

**Crisis and Rapid Re-equilibration:
The Consequences of Presidential Challenge and Failure In Latin America**

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Abstract

Juan Linz posited his “perils of presidentialism” argument in 1978. Yet contrary to Linz’s predictions, since then presidential democracies have been much less likely to break down. Still, presidents continue to confront challenges to remaining in office for their full terms. Between 1978 and 2006 30% of all democratically-elected presidents worldwide faced serious efforts to remove them from office, and 12% were actually forced from office prior to the end of their terms. Thus far scholars have focused on the *sources* of these crises. In this paper, by contrast, we focus on their *effects*. Do these crises represent a serious new peril of presidentialism, or, to echo Linz, do we see crisis and re-equilibration, with few lasting consequences? This empirical question has important theoretical and normative implications. If we observe profound consequences following from these challenges, then even with the military largely sidelined and regime collapse not at issue, presidentialism would remain associated with normatively bad outcomes. Yet if we find that challenges or failures have minimal effects, then early presidential exit may represent an under-appreciated equilibrating mechanism that helps resolve executive-legislative conflict. In this case, early presidential exit might actually reveal democracy’s vitality across the region. Both the pessimistic and optimistic views find some conjectural support among scholars, yet more systematic empirical analysis provides little support for the pessimistic view. Although presidential challenges and falls are surely difficult crises, their effects are limited and ephemeral. We thus conclude that challenges and falls cause only superficial and ephemeral damage to democratic governance in Latin America.

Juan Linz first posited his “perils of presidentialism” argument in 1978, in a book subtitled *Crisis, Breakdown and Reequilibration*.¹ Yet contrary to Linz’ fears, presidential regimes have been much *less* likely to succumb to breakdown since that year, as compared against earlier eras. Still, presidents themselves continue to confront challenges to remaining in office for their full terms. Between 1978 and 2006 30% of all democratically-elected presidents worldwide faced either massive street protests and/or congressional efforts to remove them from office, and 12% of presidents were forced from office prior to the end of their terms.

Thus far scholars have focused on the *sources* of these political crises, and on the question of whether such challenges to presidents’ fixed terms of office succeed or fail. In this article we ask whether and how presidential challenges matter, exploring their potential *consequences*. Do challenges to directly-elected presidents lead to increased political instability? Are presidents who are challenged, or the unelected presidents who succeed fallen presidents, more likely to face significant economic and social problems than unchallenged presidents? In short, do challenges represent a new “peril of presidentialism,” or, to echo Linz’s subtitle, do we see crisis and re-equilibration, with few debilitating consequences?

This empirical question has important theoretical and normative implications. If the answers to our questions are positive, presidential challenges represent a new and unrecognized “peril” of presidentialism. Perhaps economic or social crises follow presidential challenges and/or failures either because the elected incumbent president survives but is politically weaker, or because the vice-president who assumes control after a president is removed from office cannot claim legitimate authority to govern. If this were true, then even with the military sidelined and regime collapse not at issue, presidentialism would remain associated with normatively “bad” outcomes. Linz might have mis-specified the hazards of presidentialism, but

might still be correct that such regimes represent a challenge for the consolidation of democracy in Latin America.

On the other hand, if we find that challenges or failures do not lead to debilitating crises, then early presidential exit may represent an under-appreciated equilibrating mechanism. Perhaps media and academic accounts of failed presidencies exaggerate both their short- and long-term political, economic, or social effects. In this case, early presidential exit is not a symptom of weak democratic institutions but instead may reveal representative democracy's flexibility in the region.

While both the pessimistic and optimistic views find some anecdotal support among scholars, we provide more systematic comparative evidence to support the optimists' view. Although presidential challenges and falls are surely crises, their measurable effects are limited and ephemeral. We thus conclude that civilian-led challenges and falls pose minimal threat to presidential governance broadly considered, and instead represent a workable solution to the stresses of governing under the separation of powers.

Presidentialism and Stability, Reconsidered

Linz's arguments about the perils of presidentialism spurred a generation of scholarly debate about whether and how presidential regimes are more inclined to democratic breakdown than the parliamentary alternative.² Linz suggested that several institutional features of the separation of powers imbue presidents with an excessive sense of their personal popular mandate while reducing their incentives for cooperation and power-sharing. These hypotheses received some early empirical support,³ and comprehensive analysis concluded that presidential democracies, regardless of their political and economic conditions, do not survive as long as parliamentary systems before breaking down into dictatorships.⁴ Depictions of Latin American

political systems as “delegative democracies” also indirectly supported the hypotheses, by arguing that the region’s presidents acted much as Linz expected.⁵

Still, several scholars questioned Linz’s conclusions, on both theoretical and empirical grounds. Early critics suggested that Linz’s conclusions were driven by regional selection bias – a focus only on Latin American cases.⁶ Mainwaring and Shugart added that Linz overlooked sources of conflict in parliamentary systems as well as several positive features of presidentialism.⁷ Empirically, scholars found that countries with parliamentary systems survived longer because they tended to possess other (non-institutional) characteristics that strengthened democracy. For example, empirical analysis restricted only to developing countries found no relationship between regime type and democratic survival.⁸

A “temporal” critique has joined these largely “geographic” arguments. Two recent books by Cheibub and Pérez-Liñán suggest that any tendency for breakdown in presidentialism is historically contingent, rather than inherent to the regime.⁹ Cheibub adds that even when presidential regimes were more likely to break down, they did not do so through the causal pathways Linz proposed. Both books argue that the military’s involvement in politics brought instability and regime breakdown to presidential regimes (and to Latin America in particular) during the Cold War period. A changed international environment thus suggests that such crises and breakdowns should be less frequent in the future.

Despite these powerful critiques, discussion of the “perils of presidentialism” has revived, as scholars have recently noted what Pérez-Liñán calls the “new instability” of *presidents*, which remained obscured for a time by the increasing stability of presidential *regimes*.¹⁰ The key manifestation of this new form of instability is the *frequent inability of directly-elected presidents to complete their full terms in office*, even as the institutional

environment remains formally democratic.¹¹ Worldwide since 1978,¹² fully 30% of democratically-elected presidents have faced challenges to their continuing in office for their full terms, either in the form of massive street protests explicitly demanding their exits or through formal, legal efforts to remove them from office, or both. Over a third of those - or 12% of all directly-elected presidents the world over – have failed to complete their constitutional terms.¹³

In speaking of the new instability, Pérez-Liñán focuses only on cases that end in formal impeachment processes.¹⁴ In contrast, here we join others in focusing on a broader sample of failed presidents, which includes those in Pérez-Liñán's sample as well as presidents who resigned under a cloud of scandal, were removed due to supposed "incapacitation," resigned from office in response to street protests, or have their terms of office otherwise shortened through non-military means.¹⁵ Exactly how a president leaves office is often an accident of timing (e.g. some presidents resign before congress can formalize an impeachment process) rather than an analytically salient distinction.¹⁶ More importantly, *all* of these modes of exit are exceptions to the assumption that part of what defines presidentialism is fixed term length.¹⁷ Linz, in fact, specifically declared such "early exits" as unlikely in presidentialism, assuming that impeachment would be difficult to achieve; that presidents' psychology means they would be unlikely to resign voluntarily; and that publics would not allow the presidents they had elected to leave office early.¹⁸

The fact that early presidential exits have become fairly common is clearly not a development Linz anticipated. Table 1 shows the cases of both challenged and failed presidencies in Latin America since 1978, our universe of cases in this study. Challenged presidents are those who face a formal impeachment vote in the legislature (as opposed to merely the threat or rhetoric of impeachment, which is much more common) and/or confront a mass

protest that explicitly demands presidential removal.¹⁹ Fallen or failed presidents – terms we use interchangeably – are those who are forced to leave office early by whatever means of challenge.

[Table 1 here]

Thirty years after Linz's seminal study, it is clear that challenges to sitting presidents represent a widespread and increasingly common development in Latin American politics. Existing studies have focused largely on the *causes* of challenge and failure. The most common culprit identified is an institutional factor related to Linz's arguments, which is that challenged and failed presidents tend to lack majority legislative support.²⁰ Without majority support for the president, the two branches enter into conflicts that the legislature increasingly wins.

Several authors have noted, however, that the dynamics of these challenges cannot be understood simply by looking at inter-branch conflict. Hochstetler points out that no legislative attempts to remove presidents in South America have succeeded without large protest movements accompanying them, a pattern that held up in global perspective as well, and is confirmed for our cases in Table 1.²¹ Pérez-Liñán similarly argues for the central role of public outrage in pushing legislators to remove presidents, using public-opinion data.²²

All of this research sees the public as activated by some combination of revulsion at scandals involving presidential misbehavior and a backdrop of frustration with economic performance. This public opposition can back up congress if and when it acts – and indeed encourage representatives to challenge presidents or lose their own mandates – or it can directly force presidents to resign. Thus all of the replacement presidents we study take office in a political context of recent mass social mobilization *and* frequently also congressional action against their predecessors, hardly an auspicious start to their terms.

Research has thus far identified the conditions under which challenges and failures are

more or less likely. We begin where these works leave off. Once a president has been challenged, successfully or not, what should we expect the consequences for political stability and economic and social performance to be? Challenges and failures appear to be traumatic political events. Yet do they leave a debilitating residue, or are they ephemeral?

Debate: The Consequences of Presidential Challenge and Failure

Scholarship provides grounds for either pessimism or optimism in terms of assessing the consequences of the increasing frequency of presidential challenges and failures in Latin America. In 1974, when US President Gerald Ford was sworn in to replace Richard Nixon (who had resigned under threat of imminent impeachment and is thus a failed president), he famously tried to assure Americans that “our long national nightmare is over”.²³ We can see the roots of both the optimistic and pessimistic views of the consequences of presidential challenge and failure in Ford’s words. On the one hand, Ford characterized the impeachment process as a “long national nightmare,” one whose wounds were “more painful and more poisonous than those of foreign wars”.²⁴ Scholars who see the recent regime challenges in Latin America as a new and destabilizing peril of presidentialism echo these sentiments that challenges and failures leave deep wounds that potentially deform the subsequent presidencies. Yet on the other hand, Ford’s insistence that his inauguration marked an end to the nightmare and the beginning of a return to normal politics reappears in the arguments of scholars who see presidential failure as an equilibrating mechanism that should not affect subsequent governance.

The pessimistic view of the consequences of presidential challenge and failure is rooted in the assumption that presidential systems were not designed for such events, particularly when compared against parliamentary systems. In parliamentary systems the world over since World War II, fully 68% of all prime ministers have been removed via *non-electoral* means – either

through intra- or inter-party mechanisms, without voters' involvement.²⁵ Prime ministers' "early exit" is the norm in parliamentary systems.

In contrast, challenges to presidents usually require recourse to constitutionally extraordinary procedures as legislators seek to assert that presidents are guilty of what the US constitution calls "high crimes and misdemeanors". These procedures typically involve legislative investigations, involvement of the judicial branch of government, taking multiple supermajority votes, and the mudslinging of a potentially lengthy public trial. Presidents who do not deserve to be removed from office on such grounds sometimes are removed anyway, setting a possibly dangerous precedent that undercuts both a leader's legitimate right to govern and the public's legitimate right to directly choose its leaders. In several important ways, there is a universe of difference between a party's or a parliament's choice to dismiss the prime minister and an effort to force a president from office early. The contrasting personal consequences make this clear: dismissed prime ministers often return to the parliament and compete again to lead the country, while failed presidents are more likely to face jail time and exile.

The pessimistic view also suggests that negative consequences of challenges and failures derive from the figure of the "unchosen president".²⁶ Whether a vice-president or some other figure, a replacement president does not possess a direct popular mandate to govern. Moreover, vice presidents in Latin America's multiparty systems often come from different parties than presidents, so replacements may not even possess a partisan mandate. The weakness of the position of vice-president means that in the US and elsewhere, "the post ordinarily fails to attract persons thought at the time to be of presidential caliber, and the major parties routinely select vice-presidential candidates with scant regard to their fitness to be president".²⁷ Thus for example Weyland describes Brazil's two elevated vice-presidents, José Sarney and Itamar

Franco, as unquestionably not of presidential caliber, arguing that their weaknesses forced them to use patronage and favoritism to hold together unwieldy legislative coalitions and to govern poorly.²⁸

Conventional wisdom also suspects new presidents who are not even vice-presidents to fare even worse. These figures lack even the procedural legitimacy of an elevated vice president, because many countries work out the details of non-electoral succession only after a crisis occurs – how to appoint a new vice-president after Kennedy’s assassination in the United States, for example, and after the debacle of Isabelita’s rule in Argentina.²⁹ As Table 2 shows, about half the Latin American unelected presidents fell into this latter category of “unelected,” either because there was no vice president or because protesters and oppositions rejected figures in the constitutional line of succession (these appear in the table as “Chosen by congress and protest”).

[Table 2 here]

Pessimists thus consider challenges and failures to represent dramatic departures from the rules and collective expectations about democratic politics in presidential systems. Concretely, these worries lead them to suggest that presidential challenges may have corrosive consequences for the entire political system. For example, Conaghan argues that even *before* Ecuador’s legislature summarily removed three presidents in succession, “The public’s regard for democracy has eroded in the face of the unseemly and sometimes bizarre interaction of presidents and legislatures”.³⁰ Pérez-Liñán goes so far as to call challenges “spasmodic” forms of accountability;³¹ while for Schmitter they signal the breakdown of democratic accountability.³² For these reasons, Valenzuela expects presidential challenges to erode presidentialism as a regime-type, and predicts broader constitutional crises and a return to regular democratic breakdowns in Latin America.³³

Another possibility that follows from pessimists' concerns is that the experience of challenge and failure may itself generate additional challenges and failures, even if breakdown is avoided. Future potential challengers may be inspired by past successes – their own or those of other challengers – to challenge again. Presidents in turn may adopt problematic policies and alliances as they try to manage their insecurity about their tenure; these may lead to ineffective forms of governing that, again, make challenge and failure more likely. In short, there may be a demonstration effect that derives from the fact that all actors now see early terminations as a potential opposition strategy.

In addition to potential legitimacy, breakdown, and demonstration effects, the pessimistic view considers challenges and failures to be a national waste of time and energy, hampering good governing performance during the challenge and perhaps afterwards. Challenges and failures force other pressing issues to the sidelines, sometimes for years, as the president's fate is considered. As Brazil's president Collor faced impeachment in 1992, for example, the government was essentially at a standstill, inflation soared, and a recalcitrant congress not only refused to pass his legislative proposals but also extorted extra patronage from a weakened president.³⁴ Mass challenges frequently involve road blockages, general strikes, or even looting that can paralyze the daily workings of the economy and discourage investments.³⁵ One estimate suggests that social conflict in the years when Bolivians challenged their presidents inflicted economic costs that approached 10% of the GDP for the year.³⁶ These kinds of issues may lead to longer-term governing problems if presidents do internalize a shorter time horizon and if necessary corrective reforms are not made.

To summarize, pessimists expect both challenged presidents and the unelected presidents who succeed them to face a variety of woes, and thus consider presidential challenges and falls

to represent a dangerous new “peril” of presidentialism. Compared against elected and unchallenged presidents, challenged and unelected presidents’ inability to govern should be reflected in weaker economic performance; higher levels of social contestation; greater government instability; lower levels of confidence in the regime as a whole; and even a greater danger of the old peril of presidentialism, regime breakdown.

In contrast, optimists agree that presidential challenges and failures are crises, but view them as considerably more ephemeral. Optimists suggest that contemporary crises of presidentialism are *not* enduring but are resolved fairly quickly with the decision that the president stays or goes. Moreover, although Linz suggested that only the military would be able to interrupt presidents’ terms, optimists suggest that the “new instability” reveals a new *flexibility* in presidential governance, within the confines of the existing democratic rules.³⁷ Swapping out an elected president, in this view, is not much different from the parliamentary practice of swapping out an elected prime minister – and thus no less democratic.

Such quasi-parliamentary procedures enable presidential regimes to handle conflicts in ways that do not lead to democratic breakdown, but allow the system to re-equilibrate with or without the elected president.³⁸ No longer must citizens tolerate corrupt or inept presidents until the ends of their terms, because these can be replaced through increasingly familiar procedures. By this logic, while countries might experience some short-term governing problems during the course of a challenge, challenges have few deep or lasting consequences for regime legitimacy or continuity or for social or economic performance. This makes them very different from the military coups that once settled political impasses in the region. (And makes them different from the Honduran military intervention in mid-2009; see the conclusion.)

Optimists even suggest that successor presidents might govern *better* than their regularly-

elected predecessors. After all, many of the supposed problems with presidentialism come from overly-strong executives, while presidential challenges entail an informal power shift from the presidency to the legislature.³⁹ The very lack of a direct electoral mandate might thus make unelected presidents more willing to cooperate across branches. After all, both vice-presidents and those who were not vice-presidents reach office because legislatures put them there, in much the same way that parliaments select prime ministers. Protesters also must “sign off” on new presidents by retiring from the street. Such “people power” is illustrated by the ability of mass movements in Argentina in 2001-2002 and Bolivia in 2005 to force congressional representatives to choose new presidents who they approved after originally unpopular choices. These requirements mean that unelected presidents can have some popular legitimacy, and are likely to be even more responsive to legislatures and publics than elected ones.

Thus in contrast to Weyland’s grim expectations for Brazil after the ascension of Franco to the presidency in 1992, Peter Flynn paints a very different picture. He points out that Franco immediately put together a supermajority governing coalition of 441 members of the 503-member chamber, and that he brought many experienced legislators into his cabinet.⁴⁰ This enabled him to generate inter-branch support for important fiscal reforms, in contrast to Collor’s penchant for conflict with congress. Flynn’s observations help us to understand why one might expect measures of governance and confidence to actually be better after presidential challenges and failures - or at least not worse.

Little comparative analysis of what happens *after* presidential challenges and failures exists. Much of our discussion in this section of the paper rests on scholarly speculation about governance in contemporary Latin America, which is not grounded in any systematic empirical analysis. Nevertheless, such speculative debate offers two competing hypotheses. Pessimists fear

the worst – that the “new instability” brings with it more of the same old “bad governance” that has historically afflicted Latin America under different international contexts. Optimists, in contrast, view the changed international climate as offering presidentialism an opportunity to demonstrate its flexibility and vitality. The remainder of the paper empirically explores these hypotheses.

Optimists versus Pessimists: Testing the Hypotheses

The thesis of the “old” instability of presidentialism had the virtue of specifying a very clear expectation that could be empirically explored: presidential democracies would be likely to collapse into authoritarianism. Expectations surrounding the “new” instability lack that virtue. In fact, the clearest argument one can derive from this literature is merely the opposite of Linz’s main claim: democratic presidential regimes will not routinely collapse. This claim has been largely supported by developments since 1978, confounding pessimists’ worst expectations. However, this still begs the question of a more explicit vision of what to expect---beyond the absence of regime collapse--in terms of governance. That is, existing literature provides little *specific* guidance regarding the expected consequences of the new instability.

The pessimistic approach, as just outlined, establishes a long list of possible undesirable outcomes, while the optimistic approach in effect argues the null hypothesis, that countries experiencing presidential challenges and failures will not differ significantly from those in more ordinary political times – they will not be any better, or any worse. Neither hypothesis offers anything approaching a “theory” of what outcomes challenges should or should not affect. The pessimistic hypothesis as outlined above very generally suggests that presidential challenges and failures should negatively impact 1) democratic stability and/or quality; 2) the likelihood that future presidents will finish their terms, as demonstration effects lead to more challenges and

failures; 3) governance indicators; and 4) regime legitimacy or support. Let us examine these expectations in turn to assess the validity of the pessimistic and optimistic views about the impact of presidential challenges and falls.

Democratic Stability and Quality

As for regime stability, no empirical analysis is required, simply because none of the presidential democracies in which a president has been challenged since 1978 has collapsed back into dictatorship. At the most fundamental level—the survival of democracy—the “new instability” appears to offer no threat. And even in terms of democratic quality, statistical analysis indicates that challenges and falls have no impact on a country’s Freedom House score—either during the year of the crisis or up to two years after the crisis.⁴¹ Thus on these measures, the pessimistic view finds no support. At the aggregate level, challenges and falls threaten neither the stability nor the quality of democracy.

Demonstration Effects

The “new instability” of presidential challenges and failures has spread across most of Latin America, suggesting possible demonstration effects within the region. Thirteen of seventeen Latin American presidential democracies have experienced at least one challenge since 1978 – all except Chile, Costa Rica, Mexico and Uruguay. Moreover, the temporal distribution of challenges and falls tends to support the pessimist view. There were just four challenges in the first decade (1978-1987), eight in the next (1988-1997), and fourteen in the final decade of our analysis (1998-2007). Presidential failures have also become more common.

However, most countries had only one challenge and at most one failure, suggesting little emulation *within* countries. The exceptions are Argentina, Bolivia, and Ecuador, which experienced at least three challenges and failures each. In these cases, opponents of the

incumbent president apparently do seek to emulate earlier successful challenges, and pessimists surely have these countries in mind when articulating their view.

Still, these three are the only “repeat offenders.” As of this writing, we see no evidence of widespread “demonstration effects” across the region. Moreover, both Bolivia and Ecuador (but not Argentina) have reformed their constitutions since their last instance of presidential failure, in an effort to address popular concerns about unaccountable elected governments. Bolivia now allows citizen referenda to remove presidents, while Ecuador increased presidential control over the often-recalcitrant legislature and created a citizens’ council to exercise “social control” over all branches of government.⁴²

These reforms represent efforts to “reequilibrate” the political system; it remains to be seen whether such efforts will prove successful in the long term. Ideally, presidents would not only recognize that such reforms imply that they cannot take unilateral decisions that ignore public opinion, but would actually not take such actions. All else equal, to the extent these reforms have effects, we should see fewer and weaker street protests or formal challenges, and we would expect such challenges would be less likely to succeed. After all, in the one country that had such arrangements previously--Venezuela--the popular incumbent president (Hugo Chávez) survived both street protests and a formal recall effort. Perhaps it is not only presidents who must learn from past challenges – but the challengers themselves. In any case, while three countries have experienced repeated crises, the rest of Latin America has not. Evidence supporting the pessimistic view is thus fairly limited in terms of “demonstration effects.”

Governance Indicators

Neither the optimistic nor pessimistic hypotheses offer specific hypotheses about which sorts of governance indicators a presidential challenge or fall might affect. However, pessimists

suggest we should see negative consequences in two broad areas: weaker economic performance and higher levels of social contestation. Given the necessarily broad rather than in-depth analysis in a paper of this nature and length, in what follows we conduct statistical analysis of the impact of different “types” of presidents--elected versus unelected, unchallenged versus challenged--on a range of different performance indicators related to these areas. We used as dependent variables the multiple components of the PRS Group’s “International Country Risk Guide”.⁴³ This indicator assesses countries’ investment risk and contains multiple subcomponents of political, economic and social instability.⁴⁴ Some of the subcomponents are based on quantitative indicators, while others are qualitative assessments. The data cover 1984-2006 for 18 countries.⁴⁵ Table Three summarizes our dependent variables, which are ten components of the risk measure.⁴⁶

[Table Three Here]

We recognize that not all of these components of “risk” are equally relevant for our question, and also understand that one could think of other governance variables to explore. Yet as a first cut for analysis of this question, the PRS Group’s measures offer a wide-ranging set of governance outcomes to consider.

Our statistical analyses involve conducting time-series cross-sectional analysis. Our main independent variables are dummies that classify presidents as 1) elected and unchallenged; or 2) undergoing challenges; or 3) unelected replacements. Doing so allows us to evaluate the arguments of the pessimists and optimists: pessimists believe that presidents in categories 2 and 3 will be associated with higher levels of political risk or bad governance compared with those in category 1. Optimists, in turn, suggest that all presidents will do about as well as each other. In our analyses, elected and unchallenged presidents (category 1) form the reference category. This

means that we can interpret statistically significant results on our main independent variables to differentiate challenged and/or unelected presidents (categories 2 and 3) from “normal” presidents in terms of our various risk and performance indicators.

We will never have a theory or theories that would explain variation on all the dependent variables we examine, some of which might be a function of very different underlying dynamics. On just the variable of government stability, for example, Weyland suggests four groups of explanatory factors that are important.⁴⁷ We seek to keep our analysis as simple as possible, in an effort to isolate the impact of challenges and falls. Our regression models include dummy variables for each country (Brazil was used as the reference category) and each year (1995 was used as the reference category), which account for unknown factors not associated with the “type” of president that might also affect the dependent variables.⁴⁸ In order to control for the effects of endogeneity, each model also contains one- and two-year lagged measures of the dependent variable and of two variables controlling for economic conditions - the change in GDP per capita and the log of the inflation rate.

For space reasons we simplify the presentation of the results of our twenty regressions. We ran ten GLS models (one for each governance indicator) using data for the current year and ten models testing for an effect in the subsequent year, to explore the possibility that challenged and/or indirectly-elected presidents might have residual effects on political hazards. We report results for challenged and indirectly-elected presidents separately. Thus each row in the tables that follow presents the results for a different dependent variable, for two separate models: one that tests for an effect on that particular dependent variable in the current year, and one that tests for an effect on the same dependent variable in the following year. Cells in each row report the percentage change on the dependent variable of being either a challenged president (Table Four)

or indirectly-elected president (Table Five). The percentage changes in each cell indicate “how different” challenged and indirectly-elected presidents are from directly-elected and unchallenged or “normal” presidents. We calculated the percentages from the regression coefficients (% change = regression coefficient/number of total points in the subcomponent, per PRS coding), and only report changes that are statistically significant at the .10 level or better.⁴⁹ (Full regression results are available from the authors.)

[Table Four Here]

The results in Table Four confirm that—not surprisingly--perceived government instability increases in years in which presidents are challenged, by about 6.0%. However, such instability vanishes in the subsequent year. Observers also have a slightly higher expectation of military involvement in politics during challenges (3.7%), but again, such effects vanish the following year. Finally, in the year following a challenge a country’s investment risk increases by 3.1% and the risk of adverse socioeconomic conditions also rises by about 2%.

Looking at Table Four, the most important finding is the relative *absence* of large effects of presidential challenges on governance. Pessimists will find extremely limited support here for their view that challenges represent a new “peril of presidentialism.” Instead, challenges bring only fleeting evidence of government instability and military saber-rattling during the year of challenge itself; small additional socioeconomic and investment risks in the subsequent year; and no change in internal conflict, corruption, law and order, or bureaucratic quality.

[Table Five Here]

Table Five, which focuses on presidents who assume office following successful challenges, further undermines the pessimistic view. The only significant effects are actually *positive*---that is, unelected presidents see a *decline* in ethnic tensions and a *decline* in the risk

that there will be drastic changes in policy or interruptions in government services, in both the current and subsequent years. That is, there is no support for the notion that “substitute” presidents have worse profiles, in terms of government instability, socioeconomic conditions, investment risk, internal conflict, corruption, law and order, and democratic accountability.

Regime Legitimacy

Finally, let us consider the effect of challenges and falls on the public’s view of democracy. Unfortunately, cross-nationally reliable public opinion data are unavailable for our full time-period to test the hypothesis that presidential challenges and falls reduce support for democracy,⁵⁰ as the Latinobarometer has only been surveying Latin American publics since 1995. Moreover, the Latinobarometer’s regional coverage has only become complete in the last few years (which excludes the Dominican Republic from analysis, for example), and only in the last few years has it employed nationally-representative samples in all countries.⁵¹ Given these problems, any conclusions derived from public-opinion data are provisional.

Nevertheless, the pessimistic view generates a straightforward hypothesis: countries in which challenges and/or falls have occurred should see an erosion of popular support for democracy. To explore this question, we take three cross-sections of the Latinobarometer data – 1996, 2001, and 2005 (1996 as the earliest available set, and 2005 as the latest available set at the time of this writing) – and focus on one of the survey’s key questions, which is asked precisely the same way each year: “Which of the following statements do you agree with most: (1) Democracy is preferable to any other form of government; (2) In certain situations, an authoritarian government can be preferable to a democratic one; and (3) To people like me, it doesn’t matter whether we have a democratic government or a non-democratic government.” (“Don’t know” is a fourth option.)

Our dependent variable is simply the proportion of “Democracy is preferable” responses in each country for each year. To weigh the impact of presidential challenges and falls, we then conducted four OLS regressions, with the following structures:

- 1) The dependent variable is support for democracy in 2001, controlling for support for democracy in 1996. The independent variable of interest is whether the country experienced a presidential *challenge* between 1996 and 2000.
- 2) The dependent variable is support for democracy in 2005, controlling for support for democracy in 2001. The independent variable of interest is whether the country experienced a presidential *challenge* between 2001 and 2005.
- 3) The dependent variable is support for democracy in 2001, controlling for support for democracy in 1996. The independent variable of interest is whether the country experienced a presidential *fall* between 1996 and 2000.
- 4) The dependent variable is support for democracy in 2005, controlling for support for democracy in 2001. The independent variable of interest is whether the country experienced a presidential *fall* between 2001 and 2005.

These models test for differences of means in the “challenged or indirectly-elected presidents” group versus the “unchallenged presidents” group, controlling for prior level of support for democracy. Table 6 reports results for the first two models; Table 7 for the third and fourth models.

[Tables 6 and 7 Here]

With only 17 cases for each model, these results are hardly definitive. Yet this exercise lends no support for the pessimistic hypothesis. Although the signs on the coefficients for “challenge” or “fall” are negative in three of four equations, they never come close to statistical

significance.

A look at the raw data helps understand what is going on. In some cases, a challenge or a fall does negatively impact popular support for democracy, while in others the challenge appears to restore confidence in the democratic system. For example, an unsuccessful challenge in Colombia in 1995-96 pushed support for democracy down from 60% in 1996 to 36% in 2001. The same occurred in Honduras after another unsuccessful challenge – a decline from 58% in 2001 to 33% in 2005. Yet support for democracy *increased* in Nicaragua – from 43% to 57% - after an unsuccessful challenge in 2004. The same occurred in Venezuela after the unsuccessful effort to oust Hugo Chávez in 2002-04.

Support for democracy also increased and decreased following *successful* challenges. Support declined after successful challenges in Bolivia in 2003 –from 54% to 49%, and in Paraguay – from 59% in 1996 to 35% in 2001. Yet support for democracy increased after successful challenges in Ecuador in 2004 and Argentina in 2001. And support for democracy remained virtually unchanged in Peru despite the dreadful chaos of Fujimori’s last years in office in the late 1990s: from 63% in 1996 to 62% in 2001. In short,presidential challenges and falls do not have a uniformly positive *or* negative effect on popular support for democracy across Latin America.

Conclusion

Since 1978, Latin America has seen a wave of challenges to presidents, and 16 presidencies have been prematurely terminated. This constitutes a new kind of regional political instability. Yet we suggest that the consequences of this new instability are not nearly so dire as sometimes supposed. Crises that accompany presidential challenges and falls tend to be fairly

short and – most importantly – leave fairly superficial wounds. On a wide set of dependent variables, the pessimistic view finds extremely limited support in analysis of either challenged or indirectly-elected presidents as compared against “normal” presidents. This is not to say that any of these presidents are performing *well*, only that there are few clear differences between these populations. Pessimists’ concerns are understandable, but such a view exaggerates the dangers. We find no evidence of a systematic breakdown of legitimacy, no serious disruption of governance, and no evidence of erosion of presidentialism as a regime-type.

In our view, the repeated peaceful resolution of presidential crises indicates the resilience of democracy in contemporary Latin America. In historical perspective, addressing political crises by involving masses of citizens and the legislature are positive innovations – a break with history rather than a continuation of cycles of military intervention. In this respect, the case of Honduras in 2009—the only example of successful military intervention since the end of the Cold War—represents a potentially troubling indicator of potential ‘backsliding’ towards regular military intervention—and thus to military rule, potentially. At the time of this writing, it is too early to tell how this case will play out. We wish to make it perfectly clear that our analysis does *not* apply to cases where militaries intervene – only to those cases in which civilians lead opposition to incumbent presidents.

In any case, although we lean toward optimism, we must also note that optimists have done little to specify what to expect of the “new presidential instability” beyond the absence of breakdown. We hope our paper provokes additional research exploring different outcome variables and public-opinion data. For example, scholars could investigate the sources of *variation* in outcome variables such as governance and support for democracy.

We also recognize that it is possible that presidential crises have indirect and thus

unobservable longer-term effects on democratic representation and accountability that our study has not identified. Perhaps challenges don't make a bad situation any worse in the near term – but perhaps they do damage the prospects for democratic “deepening” or consolidation. This is a question for future research.

Scholars might also seek to identify and explain some apparent sub-regional patterns. Although our quantitative analysis reveals that reequilibration in terms of governance indicators comes quickly, a few countries have struggled to keep their political balance. The most notable example is Ecuador, which removed all three of its elected presidents between 1997 and 2005. Argentina and Bolivia also repeatedly have forced presidents out early – and all three are together in the first box of Table 1, with large protests movements leading the charge against the incumbent president, with little institutional mediation. In contrast, other countries have seen isolated cases of presidential challenge and removal – perhaps because elites and mass-public actors learn from the outcomes of these crises. For example, the secondary literature on Brazil's 1992 impeachment stresses the ways that constitutional governance was improved by presidential crisis; and other countries also show signs of learning from their experiences.⁵² Such learning from the “new instability” in Latin America is obviously neither automatic nor inevitable, but it is possible in ways the prevailing pessimist view had not expected.

What are some potential sources of learning, of re-equilibration? What factors might work against reequilibration? Possible equilibrating mechanisms – the processes by which crises dissipate and countries return to more-or-less normal politics – include the sorts of governing coalitions challenged and unelected presidents build⁵³ and the role of the press and of public opinion in holding presidents accountable.⁵⁴ Both of these factors deserve further scrutiny. Challenges occur most frequently when presidents attempt to govern alone – when they fail to

reach across the aisle to opposition politicians, and when they ignore massive street protests as the complaints of a small minority. This insight returns us to Linz's initial assessment of presidentialism as a system in which too often the executive tends to personalize politics and "stand above" both institutions and the mass of voters. As the Brazilian case suggests, presidents of varying political stripes who take office following a crisis can and do adjust their governing strategies to avoid—or at least reduce—both legislative and street-level opposition. Yet the question remains as to what factors encourage this change of strategy within a constant institutional context.

Our findings notwithstanding, we do not wish to imply that no differences exist between governance crises under presidentialism, parliamentarism or mixed systems. The impact of crises under presidentialism may be less than some expect, but the process by which executive crises are resolved differs substantially across political systems. Successful challenges of presidents include both popular *and* legislative mobilization against an incumbent,⁵⁵ yet the president's political opponents almost always initiate such challenges: Samuels and Shugart found only one instance in the history of democratic systems in which a majority of legislators within an incumbent party sought to remove its own president.⁵⁶ This contrasts with the dynamics in parliamentary systems, in which behind-closed-doors intra-party politics accounts for the removal of almost one-third of sitting prime ministers.

Thus in contrast to many cases of incumbent removal under parliamentarism, challenges – and thus removals – are necessarily an *inter-party* game in separation-of-powers systems, and also involve an active and engaged public. In contrast, under parliamentarism, the incumbent party may remove its own executive, with no popular consultation. Thus the dynamics of executive removal specifically and of democratic accountability more broadly considered differ

across democratic regimes. If we wish to offer recommendations as to how to avoid crises under presidentialism (even if such crises have only fleeting effects), then we must go back to square one in the debate about regime instability and the “difficult combination” of presidentialism and party systems, because such crises occur most frequently under multi-party, minority-government situations – situations that do not experience governance crises under parliamentarism.⁵⁷

In any case, the evidence we present counsels against assuming that preventing presidential challenges and falls should be a key goal of democratic governance in Latin America. The “new instability” of Latin American presidentialism is associated with levels of democratic legitimacy, regime stability, and socioeconomic performance that are rarely significantly different than those of presidents who do not face such crises. If the quality of democracy in Latin America is not good enough, then the causes of such problems evidently lie elsewhere--and not with presidents’ instability in office.

Table 1. Challenged democratic presidents and their fates in Latin America, 1978-2006

	Location	Street	Street and legislature	Legislature
Outcome				
President removed early		Bolivia 2005	Peru 2000	
		Ecuador 2004-05	Paraguay 1998-99	
		Bolivia 2003	Ecuador 1997	
		Argentina 2002-03	Dominican Republic 1994-96	
		Argentina 2001	Venezuela 1992-93	
		Ecuador 1999-2000	Brazil 1992	
		Guatemala 1993	Brazil 1987-89	
		Argentina 1989		
	Bolivia 1985			
President remained in office		Honduras 2003	Colombia 1995-96	Nicaragua 2004-05
		Venezuela 2002-04	Ecuador 1987	Peru 2005
		Brazil 1999		Paraguay 2000-03
		El Salvador 1987		Paraguay 1997

Table 2. Unelected presidents in Latin American democracies, 1978-2006

Country	Time in office	Name	Selection status
Ecuador	2005-2006	Palacio	Vice president
Bolivia	2005-2006	Rodríguez	Chosen by congress and protest
Bolivia	2003-2005	Mesa	Vice president
Argentina	2002-2003	Dualde	Chosen by congress and protest
Bolivia	2001-2002	Quiroga Ramírez	Vice president
Peru	2000-2001	Paniagua	Chosen by congress and protest
Ecuador	2000-2003	Noboa	Vice president
Paraguay	1999-2003	González Macchi	President of legislature; next in succession
Ecuador	1997-1998	Alarcón	Chosen by congress, ratified by plebiscite (65% in favor)
Venezuela	1993-1994	Velásquez	Chosen by congress
Guatemala	1993-1995	De León Carpio	Chosen by congress and protest
Brazil	1992-1994	Franco	Vice president
Brazil	1985-1989	Sarney	Vice president

Note: includes only those presidents who remained in office at least half a month.

Table 3. Dimensions of political risk

Risk component	How assessed
1. Political instability	Defined as the “government’s ability to carry out its declared program(s), and its ability to stay in office.” Subcomponents of this measure include 1) government unity; 2) legislative strength; and 3) popular support.
2. Socioeconomic conditions	Defined as an “assessment of the socioeconomic pressures at work in society that could constrain government action or fuel social dissatisfaction.” The measure is built on three subcomponents, 1) unemployment; 2) consumer confidence; and 3) poverty.
3. Investment risk	Defined as “an assessment of factors affecting the risk to investment that are not covered by other components.” Its subcomponents include 1) contract viability/expropriation; 2) profits repatriation; and 3) payment delays.
4. Internal conflict	Defined as an “assessment of political violence and its actual or potential impact on governance.” The subcomponents include 1) civil war/coup threat; 2) terrorism/political violence; and 3) civil disorder.
5. Corruption	Assessed as frequency of bribes in business transactions, “excessive patronage, nepotism, job reservations, favors-for-favors, secret party funding, and suspiciously close ties between politics and business.”
6. Military in politics	Defined as indirect meddling by the military or the threat of a direct military take-over, which are taken as indicating an inability of the civilian government to function effectively, thus creating an uneasy business environment.
7. Law and order	Assesses 1) the strength and impartiality of the legal system and 2) popular observance of the law.
8. Ethnic tensions	Assesses the degree of tension within a country attributable to racial, national, or language divisions.
9. Democratic accountability	Measures how responsive a government is to the people. PRS tends to reward alternation in government in this measure, meaning that it penalizes personal dictatorships most and rewards stable democracy most.
10. Bureaucratic quality	Assessed as the “strength and expertise to govern without drastic changes in policy or interruptions in government services” when governments change or due to political pressures.

Source: PRS Group 2006.

Table Four: Impact of Challenged Presidents (% change)

Dependent Variable	Current Year	Subsequent Year
Government Instability	6.00***	--
Socioeconomic Conditions	--	1.97*
Investment Risk	--	3.12**
Internal Conflict	--	--
Corruption	--	--
Military in Politics	3.68**	--
Law and Order	--	--
Ethnic Tensions	--	--
Democratic Accountability	--	--
Bureaucratic Quality	--	--

*** $p < .01$; ** $p < .05$; * $p < .10$

Table Five: Impact of Indirectly-Elected Presidents (% change)

Dependent Variable	Current Year	Subsequent Year
Government Instability	--	--
Socioeconomic Conditions	--	--
Investment Risk	--	--
Internal Conflict	--	--
Corruption	--	--
Military in Politics	--	--
Law and Order	--	--
Ethnic Tensions	-1.30**	-1.70**
Democratic Accountability	--	--
Bureaucratic Quality	-1.59**	-1.74**

*** $p < .01$; ** $p < .05$; * $p < .10$

Table 6: Support for Democracy

	Coefficient (S.E), 2001	Coefficient (S.E.), 2005
Lagged Support for Democracy	.70 (.42)	.61 (.21)**
Challenged President	-.06 (.07)	-.09 (.06)
Constant	.06 (.25)	.28 (10)**
r-squared	.33	.39

Table 7: Support for Democracy

	Coefficient (S.E), 2001	Coefficient (S.E.), 2005
Lagged Support for Democracy	.78 (.42)	.55 (.22)*
Deposed President	.00 (.08)	-.02 (.06)
Constant	.01 (.26)	.28 (.10)*
r-squared	.30	.30

Note: OLS regressions. N=17 for all models. * $p < .05$, ** $p < .01$.

¹ Juan J. Linz, *The Breakdown of Democratic Regimes: Crisis, Breakdown and Reequilibration* (Baltimore: Johns Hopkins University Press, 1978).

² Ibid.; Juan J. Linz, "The Perils of Presidentialism," *Journal of Democracy*, 1(1) (1990), pp. 51-69; Juan J. Linz, "Presidential or Parliamentary Democracy: Does it Make a Difference?," in J.J. Linz and A. Valenzuela, eds., *The Failure of Presidential Democracy* (Baltimore: Johns Hopkins University Press, 1994).

³ Alfred Stepan and Cindy Skach, "Constitutional Frameworks and Democratic Consolidation: Parliamentarism versus Presidentialism," *World Politics*, 46(1) (1993), pp. 1-22.

⁴ Adam Przeworski, Michael E. Alvarez, José Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990* (New York: Cambridge University Press, 2000), p. 136.

⁵ Guillermo O'Donnell, "Delegative Democracy," *Journal of Democracy*, 5(1) (1994), pp. 55-69.

⁶ Donald L. Horowitz, "Debate: Presidents vs. Parliaments: Comparing Democratic Citizens," *Journal of Democracy*, 1(4) (1990), pp. 73-9.

⁷ Scott Mainwaring and Matthew S. Shugart, "Juan Linz, Presidentialism, and Democracy," *Comparative Politics*, 29(4) (1997), pp. 449-71.

⁸ Timothy J. Power and Mark J. Gasiorowski, "Institutional Design and Democratic Consolidation in the Third World," *Comparative Political Studies*, 30(2) (1997), pp. 123-56.

⁹ José Antonio Cheibub, *Presidentialism, Parliamentarism, and Democracy* (Cambridge, UK: Cambridge University Press, 2007); Aníbal Pérez-Liñán, *Presidential Impeachment and the New Political Instability in Latin America* (New York: Cambridge University Press, 2007).

¹⁰ Pérez-Liñán.

¹¹ This is a new kind of instability for presidentialism, but it is a long recognized form of instability in parliamentarism, where the question of when and why governments are terminated is a major concern.

¹² We use 1978 because 1977 seems to be the turning point for the transformation between the “old” and the “new” forms of instability. Before 1977, 73% of presidential crises resulted in breakdown, compared against only 13% after that year (Pérez-Liñán, p. 62).

¹³ Kathryn Hochstetler and Margaret E. Edwards, “Failed Presidencies: Identifying and Explaining a South American Anomaly,” *Journal of Politics in Latin America*, 1 (2009), p. 2.

¹⁴ Pérez-Liñán; Jody C. Baumgartner and Naoko Kada, eds., *Checking Executive Power: Presidential Impeachment in Comparative Perspective* (Westport, CT: Praeger Press, 2003).

¹⁵ Kathryn Hochstetler, “Rethinking Presidentialism: Challenges and Presidential Falls in South America,” *Comparative Politics*, 38(4) (2006), pp. 401-18; Arturo Valenzuela, “Latin American Presidencies Interrupted,” *Journal of Democracy*, 15(4) (2004), pp. 5-19.

¹⁶ Many of the impeachment processes were highly politicized and not more “institutional” than resignations in response to street protests. Assemblies also used impeachment processes more or less interchangeably with semi-constitutional strategies such as voting that the president was incapacitated. The counterargument is made most convincingly in Leiv Marsteintredet and Einar Berntzen, “Reducing the Perils of Presidentialism in Latin America through Presidential Interruptions,” *Comparative Politics*, 41(1) (2008), pp. 83-101; and Leiv Marsteintredet, “Las Consecuencias sobre el Régimen de las Interrupciones Presidenciales en América Latina,” *América Latina Hoy*, 49 (2008), pp. 31-50. It is worth noting that four of their five types of interruptions (all but the coup) have virtually identical consequences for presidential regimes, “flexibilizing” the independent survival of the executive and reducing the rigidity of

presidentialism, much as we note here. Since we discuss only that set of civilian (non-coup) interruptions, the distinctions among them are not critical for this piece.

¹⁷ Matthew Soberg Shugart and John M. Carey, *Presidents and Assemblies: Constitutional Design and Electoral Dynamics* (Cambridge, UK: Cambridge University Press, 1992).

¹⁸ Linz 1994, p. 10.

¹⁹ See also Hochstetler. Challenges were identified through full-text searches of *Latin American Weekly Report*, *Keesing's Record of World Events*, and *Keesing's Contemporary Archives*, from 1978-2006. Our analysis includes only presidents who remained in office at least two weeks.

²⁰ John M. Carey, "Presidentialism and Representative Institutions," in J.I. Domínguez and M. Shifter, eds., *Constructing Democratic Governance in Latin America*, 2 (Baltimore: The Johns Hopkins University Press, 2003); Gabriel Negretto, "Minority Presidents and Democratic Performance in Latin America," *Latin American Politics and Society*, 48(3) (2006), pp. 63-92; Pérez-Liñán 2007; David Samuels, "Separation of Powers," in C. Boix and S. Stokes, eds., *The Oxford Handbook of Comparative Politics* (Oxford: Oxford University Press, 2007).

²¹ Hochstetler; Hochstetler and Edward; See also Valenzuela 2004.

²² Pérez-Liñán 2007.

²³ Gerald R. Ford, "President Gerald R. Ford's Inaugural Address, August 9, 1974," in H. P. Jeffrey and T. Maxwell-Long, eds., *Watergate and the Resignation of Richard Nixon: Impact of a Constitutional Crisis* (Washington, DC: CQ Press, 2004 [1974]), p. 310.

²⁴ Ibid.

²⁵ David Samuels and Matthew Shugart, *Presidents, Prime Ministers, and Political Parties* (New York: Cambridge University Press [forthcoming], 2010).

²⁶ Allan P. Sindler, *Unchosen Presidents: The Vice-President and Other Frustrations of*

Presidential Succession (Berkeley and Los Angeles: University of California Press, 1976).

²⁷ Allan P. Sindler, "Completing a Presidential Term with a Successor of Presidential Caliber," *Policy Studies Journal*, 2(4) (1974), pp. 284-89, p. 284.

²⁸ Weyland, pp. 28-9.

²⁹ Mustapic, pp. 271-73.

³⁰ Catherine M. Conaghan. 1994. Loose Parties, "Floating" Politicians, and Institutional Stress: Presidentialism in Ecuador, 1979-1988. In *The Failure of Presidential Democracy*, ed. J.J. Linz and A. Valenzuela. Baltimore and London: The Johns Hopkins University Press, page 254.

³¹ Pérez-Liñán 2007, p. 209, 211; see also Valenzuela.

³² Philippe C. Schmitter, "The Quality of Democracy: The Ambiguous Virtues of Accountability," *Journal of Democracy*, 15(4) (2004), pp. 47-60, p. 49.

³³ Valenzuela, p. 12.

³⁴ Peter Flynn, "Collor, Corruption and Crisis: Time for Reflection," *Journal of Latin American Studies*, 25(2) (1993), pp. 351-71; Kurt Weyland, "The Rise and Fall of President Collor and its Impact on Brazilian Democracy," *Journal of Interamerican Studies and World Affairs*, 35(1) (1993), pp. 1-37.

³⁵ José Antonio Lucero, "Crisis and Contention in Ecuador," *Journal of Democracy*, 12(2) (2001), pp. 59-73; Ton Salman, "The Jammed Democracy: Bolivia's Troubled Political Learning Process," *Bulletin of Latin American Research*, 25(2) (2006), pp. 163-82.

³⁶ Jose Luis Evia, Roberto Laserna, and Stergios Skaperdas. 2008. "Socio-Political Conflict and Economic Performance in Bolivia." Paper presented at the 2008 Annual Meeting of the American Economic Association.

³⁷ See, for example, Marsteintredet 2008.

³⁸ Hochstetler, p. 415; Marsteintredet and Berntzen 2008; Hector Schamis, “Argentina: Crisis and Democratic Consolidation,” *Journal of Democracy*, 13(2) (2002), pp. 81-94.

³⁹ Carey 2003; Pérez-Liñán 2007.

⁴⁰ Flynn 1993, p. 369.

⁴¹ These results are not shown for space reasons. Full results are available at www.xxx.edu.

⁴² The constitutions are online at pdba.gerorgetown.edu/Constitutions. Accessed 1 June 2009.

⁴³ PRS Group, *International Country Risk Guide* (Syracuse, NY: PRS Group, 2006). The measures of risk were constructed by PRS Group so that lower numbers reflected higher levels of risk. Since this counter-intuitive construction complicated discussions of the implications of variable levels, we inverted the risk assessments for this study. Thus higher values on these variables as we are using them indicate higher levels of risk.

⁴⁴ These data are widely-used in social science research. Recent examples include Z. Elkins, “Competing for Capital: The Diffusion of Bilateral Investment Treaties,” *International Organization*, 60 (*et al.* 2006), pp. 811-46; M. Busse and C. Hefeker, “Political Risk, Institutions, and Foreign Direct Investment,” *European Journal of Political Economy*, 23(2) (2007), pp. 397-415; and M. Garland and G. Biglaiser, “Do Electoral Rules Matter? Political Institutions and Foreign Direct Investment in Latin America,” *Comparative Political Studies*, 42(2) (2009), pp. 224-51.

⁴⁵ We would prefer to have data extending to 1978, the year of the alleged emergence of this new instability, but to our knowledge no such data exist. In any case, the first challenges and failures occurred after 1984. The countries included are: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

⁴⁶ We have excluded two risk components – external conflict and religious tensions – from our analysis since variance in those components is unlikely to be affected by regime type.

⁴⁷ Kurt Weyland, “The Growing Sustainability of Brazil’s Low-Quality Democracy,” in F. Hagopian and S.P. Mainwaring, eds., *The Third Wave of Democratization in Latin America: Advances and Setbacks* (Cambridge, UK: Cambridge University Press, 2005), pp. 91-2.

⁴⁸ Other specifications of references countries and years produced very small changes in the outcomes and in no cases changed the significance and direction of effects.

⁴⁹ For each model for the current year N=343. For the “subsequent year” analysis, N=337 for all models (except for government stability, where N=326); 18 cases drop out because the analysis necessarily ends in 2005 in order to include 2006 values as the dependent variable, while 12 cases that had been dropped because of the lack of risk measures for years before 1984 are added back. For each model the STATA command is “xtreg” with robust standard errors, which runs a random-effects GLS regression grouped by country. If a change in presidential status happens in the first six months of the year, that year’s values are averaged with those of the previous year. All results are posted on the author’s website, at www.xxx.edu.

⁵⁰ Conaghan; Pérez-Liñán 2007.

⁵¹ Latinobarómetro, *Ficha Técnico Latinobarómetro, 1995-2007*, Downloaded from www.latinobarometro.org, 26 December 2007 (2007).

⁵² Flynn 1993; Weyland 2005.

⁵³ See, for example, Octavio Amorim Neto, *Presidencialismo e Governabilidade nas Américas* (Rio de Janeiro: Editora FGV/Konrad Adenauer Stiftung, 2006).

⁵⁴ Pérez-Liñán 2007.

⁵⁵ Hochstetler 2006.

⁵⁶ Samuels and Shugart.

⁵⁷ Mainwaring.