Ipsos Public Affairs




# *The Basis of Popular Support in Latin America: A Special Look at Brazil and Venezuela*

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**Latin American Pulse**

**Canning House London September 27 2007**

# I. SUMMARY

# Important Concepts and Questions

- **Demand-side Risk Perspective**
- **What is the opinion landscape after the Washington Consensus?**
  - **Macro economic stability versus need for redistribution**
  - **Room for second stage reforms (pension, tax, etc.)**
  - **Splitting the Difference → Social Assistance programs**
- **Lula versus Chavez: Competing Models?**
  - **Similar or Dissimilar Demand-side risk profile?**

# Summary

- **Macro Agenda:**
  - **Unemployment versus Crime**
  - **Optimism in Latin America**
  - **Popular Appeal versus Populism ➔ Intervention and Populism**
- **The Chavez Effect versus Lula**
  - **Myth of Chavez as Regional Figure and Lula as Virtual President**
  - **Chavez and his Staying Power**
- **Social Bases of Popular Support:**
  - **Lula versus Chavez**
  - **Bolsa Familia versus Misiones**

# II. Latin American Pulse

# Methodology

- **Target**

General population of Latin American countries (Brazil, Argentina, Mexico, Venezuela, Bolivia, Ecuador, Peru*, Chile*, Colombia*).

- **Sample**

1.000 personal interviews (F2F) per trimester in each country. National sample, representative of the adult population relating to sex, age and education. The approximate error is 3%.

- **Timing**

- First wave: July 2007
- Second wave: October 2007
- Third wave: December 2007
- Fourth wave: March 2008

- **Questionnaire**

One fixed section (core economic, social and political indicators) and one variable section (current events + client *Ad hoc*).

# III. MACRO TRENDS AND ISSUES IN LATIN AMERICA

# ELECTIONS

| Country | Elected President | Date Inaguration |
|---|---|---|
| Argentina | Nestor KIRCHNER | May 25, 2003 |
| Uruguai | Tabare VÁZQUEZ Rosas | March 1, 2005 |
| Bolivia | Juan Evo MORALES Ayma | January 22, 2006 |
| Chile | Michelle BACHELET Jeria | March 11, 2006 |
| Colombia | Álvaro URIBE Velez | August 1, 2006 |
| Mexico | Felipe de Jesus CALDERÓN Hinojosa | December 1, 2006 |
| Brazil | Luiz Inácio LULA DA SILVA | January 1, 2007 |
| Venezuela | Hugo CHÁVEZ Frias | January 3, 2007 |
| Ecuador | Rafael CÔRREA Delgado | January 15, 2007 |

# SOCIAL AND ECONOMIC INDICATORS

| | Gross domestic product, current prices (2006/FMI) | Gross domestic product per capita, current prices (2006/FMI) | Inflation, consumer prices (2006/FMI) | Economy growth (% - 2006 - CEPAL) | (%) below poverty line (2005 - CEPAL) |
|---|---|---|---|---|---|
| **Brazil** | 1,067.706 | 5,716.674 | 4.2 | 2,8 | 15,9 |
| **Mexico** | 840.012 | 8,066.247 | 3.6 | 4,8 | 12,9 |
| **Argentina** | 212.702 | 5,458.007 | 10.9 | 8,5 | 10,4 |
| **Venezuela** | 181.608 | 6,736.205 | 13.6 | 10,0 | 16,6 |
| **Ecuador** | 40.447 | 2,987.259 | 3.3 | 4,8 | 20,9 |
| **Bolivia** | 10.828 | 1,124.679 | 4.3 | 4,5 | 32,1 |

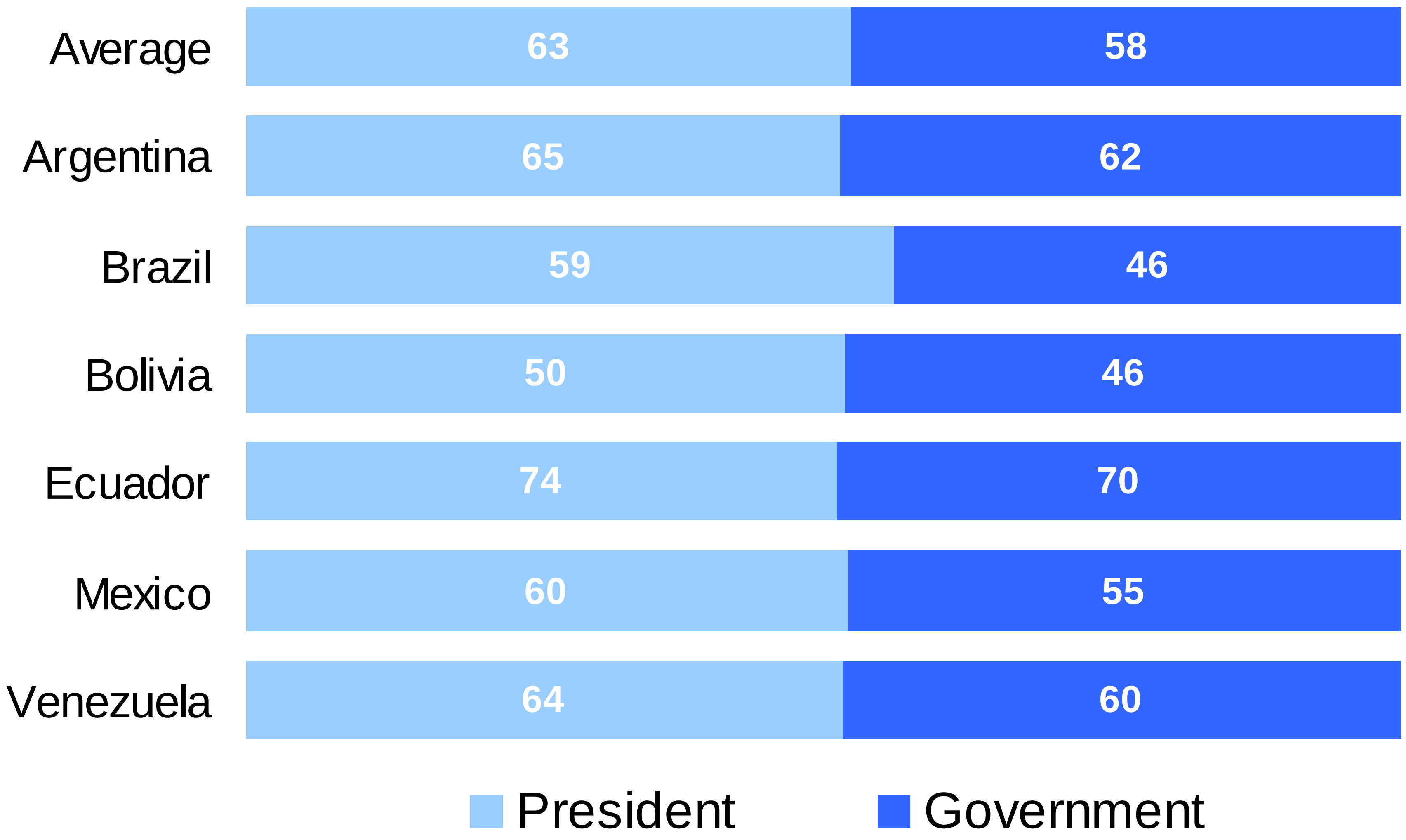
| | | | |
|---|---|---|---|
| **China** | 2,630.113 | 2,001.459 | 1.5 |
| **Russia** | 979.048 | 6,856.081 | 9.7 |
| **India** | 886.867 | 796828 | 6.1 |

# Optimism Reigns Supreme in Latin America

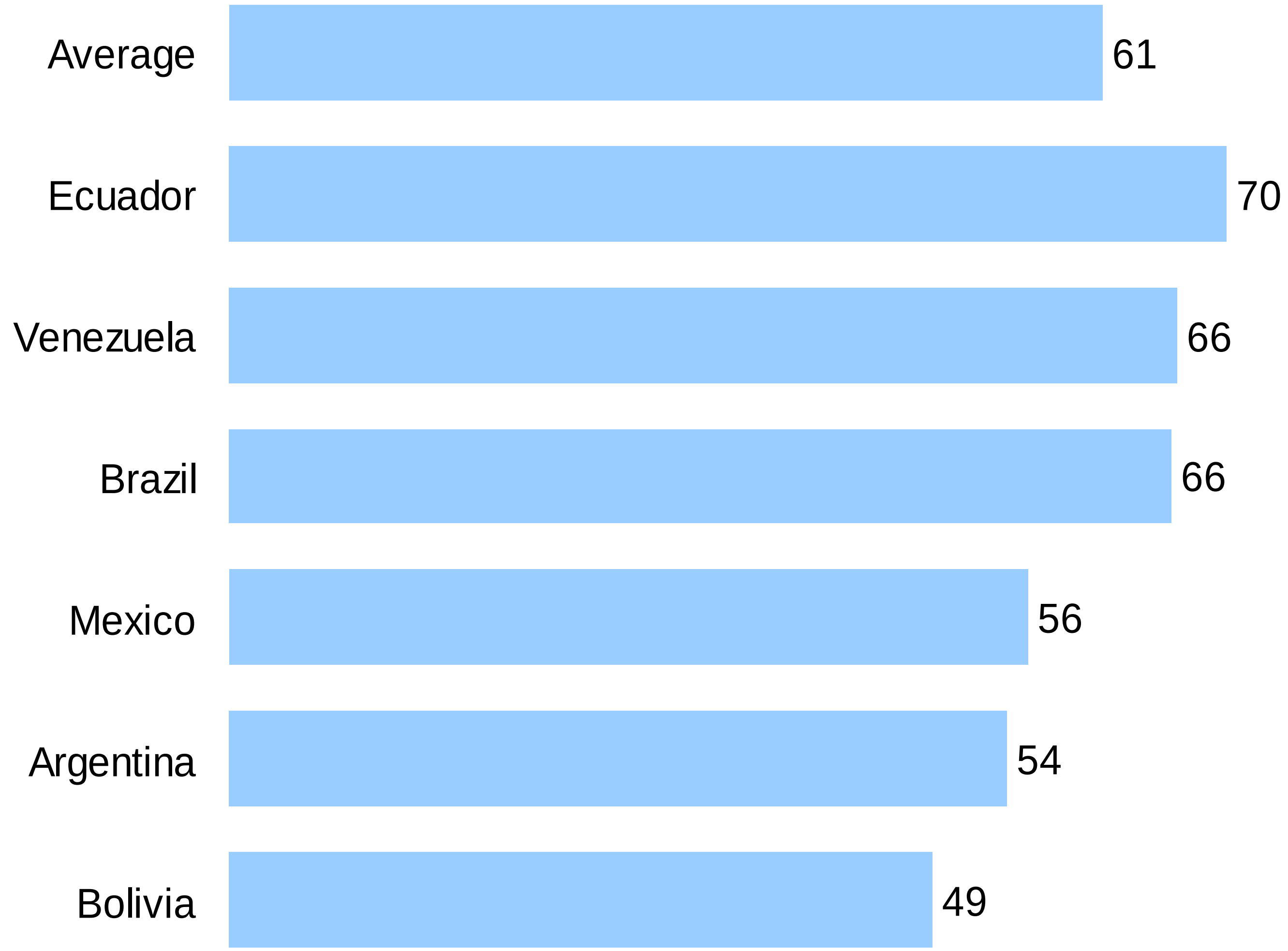
# Key Points

- **High levels of optimism as a result of:**
  - **Economic Growth**
  - **Recent Elections**
  - **Social Assistance Programs ➔ buffers against economic underperformance**

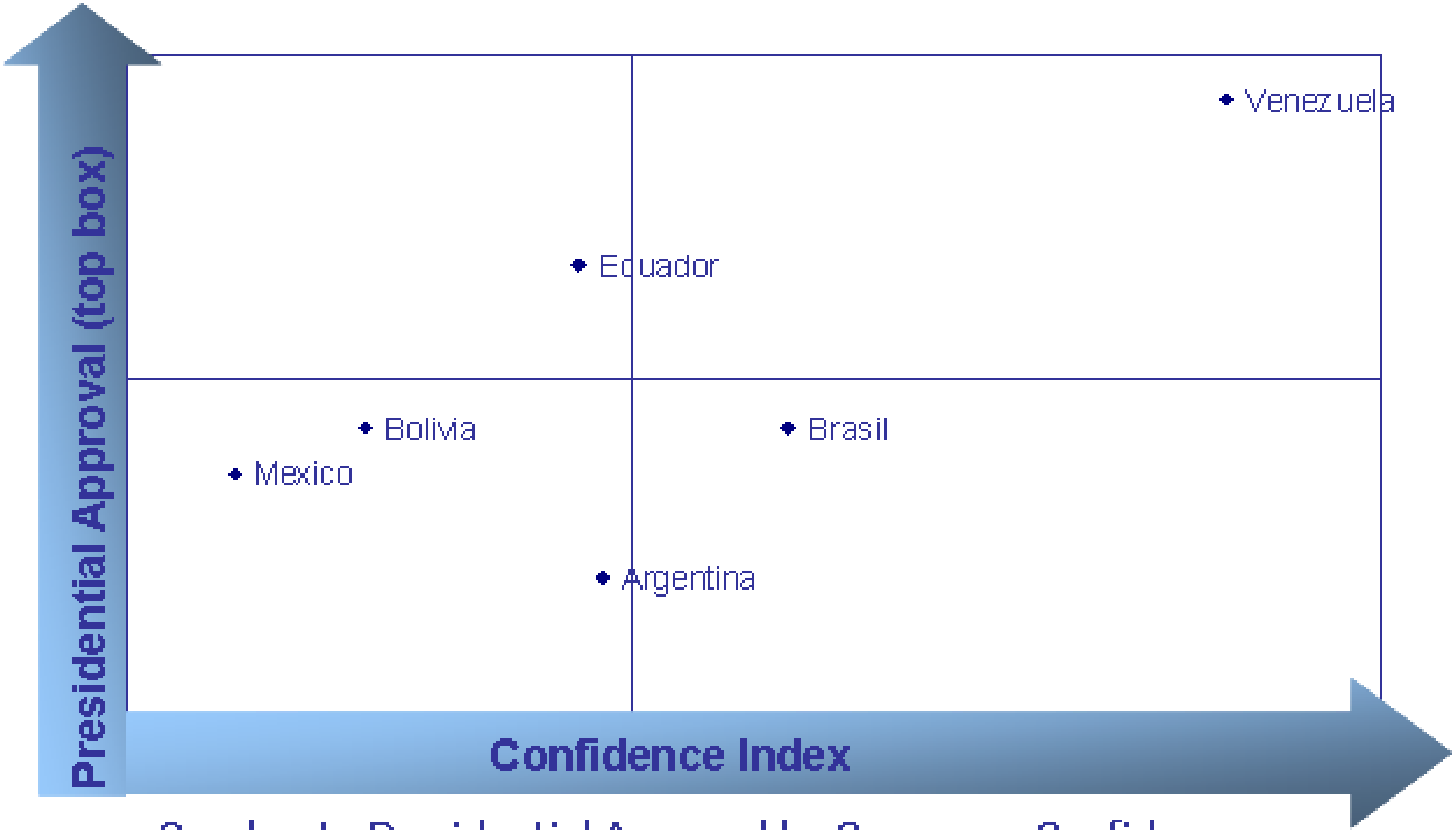
# Presidential and Government Approval



# Percent that the Economy will be in Good Shape in 12 Months



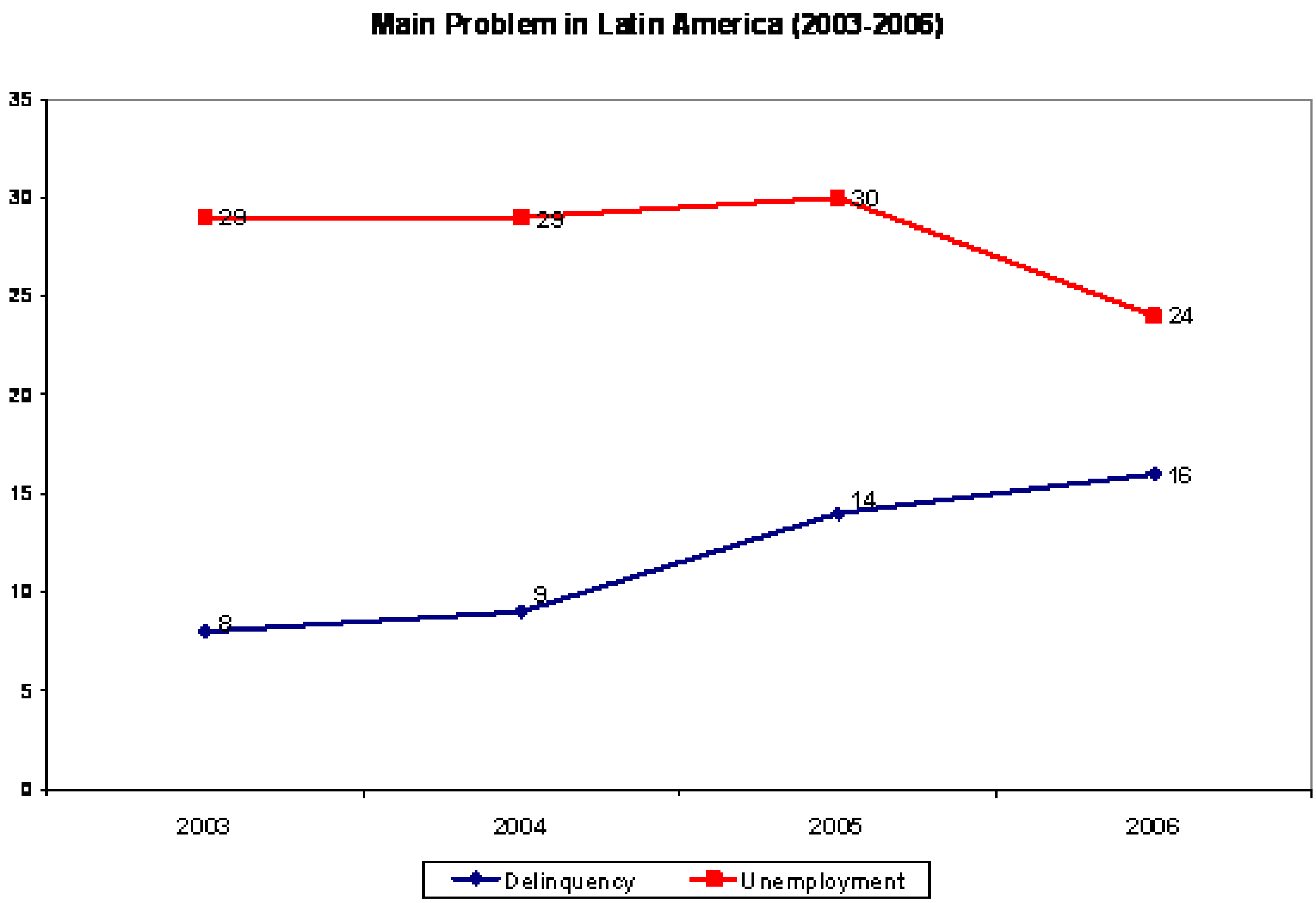
# Presidential Approval by Consumer Confidence




Quadrant: Presidential Approval by Consumer Confidence

# Agenda in Latin America: Unemployment versus Crime

# Rise of the Crime Issue

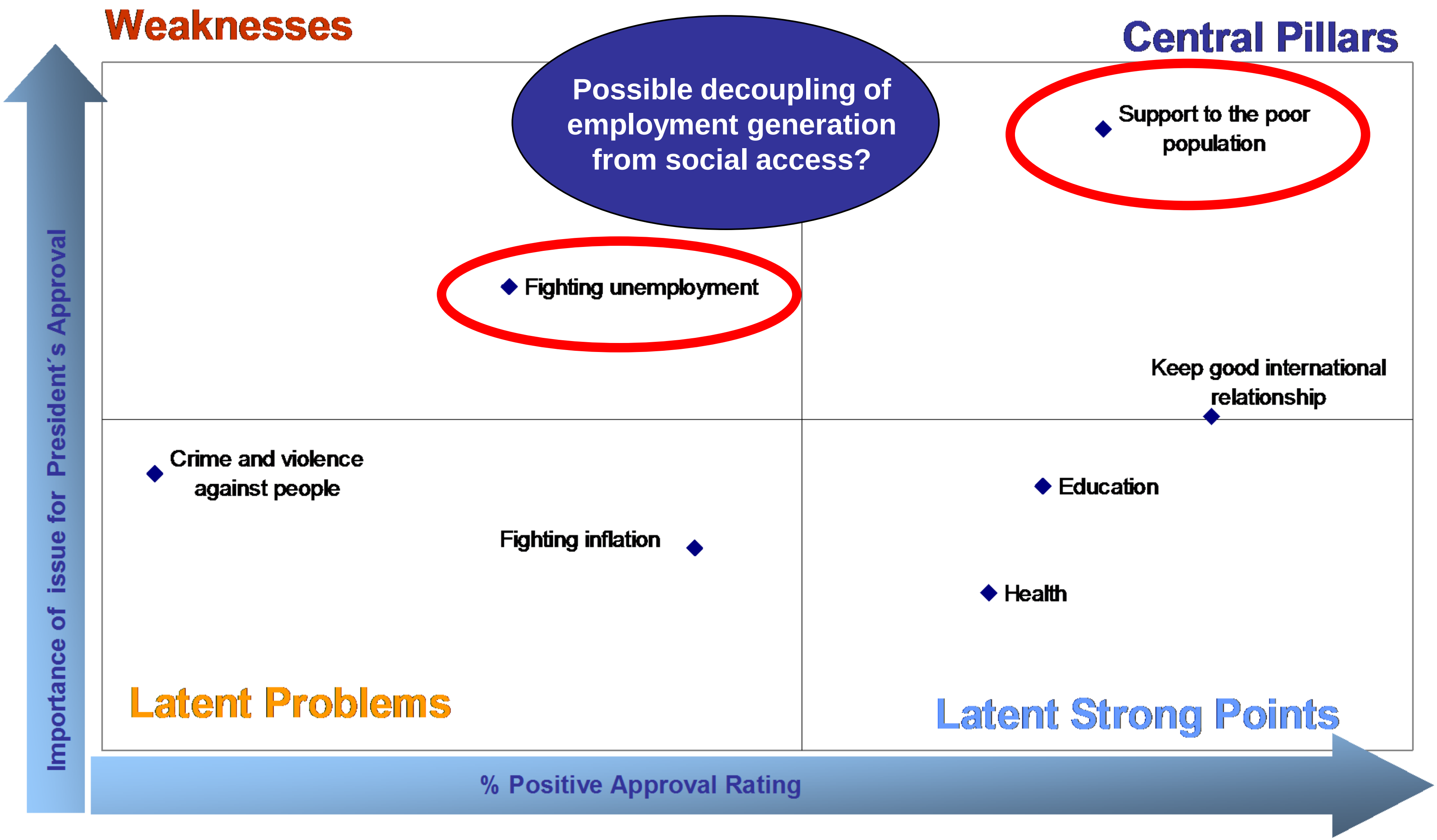


# Popular Appeal versus Populism

# Key Points

- "Common touch" with the poor: key image pillar
  - Popular versus Populist
  - Lula versus Chavez
  - Heterodox versus Orthodox
- State seen as the primary change agent
- However, strong underlying values which support Caudillo like figures
- Lynchpin of heterodox populists measures is the hope that will bring jobs and development

# Popular Appeal as Key Pillar of Presidential Support



# Favorability towards Specific Measures: State Intervention

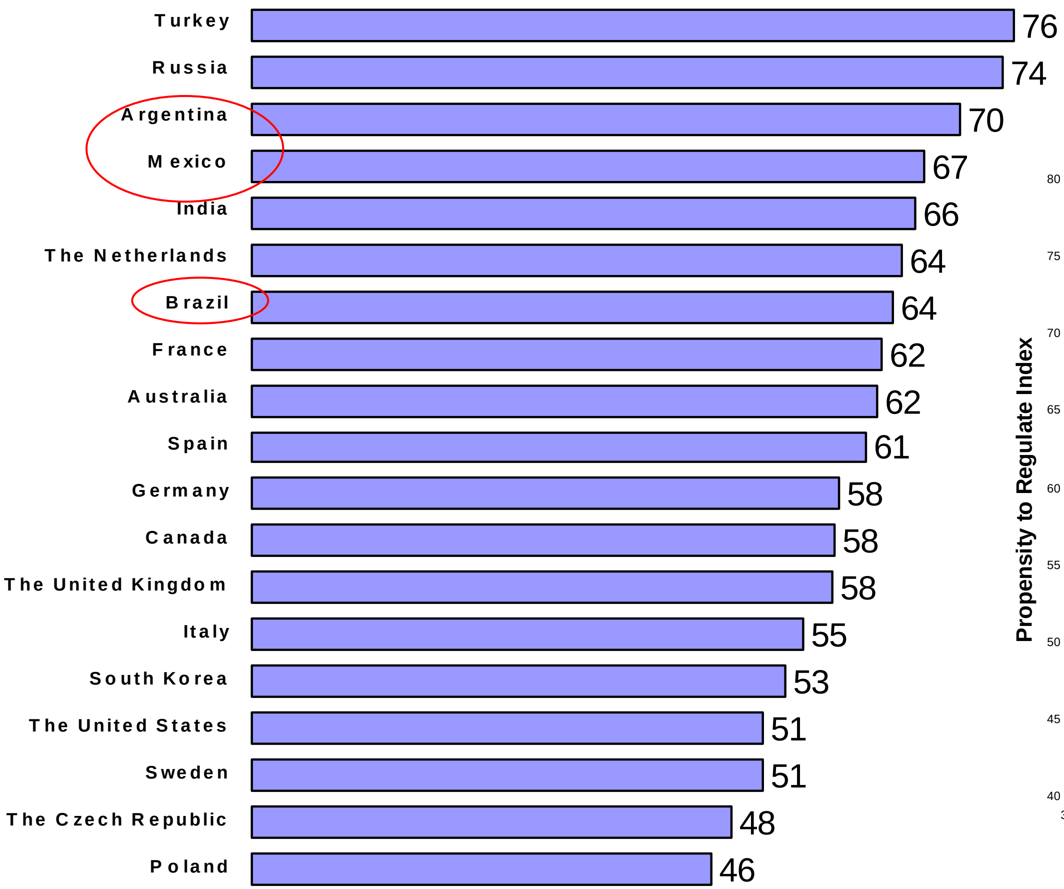
| Mean | Total | COUNTRY | | | | | |
|---|---|---|---|---|---|---|---|
| | | Argentina | Brazil | Bolivia | Ecuador | Mexico | Venezuela |
| Control the price of the Basic Foodstuffs (Staples) | 77 | 81 | **77** | 71 | 87 | 64 | **75** |
| State owning the country's natural resources, such as oil, gas and minerals | 75 | 82 | **71** | 75 | 78 | 66 | **76** |
| Control all actions taken by foreign companies | 70 | 81 | **64** | 62 | 77 | 59 | **56** |
| Control all the foreign capital invested in the country | 69 | 77 | **64** | 70 | 76 | 55 | **59** |
| Control all foreign properties in the country | 66 | 74 | **60** | 60 | 74 | 56 | **56** |
| Forbid foreigners to own land | 58 | 62 | **50** | 50 | 69 | 61 | **45** |
| **AVERAGE** | **69** | **76** | **64** | **65** | **77** | **60** | **61** |

**Peru and Chile slightly lower (45%) levels of Support for State Intervention**

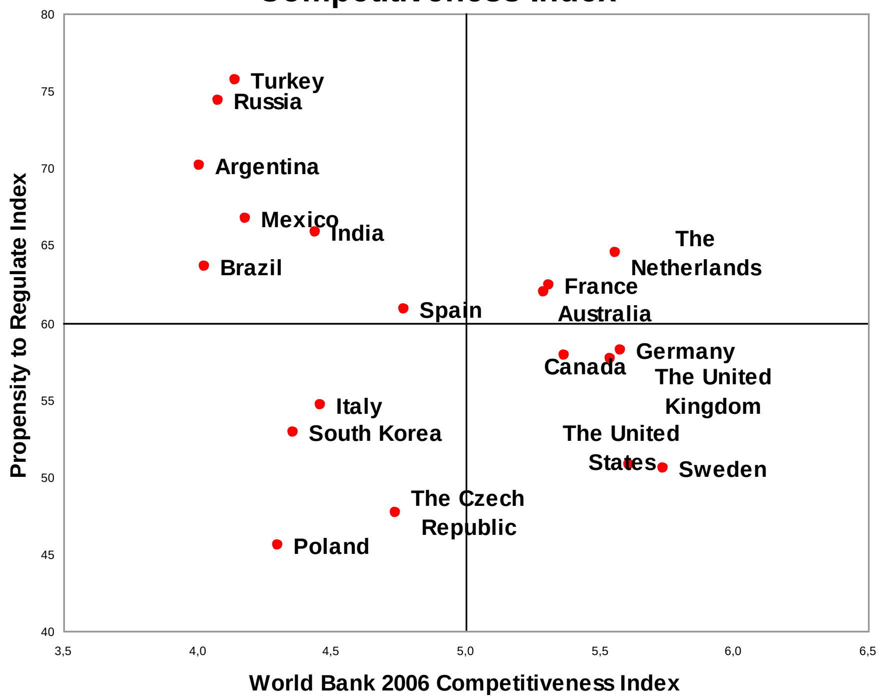
**(IPSOS Populist Poll 2006)**

# Propensity to Regulate in World Context

## Propensity to Regulate Index




## Propensity to Regulate by World Bank Competitiveness Index



# Caudillo Syndrome

Our country is rich → Yet so many poor people

Why? Because the Rich steal

We need someone strong who understands the poor to help the poor → Sometimes a strong leader may need to bend the rules

# Caudillo Syndrome: (% that agree)

| | AVERAGE | COUNTRY | | | | | |
|---|---|---|---|---|---|---|---|
| | | Argentina | Brazil | Bolivia | Ecuador | Mexico | Venezuela |
| COUNTRY may be rich but still has many poor people | 91 | 93 | 91 | 90 | 96 | 80 | 95 |
| COUNTRY is rich in natural resources like oil, gas, and minerals | 90 | 87 | 89 | 94 | 93 | 81 | 98 |
| | | | | | | | |
| Traditional parties and candidates are no longer credible | 79 | 81 | 78 | 78 | 90 | 71 | 72 |
| COUNTRY has many people because the rich steal the COUNTRY'S wealth from the poor | 78 | 72 | 82 | 77 | 94 | 74 | 67 |
| | | | | | | | |
| Only a strong leader can stop the rich from stealing from the poor | 69 | 57 | 78 | 71 | 83 | 64 | 63 |
| Sometimes a strong leader needs to break the rules to help the poor | 66 | 45 | 81 | 66 | 83 | 55 | 65 |
| **AVERAGE** | **66** | **45** | **81** | **66** | **83** | **55** | **65** |

**Strong Popular adherence to Caudillo like figure**

# Stress Testing the Issue of Resourse Nationalization (% in favor)

| | Bolivia | Peru | Brasil |
|---|---|---|---|
| The government shold nationalize natural resources even if this means **slower economic growth** | 64 | 37 | 34 |
| The government shold nationalize natural resources even if this means **higher cost of living** | 53 | 26 | 33 |
| The government shold nationalize natural resources even if this means **higher inflation** | 44 | 21 | 24 |
| The government shold nationalize natural resources even if this means **slower job growth** | 35 | 17 | 25 |
| **Average** | 49 | 25 | 29 |

**65% average on measures before stress tested ➔ socioeconomic growth Lynchpin for interventionist policies**

# IV. LULA AND CHAVEZ IN THE REGION

# The Regional Chavez Effect: Fact or Myth?

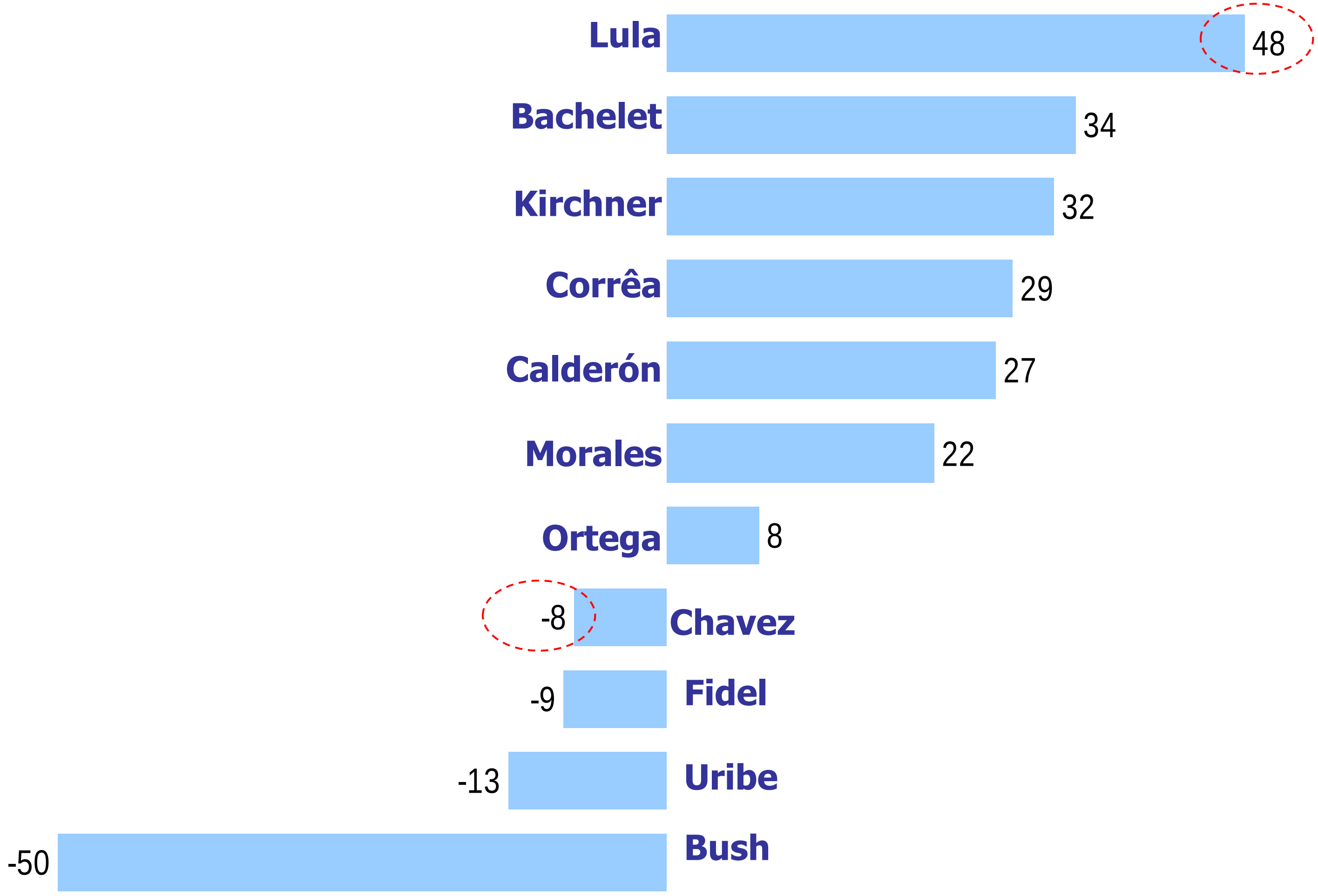
# Key Points

- **Chavez is weak in the region: Popular appeal more hype than reality**
  - **However, stronger in Ecuador and Bolivia**

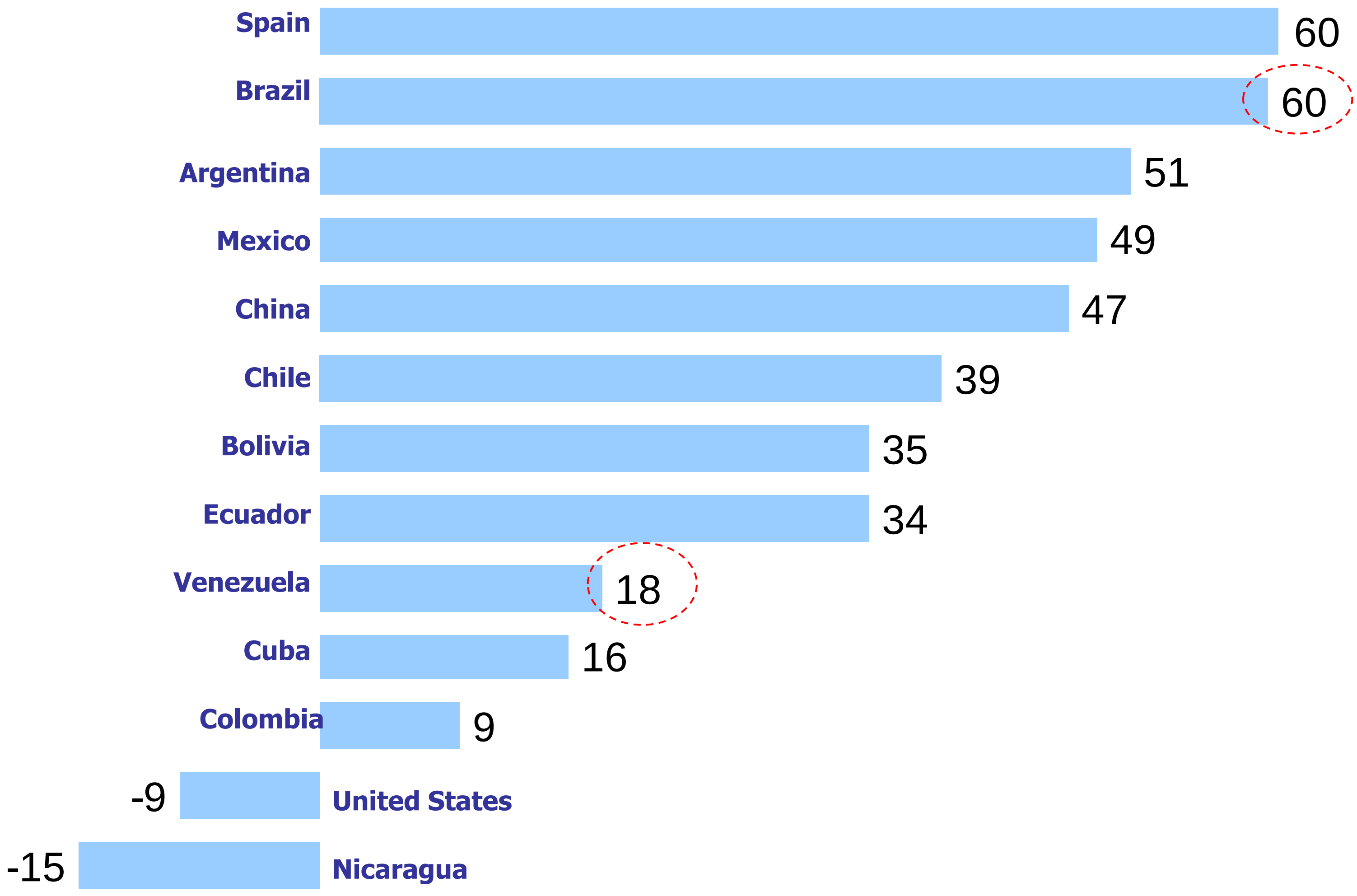
- **Lula as virtual president**

  - **The importance of Brazil as a regional power from a popular perspective**

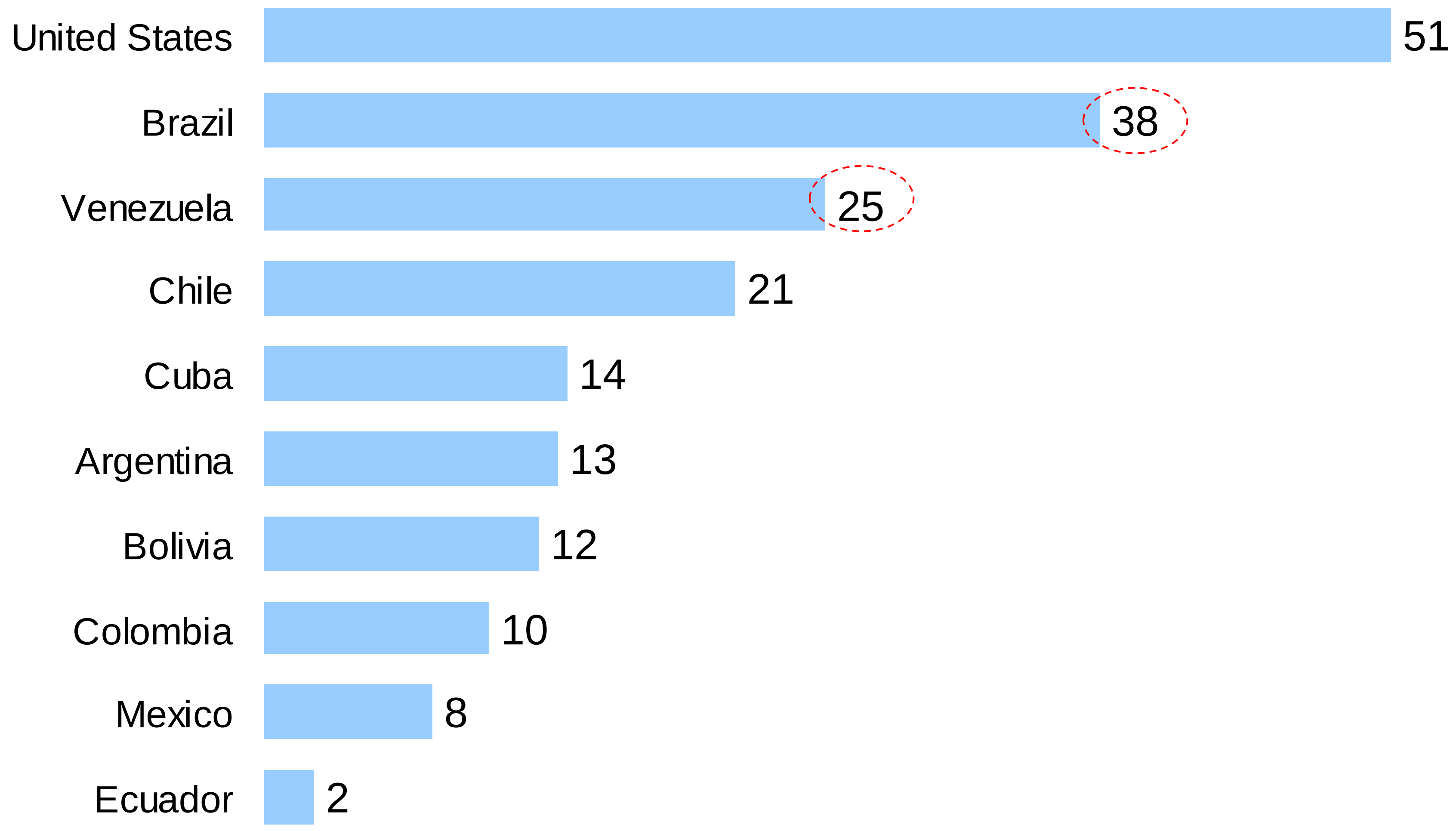
# Net Image of Regional Leaders (Positive – Negative)



# Net Image of Countries (Positive –Negative)



# Most Important Countries to maintain relations



# Most Important Countries to maintain relations by country

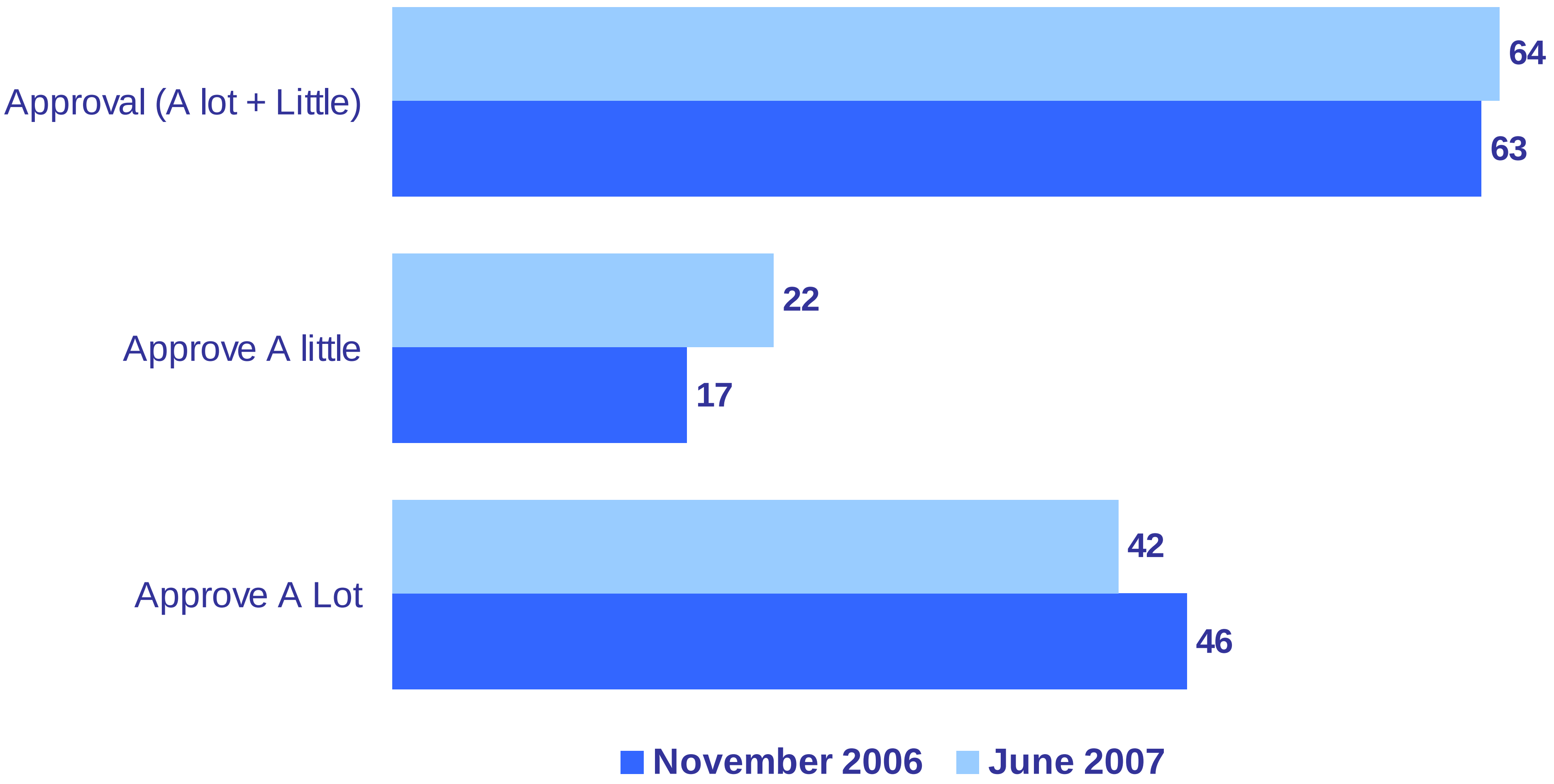
| | COUNTRY | | | | | |
|---|---|---|---|---|---|---|
| | Argentina | Brazil | Bolivia | Ecuador | Mexico | Venezuela |
| United States | 36 | 69 | 46 | 44 | 79 | 40 |
| Brazil | 65 | | 45 | 31 | 24 | 53 |
| Venezuela | 36 | 9 | **24** | **44** | 31 | |
| Chile | 27 | 20 | 31 | 34 | 3 | 11 |
| Cuba | 9 | 11 | 14 | 12 | 18 | 20 |
| Argentina | | 45 | 25 | 5 | 1 | 15 |
| Bolivia | 8 | 24 | | 7 | 19 | 17 |
| Colombia | 2 | 5 | 5 | 10 | 8 | 31 |
| Mexico | 10 | 9 | 7 | 8 | | 10 |
| Ecuador | 1 | 2 | 2 | | 6 | 3 |
| **BASE** | **1.084** | **748** | **567** | **1.012** | **786** | **875** |

# Chavez has Staying Power in Venezuela

# Key Points

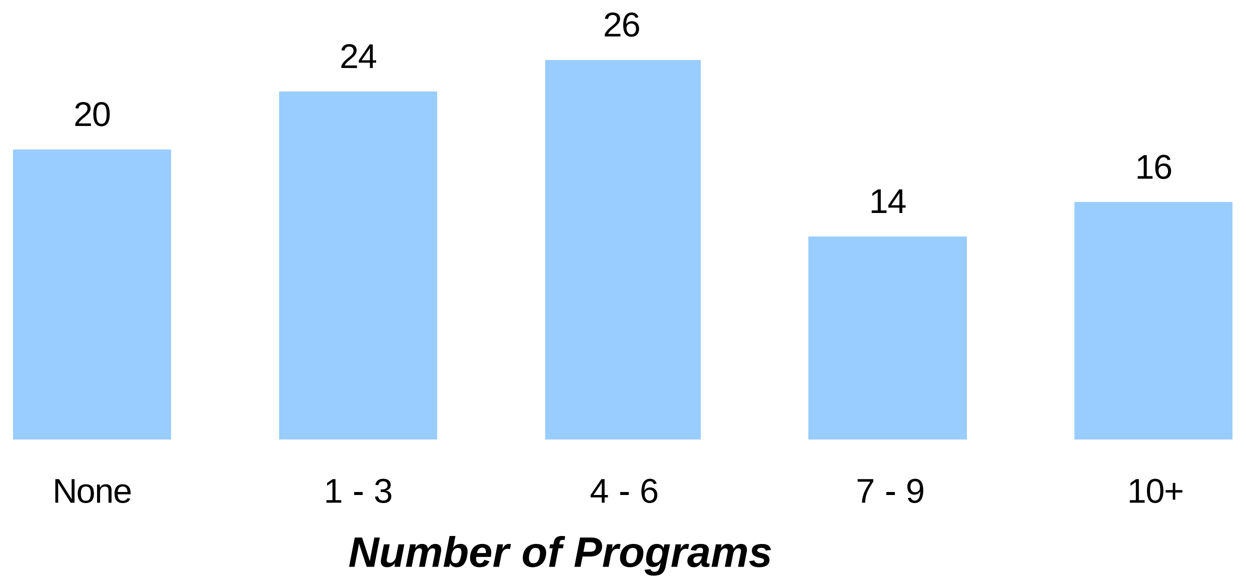
- Chavez has staying power
- Strong support among the poor.
- Importance of Social Assistance Programs (Misiones)
- Strong support for most Chavez measures → especially as relates to increased presence of the State

# Approval of Chavez (2006 and 2007)

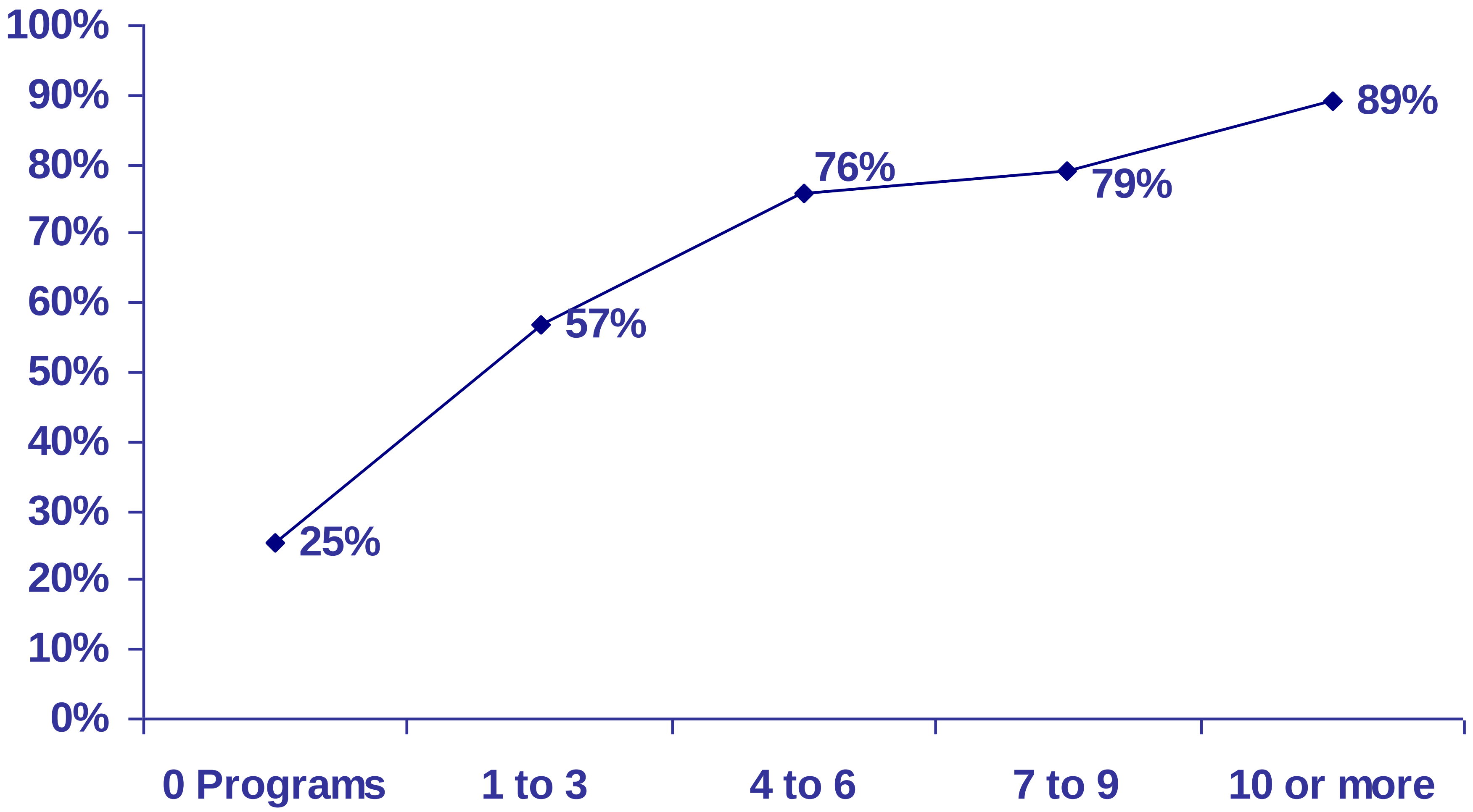


# Misiones Social Assistance Programs

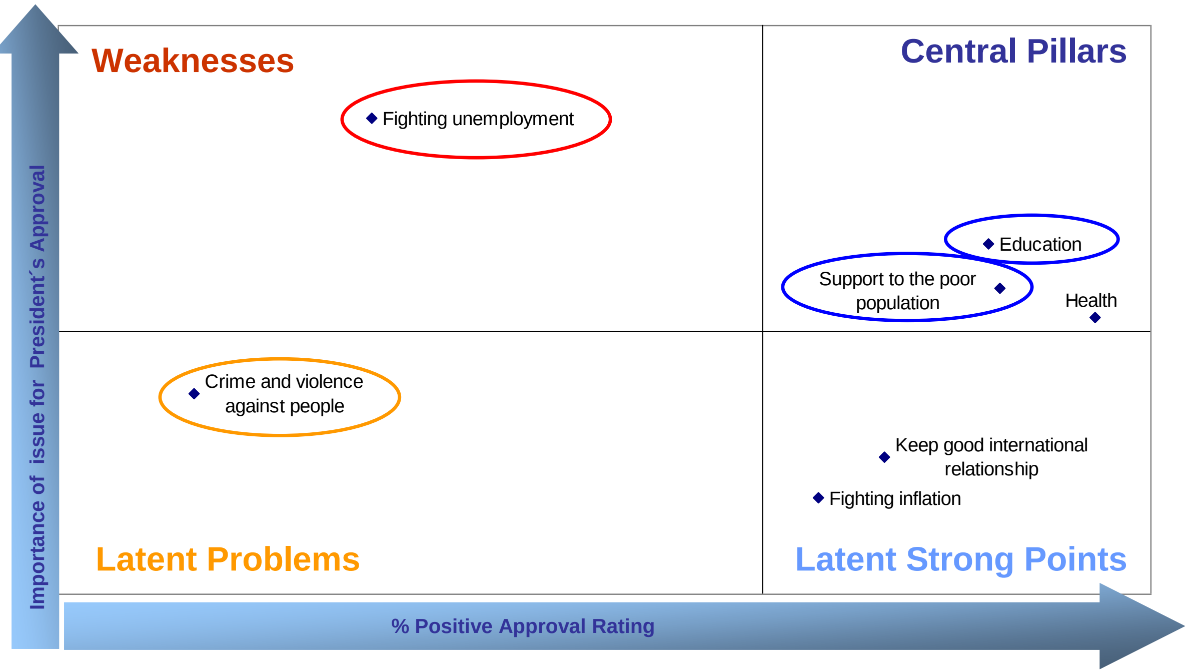
| | Have heard | Most Important |
|---|---|---|
| Misión Ribas | 97 | 36 |
| Misión Vuelvan Caras | 95 | 21 |
| Misión Madres del Barrio | 89 | 18 |
| Misión Barrio Adentro | 99 | 48 |
| Misión Robinson | 96 | 18 |
| Misión Habitat | 88 | 20 |
| Misión Milagro | 92 | 24 |
| Misión Mercal | 99 | 60 |



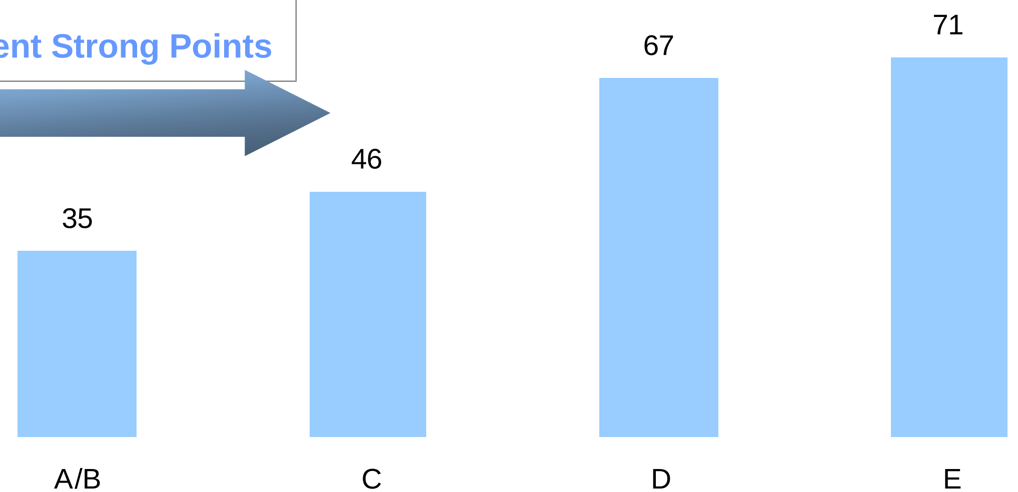
# Approval of Chavez by Enrollment in Misiones Programs



# The Central Pillars of Chavez




**Quadrant 3: Approval of Chavez**




**Presidential Approval by Social Class**

# Favorability towards specific initiatives

| Percentual (%) | For | Against | Don´t Know | Total |
|---|---|---|---|---|
| Implmentation of Banco del Sur | 70 | 21 | 9 | 100 |
| Natioinalization of Faja Petrolífera del Orinoco | 78 | 18 | 4 | 100 |
| Nationalization of CANTV | 77 | 21 | 2 | 100 |
| Nationalization of Electricidad de Caracas | 75 | 21 | 5 | 100 |

**Support for many Chavez measure, especially nationalization**

| Percentual (%) | For | Against | No sabe / no responde | Total |
|---|---|---|---|---|
| No Restriciton on Reelection | 42 | 54 | 4 | 100 |
| Closing of RCTV | 37 | 59 | 4 | 100 |

**Yet, population does not agree with everything**

# V. BRAZIL AND VENEZUELA CONFLICTING OR SIMILAR MODELS?

# Key Points

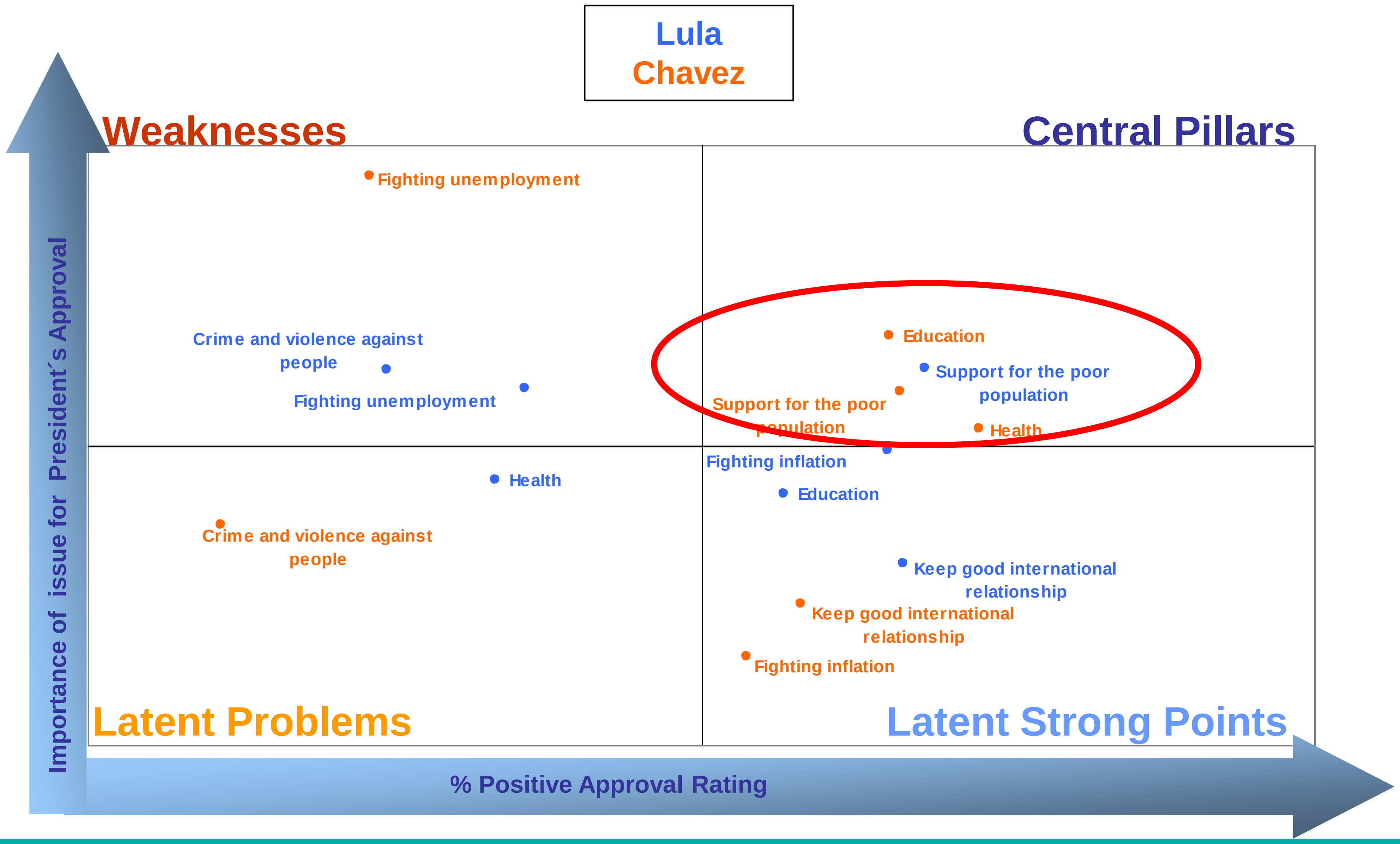
- “Support for the Poor” ➔ Key pillar for both Lula and Chavez

- Social assistance programs
  - Bolsa Familia ➔ Lula and Brazil
  - Misiones Programs ➔ Venezuela e Chavez

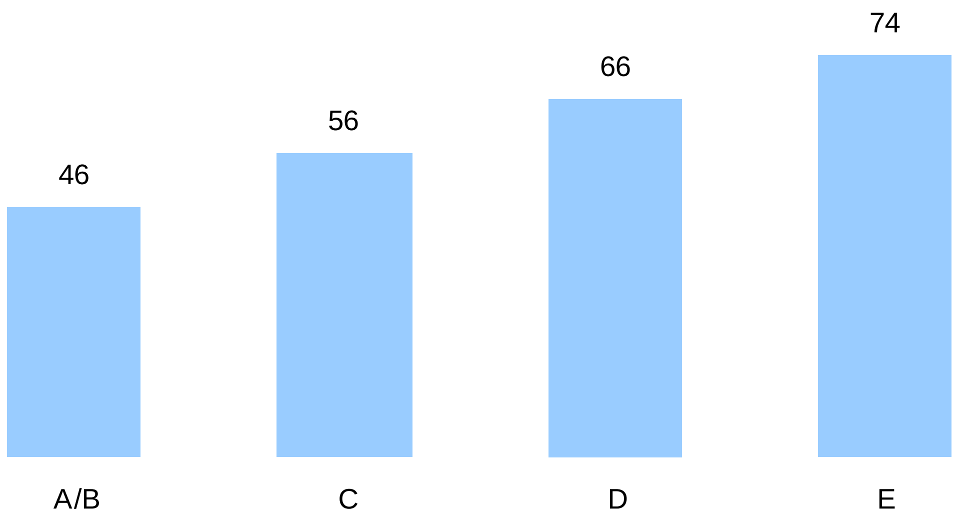
- Strong Support among the Poor for both Lula and Chavez

- Independent and Positive Effect of Social Assistance Programs on Presidential Approval
  - Political Payoff in Targeted Social Programs

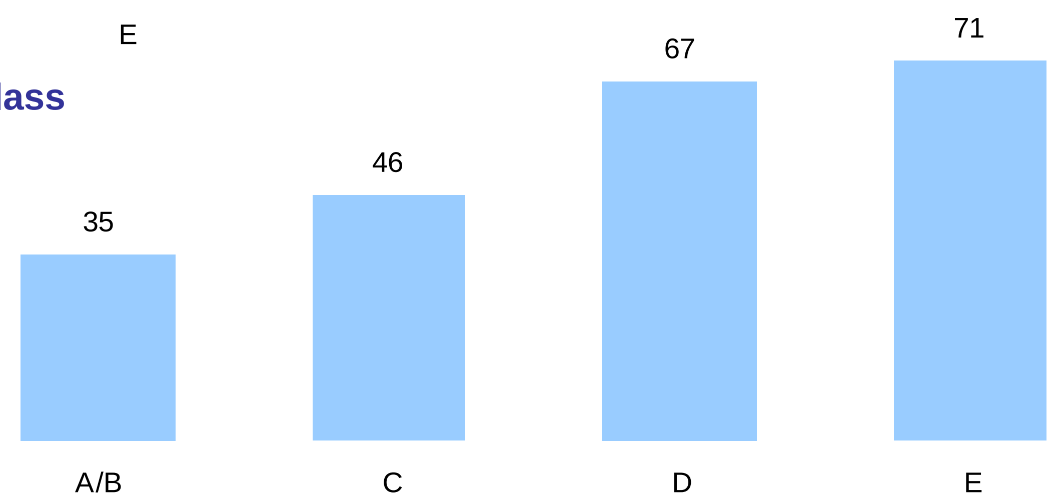
# Imagem Profile: Chavez and Lula



# Approval of Lula and Chavez by Social Class



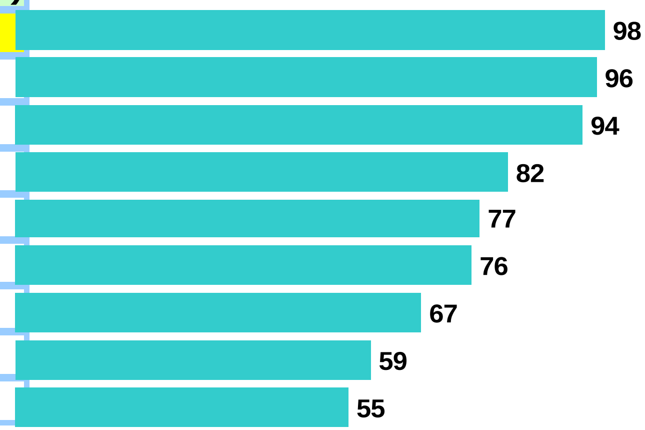

**Lula Presidential Approval by Social Class**




**Chavez Presidential Approval by Social Class**

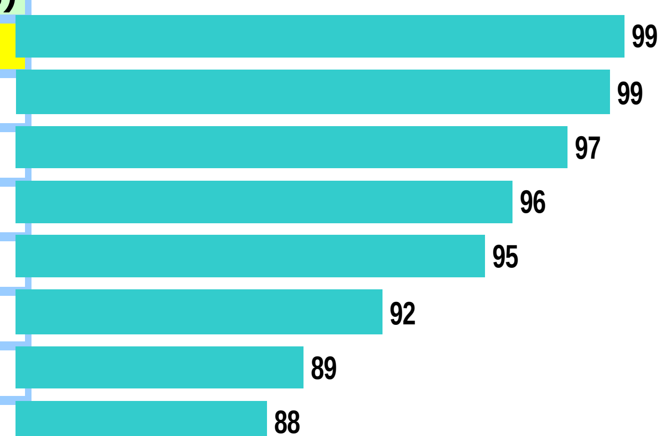
# Recall of Social Assistance Programs: Brazil versus Venezuela

| Brazil | Total (%) |
|---|---|
| **BOLSA FAMILIA** | **98** |
| Fome zero | 96 |
| Bolsa escola | 94 |
| Farmácia popular | 82 |
| Vale gás | 77 |
| Programa de primeiro emprego | 76 |
| Pró-uni | 67 |
| Empréstimo para compra de material de construção | 59 |
| Crédito consignado | 55 |




Total 99,3%

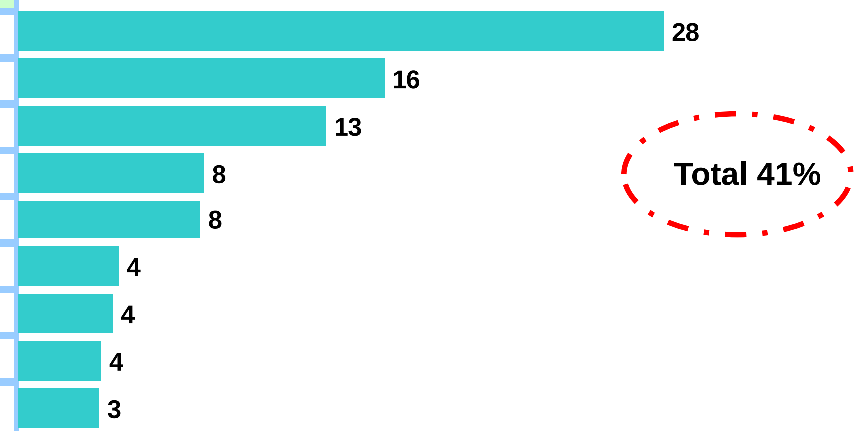
| Venezuela | Total (%) |
|---|---|
| **Misión Mercal** | **99** |
| Misión Barrio Adentro | 99 |
| Misión Ribas | 97 |
| Misión Robinson | 96 |
| Misión Vuelvan Caras | 95 |
| Misión Milagro | 92 |
| Misión Madres del Barrio | 89 |
| Misión Habitat | 88 |



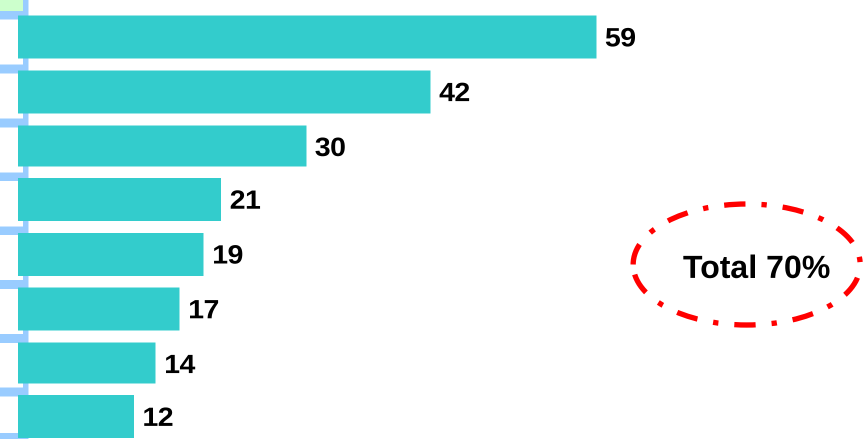

Total 99,4%

# Social Proximity to Social Programs (Percent Benefited by Programs): Brazil versus Venezuela

| Brazil | % Total |
|---|---|
| Bolsa Família | 28 |
| Bolsa Escola | 16 |
| Farmácia Popular | 13 |
| Crédito consignado | 8 |
| Vale Gás | 8 |
| Fome Zero | 4 |
| Programa de Primeiro emprego | 4 |
| Pró-Uni | 4 |
| Empréstimo para compra de material de construção | 3 |

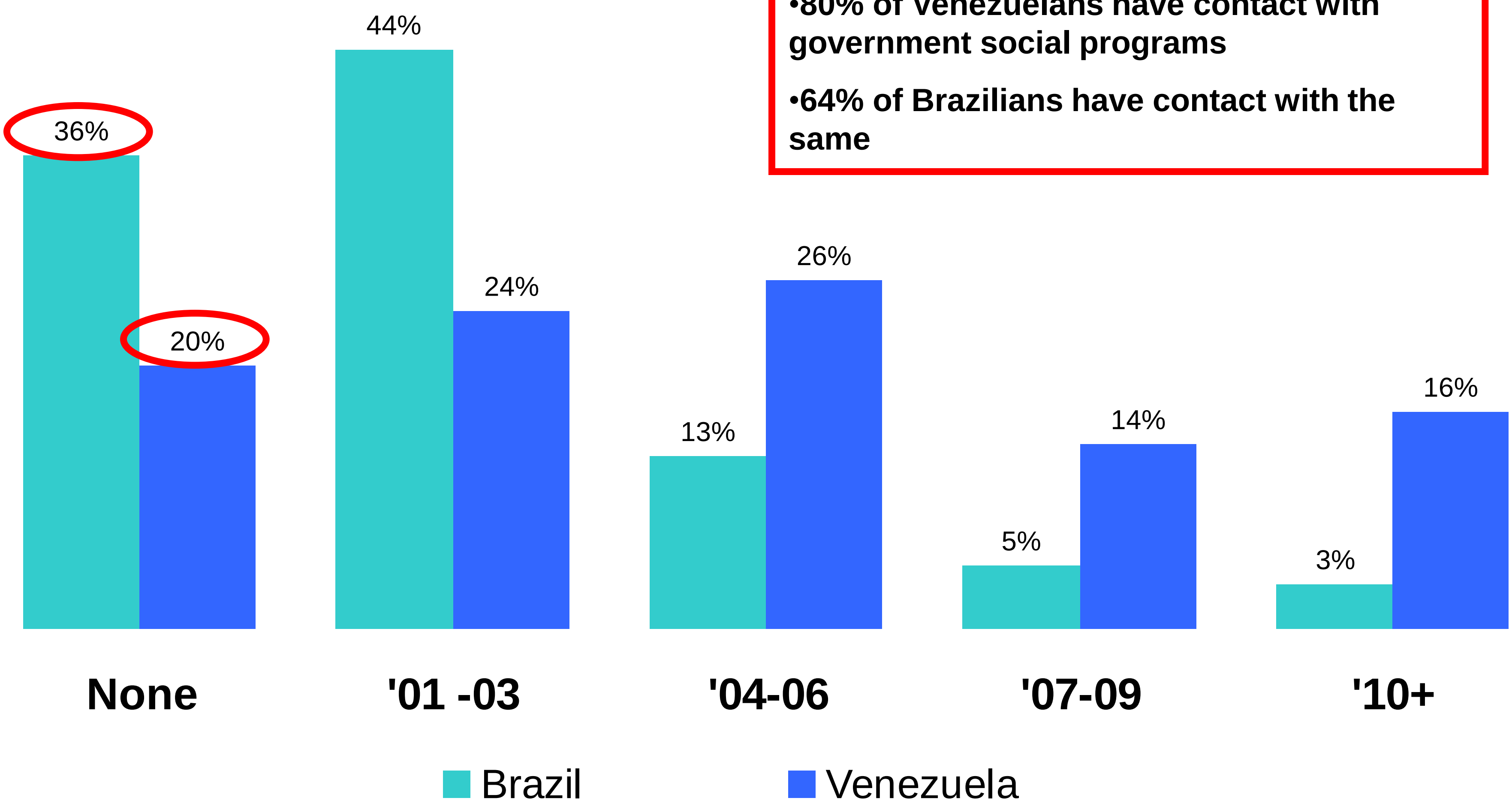



| Venezuela | % Total |
|---|---|
| Misión Mercal | 59 |
| Misión Barrio Adentro | 42 |
| Misión Ribas | 30 |
| Misión Vuelvan Caras | 21 |
| Misión Milagro | 19 |
| Misión Madres del Barrio | 17 |
| Misión Robinson | 14 |
| Misión Habitat | 12 |

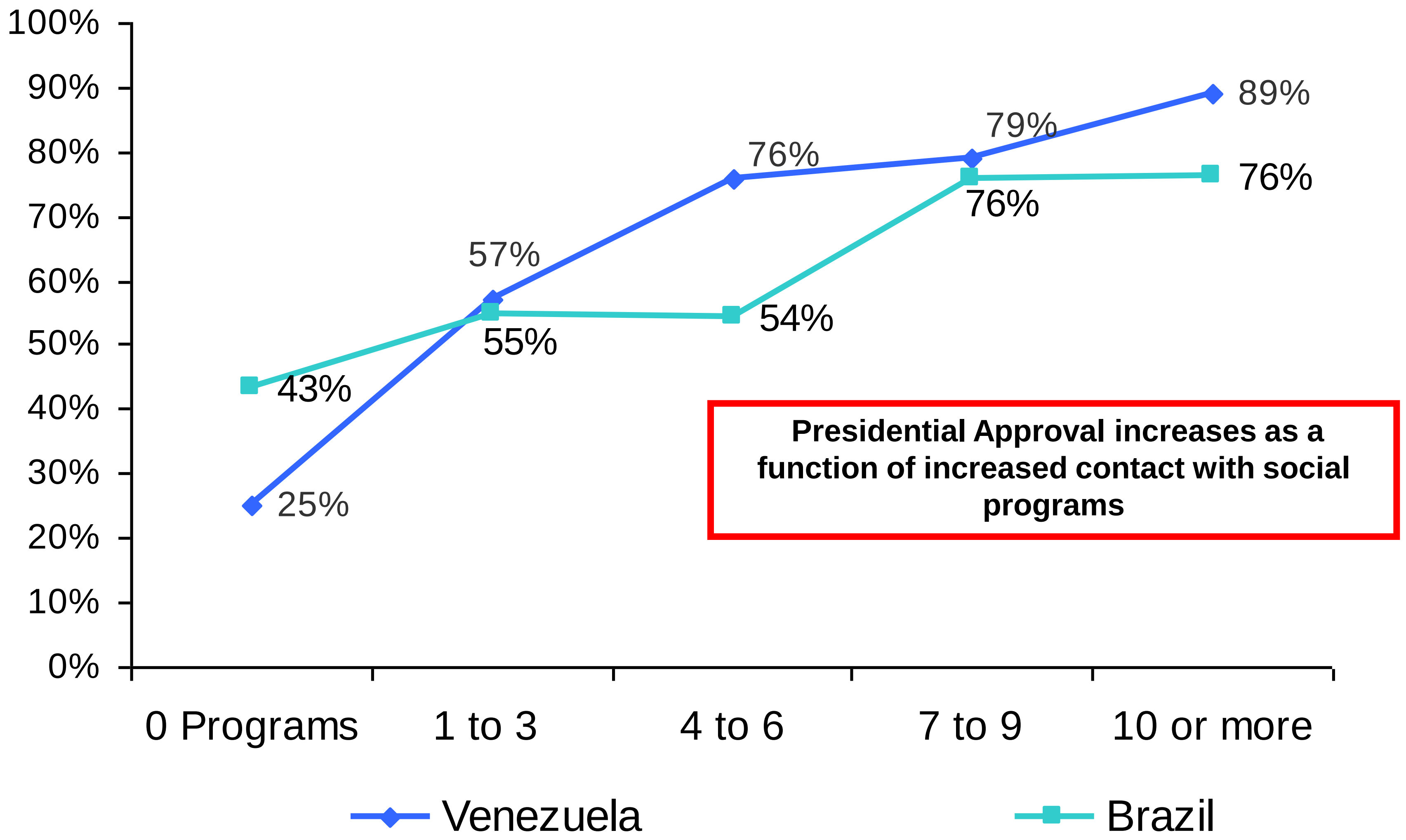


# Social Proximity to Social Programs: Percent benefited and that know someone benefited by number of programs

- 80% of Venezuelans have contact with government social programs
- 64% of Brazilians have contact with the same



# Presidential Approval by Participation in Social Programs



# Independent and positive effect of Social Programs on Presidential Approval

| BRAZIL | Exp(B) | Sig. |
|---|---|---|
| sexo_m | 1,120 | 0,446 |
| age_25_34 | 0,721 | 0,138 |
| age_35_44 | 0,822 | 0,395 |
| age_45_59 | 1,091 | 0,716 |
| age_m60 | 1,567 | 0,108 |
| reg_ne | 1,544 | 0,132 |
| reg_se | 1,474 | 0,162 |
| reg_sul | 1,178 | 0,618 |
| area_capital | 0,607 | 0,056 |
| area_rm | 0,930 | 0,753 |
| edu_pri | 2,822 | 0,002 |
| edu_gin | 2,728 | 0,001 |
| edu_col | 1,206 | 0,533 |
| pea_pea | 1,232 | 0,200 |
| classe_ab | 0,708 | 0,261 |
| classe_c | 0,911 | 0,622 |
| rda_300_500 | 0,639 | 0,212 |
| rda_501_1000 | 0,439 | 0,027 |
| rda_1001_1800 | 0,503 | 0,099 |
| rda_m1800 | 0,627 | 0,327 |
| **BOLSA FAMILIA** | **1,207** | **0,000** |
| Constant | 0,464 | 0,175 |

| VENEZUELA | Exp(B) | Sig. |
|---|---|---|
| faixa | | 0,115 |
| faixa(1) | 0,880972 | 0,429 |
| faixa(2) | 0,813398 | 0,245 |
| faixa(3) | 0,602194 | 0,016 |
| edu | | 0,025 |
| edu(1) | 0,97947 | 0,908 |
| edu(2) | 0,646876 | 0,042 |
| faixa_renda | | 0,027 |
| faixa_renda(1) | 0,807637 | 0,171 |
| faixa_renda(2) | 0,665829 | 0,034 |
| faixa_renda(3) | 0,404165 | 0,001 |
| faixa_renda(4) | 0,774708 | 0,473 |
| faixa_renda(5) | 1,040992 | 0,915 |
| situação_domicilio | | 0,281 |
| situação_domicilio(1) | 1,148098 | 0,777 |
| situação_domicilio(2) | 0,938832 | 0,897 |
| situação_domicilio(3) | 0,734154 | 0,559 |
| FATOR_1 | 0,337664 | 0,000 |
| FATOR_2 | 0,608386 | 0,000 |
| FATOR_3 | 0,60985 | 0,000 |
| **missiones** | **1,1542** | **0,000** |
| Constant | 2,62688 | 0,059 |

**Dependent variable → Presidential Approval:**

**Multiple Logistic Regression**

# VI. SOME CONCLUSIONS AND QUESTIONS GOING FORWARD

# Final Points

- **Targeted Social Programs—like Bolsa Familia and Misiones—have real and positive political impacts for those political leaders that implement them**
  - **Reinforce image as popular leaders**
  - **Bring the government closer to traditionally marginalized segments**
  - **May serve as buffers against economic downturns**
  - **Is there a program x image interaction?**

- **Being popular is not the same thing as Being populist**
  - **Being popular—perceived closeness to the population– is a necessary condition for political leaders in Latin America**
  - **May have been a decoupling of demand for economic growth versus demands for greater access**

# Final Points

- **Underlying Potential Risks**
  - **Strong Support for state intervention → the State as the change agency**
  - **Strong support for Caudillo-like leadership**

- **Questions Going Forward:**
  - **Strong similarities in Lula and Chavez → Why different institutional outcomes?**
  - **Concept of Democracy → Social Justice versus Separation of Powers**
    - Democracy contingent on social access
  - **Heterodox versus Orthodox Economic Policy → Does the population perceive the difference or are end results most important (e.g., low inflation)?**