategy for Power, 1921–1986* (New York & London: Garland Publishing, 1992).
6. Maxwell, *Making of Portuguese Democracy*, p. 41.
7. *Ibid.*, p. 32.
8. On the revolutionary period and subsequent reaction, see Nancy Bermeo, *The Revolution within the Revolution. Workers' Control in Rural Portugal* (Princeton: Princeton University Press, 1986); Martin Kayman, *Revolution and Counter-Revolution in Portugal* (London & Wolfeboro, NH: Merlin Press, 1987); Phil Mailer, *Portugal: The Impossible Revolution?* (Montréal: Black Rose Books, 1977); Audrey Wise, *Eyewitness in Revolutionary Portugal* (Nottingham: Spokesman Books, 1975); Cunha, *Portuguese Communist Party*; Manuel, *Uncertain Outcome*; Maxwell, *Making of Portuguese Democracy*; Opello, *Portugal*; Robinson, *Contemporary Portugal*.
9. Maxwell, *Making of Portuguese Democracy*, p. 119.
10. On foreign support for one or the other of the main Portuguese protagonists, see the memoirs of the British Foreign Secretary: James Callaghan, *Time and Chance* (London: Collins, 1987). See also: Rainer Eisfeld, "Influências Externas sobre a Revolução Portuguesa: O Papel da Europa Ocidental," in Eduardo de Sousa Ferreira & Walter C. Opello Jr., eds., *Conflitos e Mudanças em Portugal, 1974–1984* (Lisbon: Editorial Teorema, 1985), p. 79–99.
11. Hugo Gil Ferreira & Michael W. Marshall, *Portugal's Revolution: Ten Years On* (Cambridge: Cambridge University Press, 1986), p. 46.
12. Cesar Oliveira, "Transição e Consolidação da Democracia em Portugal," in *Pensamiento Iberoamericano*, no. 14 (1988): p. 300; Maxwell, *Making of Portuguese Democracy*, p. 112–113. Be it noted that the PCP's popularity has not increased in the intervening two decades. In the most recent parliamentary elections, held in 1995, the communists, in alliance with the Portuguese Greens, pulled less than 10 percent of the popular vote. See Agora's Elections Around the World website, <http://www.agora.stm.it/elections/election/country/pt.htm>.
13. Kayman, *Revolution and Counter-Revolution*; Mailer, *Portugal: The Impossible Revolution?*; Maxwell, *Making of Portuguese Democracy*; Wise, *Eyewitness in Revolutionary Portugal*.
14. On the politics of Portuguese constitution-making, see the collection of essays in Kenneth R. Maxwell & Scott C. Monje, eds., *Portugal: The Constitution and the Consolidation of Democracy, 1976–1989* (New York: Columbia University, Camoes Center Special Report No. 2, 1990).
15. On the political struggles between the two branches, see David Corkill, "The Political System and the Consolidation of Democracy in Portugal," in *Parliamentary Affairs*, vol. 46, no. 4 (1993): p. 517–533; David Corkill, "The Portuguese Presidential Election of 13 January 1991," in *West European Politics*, vol. 14, no. 4 (1991): p. 185–192; Francisco Pinto Balsemao, "The Constitution and Politics: Options for the Future," in Kenneth Maxwell, ed., *Portugal in the 1980s: Dilemmas of Democratic Consolidation* (Westport, CT: Greenwood Press, 1986), p. 197–232; Carlos Gaspar, "O Processo Constitucional e a Estabilidade do Regime," *Análise Social*, vol. XXV, no. 1–2 (1990): p. 9–29. Graham, *Portuguese Military*; Maxwell & Monje, *Portugal: the Constitution*; Oliveira, *Trançição*.
16. Samuel p. Huntington, "Democracy's Third Wave," in *Journal of Democracy*, vol. 2, no. 2 (1991): p. 12–34; Seymour Martin Lipset, "The Social Requisites of Democracy Revisited," in *American Sociological Review*, vol. 59, no. 1 (1994): p. 1–22; Deane E. Neubauer, "Some Conditions of Democracy," in *American Political Science Review*, vol. 61 (1967): p. 1002–1009; Walter F. Murphy, "Constitutional Democracy," photocopy, 1996. The Murphy photocopy is the syllabus for a National Endowment for the Humanities Summer Seminar for College Teachers, which he directed at Princeton University.
17. Giuseppe Di Palma, *To Craft Democracies* (Berkeley: University of California Press, 1990).
18. Manuel, *Uncertain Outcome*, p. 3; Giulio Sapelli, *Southern Europe since 1945. Tradition and Modernity in Portugal, Spain, Italy, Greece and Turkey* (London: Longman, 1995).
19. Thomas C. Brueneau, "Portugal's Unexpected Transition," in Kenneth Maxwell & Michael H. Haltzel, eds., *Portugal: Ancient Country, Young Democracy*

- (Washington: Wilson Center Press), p. 14. The case of Costa Rica, Latin America's premier democracy, suggests likewise: in 1974, 25 years after the establishing of democracy there infant mortality was higher and the number of telephones per 100 inhabitants less than half of Portugal's.
20. Portugal's experience, however, suggests a justification for NATO's eastward expansion that has nothing to do with defense against Russia, namely, to promote the subordination of the military to parliamentary control in the formerly Communist-ruled countries of Eastern Europe.
 21. Joaquim Aguiar, "The Hidden Fluidity in an Ultra-Stable Party System," in Ferreira & Opello, *Conflitos e Mudanças*, p. 101–127. See also Daniel Nataf, *Democratization and Social Settlements. The Politics of Change in Contemporary Portugal* (Albany: State University of New York Press, 1995).
 22. Lipset, *Social Requisites*, p. 17. On the relationship between economic conditions and government popularity in Portugal from the mid-1980's to the mid-1990's, see Linda Rosa Fonseca Gonçalves Veiga, "Popularity Functions for the Portuguese Prime Minister, Government, Parliament, and President," in *European Journal of Political Research*, no. 33 (1988): p. 347–361.
 23. Murphy, *Constitutional Democracy*, p. 3; Lipset, *Social Requisites*, p. 3.
 24. Jon Elster, "The Necessity and Impossibility of Simultaneous Economic and Political Reform," in Douglas Greenberg, Stanley N. Katz et alia, eds., *Constitutionalism and Democracy. Transitions in the Contemporary World* (New York & Oxford: Oxford University Press, 1993), p. 267–274.
 25. Murphy, *Constitutional Democracy*, p. 41.
 26. For forceful arguments against presidentialism see: Juan Linz, "The Perils of Presidentialism," in *Journal of Democracy*, vol. 1, no. 1 (1990): p. 51–69; Arturo Valenzuela, "The Crisis of Presidentialism," in *Journal of Democracy*, vol. 4, no. 4 (1993): p. 3–16. Lipset, *Social Requisites*, doubts that the case for presidentialism is all that strong.
 27. Adam Przeworski et alia, "What Makes Democracy Endure?" in *Journal of Democracy*, vol. 7, no. 1 (1996): p. 39–55.
 28. Arend Lijphart, *Democracy in Plural Societies: A Comparative Exploration* (New Haven, CT: Yale University Press, 1977).
 29. Linz, *Perils of Presidentialism*, p. 59–60.
 30. Tom Gallagher, "Democracy in Portugal since the 1974 Revolution," in Ferreira & Opello, *Conflitos e Mudanças*, p. 61–78.
 31. Aguiar, *Hidden Fluidity*, p. 103.
 32. Corkill, *Portuguese Presidential Elections*, p. 186.
 33. Pinto Balsemao, *Constitution and Politics*.

FOUR

Neo-Liberal *Renovación*, Democratic Transition, and Fragmentation: The Fall of Spain's Socialist Hegemony

Anthony N. Celso

"They are no longer in the same family as the Left."¹

The March 1996 electoral defeat of the Spanish Socialists may have some profound ramifications for the political Left outside of Spain. The Spanish Socialist Workers Party (PSOE) was viewed in the popular press and by leading academic observers as a model that other Social Democratic parties should emulate. The Socialists' pragmatic, centrist policies and their courting of the middle class and the business community seemed to secure four straight electoral victories. The PSOE, in effect, would dominate Spain's electoral landscape throughout its recent democratic period. The Socialist government's neo-Liberal, free-market policies, however, would contribute to severe internal divisions within the PSOE in the 1990s, compromising its hegemonic political status and contributing mightily to its 1996 defeat. What is surprising about the Spanish case is the rapidity and scale of the Socialist Party's organizational and ideological collapse in the mid 1990s after so much startling success.

The PSOE's stunning victory in the 1982 general election, and the Socialist's subsequent electoral triumphs in the 1986, 1989, and 1993 elections