PRESIDENTIAL TERM LIMITS.
Political and economic effects of reelection in Latin America (1990-2010)

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The subject of this dissertation is presidential term limits in Latin America (1990 - 2010). In contemporary presidential democracies there is a wide variation in how many times a president can run for reelection. In some countries presidents can be reelected for an unlimited number of terms; others allow presidents to be reelected for up to two consecutive terms; others establish that presidents must wait at least one or two terms before competing again for the presidential post; and others establish that presidents can be in office only for one term -- i.e. reelection is prohibited. The three papers comprising this dissertation seek to explore the relationship between these different presidential term limits provisions and political and economic outcomes in Latin America.

Keywords: presidential term limits, presidential reelection, Latin America, Political Business Cycle theory.
To my family, for their love and support
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Introduction:

Presidential term limits, democracy and economic outcomes

Presidential reelection in Latin America (1990-2010)

The subject of this dissertation is presidential term limits in Latin America (1990 - 2010). In 1992, Peruvian president Alberto Fujimori successfully modified his country’s Constitution to allow consecutive presidential reelection. He ran for reelection and managed to rule Peru for a second term. During the next decades, Argentina (1993), Venezuela (1999), Costa Rica (2003), Colombia (2004), Ecuador (2008) and Bolivia (2009), followed Peru’s example. Presidential term limits have been slowly abandoned to allow presidents to run for consecutive and even unlimited reelection in several Latin American countries. In the three papers of this dissertation I investigate the political and economic effects of these institutional changes.

Elections create a momentary monopoly in power. We can compare the workings of presidential democracies with economic markets. After elections are celebrated, a political monopoly is established for the number of years that the presidential tenure lasts. But the truly valuable properties of the free markets arrive when there is competence -- lower prices and incentives to provide the better product for customers. The same can be said about democracy -- for it to bring about its best features it needs to offer meaningful political options for voters and real electoral competition.¹ This is why setting limits to the presidential term is important for the survival, consolidation, and -- ultimately -- sustainability of presidential democracies.

¹ The importance of political plurality and viable political options for voters in democratic regimes are questions widely discussed in the political science classic books. See, for instance, Joseph Schumpeter (1942), Capitalism, socialism, and democracy; Robert Dahl, A Preface to Democratic Theory (1956), Polyarchy: Participation and Opposition (1971); On Democracy (1998).
Without term limits, presidents can keep accumulating power and resources, making it difficult for challengers to compete against them. Thus, just like in economic markets, when there are no mechanisms for ending those political monopolies, the challengers, knowing that they are in disadvantage, may get discouraged to compete in elections. This dynamic may in the long run decrease the number of meaningful options for voters. Elected presidents obtain what is known as the 'incumbency advantage' which refers to all the resources that presidents have at their disposal while in office and which, if left unchecked, can create a seriously uneven playing field for competitors. By setting term limits, there is an automatic elimination of political monopolies, generating renewal and change in power, and encouraging competence among challengers. Thus, implementing term limits helps to keep a minimum level of competiveness by preventing current presidents from participating in electoral contests.

Term limits are also necessary because the abuse of power can never truly be averted. As said before, presidential democracies create temporary monopolies in power, with citizens not having the possibility of changing the chief executive during a specific number of years. During that time, there is no real way to prevent the president to abuse his power. Often this abuse is subtle, not necessarily a wide attack on the rights and liberties of the majority but the rights of the minorities who may find difficult to replace the president by democratic elections. In presidential democracies, once a president has been elected, voters cannot switch to another executive -- as it can happen in parliamentary democracies --, because the

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terms are fixed. As Maltz (2007) has pointed out, term limits are a control on political power.\footnote{See Maltz, Gideon, (2007), "The Case for Presidential Term Limits", Journal of Democracy, Volume 18, Number 1, January 2007, pp. 128-142.}

Limiting the presidential term also helps to maintain democratic governability as it creates opportunities for ambitious challengers to access power. This is even more important for new democracies and democracies that are still in the process of consolidation. Setting limits to the presidential tenure may change the decisions of ambitious politicians to keep participating in democratic elections.\footnote{For democracies to survive, it is crucial that the losers of elections accept defeat and keep participating in future elections. See Adam Przeworsky, (1991), Democracy and the market: Political and economic reforms in Eastern Europe and Latin America (ch 1). New York: Cambridge University Press.} Thus, appropriate term limit provisions will help to keep incumbents and challengers playing by the democratic rules.

The history of Latin America, and other countries around the world, shows that politicians find hard to step out of power. The only institutional devise that modern democracies have found to tame this tendency is by establishing presidential term limits. This institutional innovation that started in Latin America in the XIX century has expanded to the majority of presidential democracies.\(^8\) The papers are focused on Latin America because it is the region where we can find the majority of presidential-type democracies. One characteristic of presidential democracies—as opposed to parliamentary democracies—is that the permanence of presidents in office is fixed: presidents are elected for ruling a number of years that are specified in constitutional laws.\(^9\) For example, in the United States the length of the presidential term is four years: presidents cannot be removed from office before the end of that period. In the case of parliamentary democracies, the permanence of the Prime Minister in the post is not fixed -- it depends on the confidence of the majority of the assembly members.\(^10\) In effect, the assembly can remove the Prime Minister anytime. For instance, on June 2013, Australian Prime Minister Julia Gillard was removed from the post just a ‘couple of months before the next general election’\(^11\) In the case of Latin American presidential democracies, there is a wide variation in the length of presidential terms and in the number of terms that presidents can run for reelection. This allows us to explore the effects of this variation on economic and political factors. Additionally, as several scholars have pointed

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\(^10\) Ibid.

\(^11\) See “Julia Gillard ousted as Australia prime minister” *The Guardian*, 26 June 2013
out, choosing this region allows us to control for cultural and historical factors which are considered to have effects on the relationships studied.\textsuperscript{12}

This topic has been particularly important in Latin America. There has been two important cycles of presidential term limits reforms in Latin America. One at the ending of the XIX century, which resulted in the implementation of several no-reelection clauses by the constitutionalist movements of those years, and another that started around the 90's which has gained an important momentum in recent times. From Mexico to Argentina, presidential reelection has been one of the most controversial topics in the region. It has dominated the political debate in the last decade, from Venezuela where the debate polarized the 2007 and 2009 referendums on unlimited presidential reelection,\textsuperscript{13} to similarly controversial moves in Colombia in 2010,\textsuperscript{14} to a nowadays wary debate in Argentina\textsuperscript{15} and Ecuador\textsuperscript{16} and, most recently, Nicaragua,\textsuperscript{17} with newspapers and its opinion columns frequently commenting on this topic. Thus, the debate about term limits provisions has extended beyond the academic world: it has become a topic of real interest for politicians, the media, and citizens. In effect, presidential term limits provisions are one of the few political institutions that have actually undergone reform in several countries with presidential regimes. The purpose of these reforms has been the elimination of reelection limits, allowing presidents to extend their tenure; in this regard, the majority of the reforms have sought to change the no-reelection rule by provisions allowing at least one consecutive reelection. There has also been modifications on the length of the term, usually to reduce the number of the years of the term.


\textsuperscript{15} “Crecen debates por nueva reelección de Cristina Fernández,” [A growing debate about a new re-election of Cristina Fernández], \textit{La Razón}, August 31, 2012.

\textsuperscript{16} “Ecuador: Dictatorship of the 21st Century?, \textit{The Miami Herald}, February 27, 2013”.

\textsuperscript{17} “El nicaragüense Ortega busca una reforma para avalar la reelección,” CNN Mexico.com, November 4, 2013.
After championing for decades the inclusion of term limits provisions in their Constitutions, Latin American countries are leading a counter reform wave in which limits to the presidential reelection have been eliminated or made less restrictive (see below, Table 1).

Table 1. Reelection reform in Latin America (1990 - 2010).

<table>
<thead>
<tr>
<th>Country</th>
<th>Previous Rule</th>
<th>New Rule</th>
<th>Year of Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>After one interim term</td>
<td>Two consecutive terms, then one interim term</td>
<td>1993 -</td>
</tr>
<tr>
<td>Bolivia</td>
<td>After one interim term</td>
<td>Two consecutive terms, then no reelection</td>
<td>2009 -</td>
</tr>
<tr>
<td>Brazil</td>
<td>After one interim term</td>
<td>Two consecutive terms, then one interim term</td>
<td>1998 -</td>
</tr>
<tr>
<td>Colombia</td>
<td>No reelection</td>
<td>Two consecutive terms, then no reelection</td>
<td>2004 -</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>No reelection</td>
<td>After two interim terms</td>
<td>2003 -</td>
</tr>
<tr>
<td>Ecuador</td>
<td>No reelection</td>
<td>Two consecutive terms, then no reelection</td>
<td>2008 -</td>
</tr>
<tr>
<td>Peru I</td>
<td>After one interim term</td>
<td>Two consecutive terms, the one interim term</td>
<td>1992-2000</td>
</tr>
<tr>
<td>Peru II</td>
<td>Two consecutive terms, the one interim term</td>
<td>After one interim term</td>
<td>2001</td>
</tr>
<tr>
<td>Venezuela I</td>
<td>After two interim terms</td>
<td>Two consecutive terms, then no reelection</td>
<td>1999</td>
</tr>
<tr>
<td>Venezuela II</td>
<td>Two consecutive terms, then no reelection</td>
<td>No limits</td>
<td>2009</td>
</tr>
</tbody>
</table>

Source: elaborated by the author with information from Jones (1995), Carey (2003), current constitutional texts, and The Economist Historical Archive, the Political Handbook of the World (2010), and BBC Mundo’s reports (http://news.bbc.co.uk/hi/spanish/latin_america) to situate the exact year of the reform.

As I write these lines, Nicaragua is undergoing a process of constitutional reform that illustrates very well the ironies of this recent trend. Daniel Ortega joined a revolutionary movement that ended up overthrowing the dictatorship of Anastasio Somoza in 1979; afterwards, in 1985, he was elected president of Nicaragua for one term, leaving the post in 1990. In 2007 he returned to the presidency and now he is trying to change the constitution to eliminate the provisions forbidding consecutive reelection. The proposal for allowing

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18 “El nicaragüense Ortega…”
20 “El nicaragüense Ortega…”
consecutive reelection has come along with other measures to increase the constitutional powers of the president.\textsuperscript{21} Alberto Lacayo, an opposition leader from the BDN (Bancada Democrática Nicaraguense), stated that “[t]hese reform proposals contain everything that led to the overthrowing of Somoza. The fight was for not having a dynastic and corrupt family in power, for not been ruled by the military, for having civic liberties, for not having a permanent president.”\textsuperscript{22} This quote sums up very well the paradoxes of the recent trend for abolishing presidential term limits in Latin America.

Paper one, "Dealing with Zero-Sum Games in Presidential Democracies," analyses the relationship between presidential term limits and democratic governability. Specifically, how different term limit provisions affect the probability that challengers accept electoral defeat and keep participating in democratic elections. The paper follows the ‘rational choice’ literature which sees institutions as the result of strategic decisions made by individuals seeking to maximize their own benefit.\textsuperscript{23} I sustain that incumbents and challengers have conflicting interests regarding reelection rules and that this conflict is the main source of reform. Thus, after proposing this way of evaluating reelection rules, the paper underlies a theory of how reelection rules affect democratic governability. For illustrating the logic behind these theoretical arguments I revise the democratic history of Mexico (1910 - 2012).

Paper two, "Enforcing a limited government in presidential semidemocracies," investigates how presidential term limits can be enforced. Taking into account that term limits provisions have several positive effects for democracies, the next important question to be asked is how to preserve this political institution. Principally, I analyse the role of

\textsuperscript{21} “El nicaragüense Ortega…”
\textsuperscript{22} “El nicaragüense Ortega busca una reforma para avalar la reeleccion,” CNN Mexico.com, November 4, 2013, mytranslation.
democratic players in preventing presidents from eliminating term limits. In order to expose
the ‘microfoundations’\textsuperscript{24} behind term limits enforcement, I compare the cases of Peru and
Colombia. Contrary to accounts that show presidents as the main actors when it comes to
reelection reform, these cases show that for reelection reform to occur the participation of
several political players is important, particularly congresses and constitutional courts. In this
sense, the cases of Peru and Colombia show that in enforcing term limits provisions, a proper
system of checks and balances is crucial. Thus, even when favourable economic and political
conditions provided incentives for ambitious incumbents to eliminate presidential term limits,
the intervention of congresses and courts proved to be the difference for the preservation of
these provisions.

Finally, paper three, "\textbf{Winning Voters Over}," explores how different reelection provisions
affect public spending. The paper follows the ‘Political Budget Cycles’ literature, which
argues that elected officials will increase public spending around election years because they
believe this will help them win elections.\textsuperscript{25} A widely held assumption in the literature
sustains that when the incumbent is not eligible for reelection there will be increases in
spending during elections anyway -- the justification for this assumption is that this will
happen because the incumbent wants his party to win elections even if he doesn’t get a direct
benefit from this political strategy.\textsuperscript{26} The paper tests this assumption by comparing cases in
which the incumbent is eligible for being reelected with those in which the incumbent faces a
term limit. Different from other studies, the paper analyzes social expenditure (spending on
education, healthcare, and poverty mitigation programs) as this is the kind of spending we

\textsuperscript{24} In \textit{Nuts and Bolts for the Social Sciences}, Jon Elster explains the advantages of studying the ‘causal
mechanisms’ of political developments in order to achieving a more certain and accurate knowledge of

\textsuperscript{25} About this theory see Drazen, Allan, (2001), “The Political Business Cycle After 25 Years,” in NBER
75-138.

\textsuperscript{26} \textit{Ibid.}
would expect politicians to be more tempted to manipulate with electoral ends, and also
general government expenditure. The results show that the status of the incumbent is indeed
relevant in explaining the impact of elections on public spending, however, I will sustain,
incumbents that can be reelected face some dilemmas for spending. And they have found
smart ways to overcome those dilemmas -- while they tend to increase social spending more
than incumbents that cannot be reelected, they also try to keep general spending on
responsible levels so as to avoid fiscal unbalances.
Dealing with Zero-Sum Games in Presidential Democracies
Presidential Term Limits and Democratic Governability:
The case of Mexico (1910 - 2012).

He himself justified the present revolution when he said, "Let no citizen impose and perpetuate himself in the exercise of power, and this will be the last revolution." -- Francisco I. Madero, quoting dictator Porfirio Díaz, The Plan of San Luis Potosí, October 5, 1910.27

All governments, democratic and nondemocratic, would like to assure themselves continuity over a long period of time. -- Juan Linz, "Presidential or Parliamentary Democracy: Does It Make a Difference?," 1994.

Abstract
For democratic consolidation it is critical that losing candidates concede defeat (Przeworski, 1991). In this paper I argue that presidential term limits provisions (PTL) can reduce the negative impact of lost elections by providing more opportunities for challengers to capture the presidency. Challengers will prefer to wait for the next election instead of contesting the election's result. In other words, such provisions can form part of an institutional structure that encourages opposition leaders to keep participating in democratic elections. To test this proposition, I examine the Mexican case (1910-2012). The main independent variable of the study is presidential term limits provisions (PTL) and the dependent variable is democratic governability. The study of term limits provisions will help us to understand under what conditions opposition leaders accept zero-sum electoral outcomes.

I. Introduction

The objective of this paper is to explain the effects of different presidential term limits rules (PTL) on democratic governability. In presidential democracies there are important variations regarding the length and renewal of the chief executive’s tenure. Some constitutions allow presidents to run for reelection as many times as they wish while others place some restrictions or ban reelection completely. These institutional variations may have important effects on the functioning of presidential systems. According to Przeworski (1991), it is critical for democratic governability that losing candidates concede defeat. In this paper, I will argue that limiting the presidential tenure may help to increase the political players’ acceptance of electoral defeats. When presidents are term-limited, challengers have increased chances to capture the presidency, therefore, in case of losing a presidential election they may prefer to wait for the next election and try again instead of contesting the electoral result. Thus, by providing more incentives to opposition candidates to accept electoral outcomes, PTL provisions can be useful tools for enhancing democratic governability in presidential regimes.

The institutional structure of presidential democracies has long been considered to lead to zero-sum outcomes (see Linz, 1994). I will argue that PTL are one of the most effective institutional devises to alleviate the political tensions created by this type of electoral competition, one in which the 'winner takes all and the loser loses all'. Setting limits to the presidential tenure can reduce the impact of losing an election in presidential democracies and therefore increase the chances of a loser’s acceptance of defeat. In particular, limiting the number of times that a president can run for reelection seems to have a positive effect in reducing the disparities that opposition candidates face in elections. Thus, PTL provisions can be part of an institutional incentive structure that encourages political players to keep participating in the democratic game and to accept electoral results.
Presidential term limits rules, however, can be unstable as both incumbents and challengers have incentives to change them. Thus, at their core, these provisions are not a self-enforcing institutional equilibrium. In effect, incumbents and challengers have an interest in reforming these rules – the incumbent wants to modify PTL so that he can stay longer in office whereas the challenger wants to set limits to the presidential tenure as a way of ending the incumbency advantage and thus increasing his chances of accessing power. While incumbents can use democratic procedures to change the rules, challengers have a less clear path for promoting electoral reform and they may be tempted to mobilize citizens to oust a long-serving incumbent by non-democratic means instead of waiting for the next election. This may be a real problem for democratic governability, leading to cycles of reform and conflict until a compromising solution that satisfies both incumbents and challengers is reached -- a solution that is perceived as fair for both of them, that is, a Rawlsian equilibrium.

The paper is organized as follows. In the next section I revise the literature about the 'winner-takes-all' problem of presidential democracies and how different term limits provisions may help to deal with its negative consequences. In the second section I investigate how different arrangements may affect the political ambitions of incumbents and challengers and how this in turn may affect democratic governability. In particular, I consider the effects of these provisions on democracies that meet two conditions: first, they are presidential systems and, second, they are democracies in the process of consolidation. Finally, in section three, I analyse the Mexican case. The democratic history of Mexico, similar to other Latin American cases, can be seen as the struggle for an institutional structure that helps to conciliate the interests of incumbents and challengers for capturing and keeping the presidential post.

28 An equilibrium is self-enforcing when all political players find in their own interest to follow the rules that lead to that equilibrium. See Przeworski (1991) and Weingast (1997).
29 About institutional arrangements that can be considered just or fair, see John Rawls (1971).
The main contribution of this paper is to propose the conditions that increase political players’ acceptance of zero-sum electoral outcomes, including their own defeat. Also, the paper tries to uncover the factors that may help to engage opposition leaders in democratic elections. Thus, the study contributes to the identification of institutional structures that encourage the participation of opposition candidates in democratic elections characterized by majoritarian elements. The paper concludes that as zero-sum institutions cannot become more pluralistic without changing their core nature, the only way to minimize the impact of losing under these type of electoral arrangements is by meeting two conditions: 1) giving challengers as many opportunities as possible of competing in elections; and 2) reducing the game's entry barriers, that is, making sure that the electoral competition unfolds under fair conditions for opposition leaders. This leads toward a Rawlsian equilibrium where the game and its outcomes are more likely to be accepted by all actors in comparison with zero-sum arrangements that do not comply with those conditions. The main independent variable of the study is presidential term limits provisions and the dependent variable is democratic governability.

II. Literature review

*The problem: ’winner-take-all’ tendencies of presidential democracies*

According to Przeworski, one important indicator of democratic consolidation is when all relevant political players, including those who have just lost an electoral contest, have incentives to keep participating in the 'democratic game' instead of trying to subvert the democratic system (Przeworski, 1991, pp. 26-31). For this to happen, it is important that the democratic institutions give "all the relevant political forces a chance to win from time to time in the competition of interests and values" (Ibid., p. 33). In this regard, according to Przeworski, to keep participating in the democratic game, political players must have some minimum probability "of winning within the democratic institutions" (Ibid., p. 30). Yet
democracy cannot assure anyone that he will win one day; it cannot promise even a small chance of success. In fact, the very essence of democracy, the election of officials by universal vote, can prevent this from happening. A loser can continue losing every single democratic election if voters wish so. Likewise, voters can keep a winner winning elections for life. In absence of institutional limits, democracy -- even a consolidated one-- can produce an enduring set of winners and losers.

Hence, the problem of how to ensure that all relevant forces keep participating in the 'democratic game' cannot be resolved by the main democratic instrument alone -- that is, by free, fair and competitive elections. Institutional solutions that are beyond the basic procedures of an electoral democracy are necessary. According to Anderson, et.al. (2005), democracy is at great risk when it produces permanent losers, as these players may consider stopping to participate in the 'democratic game,' causing a legitimacy crisis for the regime. For this reason, it is important that 'constitutional engineers' develop institutional designs that help to "minimize the impact of losing" (Ibid.); particularly, it is important that these institutions include pluralistic elements. The authors explain that, "[I]losers express less negative views about the political system than winners when electoral rules are more proportional, when the political system has a greater number of veto players, and when power is shared within the political system. Thus, the size of the winner-loser gap depends on whether institutions are exclusive or inclusive... Put simply, then, having a say and sharing power, even when in the opposition at the national level, enhances losers' consent." (Anderson, et.al., 2005, p. 139). Colomer (2001) made a similar analysis, concluding that institutions that are proportional and plural are more stable than exclusive institutions as they are more satisfactory for all political forces and thus they become a self-enforced equilibrium. Colomer describes the rules that promote inclusion of all actors as institutions that are socially "efficient" (Colomer, 2001, pp. 227-241).
This is why presidential democracies have an important disadvantage. The presidential institution is probably the most exclusive official post of democratic systems, so the impact of losing is severe. As Linz (1994) wrote in his famous criticism of presidential systems, different from parliamentary democracies where the defeated candidate can become the leader of opposition, in presidential democracies the control of the executive is a zero-sum game where the 'winner takes all' and the "defeated candidate loses all." (Linz, 1994, pp. 14-15). All in all, Linz (1994) sustains, "[t]he zero-sum game raises the stakes in a presidential election for winners and losers, and inevitably increases the tension and the polarization." (Linz, 1994, p. 19). Lijphart (2000) made a similar statement about the presidential democracy, which he describes as a political system with "majoritarian" elements that promote the "concentration of power in the hands of the majority" (Lijphart, 2000, p. 229). According to Lijphart, the U.S. type of democracy has elements of a majoritarian democracy such as the "concentration of executive power in the hands of not just one party, but one person...and the inherent disproportionality of presidential elections in which the winning candidate wins 'all of the seats' -- that is, the one seat at stake -- and the loser loses completely" (Lijphart, 2000, p. 240). Shugart and Carey (1992, p. 31) sum up Linz's criticism in this way:

Because of the exclusive nature of the unitary executive, the importance of capturing the presidency becomes paramount, dwarfing all other electoral goals for parties in presidential systems. This is what Linz [1987, pp. 13-15] describes as the 'winner-take-all' nature of presidentialism. The high stakes, and the certainty that control of the executive will not be open to question again for a set period, raise the tension of electoral politics. In the wake of presidential elections, moreover, the winners have no reason to try to make amends with the losers. (Shugart and Carey, 1992, p 31).
Additionally, in presidential systems, "winners and losers are defined for the period of the presidential mandate" (Linz, 1994, p.19), which worsens the zero-sum electoral outcomes. In effect, different from parliamentary systems, in presidential democracies the chief executive is elected for a fixed period and "cannot be removed for political reasons" (Shugart and Carey, 1992, p. 29). Thus, the tension and polarization created by presidential elections last for the entire set term, without any mechanism to compensate losers during this time, all which, combined with other presidential rigidities, may ultimately cause a democratic breakdown (Linz, 1994).

**The variable**

Defenders of presidential systems replied to Linz's (1994) criticisms by saying that presidential democracies are not all the same; they display important variation that affects its performance, stability and survival. In the last decades there has been plenty of comparative research studying this variation. Presidential systems differ in the constitutional powers of presidents *vis-à-vis* assemblies, such as veto power, presidential legislative initiative and budget powers (Shugart and Carey, 1992; Mainwaring and Shugart, 1997); in the electoral laws for electing legislators -- proportional versus majority/plurality formulas which, in turn, may affect the chances of the president of having support from congress (Mark Jones, 1995a); in the rules for electing presidents -- plurality, majority runoff, and electoral college systems (*Op. cit.*, p. 90); in the nature of the party systems -- two-party systems versus multi-party systems (Mainwaring, 1993; Mainwaring and Scully, 1995); in the relationship between presidents and their parties (Weldon, 1997; Figueiredo, Cheibub and Limongi, 2000); and in its policy-making procedures (Haggard and McCubbins, 2001).

Less explored in this comparative line were the effects of the duration and renewability of the presidential tenure on the functioning of this type of democracy. Yet this is one element in which presidential democracies show clear variation, and, most importantly, it is the
institution that more clearly can affect the zero-sum outcomes of presidential races. Even though the presidential term is fixed, there are important variations regarding its length and renewability. In Latin America, for instance, the presidential term may last from four to six years; some constitutions forbid presidential reelection while others allow it; there are also constitutions that permit consecutive reelection while others state that the president needs to step out at least one term before running again for reelection (see Jones, 1995b; Carey, 2003). And these differences, so I will argue in the next section, may be the key for dealing with the zero-sum outcomes of presidential races. Provisions limiting reelecions have become popular in presidential regimes. According to Maltz, with the only exception of France, all mature presidential and semipresidential democracies have at some point implemented term limits (Maltz, 2007). Admittedly, the study of term limits variation in democracies is not new (see for example, Keech, 1986; Shugart and Carey, 1992, p. 29; Jones, 1995b, p.8; Przeworski, 1999, p. 50) but recent academic work (Colomer, 2001, p. 169; Carey, 2003; Maltz, 2007) suggests that its effects on the functioning of presidential democracies may be deeper than previously thought.

Term limits provisions are formal institutions, that is, they are rules that constrain individuals' behaviour. From a rational choice perspective, formal institutions "are an intervening variable capable of affecting an individual's choices and actions but not determining them" (Koelble, 1995, p. 232). Although they may be long-lasting institutions, difficult to adopt and also difficult to reform or eliminate, there has been a slow but steady trend seeking to reform or eliminate these provisions in the last decades (see Maltz, 2007). Because of the significant impact of term limits on politicians' ambitions, these provisions have become a favourite target for reformers, with a special tendency in the recent years to eliminate provisions that forbid consecutive reelection.
**Its impact**

Scholars have identified several important variables affected by term limits provisions; for example, democratic representation and political accountability (Carey, 1996; Elhauge, 1997; Sarbaugh-Thompson, et. al., 2004), executive-legislative relationships (Colomer, 2001), and economic policy choices (Besley and Case, 1995; Johnson, and Crain, 2004; Alt, et. al., 2011). In terms of minimizing the impact of losing in presidential races, there are two important variables that are also affected by term limits provisions: electoral competition and political turnover; both variables linked in some extent.

**a) Electoral competition.** One line of research has investigated how term limits provisions may help to reduce the electoral inequities created by what is known as the ‘incumbency advantage.’ I have identified at least three types of incumbency advantage described by this literature. The first one is the ‘natural advantage’ of incumbents that comes from the office holder’s responsibilities (see Elhauge, 1997; Caselli et.al. 2013; Sarbaugh-Thompson, et. al., 2004). Because this advantage is simply linked to the fact of ‘occupying’ the office, I believe it cannot be eliminated unless the president is banned from running for reelection. A second one is a type of ‘institutional advantage’, created by current rules and practices that benefit incumbents more than challengers. This advantage can manifest in rules that, for example, give incumbents greater access to media, legal resources, and financing than to challengers (Levitsky and Way, 2010; see also Greene, 2008). This type of advantage, I believe, can be corrected by an institutional reform trying to find ways to level the playing field. And, there is a third one that is in a way an ‘antidemocratic’ incumbency advantage, where incumbents actively use the state’s resources to, on the one hand, making sure they can stay in power, and, on the other, to hamper challengers’ opportunities to grab the post (see Przeworski, 1999; Carey, 2003; Maltz, 2007). At the end of the road, all these type of advantages create what is
known as 'barriers to entry' that make it difficult for challengers to participate in the 'political market' (see Elhauge, 1997).

Everything else being equal, incumbents always have a natural advantage over challengers, even if we keep electoral campaign conditions as equal as possible. This is because incumbents are in the spotlight during at least one term while challengers are sometimes totally unknown to voters, so they have to make a greater effort for convincing voters to vote for them. Furthermore, incumbents have at their disposition resources allowing them to cultivate links with voters through the administrative work and deliverance of public goods (see Elhauge, 1997; Greene, 2008). When electoral campaigns begin, contestants are starting the race from different distances – the incumbent has already been in office for some years, during which they have had many opportunities to establish links with voters and promote themselves. This way, modern democratic elections can never be completely fair.

There are also advantages that come from the current institutional arrangements and informal practices. As Levitsky and Way (2010) put it, nowadays democracy is more affected by all the conditions that ‘skew’ the democratic competition than by practices of fraudulent elections. Among these elements, Levitsky and Way (2010) mention incumbents’ access to public financing and major media outlets as one of the main elements creating disparities. These inequalities, Levitsky and Way (2010) argue, go beyond the 'natural' advantage of incumbents and may severely affect the fairness of the electoral contest.

In the worst case scenario, presidential reelection is the first step in a series of reforms in which incumbents use all the resources of the presidential post to perpetuate themselves in power (Carey, 2003), ultimately damaging democracy. Thus, in a more radical take on this argument, scholars argue that presidents actively use resources of the presidential post to secure their reelection and to hamper the electoral chances of opposition candidates (Carey,
2003; see also Przeworski, 1991, p.25). In this regard, term limits provisions have proven to be one of the most effective institutions for levelling the playing field, as it forces the competition between new candidates rather than between an incumbent and a challenger (Elhauge, 1997; Sarbaugh-Thompson, et. al., 2004; Maltz, 2007).

Term limits have the immediate effect of eliminating the incumbency advantage. Once the incumbent has been termed out, challengers have to compete against a new candidate who doesn't have all the advantages of the former incumbent; this keeps competition conditions fairer (Maltz, 2007 and Elhauge, et al., 1997). This also means that challengers have greater opportunities for capturing the presidency. Sarbaugh-Thompson, et. al., (2004) have studied local legislative contests in the US, finding that challengers acknowledge very clearly the opportunities that elections with open seats create, that is, elections in which the incumbent is not participating. They adapt their strategies accordingly, spending more resources on these competitions rather than the ones where they have to compete against incumbents. As Elhauge, et al. (1997) argue, by removing the incumbency advantage, term limits provisions reduce "barriers to entry in political markets" (2007, p. 59), which in turn keeps a more competitive and fair electoral contest. In this regard, Przeworski (1999) sustains that the incumbency advantage is more stressed -- and thus more pernicious -- in presidential than parliamentary democracies: "The most likely reason presidential democracies are more fragile than parliamentary ones is that presidents rarely change because they are defeated in elections. Most of them leave office because they are obligated to do so by constitutionally imposed term limits. In turn, whenever incumbent presidents can run and do, two out of three win re-election [Cheibub and Przeworski, 1996]. Presidentialism thus appears to give an excessive advantage to incumbents when they are legally permitted to run for re-election and, in turn, to prevent the incumbents from exploiting this advantage, it obligates them to leave office whether or not voters want them to stay" (Przeworski ,1999, p. 50).
b) Political turnover. There is an academic consensus that the most affected variable by term limits is political turnover (see Chen and Niou, 2005). Long incumbencies and difficulties terminating them by popular elections inspired the invention of term limits (Linz, 1994). In a sense, it is a modern liberal institution that constrains the rule of the majorities. This topic has been particularly important in Latin America. John M. Carey (2001) was one of the first scholars who explored the main dilemma of presidential reelection in Latin America: “Arguments in favour contend that the possibility of immediate reelection increases politicians’ responsiveness to citizen demands and allows voters the freedom to retain popular incumbents” (Carey, 2001, p. 119), and, on the other hand, “[t]he argument against presidential reelection… is simply that presidents will abuse the powers of the executive branch to ensure their own perpetuation in office” (Carey, 2001, p.120). In effect, one of the well-documented trends in politics is the high rate of reelection of incumbents. The probability that an incumbent loses to a challenger is rather small, whether in presidential races or in legislative races or even in local races (see Maltz, 2007; Chen and Niou, 2005). In Latin America, the high rate of reelection of incumbents has received the name of ‘continuismo’ (see Linz, 1994, p.16; Carey, 2003), a term derived from the Spanish word ‘continuidad’ (continuity) but modified with the ‘ism’ of political trends like ‘socialism’ or ‘populism.’

By term limiting incumbents, challengers have more real chances of capturing electoral posts (see Elhauge, 1997) which in turn has translated into more alternation in power (Maltz, 2007; see also Chen and Niou, 2005). And while implementing term limits does not guarantee party alternation in power, it helps in the process, according to Maltz (2007). Figures show that term limits increase the victory of challengers in authoritarian regimes; for example, "(i)n 32 elections held in electoral authoritarian regimes in the former communist bloc, incumbents won 88 percent of the time while successors won only 29 percent of the contests. In 35 such
elections in sub-Saharan Africa, incumbents won 96 percent of the time, while successors won only 60 percent" (Maltz, 2007, p. 134). Additionally, regular political turnover has important benefits for governability -- it may enhance the legitimacy of a democratic regime by giving to opposition leaders a kind of 'proof' that genuine, peaceful change in power is possible (Moehler and Lindberg, 2009). These alternations in power give electoral losers the hope that one day they may also win, encouraging them to stay in the 'democratic game' (Ibid.). In their study about what makes democracies to endure, Przeworski, et. al, (1996) have found empirical evidence showing that turnovers in power help democracy to last. In this regard, this author sustains that "democracies are most stable when the heads of governments change not too infrequently, more often than once every five years... Thus, democracy is more likely to survive when no single force dominates politics completely and permanently" (Przeworski, 1999, p. 50).

Thus, to sum up, the literature shows that term limits provisions may help to minimize the impact of losing by 1) eliminating the barriers to entry created by the incumbency advantage and 2) by giving challengers more real opportunities to compete for office. This makes it easier for challengers to participate in elections which, in turn, encourages them to keep participating in the 'democratic game.' However, it is important for democratic governability that these provisions also take into account the interests and ambitions of the winners. According to Linz (1994), limiting the presidential tenure can make it difficult for an ambitious president to implement a significant project, which in turn may cause frustration and a temptation to extend their tenure by all means:

A turnover in power can also have dysfunctional consequences, because no government can be assured the time to implement promises, to carry through between the two elections major programs of social change, to achieve irreversible
changes in the society. This is even more true when there is term limitation, as in many presidential systems.

The concentration of power in a president has led in most presidential regimes to attempts to limit the presidency to one or at most two terms. Those provisions have been frustrating for ambitious leaders, who have been tempted to assure continuismo legally (Linz, 1994, p. 17).

In this sense, term limits provisions that are too strict from the point of view of the incumbent, may also cause governability problems. Building on Przeworski’s arguments (1991), Barry Weingast sustains that "democracies typically fail in one or two ways: those in power fail to abide by the rules, such as ignoring an electoral defeat or abusing the rights of the opposition, and those out of power use force to take power" (Weingast, 2006, p. 343). He adds that the stability of democracy depends of the incentives in place, hence, in a consolidated democracy "political officials must have incentives to honor the rules, including electoral defeats, and those out of power must have incentives to refrain from using force to take power. If either of these conditions fail, democracy is clearly unstable" (Ibid.). Thus, in order to be stable and survive, democracy must take into consideration both sides of the equation: the interests of those in power and of those out of power. In this regard, as we will see in the next section, PTL provisions should be designed taking into consideration the interests of both incumbents and opposition candidates.

In the next section of this paper, I will argue that term limits provisions are key institutions for reducing the impact of losing in presidential races, as it may give losers fairer chances to compete for the presidential post. However, I also sustain that, overall, institutions must contain a balanced set of incentives that encourage the participation of all players, both
incumbents and challengers. In the following pages I will review how different presidential term limits provisions affect the incentives of incumbents and challengers to keep participating in the democratic game. The analysis will stress that in democracy, the winner, who becomes 'the incumbent,' is only a temporary winner; likewise, I will talk about challengers instead of losers so as to emphasize that they are not permanent losers but players seeking to capture the presidential post. In this regard, I believe, while elections produce winners and losers, democratic institutions must produce incumbents and challengers. On the other hand, to the extent that term limits provisions approach an arrangement that produces permanent winners and losers, I will argue, it sets the basis for long-term democratic instability and governability problems.

III. Presidential Term Limits as a Game

Political institutions are commonly defined as 'the rules of the game,' (see Orren and Skowronek, 1994). However, very often, political arrangements that are also known as 'institutions,' such as electoral laws, are in fact a collection of rules. Presidential term limits provisions determine, for instance, how long the winner will be president and how many times the winner can 'play the game.' Consequently, they also establish how often the challenger is able to contend for the post and whether or not he will face the incumbent. In this regard, it makes sense to consider electoral laws as 'games' instead of just rules (Shepsle, 1989, p. 143). According to Shepsle, "characterizing an institution as a game makes transparent the concept of institutional equilibrium -- it is an equilibrium of a game." (1989, p. 143). Also, conceiving institutions as games facilitates the understanding of change and maintenance of these institutions. In Shepsle's words: "institutions undergo transformation. In principle, these transformations may be modeled as 'games within games'. At any node in the
game form, the option of changing the rules of the game is a possibility" (Shepsle, 1989, p. 141).

In the case of PTL rules, after each electoral competition, winners and losers have to take several decisions. Those who lost have to decide whether they will accept this result, whether they will come back for the next election and whether they will continue supporting the democratic regime. Those who won have to decide whether, once in power, they will respect the electoral arrangement in place or whether they will change the rules for trying to extend their mandate. Thus, PTL rules change the incentives that all political players have to participate in elections and to respect the rules and outcomes of the games. It is important that winners and losers -- or those in power and those out of power -- have the incentives to keep supporting democratic elections and PTL rules may help to insert those incentives.

In particular it is important to find an institutional arrangement that takes into account the interests of incumbents and challengers, although it may not be an easy task. Incumbents and challengers have different preferences regarding term limits provisions. The incumbent wants rules that allow him to keep the presidential post; while the challenger wants rules that minimize the incumbency advantage so he has real chances of capturing the presidential post. He also wants as many opportunities as possible for becoming the winner. One important objection to this proposition is that, in the long run, both incumbents and challengers could benefit from rules allowing unlimited reelection. After all, if the challenger is a rational individual he knows that in case he captures the presidential post he would be better off with a rule allowing him to keep running for office. Why then would he oppose a rule that eventually could be beneficial for him? In this regard, the challenger's opposition to eliminate term limits may appear short-sighted (see Carey, 1996), a miscalculation of the results of the reform (see Elster, 1995) or plainly irrational for he is not fully considering the long-term scenario.
In this sense, irrationality, short-sighted preferences, or strategic miscalculation offer an explanation for term limits provisions. But there are also rational arguments for explaining these different choices of term limits. The key element to understand this difference is what is known as the 'incumbency advantage'. As mentioned in the literature review section, the incumbency advantage consists of all those elements that may increase the chances of an incumbent of being reelected, from the time he has been under the spotlight to the resources he can administrate to create links with voters. Because of this advantage, the challenger prefers that the incumbent’s term is limited and he also prefers to compete in elections where the incumbent is not running. In other words, challengers find it easier to defeat a non-incumbent candidate (see Sarbaugh-Thompson, et. al., 2004). Thus, as a rational strategy, one would expect challengers to promote reelection only once they find themselves in power and thus the 'incumbency advantage' is theirs. So, even if at first glance any politician would be better off with a rule that allows unlimited reelection, in practice the 'incumbency advantage' changes the opportunities for accessing power and thus the preferences regarding reelection depend on whether you are the incumbent or not.

There could be several factors affecting challengers’ preferences regarding reelection rules, for example, the likelihood they think they have to defeat the incumbent. However, the above statement must be considered under a ceteris paribus condition: everything else being equal, the challenger prefers to compete against another non-incumbent candidate. We can regard this inequality as an additive problem – if the president is reelected for a second term, the challenger has to face inequalities created during the first term plus the ones created during the second term. Thus, the longer an incumbent is in power, the greater his accumulation of political resources and, therefore, the harder it is for the challenger to compete against him as the entry barriers become more difficult to overcome (everything else being equal). More examples of incumbency advantage in Appendix 1.
Thus, in the case of PTL provisions we can take into account the Przeworskian concept of
governability that explains how presidential term limits provisions affect incumbents’ and
challengers’ incentives to stay in the ‘democratic game.’ The departing point is that term
limits provisions need to establish a balanced set of political incentives, that is, they must
adequately balance participation incentives for incumbents and challengers. In the case of the
incumbents, participation incentives are balanced when they have enough time to implement
a meaningful political project. Especially, ambitious and popular presidents should feel they
have enough time to implement their political agenda. From the point of view of the
incumbent, the best institutional choice would be an electoral arrangement allowing him to
keep power as long as possible. This means long terms and unlimited renewability of the
term. Supporters of the incumbent also want those provisions, as they will be able to keep
voting for the popular president. In the case of the challengers, incentives are balanced when
they have several chances and real opportunities to capture the presidential post. From their
point of view, they would like to compete in a political market where barriers to entry are as
low as possible and where they have as many chances as possible to capture the presidential
post. Thus, their preferred institutional choice is a system where incumbents are term-limited
and where the incumbent’s tenure is short.

Equilibrating those preferences is not easy, though, for there is an inherent trade-off: any rule
that makes the incumbent better off, makes the challenger worst-off and vice versa.
Institutions that produce zero-sum outcomes cannot be changed as to become more inclusive
and proportional without changing its basic nature, therefore, it is important to find other
solutions to deal with the winner-take-all outcomes they produce. Term limits provisions are
Pareto efficient -- it is not possible to improve the situation of the challenger without
worsening the situation of the incumbent and vice versa, and therefore all possible solutions
must entail a compromise. Thus, the only way of minimizing the impact of losing within
zero-sum institutions is by establishing a 'Rawlsian' equilibrium\textsuperscript{30}, in which incumbents and challengers preferences are met more or less in the middle, creating a fair institution where everyone has enough opportunities for capturing and keeping the presidential post. If players are under the Rawlsian 'veil of ignorance' and no one knows if they will be the incumbent or the challenger, they would chose an institution with a balanced set of participation incentives.

Shepsle (1989) has noted that the Rawlsian equilibrium is, however, a 'vulnerable' one because once players find their real position in the world, "the dissatisfied players may be in a position to force a renegotiation" (Shepsle, 1989, p. 142). In this regard, Rawls' 'fair' equilibrium may be acceptable under the 'veil of ignorance' but this does not necessarily make it a self-enforcing equilibrium in the real world. There is a probability that the lesser beneficiated players consider to change the rules. However, the Rawlsian solution may at least make actors indifferent between the payoffs they receive for playing the game with the rules in place and the transaction costs of changing the rules (see Hardin, 1989). On the contrary, an institutional equilibrium where the impact of losing is severe and the loser has few opportunities to change that outcome may create a situation in which the cost of losing is greater than the transactions costs of changing the rules. Thus, although fair institutions are not necessarily self-enforcing institutions, they may at least increase the likelihood of acceptance among political players.

The balance in participation incentives must go both ways: for incumbents and challengers. On the one hand, rules that make it too hard for incumbents to keep power may encourage incumbents to promote constitutional reforms to extend their tenure. Even more, when presidents find it difficult to reform term limits by legal means, they can try to extend their tenure in semi-legal or illegal ways (see Maltz, 2007). Setting realistic presidential terms in a way that ambitious, popular incumbents are able to implement a significant political project is

\textsuperscript{30} About institutions that can be considered as fair, see Rawls (1971).
also important for the well-functioning of presidential democracies. Historically, the search for an adequate equilibrium has lead to some constitutional experimentation. Thus, we can find cycles of reform, in which sometimes the incumbent has been the one who benefits the most and sometimes it is the challenger. As Anderson, et. al. (2005) have argued, when political actors lose repeatedly within certain institutional arrangement, they may stop giving their consent to the whole political system, and may also refuse to keep participating in it. This is somehow a theoretic follow up to Przeworski's assertion that democracy, in order to become a self-enforced equilibrium, must give all relevant forces at least some minimal probability of winning within its institutional arrangements (Przeworski, 1999).

Due to the relevance of the presidency compared to other official posts, the impact of losing in a presidential race is severe. Losers can opt for refusing to concede defeat, boycott future elections, lead post-electoral demonstrations or even mobilize their supporters for overthrowing the democratically elected president. And because of the centrality and visibility of presidential elections, losers can be successful in mobilizing significant segments of society to protest against electoral outcomes. In the case of incumbents, if they believe they are popular among citizens and that their political project is unfinished, they may start a campaign for extending their tenure. Ideally for them, lawmakers will pass a constitutional reform to remove term limits. However, presidents that are unsuccessful in removing term limits lawfully may be tempted to extend their tenure using semi-legal methods (see Maltz, 2007).

A practical implication of the above theoretical ideas is that incumbents will try to change rules that are too restrictive, for example, the rule that completely forbids reelection. They will try to change the rules using democratic mechanisms and procedures (endogenous institutional change). The problem is far more complex for challengers as they may have fewer options to initiate an electoral reform. If they consider it too difficult to defeat a long-
serving incumbent they may opt to stop participating in elections or may try to oust the incumbent by non-democratic means.

**Figure A** presents utility functions for both the incumbent and the challengers \[ f(u) = \text{incumbent} \text{ and } f(u) = \text{challenger 1} \] showing how satisfactory are different electoral arrangements for them and thus how probable is that they will stop accepting the current electoral arrangement. The figure shows what I call the 'protesting' period or the 'challenger's defiant zone' -- the period during which challengers ponder whether waiting for another term for competing again for the presidential post or mobilizing citizens to oust the incumbent. As we can see, this period occurs in the middle of the utility function curve, during the first terms in which he didn't win any election but he would prefer to wait for the next election, then he ponders the question of whether it is worth to keep waiting for the next election or find other ways of accessing to office. On the other hand, when the incumbent has been in power for too long, let’s say, more than 12 years in office, the challenger may think that his chances for accessing to office are again good as the public may be tired of the same politics --among other factors-- and a turnover has more chances of occurring; this period is shown on the graph as 'the turnover zone'.
Figure A depicts another curve, this one for any candidate \( f(u) = \text{challenger } i \). This curve represents the winning chances for the challengers that enter the competition at each one of the elections. That is, the challenger for election 1 is different from the challenger in election 2, 3 and so on. This curve shows that the longest the incumbent has been in office, the highest the chances of any challenger of being elected. There is a different outcome for the challenger that starts in election 1 and the challenger that enters in election 5, for example. So, while the first curve \( f(u) = \text{challenger 1} \) represents the preference of the same challenger over time, the second curve represents the preference of any challenger (challenger ‘i’, that can be, challenger 2, 3 and the challenger ‘N’) at each of the elections held.

The utility function of the incumbent is subject to decreasing returns. So the incumbent may be tempted to reform the rules when his gains are the highest, that is, when initial reelection
rules are very restricted, allowing him to stay in office only a couple of terms. Thus, one popular president who can only stay in office for one term has a lot of incentives for trying to implement a reform that allows him to run for another term. In this sense, a single term may be too little for an ambitious popular politician.

These incentives for staying in the democratic game or trying to capture the presidency by non-democratic means are crucial at the presidential level. Sure, politicians at the local level have similar incentives, but political turmoil after a presidential race can have very disruptive consequences for the whole political system. Firstly, because of the unitary and exclusive nature of the post: there can only be one president (M = 1). Secondly, because of the relevance of the post: the kind of policies that can be implemented at national level have far more impact than local policies, therefore, the stakes are higher. And thirdly, because it is the end of the road for a political carer; in effect, a local legislator still can aspire to become a governor in case he has been termed out as legislator, also, after being a local executive he can aspire to become a national lawmaker and so on. The presidency, however, is the final stop for any politician, there is little after it. So, the governability implications of term limit rules at presidential level are important because all of this -- for an ambitious politician, a seat at a local legislature may be not worth a national revolution but the presidential seat might be.

Taking into account these theoretical arguments, I propose six testable hypotheses for empirically investigating the relationship between presidential term limits provisions (PTL) and democratic governability. I will be using the przeworskiian notion of democratic governability, which means that all relevant political players must have incentives to participate in the democratic game. Here, we must remember that term limits provisions are an intervening variable: they constrain players' options and decisions but they do not determine them. Thus, the effects of these provisions may be more significant when in
interaction with other factors. So, we must consider the following propositions (hypotheses) under the ceteris paribus condition:

**H:1:** Challengers are less willing to concede defeat when PTL provisions allow incumbents to stay in office for long terms and also allow incumbents to run for reelection.

**H:2:** Challengers are more likely to stop participating in elections when PTL provisions allow incumbents to stay in office for long terms and also allow incumbents to run for reelection several times.

**H:3:** Challengers are more likely to mobilize citizens for protesting after losing elections when PTL provisions allow incumbents to stay in office for long terms and also allow incumbents to run for reelection several times.

**H:4:** After losing a presidential election, challengers are more likely to mobilize citizens for overthrowing the incumbent when PTL provisions allow incumbents to stay in office for long terms and also allow incumbents to run for reelection an unlimited number of times.

**H:5:** Popular incumbents are more likely to initiate a constitutional reform to extend their tenure when PTL provisions indicate that the presidential term is short and when they aren't allowed to run for reelection.

**H:6:** Popular incumbents who are unable to extend their tenure by using legal, democratic procedures, are likely to try to remove term limits by semi-legal channels.

We can use as a proxy of democratic governability problems, post-election conflict. The main hypothesis to be tested is whether the probability of accepting defeat is related to the possibilities of accessing power. However, as we can see from the hypotheses, not all electoral conflicts will necessarily end with the incumbent being overthrown, there can be different levels of post-electoral conflict and thus different effects for democratic
governability. I propose four indicators that may help to measure electoral conflict and which can be used for testing the above theoretical propositions: 1) legal challenge of elections, 2) mobilization of citizens for protesting electoral results, 3) electoral boycott, and finally 4) mobilization of citizens for ending a long incumbency, i.e., illegally ousting an incumbent by *a coup*. The more problematic arrangement for democratic governability is the rule in which incumbents can run for reelection an unlimited number of times and where the term is long. But, what is a too short or too long incumbency? This is basically an empirical question. Revising historical cases, it sometimes seems that some term limit rules have been implemented as an experiment guided by trial and error. Some rules have been stable over time whereas others have been radically changed and others have caused political conflict but not necessarily led to the incumbent being overthrown.

**Political parties and limits to the presidential tenure**

In previous sections, I have analyzed the impact of PTL provisions on politicians' ambitions and how this, in turn, may affect the democratic governability. What happens when we include political parties into the picture? The existence -- or absence -- of a strong, stable party system in presidential democracies adds important factors to consider. There seems to be an almost inverse relationship between eliminating term-limits and a sound party system. In recent years, presidents who have successfully extended their mandate after having reformed the reelection rules, have done so in countries with a fragile party system, like Evo Morales in Bolivia (2009) and Rafel Correa in Ecuador (2008). Somehow, leadership in the figure of a strong president or a ‘caudillo’ filled the vacuum left by a lack of relevant parties. These presidents portray themselves as the element that brings about some stability to their countries, and their supporters may see them in this way too. Also, in countries where the traditional parties went through a period of crisis, some because of economic hardships, others because of social conflicts, individuals who did not belong to the establishment, the so-
called "outsiders," have in some cases changed reelection rules once elected to office. These outsiders saw in the crisis affecting the traditional parties an opportunity to capture the presidency and in some cases they succeeded in portraying themselves as an alternative to the system. Fujimori in Peru (1992), Uribe in Colombia (2004), and Chávez in Venezuela (1999), are among the recent examples of outsiders who changed term limits rules to increase the number of reelections allowed.

There is also a complex relationship between presidents and their parties that may have important effects on the incumbency advantage previously discussed. During elections not only presidents in power are being held accountable but also the parties in power. If the incumbent president did a great job, it is possible that voters will reward his party in the next election regardless of who the party's new nominee is. Somehow the ruling party “inherits” the incumbency advantage whenever presidents face a term limit. Some authors talk about the "party incumbency advantage," which can be considered as a substitute for the "president incumbency advantage" (see Greene, 2008). Thus, the new candidate from the ruling party may get elected as a reward for the good work of the former president. From this point of view, the importance of PTL provisions may decrease, after all, even when presidents are term-limited, the incumbent party can keep competing for office.

Ruling parties may have an advantage in elections. I sustain that this advantage, however, is smaller than that of a candidate who is also the incumbent president. General data supports this claim: the rate of reelection of incumbents is pretty impressive in all presidential systems. Whenever the president can run for reelection and he does it, the probability that he actually will get reelected is high. The counterpart to this trend is that opposition parties have been more successful to grasp the presidency whenever they compete against a non-incumbent establishment candidate; in other words, party alternations in power are more likely whenever the incumbent is not running for reelection (Maltz, 2007). Take for instance the case of the
U.S., a well-established presidential democracy. How many U.S. presidents have lost a reelection bid? The minority. One-term presidents in U.S. are more the exception than the rule, with the only cases of Gerald Ford (1974-1977), Jimmy Carter (1977-1981) and George Bush (1989-1993) since the 1950's. On the contrary, every eight years, after the incumbent has been termed out, there has been usually a change of ruling party. Same trend in Latin America -- it has been a rarity that a challenger defeats a president who is able to run for reelection. This happens mainly when consecutive reelection is allowed but there are also cases of presidents who have been able to win the presidency after being out of office one or two terms, like Michelle Bachelet who served as president of Chile from 2006 to 2010 and then after a term out from office she ran again for office in 2014 and won a second term.

The high rate of reelection of incumbents is a well-documented trend, not only at the presidential level, but also at legislative and governorship levels (see Chen, et.al., 2005). Furthermore, there is also some evidence that challengers acknowledge this trend: they prefer to invest more economic resources in electoral campaigns when there is an "open seat" available than when they have to compete against an incumbent (Sarbaugh-Thompson, et. al., 2004). Thus, party incumbency matters but it is not as strong as or a perfect substitute of the individual-type of incumbency. This may be due to many factors. One reason could be that personal success or failures are not easily transferred to another individual. The ruling party's candidate may promise to voters that he will follow the policies of the incumbent president, but he cannot say that the achievements of the administration in place are of his own making. While the ruling party can try to help its new candidate, this help cannot replace the weight that a good record as president has in electoral contests. This logic may also apply in semi-democratic environments albeit with some additional nuances. I will come back to this question when addressing the case of the dominant parties.
Other ways to deal with zero-sum outcomes: regressive ambition and power-sharing in lower office.

No doubt politics in Latin America is sometimes fiercely focused on the president. But the presidency is not the only office: there are lawmakers, there are governors and other local posts. So, would this help to alleviate the polarization of presidential politics? Federalism and other governmental levels can be a way to decrease the importance of the presidency. In this regard, if losers have other options for their political career, even in cases in which they have lost a presidential election, they still may consider that they are better-off participating in the democratic game than outside it. Thus, if there are other available posts for them to keep participating in the democratic institutions, this too may help to deal with the zero-sum outcomes of presidential elections. Presidential candidates who lost the race may, for example, take a legislative seat in a national assembly. This often happens in Argentina where former presidents and candidates who lost the presidential election may compete for a legislative seat. They too may try to compete for a governorship and thus wait for the next presidential election, meanwhile, a governorship may provide them a platform to keep campaigning for the presidency. For example, Cuauhtémoc Cárdenas, presidential candidate in Mexico in 1988 and 1994, followed that route. He lost in those two races. Then, in 1997 he competed for the post of Mexico City Mayor and won. This allowed him to keep campaigning for the presidency and in 1999, one year before his term as mayor expired, he resigned from the post to run again for the presidency. This possibility is often called "regressive ambition" in which candidates instead of aspiring for an office of higher hierarchy try to seek a post at lower level (see Tothero, 2003). In this regard, one way to deal with zero-sum outcomes at the presidency level is creating a structure of mobility that allows defeated candidates to keep participating in the government.
Furthermore, political environments in which politicians belonging to one political movement have access to some of the available elective posts may also help to deal with the impact of losing the presidency. Hence, it is possible that the leader of the main opposition party, for instance, did not win the presidency but other members of that opposition party did get elected into the national and local congresses or to governorships. Thus, those who won an elective post may try to convince the defeated presidential candidate to accept defeat rather than help him to try to subvert the whole democratic system. Or, maybe, they just refuse to follow the defeated presidential candidate in any electoral conflict. In conclusion, when not all the members of a political movement are excluded from participating in government offices, it is less likely that they will follow defeated candidates in the organization of protest against the regime.

**Dominant parties and fraudulent elections**

The existence of an institutional structure that encourages both incumbents and challengers to respect and follow the electoral via is critical for democratic governability. In previous sections, I have argued that PTL provisions offer more opportunities for challengers to capture the presidency and, because of this, they provide greater incentives for them to keep playing the democratic game. Thus, PTL provisions can contribute to democratic stability since they encourage challengers to keep participating in elections instead of trying to take power by force. In a context where democracy is still fragile, the existence of these institutional incentives may be a key for the consolidation of democracy.

Some authoritarian institutions and practices, however, could undermine the efficacy of PTL provisions as a tool for governability. The existence of authoritarian-dominant parties and electoral fraud are two factors that could undermine the positive effects of PTL. In the presence of such factors, can PTL provisions still be an effective tool for limiting power and promoting democratic governability? Both the rule of an authoritarian dominant-party and
widespread electoral fraud can turn electoral competition into a meaningless exercise. If there is an authoritarian ruling party that keeps winning elections despite that presidents are term-limited, it would seem like PTL are ineffective to facilitate political change -- presidents change but the party-regime remains in power. Likewise, in the case of fraudulent elections, even when challengers have more opportunities for winning elections thanks to PTL provisions, the fact that those elections are not free and fair would mean that those opportunities brought by PTL are pointless. Thus, we may think that in those contexts PTL provisions would be less effective to limit power and to encourage opposition parties to compete in elections. Although these semi-democratic contexts pose major challenges for opposition candidates, I sustain that PTL provisions can still make a difference, as they are one of the few institutional instruments that opposition parties can exploit to successfully promote peaceful political change, which in turn may support a broader democratization process.

To see why PTL can still make a difference, we can take a look at the way in which the electoral competition unfolds in dominant-party regimes. According to Greene (2008), dominant party regimes encourage electoral competition that is centered on issues related to the regime itself, with opposition candidates campaigning with democratization agendas. Opposition candidates will try to portray the dominant party regime as undemocratic, presenting themselves as the option that will lead the country toward a genuine democratic change (Greene, 2008). Also, according to Greene, the existence of dominant-party regimes encourages opposition candidates to form coalitions that have as its main purpose the promotion of alternation in power. In Greene's words, "Once in play, this cross-cutting cleavage allows opposition parties to criticize the incumbent as authoritarian and corrupt against their more democratic credentials. It also supplies a basis for opposition coordination behind a single party or coalition (Greene, 2008, p.16)".
Due to strategic reasons, Greene sustains, dominant parties stick to the center of the ideological spectrum, causing what he calls a "Rikerian attack": dividing opponent parties to the left and the right, thus, preventing them from building an ideological coalition against the regime. In turn, opposition parties, continues Greene's argument, due to the fact that they are "outsiders" most of the time, prefer to distance themselves from the ideology of the regime, thus effectively leaving the ideological centre to the dominant party. However, opposition parties will still try to form a coalition by using another line of confrontation, framing the electoral contest not between ideologies but between democratization versus authoritarianism. The regime in turn may deploy new strategies to respond to this strategy from opposition parties. Hence, it becomes a tactical game between the regime and opposition parties (Greene, op.cit).

In this tactical battle, PTL can be an institutional tool for opposition parties, and, if fully exploited by opposition candidates, these provisions can facilitate party alternation and democratic change. There are important ways in which opposition parties can compete and make the most of PTL provisions. As Greene says, opposition candidates can use the democratic card in their favor to form an anti-regime coalition, at the same time the fact that the regime has to nominate a new candidate who doesn't have a record as president helps opposition parties to portray the new candidate as an extension of the regime, effectively framing the election as the continuity of an authoritarian regime versus democratic change. In those cases, voters may know little about the new candidate except that he represents the regime, thus facilitating this crosscutting cleavage of authoritarianism versus democracy.

Furthermore, a presidential succession -- which is forced by the existence of PTL -- often creates a wave of disruption for the regime (see Maltz, 2007). If opposition candidates assemble a strategy that takes advantage of this period of disruption along with the above-mentioned possibility of playing the democratic card, they have a significant opportunity to
bring about political change. In fact, Gates, *et. al.*, sustain, the very problem for authoritarian regimes is always the problem of succession (Gates, et.al, 2006, p. 895). Whenever there is a succession, a window of risk and uncertainty opens up in authoritarian regimes, including party-dominant regimes. Some regimes may try to reduce this uncertainty by appointing relatives of the president as the new candidates, like brothers, husbands, wives and the like, or try to find someone who pledges to preserve the regime. But the uncertainty and risks will be there nonetheless (see Gates, et.al., 2006; Maltz, 2007).

The party-dominant regime cannot be completely sure how the new president will relate to the prevailing structures of power. The ruling party may try to appoint a puppet candidate but it may happen that this candidate has his own agenda, choosing instead to push for a slow reforming program that increases the liberalization of the regime. They also do not know the willingness and ability of the new president to cover up any wrongdoings by the previous administration. Furthermore, the capacity of the new president to keep the whole regime together, avoiding internal ruptures, is unknown. All of this forces the regime to try to seek a certain degree of institutionalization as a way to cope with these periods of disruption (Maltz, 2007), which may in the long run lead to a democratic solution as the best strategy to respond to all this uncertainty. This means that the likelihood that a party-regime would be respecting the democratic institutions is higher in this environment of term-limited presidents than if there were no such limits. So, the regime may actively try to support its new candidate, maybe by supplying him with economic and legal resources. But it may also allow certain legality to operate as a safeguard in case their candidate actually ends up losing to the opposition. This doesn't mean that opposition candidates can easily defeat a candidate backed by a dominant party when there are limits to the presidential tenure. Actually they face a lot of obstacles. It only means that if they make the most of these opportunity windows, one of
them being competing in an electoral landscape of term-limited presidents, they can increase their chances of winning.

**Electoral fraud**

The presence of widespread electoral fraud may also decrease the effectiveness of PTL provisions as instruments to facilitate political change. After all, if elections are meaningless so too the fact that PLT provide more opportunities for opposition parties. I would like to start this discussion by differentiating between two notions of electoral fraud. The first one is what we could call a "strict" concept of electoral fraud, which means that the regime does not accept the victory of an opposition candidate at the ballot box and election results are changed to get the establishment candidate into power. This would be a plain authoritarian regime, it couldn't be considered even a semi-democratic one. In this context, some of the previous logic may still apply: the mere organization of elections and presidential succession opens up an opportunity window for opposition candidates to press for political change. Opposition candidates may grasp the moment and mobilize voters to demand the respect of electoral results or to demand electoral reform (see Schedler, 2002). Maybe this opportunity is not big enough to effect party alternation but it is enough for pressing the regime for a political reform that allows the organization of genuine electoral competition in the future.

Regarding the effectiveness of PTL for facilitating party-alternation in particular, it is likely that the benefits of having a term-limited president do decrease in cases of this type of 'strict' fraud. In a regime in which elections do not matter, competing against a non-incumbent candidate becomes a rather unimportant difference because at the end victory of the opposition would not be respected. Here, again, the above arguments about the problem of succession for the regime still apply. But we can also say with certain confidence that nowadays this type of raw electoral fraud is rare in Latin America. Most of the region's countries have been consistently considered as "electoral democracies" by international
organizations that measure how free and genuine elections are around the world (see *Freedom House Reports 2000-2010*). Even when Latin American democracies are still far from being considered fully liberal democracies, that is, democracies in which the rule of law and human rights are completely respected, elections, as a tool for electing political leaders, remain relevant.

There is a second notion of electoral fraud, one which more or less means that elections are relevant but somehow unfair. In other words, there is an uneven playing field in elections. Here opposition candidates have to compete against official candidates under challenging conditions (see Levitsky and Way, 2010). Elections are meaningful but competition is not easy for opposition candidates; they have to overcome a lot of disadvantages. But this difference is important. While the "strict" type of fraud prevents any victory form the opposition, in the second notion, that is, under an uneven playing field, the victory of opposition candidates may be difficult but not impossible: even though they face challenging conditions, they still might surprise the regime with a victory.

And this is precisely the type of context in which PTL provisions matter the most, as they become a significant tool for leveling the playing field. They do so by reducing the incumbency advantage of the regime. In well-established democracies, PTL rules have the positive effect of keeping the electoral market competitive but in semi-democratic contexts they may also help to advance democracy due to its role as a tool for facilitating political turnover. In these semi-democratic contexts, PTL become one of the most effective institutional instruments for opposition to try to capture power. Thus, if there are contexts in which PTL matters it is here, in this semi-democratic environment, where they can make a difference by helping opposition parties to reduce disparities in electoral contests.

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31 The reports can be consulted on https://freedomhouse.org/report/freedom-world.
**Fraud or lack of opportunities?**

There are several challenges to empirically analyzing the relationship between PTL provisions and democratic governability. This study has suggested that countries with PTL provisions will exhibit lesser post-electoral conflict than countries in which such limits on the presidential tenure do not exist or are less restrictive. One important question to answer is about identification - how do we know that post-electoral conflict is related to PTL rules rather than to, let’s say, the presence of electoral fraud? In the case of electoral fraud, there are two scenarios that should be considered. The first possibility is that there is indeed electoral fraud carried out by the regime. Opposition parties know this and have evidence to prove it. Therefore, after the election they organize protests to denounce this fraud. So, in this case, protests are effectively more related to electoral fraud than to the electoral rules in place (the institutional-incentives alternative hypothesis). The researcher can investigate these elements so as to rule out other possible explanations. It is possible for example to analyze testimonies, documents and the evidence offered to determine if electoral fraud was indeed the main cause of protest. There is a second possibility in which opposition candidates genuinely 'believe' a fraud has been committed although they don't have all the necessary evidence to prove it. They may decide anyway to organize demonstrations to protest for what they believe was a fraudulent election. This second possibility is more intricate to study, as it may be difficult to prove whether protesters actually believe there was fraud or their accusations are a strategy to discredit the regime and to keep their political movement alive. In other words, it is difficult to prove whether their believe of electoral fraud is a genuine one or is a political strategy or is a mix of both.

It is not always easy to prove the existence of causality between individual notions or believes and political outcomes. We can, however, try to find out statistical associations between the presence of certain electoral rules and political outcomes. Then we can also
conduct case-studies to cross information and to try to polish explanations. The main assumption to be tested is that PTL will be associated with several positive factors for democratic governability. Among those factors are lesser incidence of post-electoral conflict, higher participation of opposition candidates in elections and a higher rate of losers return, that is, those who have lost elections feel encouraged to come back for the next election. All these indicators tell us that at least in some degree opposition candidates have incentives to engage in the democratic process, which is key for the Pzeworskian democratic governability. Thus, PTL provisions can be part of an institutional structure that increases the incentives for opposition parties to keep participating in elections, which in turn is key for consolidating democracy in the long run.

PTL is a variable that can affect the calculus that challengers make about their chances of capturing the presidency and the cost-benefit equation of keep participating in elections. We could still have unfair electoral conditions but at least there is some indication that opposition parties have enough incentives to engage in the electoral process. Not surprisingly when opposition candidates want to discredit the regime they often call to boycott elections, with the argument that participating in elections somewhat validates the regime and grants it some legitimacy. To some extent, it is true. Nothing seems more delegitimizing for a regime than the organization of elections in which there is only one candidate -- the regime candidate -- winning 90 per cent of the vote or a higher percentage. There may be other variables affecting electoral protest but, in general, studies using large samples of units should permit us to control for these factors.

The following section analyses the Mexican case under the light of the preceding theoretical arguments. The Mexican case is a difficult one in terms of demonstrating the effects of term limits provisions on democratic governability and that is why I have chosen this case. In the last decades, and since the country has been considered as a full democracy (see Smith and
Ziegler, 2008), elections have been held regularly and incumbents have finished their legal terms without interruptions. At the same time, the six-year term rule has been in place for years, therefore, it may appear as if there has been no variation. Thus, it is a case in which it may seem that term limits provisions cannot explain democratic governability.

I will contend that in order to analyse the impact of rules for keeping and accessing power, we must take into consideration a larger span of years and analyse the case since the country adopted the presidential system; this means we need to have a look to the years in which the country was considered semi-democratic as well as the democratic era. In this sense, I will argue, by limiting their research to the democratic period, students of Mexican politics have overlooked the most import crisis of the presidential system in Mexico: the revolution of 1910, which has been the only truly breakdown of the Mexican presidential regime since its adoption. I sustain that the analysis of this episode may help us to understand the relevance of term limits provisions for the stability and survival of presidential democracies.

IV. Mexico's democracy: the road toward limiting the presidential tenure

In this section, I review Mexico's democratic history to illustrate how the country has addressed the problem of conciliating challengers' demands for opportunities to access power with the incumbents' ambitions to stay in power. Traditionally, scholars have revised Mexico's history by chapters, analysing the years before the Mexican Revolution of 1910; or the 70-year rule of the Institutional Revolutionary Party regime (PRI) that was formed in the aftermath or the Revolution, from 1929 to 2000; or the post-alternation years, from 2000 to date.\footnote{Literature about Mexico's history is wide. Some selected books are the following: Mark Wasserman (2012); Krauze (1994); Córdova (1973), Knight (1990).} I propose here a simple question that can help us to understand the evolution of Mexico's democracy in a larger span of years: Have the Mexican democratic institutions managed to conciliate incumbents and challengers' different preferences regarding the
presidential tenure? The problem any presidential democracy faces is how to give challengers more opportunities for capturing the presidential post while giving incumbents enough time for accomplishing a meaningful political project. Mexico's democratic history can give us some insight into the evolution of presidential term limits and the difficult road to equilibrate both the demands for keeping a popular political leader with the ambitions of other politicians who want to occupy the presidential seat. We can see that, in fact, a great part of political developments in Mexico can be understood once we answer this guiding question.

While Mexico's democratic history in the aftermath of the independence war of 1810 has traditionally been told in terms of conflicts between liberal and conservative factions and conflicts between national, 'centralist' activists versus local, 'federalist' politicians, the conflicts derived from troubled presidential successions also have had an important role in shaping the politics of the country. The politics of the country has usually been depicted as an ideological conflict between two factions -- liberals versus conservatives factions-- with different views regarding the role of the church and the role of the state in the public life. In addition, it has been depicted as the battle between politicians trying to consolidate a nation-state and to unify politics by concentrating political power in a centralist government versus local factions trying to keep their share of power in their communities and avoiding to surrender to the central politics -- the centralist against the federalist factions. Finally, politics have been linked to social problems due to persistent harsh living conditions for the working class and peasants. However, major events shaking the public life in Mexico have been related to the problem of power succession. Peaceful changes in power were rather the exception and were surrounded by moments of civil unrest. Indeed, the main political development in Mexico after the independence war was the revolution of 1910, which was

33 See the well-researched work of Perry (1978) about the different political factions in the Mexico during the presidency of Benito Juarez.
34 See the work of Cordova (1973) about the social roots of the 1910 revolution as well as its ideological background.
fuelled by a growing opposition to Porfirio Díaz's 30-years rule. The political unrest started in 1910, an election year, and slowly evolved into a widespread social movement that ended up in the toppling of Díaz and with the prohibition of presidential reelection.

*The Mexican Revolution: the breakdown of Mexico's presidential democracy*

After Mexico achieved independence from Spain in 1810, it struggled to consolidate a nation-state as the country faced difficulties in establishing a stable government. Besieged by inner conflicts between the main political factions of the time -- liberals and conservatives--, and by conflicts with foreign powers of the time -- US and France invasions--, many presidencies emerged and collapsed in Mexico during its first years as an independent nation (see Perry, 1978). But as soon as one political leader achieved to lead the country in a more or less stable fashion, he would try to stay as long as possible in power. Benito Juarez, considered one of the founders of the country -- because of his implementation of important reforms in Mexico such as public education and the separation of the state and the Church, and because of his leadership through tough times when Mexico was invaded by foreign powers--, found it difficult to let go of the presidency and only avoided to be remembered as a dictator by the fact that an illness put an end to his life while he was still in power. He was president of Mexico for five terms, from 1858 to 1872. After him, presidential successions kept being a source of political conflict, with some presidents lasting less than one year in office (see Cosío Villegas, 1983).

The next politician to bring a prolonged period of political stability and relative economic development -- albeit with a repressive hand -- was the long administration of Porfirio Díaz, which lasted more than 30 years, from 1877 to 1911. It has been noted that Porfirio Díaz, ironically, campaigned strongly against Benito Juarez’ long incumbency, vowing to prohibit presidential reelection if successfully elected to replace him. He lead a revolt that, unsuccessfully, tried to overthrow Juarez’ administration. About this revolt, he said - "Let no
citizen impose and perpetuate himself in the exercise of power, and this will be the last revolution.\textsuperscript{35} Years later, another politician, Francisco I. Madero, will use this same Díaz' statement to justify a revolution that eventually would topple Díaz' 30-year dictatorship (see Madero, \textit{El Plan de San Luis Potosí}, 1910). The administration of Porfirio Díaz became a clear tipping point regarding long incumbencies, with his government terminated by a violent revolution that started in 1910, an election year.

There is a vast literature that tries to define the Mexican revolution of 1910. Different from other contemporary revolutionary movements around the world, the Mexican revolution wasn't an ideological or socioeconomic revolution in its origins. Some argue it was a social revolution because it included demands for improving the living conditions of the working class and peasants\textsuperscript{36}, pointing out that the constitution that came out of it granted new social rights such as free public education and universal healthcare. To be sure, the revolutionary movement for toppling Díaz feed from social problems, such as harsh living conditions for the working class and the peasantry. However, the subsequent embracement of social demands was a by-product of the aftermath developments in which the revolutionary movement had to evolve in its goals to accommodate the multiple demands that inevitability were to accumulate after years of conflict, reflecting the diversity of the groups that at some point joined the revolt. Yet in its origins, it was clearly a politico-electoral revolution as the main demands from revolutionaries were to end the Díaz's dictatorship and the restraining of the presidential power.\textsuperscript{37} Respect for the will of voters at the ballot box and banning re-


\textsuperscript{36} See Cordova (1973) for an analysis of the social roots of the 1910 Mexican Revolution. Also, Knight (1990) provides a lengthy revision of the Mexican historiography about the Mexican Revolution, dwelling on the debate between those authors that see the Revolution as a social phenomenon and those who see it as the result of fights among political elites, downplaying its depiction as a popular movement.

\textsuperscript{37} Even when some scholars have highlighted the importance of the social conditions for the starting of the revolution, they also accept that the political elite that opposed to the Diaz regime had an important role in the launching of the social unrest (cf. Córdova, 1973, p. 142).
election were the main demands of the movement, which brought together different revolutionary groups. In this sense, no modern revolution so far had been more clear in making its primary objective to limit the length of the presidential term. Indeed, the revolution's main motto was: 'Effective suffrage, no reelection! And, after a lengthy and violent revolution, constitution-makers made sure that this demand was met (see Cosío Villegas, 1983).

During the revolt the revolutionaries claimed that the perpetuation of Porfirio Díaz’s power was mainly due to fraudulent elections, hence, the demand for making citizens' votes truly count or, as the revolutionary motto put it, making suffrage 'effective' (see Wasserman, 2012). They thereby implied that by respecting the will of the people at the ballot box Díaz would have been voted out. However, the additional demand of banning re-election -- the 'no reelection' part of the revolutionary motto --, makes also clear that revolutionaries were aware that vote-fraud was not the only -- possible -- cause of Díaz long incumbency. They implicitly recognized that the incumbent, as the 'official candidate' of the state, had an advantage to keep being re-elected even if votes were effectively and fairly counted. The institutional answer for long incumbencies was not implementing mechanisms to prevent vote-fraud but establishing a clause to overall banning re-election. In this sense, the movement clearly had one specific goal: preventing long incumbencies. One prominent leader of the movement and the creator of the revolutionary motto of "Effective suffrage, no reelection!," Gustavo Madero, clearly had the long-incumbency problem in mind when he proposed the no reelection provision as one can read in his political writings (see Madero, El Plan de San Luis Potosí, 1910). After the conflict, which was very disruptive and violent, no one really protested against the banning of presidential re-election. The resulting constitutional chart, the Constitution of 1917, made clear that the main revolutionary demand was met by forbidding re-election completely, which notoriously changed the organization of the politics
in the country. Article 83 of the brand new Constitution of 1917 established that, no matter what, the president had to go after four years.\(^{38}\)

Other revolutionaries had a more radical view, aiming at the dismantling of the whole regime and proposing a total renovation of the political elites as the only solution to Mexico's social problems (see Córdova, 1973). Here, again, the problem was the lack of renovation in the political establishment; although for this more radical faction the problem was not only one person --the president-- who needed to be removed but the whole political circle that was accompanying him. The old political elite had to be replaced by a new one that embraced social justice if there was going to be a real change. Here it is important to notice that the whole political circle that accompanied Díaz got old with him, they were labelled as 'the scientists' and had been working in the government almost since Díaz took power.

This more radical view was embraced by revolutionaries like Emiliano Zapata and Pancho Villa (see Córdova, 1973), but their ideals did not fully materialize due in part to a lack of a clear alternative to the Díaz' regime -- they only proposed to remove the current political elite but didn't propose any type of new regime. The idea was that replacing the 'bad' guys with 'good' guys –i.e. themselves -- would be enough to meet the demands of social justice. Once again, we can see that even on this more radical view, there was a problem with long administrations and with the lack of elite mobility. This revolutionary faction also embraced social demands, as reflected in their main petition for "Land and Freedom". They demanded land redistribution for the peasantry and an end of the abuses committed by landlords. The demand for freedom was a way to criticize the oppressive character of the regime. In the end, the demands of this revolutionary faction were mostly translated into demands for social rights. These demands were picked up again by the constitutionalists, resulting in social

\(^{38}\) The original Constitution of 1917 can be consulted on the website of the Universidad Nacional Autónoma de México (UNAM): http://www.juridicas.unam.mx/infjur/leg/conshist/pdf/1917.pdf.
rights established in the Constitution of 1917 along with the banning of presidential reelection. Since then, presidents were allowed to stay in office for only a term of four years and in 1920 the no-reelection rule became the official slogan of the government (Weldon, 1994, p. 1).

The first years that followed the Revolution were still a little bit chaotic on the political front. Álvaro Obregón was the first post-revolution president who successfully completed his presidential term of four years, which lasted from 1920 to 1924. Medina Peña (2003) argues that Obregón started to organize his reelection since the very ending of his first term in 1924, however, his ambitions were obstructed by the newly approved Constitution of 1917 which prohibited the presidential reelection (Medina Peña, 2003, p. 46). Obregón then helped Plutarco Elías Calles to become the next president and, from afar, Obregón kept working behind the scenes in the politics of the country, trying to come back to the presidency (Ibid).

In 1927, during the presidency of Plutarco Elías Calles (1924-1928), the Constitution was changed to allow the non-consecutive reelection of presidents. The idea was to allow Obregón to run again for reelection after Calles completed his tenure (Weldon, 1997, p. 232; Medina Peña, 2003, p. 46). The reform implemented by Calles established that presidents could run for reelection after stepping out of office for at least one term and then they only could run for another term (see Márquez Rábago, 2003, p.138). The first politician who would benefit from the reform was former president Álvaro Obregón, who won a second presidential term in 1928 but then he was assassinated before his new term had begun.

The assassination of Obregón created a political crisis for the regime, and Calles then proposed to reform the constitution again to eliminate any type of reelection of presidents as a way to recuperate political stability for the country (Medina Peña, op. cit., see also Weldon, 1994). After the death of Obregón, Calles became the main political leader of the nation, and once his official tenure was over, he kept ruling the country from afar despite that he was not
any more the official president. This period in which Calles ruled *de facto* is known as the *Maximato* (see Meyer, 1977; Weldon, 1997). In 1928 the constitution was changed again to forbid any type of presidential reelection\(^{39}\) but, taking into account the dissatisfaction of Obregón and Calles with the short tenure of four years, the term was extended to six years. And since the presidency of Lázaro Cárdenas (1934-1940) all presidents have completed their six-year term and there has not been any reform to this provision as of today.

*The six-year presidential tenure*

Since the establishment of the six-year term with no-reelection in 1928, 13 individuals have occupied the presidency. Astonishingly, the rule has achieved, so far, a number of seemingly incompatible goals: it has provided a sense of stability in power but also it has allowed elite mobility and party-alteration. After the revolution, one political party, the Institutional Revolutionary Party (PRI), brought together in its structure the different revolutionary factions (see Meyer, 1977). The country was ruled by this party for more than 70 years. Yet, every six years there was a new president. It became a winning formula for the ruling party: they were able to keep power for years without tiring voters, bringing both a sense of change and permanence. It allowed individual renovation in the presidency while the regime as a whole remained unchanged. Back then, Mario Vargas Llosa, the acclaimed Peruvian Nobel-prize writer, famously labelled Mexico as 'the perfect dictatorship' for the surviving capacity that the PRI-regime showed through the years.\(^{40}\) While other dictatorships in the region and around the world were falling apart, the PRI rule showed stubborn resilience.\(^{41}\)

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\(^{39}\) About these constitutional reforms, see Márquez Rábago’s *Constitución Política de los Estados Unidos Mexicanos. Sus reformas y adiciones.*, 2003, p.138.

\(^{40}\) Vargas Llosa made that statement during a political TV debate which was attended by recognized scholars and writers from Europe and Latin America. That TV show has become a classic reference of the politics of the time in Latin America. See a recount of the debate in "Vargas Llosa: México es la dictadura perfecta," *El País*, September, 1990. [http://elpais.com/diario/1990/09/01/cultura/652140001_850215.html].

\(^{41}\) Weldon (1997) and Langston (2002), and Green (2007 and 2008), provide detailed analyses of how the PRI regime was organized, how it maintained stability and how the president became the leader of the party.
The fact that it was a one-party regime doesn't mean that there was no competition for the presidential post. There was competition, but it was inside the party --challengers would compete for being nominated by the PRI to the presidential post (see Jorge Castañeda, 1999; Langston, 2002). The incentives produced by the six-year term were the same it would have been produced if the competition were among parties instead of an intra-party competition. In this regard, challenges inside the party had to answer the same question that challengers outside the party had to address: is it worth to wait another six years for my turn to be president or would it be better to defy the system to have a real chance to become president? Although, in this case, challengers inside the regime had even more incentives to stay inside the party as they knew that if they eventually managed to be nominated by the PRI as their candidate to compete for the presidency their chances of actually being elected presidents were pretty high. At that point, the party-incumbent return rate was 100 per cent as the PRI had never been defeated since it took power. No wonder political bickering at the time was not directed at electoral laws but at the nomination process of the PRI. In this sense, no one questioned the six-year rule but the PRI undemocratic methods to nominate their presidential candidate. The appointing procedure was obscure and informal. Basically the president in turn was informally entitled to nominate his successor, a method that was known as 'el dedazo' or 'the pointing finger rule’ (see Castañeda, 1999). There were of course other unspoken rules such as being loyal to the 'regime' and not trying to steal the spotlight from the incumbent president (see Castañeda, op. cit.).

Taking into account that the PRI's nominee had a high possibility of winning the presidential post, the decision of the incumbent president about who will be the next PRI candidate was crucial as it almost decided who would be the next president. It doesn't come as a surprise then that major cataclysms inside the regime were due to this arbitrary nomination procedure. Again, even in this case, we can see how the six-year rule could have prevented further
conflicts inside PRI's as most of the potential contestants would have pondered that it was better to wait the six years for another chance to compete rather than defy the regime. The obscurity of the nomination process though, stirred the most important upheavals inside the system and, in 1988, it produced a major split from the party, marking the most important dispute the PRI regime had to face since its inception. Cuauhtémoc Cárdenas, the son of a well-regarded former PRI president, Lázaro Cárdenas, broke up with the party after losing the PRI-nomination to Carlos Salinas de Gortari.

Cuauhtémoc Cardenas left the party and founded his own electoral coalition with other members of the PRI and some politicians from opposition parties and competed against the PRI's candidate in the 1988 elections. He lost but achieved an unprecedented margin of votes for an opposition candidate. Later on, he founded the most important leftist party of Mexico, the Democratic Revolution Party (PRD), which has since then become more competitive in elections. In this regard, a shorter term would have probably prevented this split, the most important so far within the party. A four-year term, for example, wouldn't have been worth to take the risk to defy the main party from outside. In this sense, since its debut, the six-year term have put challengers at a crossroad: some may feel that losing, for instance, twice in a row -- that is, waiting for the post for 12 years -- is too long to wait; however, campaigning for a short term is not a good option either because in case they were in fact elected as presidents it would be a too short administration as to leave their mark in the political terrain.

So what about incumbents then? Was the six-year no-reelection rule enough time for ambitious presidents? With the exception of the presidency of Plutarco Elías Calles, when he ruled from afar while others were the 'official' president, the aforementioned episode of the Maximato (1928-1934), most of the presidents respected the no-reelection rule and didn't showed any intentions to change it. At the end of the revolution, the presidential term was limited to four years. After the Maximato episode, the presidential term was extended though
to six years in 1928 (see Márquez Rábago, 2003, p. 138) and, since then, no incumbent has ever challenged the six-year term rule, nor from inside or outside the system. Major tensions regarding changes in power were not focused on the length of the presidential term but on the nomination process of the ruling party (see Langston, 2002).

Opposition outside the PRI-system didn't really exist until the 80's, with an important boost in 1988 when Cuauhtémoc Cardenas split from the PRI. Up to then, challenges to the system were more internal than external. After the 1988 split, opposition parties started to gain real power, gradually becoming more competitive in elections. For once, the possibility of facing a new candidate, even if this candidate was from the PRI, always opened up an window of opportunity for the opposition to capture the presidency. Looking in retrospective, it is now clear that there was nothing per se in the institutional structure of the PRI regime that would have averted an eventual party alternation, mainly after the electoral reforms of the 90's. In this sense, and as it was recognized by Vargas Llosa later on, the PRI-dictatorship was 'not so perfect' after all. One institutional feature in particular was very important: the no-reelection provision would mean that opposition candidates would compete every time against a new, relatively unknown, PRI-candidate. Thus, despite the PRI candidate receiving support from the party-government (Green, 2007) he and opposition candidates had one thing in common: they couldn't claim having an important record as presidents. In this regard, individual incumbency advantage plays no role in a system with the no reelection provision. This element, coupled with mounting disappointment with the PRI-regime as a whole, opened several opportunity windows, which opposition capitalized, making, little by little, political gains, first at local level and then at national politics.

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42 For figures about the opposition parties' records on elections, see Diaz-Cayeros and Magaloni, 2004, Handbook of Electoral System Choice, pp. 147, 151.

43 The National Action Party (PAN) was founded in 1939, however, up to 1976 the PRI won presidential races by figures above 80 percent of the voting. Then, PRI's numbers started to decline considerably. For the 1988 presidential elections, the PRI candidate obtained 51 percent of the vote (source: voting figures come from Diaz-Cayeros and Magaloni, 2004, p. 151).
First party alternation and transition to democracy

Although with some setbacks each six years, the PRI-rule provided a certain degree of political stability and economic development over almost seven decades. This made voters wary of supporting other political parties with no experience in government and which often endorsed non-centrist political views (see Buendía, 1997, 2000; Moreno, 2003). The end of the administration of Carlos Salinas de Gortari (1988-1994), however, saw an unprecedented mix of political and economical crisis that extended to the first years of the next administration, the presidency of Ernesto Zedillo (1994-2000). Zedillo would be the last president of the PRI-seven decade era. Even though the country was no foreign to political and economic troubles, the end of the administration of Salinas de Gortari was the last straw that broke the camel's back. A deep financial crisis started in 1994 with very severe effects on the living conditions.

Even after years went by, voters still couldn't forget the appalling economic hardships unleashed by the 1994 financial crisis, -- not even when there was a clear economic recovery in the last years of the Zedillo's administration. 1994, on the other hand, was also a year marked by political turmoil. On 1st of January a guerrilla -- the National Liberation Zapatista Army or EZLN -- made an appearance, shaking the national politics (see Medina Peña, 2003, pp. 276-299 ). The guerrilla declared war against the Mexican state and vowed to install a Marxist-Leninist regime, although later on, the objectives of the EZLN changed. On the top of that, Luis Donaldo Colossio, the PRI's candidate for the 1994 elections, was murdered at the beginning of the presidential campaign, unleashing enormous political uncertainty and the feeling that things were out of control for the regime (Medina Peña, op. cit).

Those developments made it difficult for the PRI regime to keep presenting itself as the only provider of political stability. The ability of the regime to supply both economic and political stability were questioned. Voters kept supporting the PRI during past crises, but all those
crises together were just too much. That reality, coupled with increasing electoral gains from opposition parties at the local level, reduced people's wariness about these parties capturing the presidential post (see Buendía, 1994 and 2000), and convinced many voters that the time had come for a deep political change. Voters supported the underdog candidate, National Action Party's Vicente Fox, marking the first party alternation since the end of the revolution.

Opposition candidate, Vicente Fox, capitalized from all of this, from the catastrophic 1994 memories to the population desire of change. On top of that, he had the advantage to compete against a relatively unknown PRI-candidate, Labastida, instead of competing against the incumbent Ernesto Zedillo who finished his term with a positive outlook -- at least far better than that of his predecessor, Carlos Salinas de Gortari. At the end of the Zedillo administration there was a clear economic recovery and he had good approval ratings among the population (for presidential approval ratings, see Moreno, 2003, pp. 27, 92, y 182). Clearly, had Fox to compete against Zedillo, things would have been more difficult. Instead, Fox competed against Labastida who made mistakes in his campaign (see Moreno, op. cit., p. 214-15) and who was relatively unknown to voters, making the competition less uneven (although the regime tried to support the official candidate with illegal founding -- episode known as the Pemexgate--). All of this was perfectly capitalized by Vicente Fox who went to win the 2000 elections with a comfortable margin of victory. With that, Mexico officially was recognized as democratic (see Smith and Ziegler, 2008). As Maltz (2007) suggest, term limits do not necessarily cause party alternation in power but may help it. The PRI's acceptance of defeat was, no doubt, critical for democratic consolidation as well, even more taking into account that it was the governing party.

All in all, the six-year term rule has been doing well in providing opportunities for presidential party-alternation. After the party system stabilized in three major parties, mostly since the 1988 elections, opposition parties have became more competitive and have kept
participating in presidential elections. Even when defeated candidates denounced that the regime had unfairly won the elections, labelling those elections as fraudulent and non-free, they would come back to compete in the next election. Thus, this rule, at least, has provided enough incentives to challengers to keep participating in the 'democratic game,' which is of critical importance for democratic governability. To be sure, opposition candidates knew that the PRI candidate, the 'official candidate' would have a certain advantage (see Green, 2007), but the fact that there was a term-limited incumbent coupled with their increasing ability to compete in elections gave them enough opportunities and incentives to keep taking their chances in the next election. In a way, this alternation shows the limits of the support the government can provide to any specific candidate or what Green calls 'party- incumbency advantages' (Green, 2007) versus individual incumbency advantages. Although the regime may help the official candidate, the fact that this candidate cannot claim any success as president helps to level the playing field for other candidates.

So far, the electoral framework in Mexico has allowed two party_TRANSFORMED alternations in power. No opposition candidate has proposed changes to the presidential term and reforms have rather focused on other institutions for making the competing conditions fairer. One of those reforms saw the creation of an independent organization for preparing and administering elections, the Federal Electoral Institute (IFE) in 1994, and, later on, reforms were extended to other type of demands such as public funding for their campaigns and administrative work, access to media and other prerogatives for levelling the playing field. As for incumbents, the term has proved enough time for implementing their programs. No one has even flirted with the idea of extending the presidential term. However, there is a hint for caution: no president has been popular enough as to dare initiating a debate about it.

I sustain that the rule opened the door for alternation in power and, with that, a smooth, non-violent transition to democracy. Not once presidential elections were sabotaged or boycotted
and opposition -- in particular, the leftist party PRD-- would protest only when they came second in the race. None of the post-electoral conflicts has had as objective the overthrow of the democratic rule or the toppling of the elected president but they were means to express dissatisfaction with the conditions of competence and claims of voting fraud practices. Up to date, all post-election tensions have resulted in reforms for levelling the playing field rather than changes to the presidential term (see Marván Laborde, 2000). Post-election conflicts have always yielded reforms to improve the election system and to make it less vulnerable to fraud. These reforms focused on guarantees to count votes fairly and to more equal conditions for competing. Having said that, it is also important to notice that changes in power have not been totally conflict-free. There have been conflicts but they have translated into guarantees for fair and free elections.

The change of individuals in the presidency eventually led to change of ruling party. To date, party-alternation has happened twice. The first alternation was in 2000 when the PAN won the presidency, putting an end to a 70-year rule of the PRI, and the other happened twelve years later, in 2012, when the PRI returned to power. The first one has been linked to a change of regime; after this alternation, Mexico status was updated from 'semi-democratic' to 'democratic.' In a sense, if limiting the presidential term didn't produce the change in power, it definitely helped it to happen. Thanks in great part to this peaceful alternation of power that saw the end of a 70-year rule of one party --the PRI--, the Mexican transition to democracy was one of the smoothest of the recent democratic history around the world, taking many by surprise, inside and outside the country.

There could have been three alternations in power though. Had the leftist party, the PRD, won the 2006 elections, the country would have experimented with governments from the

right, center, and left of the political spectrum. In that case, all major parties in Mexico could have been at least once in power. In 2006, PRD's candidate Andres Manuel López Obrador came really close to win the presidency, with a very slim margin of difference between the two top contenders.\footnote{For an analysis of the 2006 elections, see Luis Carlos Ugalde, \textit{Asi lo vivi}, 2008.} Elections were legally contested and massive public demonstrations were carried out for months. Tensions were high and they put acute strain on Mexico's democracy in 2006. Even when years later we know that the then winning candidate, Felipe Calderon, finished his mandate, by the time of the 2006 elections there was an edgy political environment and the inauguration of the Calderon's presidency felt at odds at times. It was to date the heaviest pressure the Mexican democracy had to endure since the 1988 post-election conflict. Recounts of news of those days show that tensions were high and animosity between the rival parties severe (see Ugalde, 2008).

Realizing how tight the results of the 2006 elections were, López Obrador didn't concede defeat, instead, he called for massive demonstrations to demand a full recount of the votes. Later on, his legal team asked the federal electoral court to declare the elections invalid. The idea was that the elections were annulled and thus repeated so that the next time he could defeat Calderon. The electoral court only allowed a partial recount of votes which confirmed the initial voting results (see Ugalde, 2008). After the partial recount was done and after considering the validity of the arguments of López Obrador's legal team, the court determined that the election was not perfect but still valid. López Obrador didn't accept the verdict of the court and called for 'pacific' civil disobedience. He named himself 'the legitimate president of Mexico' in a massive ceremony on the main square of Mexico City and engaged in a long public campaign to cast the elected president, Felipe Calderon, as a 'spurious president'.\footnote{See Ugalde, 2008, for an analysis of the legal arguments of the Lopez Obrador' coalition.}
Reading the newspapers of those days one can see that a *coup-d'état* atmosphere was felt, with López Obrador's supporters closing the National Congress for days and trying to prevent Calderon being sworn as president (see *La Jornada*, 2006). The possibility of the overthrow of a democratic elected president may now seem less serious -- and some may claim that it is an exaggeration --, but only because we now know it didn't happen. Felipe Calderon completed his mandate and democratic institutions kept working with normality. It was to date, nonetheless, the biggest challenge the modern Mexican democracy had to face. However, even after this algid episode, and for all the claims made by López Obrador about he having his election victory stolen, it is important to say that the same candidate, López Obrador, returned to participate for the next elections in 2012.\textsuperscript{47} He lost again the presidency; and, once again, he refused to concede defeat. There was one important difference in López Obrador's defeats in 2006 and 2012, though. In the 2006 election the difference of votes between the two top contenders was very close while in 2012 the margin of victory for the winning candidate was wider. In 2012, López Obrador challenged again the outcome on the legal front but demonstrations against the electoral outcome were of smaller scale.

In conclusion, while it is not yet a framework that rules out post-election conflicts, we can see that conflicts have remained centred on electoral matters and have not translated into the toppling of the incumbent or into a democratic breakdown or, even more worrying, into a regression to authoritarian rule. And, most importantly, although the six-year rule has not been perfect it has at least kept defeated candidates participating in the 'democratic game'.

**Table A** reports some important figures regarding rates of loser's acceptance and, very important, what I call the 'loser's return rate' which shows if the defeated candidate returns to participate in the next election. Here I present the parties and candidates' rate of acceptance and also I have established three levels of defiance of electoral outcomes. So, first we see

\textsuperscript{47} For a recount of the 2006 electoral conflict see Ugalde, 2008; Crespo, 2008 and Schedler, 2007.
when the challenger accepts defeat and there is no post-electoral conflict; the next one is
when defeat is not conceded and elections are contested on legal level and there may be some
minor public demonstrations; finally, when the defeated candidate calls to boycott the next
elections and stops participating, there may also be calls for annulling the election or to
overthrow the newly elected president. These numbers can give us an idea of how much the
rules encourage players to stay in the 'democratic game'.

**TABLE A. Winners and Losers in Mexican Presidential Elections (1988 - 2012)**

<table>
<thead>
<tr>
<th>Election (1)</th>
<th>Winner (party)</th>
<th>Losers (candidate)</th>
<th>Loser's consent (candidate)</th>
<th>Loser's rate of return (candidate)</th>
<th>Loser's rate of return (party)</th>
<th>Legal challenge of election (3)</th>
<th>Demonstrations (citizen mobilization)</th>
<th>Electoral boycott (4) (party)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>PRI</td>
<td>PRD (2)</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>1988</td>
<td>PRI</td>
<td>PAN</td>
<td>✓</td>
<td>-</td>
<td>✓</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1994</td>
<td>PRI</td>
<td>PAN</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1994</td>
<td>PRI</td>
<td>PRD</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2000</td>
<td>PAN</td>
<td>PRI</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2000</td>
<td>PAN</td>
<td>PRD</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2006</td>
<td>PAN</td>
<td>PRI</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2006</td>
<td>PAN</td>
<td>PRD</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>2012</td>
<td>PRI</td>
<td>PRD</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>2012</td>
<td>PRI</td>
<td>PAN</td>
<td>✓</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
</tr>
</tbody>
</table>

Symbols: x (no), √ (yes), - (it doesn't apply). (1) The table shows the losers belonging to the second and third places, that is why the year of the election appears twice. (2) It refers to a coalition of parties that later on will become the Democratic Revolution Party (PRD). (3) Legal complaints before the electoral commission and the electoral court on the organization of the election. (4) Not participating in the next presidential elections. Sources: elaborated by the author with information from *La Jornada, El Universal, and Excélsior* (1988-2012).

**Conclusions**

This paper has explored the effects of different presidential term limits provisions on
democratic governability. Particularly, it has revised how these provisions affect the political
ambitions of incumbents and challengers. I have argued that because presidential elections
produce zero-sum outcomes, the only way to reduce the impact of losing is to give
challengers enough real chances of capturing the presidential post. In effect, the presidency
cannot become a more inclusive, proportional institution -- features that have proven to
reduce the impact of losing -- without changing its basic nature. Thus, players have to think about what type of electoral arrangement is fair and acceptable for both the incumbent and the challenger. Under a veil of ignorance, it is probably that extreme cases will be abandoned, that is, provisions implementing very short terms and unrestricted reelection are likely to be rejected. However, in the middle of these extremes there are several electoral combinations and they may have different probabilities of becoming stable rules. However, even if some arrangements are considered fair, they do not necessarily become a self-enforced equilibrium, players still may have incentives to change the rules. Thus, it is possible that there could be some cycles of conflict and reform before a fair, satisfactory arrangement for all relevant political forces is established.

In order to understand these cycles and the effects of term limits provisions, I have revised the Mexican case. The Mexican Revolution has been studied in the context of other social revolutions of the XX century. In this sense, it has been analysed under the comparative line that seeks to explain why political regimes are toppled down by massive popular movements. However, one important point missed by the students of Mexican politics, is that this event was also a breakdown of a very specific type of democracy: the presidential democracy. In this sense, the Mexican Revolution of 1910 has been less studied from the point of view of institutional variations in democracies and the literature about breakdowns of democratic regimes. Although at the time Mexico was far from being a modern liberal democracy, its political regime had the basic structure of presidential democracies, sharing its two defining features: 1) separate origin and survival of the assembly and the president and 2) fixed term limits for the assembly and the president. In this regard, I have argued in this paper that the rules about the presidential tenure made difficult for ambitious challengers to accessing power, which contributed to the ultimate breakdown of the Díaz's regime. Then, there was the historical period known as the *Maximato*, where a popular leader, Plutarco Elías Calles,
refused to give away the political power after his presidency of a four-year term ended. It is possible that the four-year, no reelection provision was too limited for an ambitious incumbent. The aftermath of the *Maximato* was the extension of the tenure from four to six years.

All in all, the six-year term, no reelection rule has proven to be enough time for presidents to accomplish a meaningful political project and thus for the realization of political ambitions. Also, in terms of democratic governability, it has helped to achieved important goals: the transition from a semi-democracy to an electoral democracy, two party-alternations in the presidency and, more importantly, all relevant politicians coming back for the next election after an electoral defeat. Thus, we can say that the six-year term has been doing reasonably well. It allowed the change of individuals that, eventually, lead to change of parties; yet, it conveyed a sense of political stability by allowing presidents of the same party to govern consecutive terms. The six-year term, though, may be a little bit trying for impatient politicians. This has lead, in part, to post-electoral conflicts. However, even when the rule has not always produced conflict-free elections, no one has suggested to changed it, not even the challengers. In the case of challengers, a further reduction of the term would reduce the value of competing for a post they know they have chances to capture (see Sarbaugh-Thompson, et. al., 2004). In the case of incumbents, they know that it is a thorny topic and that if they ever dare to propose the implementation of presidential reelection, they at least need to be hugely popular.

Both incumbents and challengers may feel not completely happy with the rule, thinking that they could be better off with other arrangements. The problem is, both players are somewhat stuck on the six-years rule: challengers, on the one hand, may think that losing an election and waiting six years for the next one is long time and if they are impatient individuals, losing two elections in a row is definitively a long time to wait; however, demanding that the
term is shortened to, let’s say, four years is not an option either, because if they actually win the presidency they would be reducing their own time in office. Another option could be the four-years, two-reelections rule but here they run the risk that the incumbent --who has an inherent advantage-- actually wins his reelection and instead of waiting six years they will end up waiting eight years. On the other hand, incumbents may be tempted to eliminate the ban on reelection but they know that there will be a serious opposition due to the history in Mexico. So, although they may be frustrated with the rule, to reform it may prove a risky or difficult task. Things could change in the future, though, as younger generations see party-alternations at the local and federal levels as the new norm. The 1910 revolution is now a historical chapter in Mexico's life. And, taking into consideration that politicians have incentives to keep modifying the presidential term, reforms in Mexico to eliminate the ban on reelection are not unthinkable. The litmus test for the six-year rule will be when a hugely popular president is in power.

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Appendix 1.

Consider the following scenarios shown in Table C. Here we start with three presidential candidates, C1, C2 and C(N), respectively. Each column of the table shows the benefits those candidates receive from different term limits provisions, starting with a rule allowing presidents to stay just one term in office. In this example, C1 is the winner of the first election (Election 1). He obtains a gain from office for one year which is denoted as ‘a’ in the column. This gain comes from the benefits of being in office, which in turn may come from the mere satisfaction of being in power to all material benefits of occupying the presidential post. For the case in which the presidential term is 4 years, these gains become ‘4a’ for the complete term. He also obtains a positive gain denoted by ‘x’, which represents the incumbency advantage. X in this case is a positive number that increases the chances of winning a second term.

Table C. Incumbents and challengers preferences regarding term limits provisions

<table>
<thead>
<tr>
<th>Election 1 One term (t1)</th>
<th>Election 2 Two-terms (t2)</th>
<th>Election 3 Three-terms (t3)</th>
<th>Election N N terms of N years (tn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent</td>
<td>Incumbent</td>
<td>Incumbent</td>
<td>Incumbent’s function</td>
</tr>
<tr>
<td>C1(u) = 4a+x</td>
<td>C1(u)=4a+(x+b)</td>
<td>C1(u)= 0</td>
<td>C1(u)= f(a) + f(x)</td>
</tr>
<tr>
<td>a= gains from office during one year.</td>
<td>b = additional incumbency advantage in election for election 3</td>
<td>b=additional incumbency advantage</td>
<td>f(a) → 0</td>
</tr>
<tr>
<td>x=incumbency advantage in election 1</td>
<td>X+b=0 if there are term limits; after term limits removal</td>
<td>x&gt;b.</td>
<td>f(x) → 0</td>
</tr>
<tr>
<td>X= 0 if there are term limits; after term limits removal</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# If there is no reelection, this gain is lost (x=0 if there are term limits) but in case that he is allowed to run for office again, this is a positive number (x>0). If C1 is allowed to compete again (let's say there is a two-consecutive term limits provision) and he is reelected for a second term, i.e, wins Election 2, he obtains an additional incumbency advantage denoted by 'b'.

In this way, if C1 -- the incumbent-- could compete for another term, for Election 3, his chances of obtaining an additional 4a (the gains of the new term) will be increased by a positive number denoted by 'x+b'. In democratic societies, that 'x+b' could be sometimes something near to 1 (or 100%) but it should never be exactly 1 as this would mean this candidate can be assured he will be the winner of the election, violating the principle that in democracies there should be a minimal degree of 'uncertainty' about electoral results in order to consider elections fair and free (see Przeworski, 1991). As stated before, the incumbency...
advantage consists of all those elements that increase the chances of the incumbent of being reelected so it can be measured in terms of different resources at the disposal of the president but it also can be measured in terms of reelection rates. In this sense, another form of measuring the 'incumbency advantage' is as reelection rate of incumbents. That is, for a specific term limits provision, the ratio at which incumbents have been reelected over challengers. This means that 'x' may take on one if for a certain rule, let's say, for a two-consecutive terms provision, the incumbent always gets reelected. Thus, a large 'x' -- one that approaches one-- means high reelection rates. However, if we use this measure, and in order to reflect the fact that there is always a degree of uncertainty, we can add a negative term representing the possibility of losing. So, by subtracting this term from the original 'x' we can assure that the final value never takes on exactly 1.

As we can see, from the point of view of C1(w), there are incentives to remove term limits and run for another term as he may be motivated by the knowledge that if this reform occurs, he will continue having an 'x' advantage of winning. The challenger, in this case C2, knows this, so he will prefer to run in Election number 2 against a new candidate that doesn't have the 'x' advantage; that is, he would prefer not to compete against the incumbent. In this example, C1 is termed out in Election 3 and the C2 wins the election and we can see that now he has the potential incumbency advantage; if there are term limits, this advantage is lost (x=0), so here he can be tempted to eliminated term limits in order to use that advantage. So the challenger may propose removing term limits but only once he has become the incumbent, for example, in Election 3 where, in this example, he is the winner of that election.

Each new election won by the incumbent increases the value of 'x'. So, for election number three --with the incumbent being in power in the last two terms, the challenger would have to compete against (x+b) advantage, as the incumbency advantage keeps growing with each
additional term that the incumbent is in power. Thus, for the challenger the value of 'x' should be into his strategic calculations when considering entering an electoral contest. We can see that any rule allowing the incumbent to keep running for office is a rule causing a disadvantage for the challenger. In the same logic, it would be better for the challenger to compete against an incumbent that has been in office two terms than one that has been three or more. So, for the challenger, it would be better a two-terms rule than a three-terms rule -- in the case that he lost in election number two he at least knows that his chances are better in election number three in which the incumbent will have been termed out.

In conclusion, the 'incumbency advantage' is the element that can explain why challengers do wait until they are in office to start campaigning for eliminating term limits and not before. There is also for the candidates that lose elections a cost 'e' which represents all the investment they put in for getting elected plus the cost of waiting certain number of years for competing again. In this regard, for a candidate who has to wait 6 years for the next election, the term 'e' is greater than for a candidate that has to wait only 4 years. Also, the cost of losing increments for each election that was not won; for example, a candidate who has been defeated in four elections, the cost will be 4e.

Although the incumbency advantage keeps mounting with each additional presidential period, these increments get smaller over time. In other words, the benefits of being in power follows the diminishing returns' law stating that the utility or benefits that one individual receives from almost every human activity increases over time -- or by obtaining an additional unity of any good which is the product of that activity-- but it does so at decreasing rates. Likewise, the incumbency advantage may increase over time but with each added term it increases less than the previous term. This means that \((x+b) < x\) but \(x > b\). The final column of the Table C shows the general utility functions regarding reelection rules for incumbents and challengers. Challenger N is a challenger that participates only in one election and does
not return to the next one. In this case, CNi is a new challenger and CNii is a different candidate. C2 is the same candidate in all the elections, and therefore, the cost of losing elections is shown in accumulated form, being the total cost of losing is ‘e’ multiplied by the number of elections he has not won.

Another form of seeing the term ‘e’, the cost of losing an election, is in terms of the candidate's impatience measured by the candidate's age. The benefits/cost from each different term limit rule is a function that depends on time, meaning that the older you are, the more you prefer limits on the presidential term if you are the challenger; on the other hand, the older you are, as time goes by, the less interested you are in winning another term if you are the incumbent.
II

Enforcing a limited government in presidential semidemocracies:
Ratification of presidential term limits in Peru (1992) and Colombia (2004)

Abstract

This paper proposes theoretical foundations for explaining the enforcement of constitutional provisions that constrain presidential power. This framework situates democracies’ own internal mechanisms as the key element for the upholding of these provisions. In particular, confrontation between the players that are part of democracies' checks and balances systems is essential in this task. These players have to solve collective action dilemmas in order to enforce constraints on presidential power. 'Risk-acceptant actors' who benefit from confrontation with the president play an important role in initiating such collective action. If the majority of democratic players uphold these constraints, the probability that the president does not abide to this result is low. To illustrate this theoretical framework, the paper uses the enforcement of presidential term limits in Peru (1992) and Colombia (2004). The paper presents a game-theoretic model, which I call the "belling-the-cat-model," depicting the dilemmas that political players face when enforcing a limited tenure as well as the path for solving the puzzles of the game. Different from other approaches, this theoretical framework does not abstract from actual institutional arrangements or from the level of democracy we find in the world today; quite the contrary -- it departs from a basic democratic structure that has yet to consolidate, so it helps to trace the road from a partial democracy towards a consolidated, liberal one.
I. Introduction:

Constraining the presidential power

The objective of this paper is to clarify which political conditions help to enforce a limited presidential tenure. There is a general lack of theoretical work on the political factors that help to preserve the constitutional provisions that limit and constrain democratic governments. Following a similar statement by Przeworski (1991), Barry Weingast (1997) stated that "students of democracy have given too little attention to the issue of how democracy's limits are enforced." (Weingast, 1997, p. 245). This gap is even wider in the case of presidential systems that are in the process of democratic consolidation. We know little about the political factors that allow enforcing the constitutional provisions that constrain presidential power. In part, I will argue in the literature review section of this paper, this theoretical gap is due to the fact that for decades students of presidential democracies have been concerned with a different matter -- the efficacy of the presidential power, which, to some extent, is the opposite concern. Especially, plenty has been written about the relationship between presidents and assemblies and the conditions that make it easier for the president to get his legislative agenda approved by national legislatures (see Mainwaring and Shugart, 1997). In other words, academics have been more worried about presidential effectiveness than about the more traditional, liberal concern of how to limit the government. One of the few exceptions in this academic trend is the work of Barry Weingast (1997). In his paper "The Political Foundations of Democracy and the Rule of Law," Weingast stated that the enforcement of a limited government is a collective action dilemma for the citizenry. His theoretical model does not take into consideration any particular political system, it is an abstract model analysing only the strategic behaviour of a sovereign and the citizenry. Citizens should coordinate to decide what are the limits that the sovereign must respect. Once
citizens coordinate around a specific constitutional government limit, this provision becomes a self-enforced rule that will be respected by the sovereign (Weingast, 1997).

The objective of this paper is to contribute to the literature about limited government. The paper focuses on the enforcement of government constraints in a particular array of political systems: democracies that are presidential regimes and that are still in the process of consolidation. Most states cannot be classed straightforwardly as either fully fledged democracies or authoritarian regimes but instead are to be found somewhere fall amongst a wide array of regimes that are in the middle of these two type of systems -- competitive authoritarianisms, electoral authoritarianisms, semidemocracies, delegative democracies, hyperpresidentialisms and illiberal democracies (see O'Donnell, 1994; Zakaria, 1997; Schedler, 2006; Smith and Ziegler, 2008; Brownlee, 2009). Therefore, it is important to understand how a liberal government can emerge from these hybrid regimes. We want to know how countries that are part of these regimes could transition toward an electoral democracy in which there are "free and fair elections -- no more and no less" (Smith and Ziegler, 2008, p. 32, see also Przeworski, 1999) and to, eventually, a liberal democracy in which elections are not only free and fair but also constitutional limits on the state power are respected by rulers (see Zakaria, 1997, and Smith and Ziegler, 2008).

To do so, the paper considers the enforcement of presidential term limits provisions in Peru (1992) and Colombia (2004). Several authors have noticed that presidential term limits provisions are one of the most effective institutional devises for constraining the presidential power (O'Donnell, 1994, p. 59; Przeworski, 1999, p. 50; Colomer, 2001, p.170; Maltz, 2007). However, there is a practical problem -- because these provisions are so effective in constraining the presidential power, presidents also have strong incentives to try to eliminate
these constraints. Hence, finding out how to successfully enforce term limits is a challenging theoretical puzzle. In order to tackle this theoretical problem, I propose a general theoretical framework to analyse under what conditions presidential power constraints are enforced. To illustrate the logic behind this theoretical framework, I have developed a simultaneous cooperation game for showing the collective action dilemmas faced by democratic players in the enforcement of a limited presidential tenure. I call this game the 'belling-the-cat-dilemma' (BTCD) and is a variant of the well-known prisoners' dilemma game, but different from the classical payoff structure of the prisoners' dilemma, the payoffs for players in the BTCD are asymmetrical. Then, I present the game in a sequential form, showing a path to solve the collective action dilemmas in the enforcement of term limits provisions.

The model predicts that to solve the collective action dilemmas in the enforcement of these provisions, there should be politicians (leaders) that benefit from confrontation with the president; these players can expect payoffs similar to those of the gamblers in a risky bet -- the cost of losing is high, they can become political prisoners or facing continuous reprisals from the president in case they fail to enforce term limits provisions, so they are eaten by the Cat; but if they succeed, they will be highly rewarded for taking chances and may even become the next president. In order to succeed, the leader must initiate opposition that is followed by the majority of democratic players. For the rest of the paper, I will refer to all democratic players other than the president --congresses, constitutional courts, electoral commissions, opposition parties, local governors and legislators -- as 'democratic control

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48 I have chosen this name from the 'Belling the Cat' fable: "Long ago, the mice had a general council to consider what measures they could take to outwit their common enemy, the Cat. At last a young mouse said he had a proposal to make. 'You will all agree,' said he, 'that our chief danger consists in the sly and treacherous manner in which the enemy approaches us. Now, if we could receive some signal of her approach, we could easily escape from her. I venture, therefore, to propose that a small bell be procured, and attached by a ribbon round the neck of the Cat. By this means we should always know when she was about, and could easily retire while she was in the neighbourhood.' This proposal met with general applause, until an old mouse got up and said: 'That is all very well, but who is to bell the Cat?" (Aesop fables, 1909-14, The Harvard Classics, http://www.bartleby.com/17/1/67.html.) This fable is widely used in political analysis and as an example of collective action problems (see Dixit and Nalebuff, 1991, pp. 16-19).
players,' DC players or simply DCPs. In this way, the game includes the traditional branches of the government that act as a check on the president as well as new actors that also help to keep the president accountable (see O'Donnell, 1994).

Different from previous proposals, my model focuses on the role of democracy's own mechanisms in the enforcement of these constrains (Cf. Weingast, 1997; and Maltz, 2007); especially, it assigns a significant role to the checks and balances system of democracies. This proposed model shows that not only can these constrains be enforced after confrontation amongst the branches of government occurs, but that the checks and balances system gets more solid as a result of these confrontations. In other words, these confrontations unleash a virtuous cycle in which for each battle that DCPs win in the enforcement of these constraints, these actors become stronger.

My proposal follows Weingast's model suggestion that the enforcement of a limited government is essentially a collective action problem, but it differs from Weingast's model in four key elements. First, the outcome of the game does not depend on the existence of liberal democratic values about limited government ingrained in the citizenry or in the political elites. Second, although citizen support may modify the expected payoffs received by democratic actors, the ultimate solution of the game is in the hands of democratic players that have constitutional prerogatives to keep the president accountable -- players that are part of the checks and balances system. Thus, the collective action dilemmas to enforce a limited tenure have to be solved by these actors rather than the citizenry. Third, in my model, democratic constraints, and particularly term limits provisions, are not a self-enforced institution but rather they need to be upheld by democratic players in charge of keeping the president accountable. And, more importantly, different from Weingast's model, my
Theoretical framework does not abstract from institutional arrangements or from the level of democracy that we actually find on the ground; quite the contrary -- it departs from a basic democratic structure that has yet to consolidate, so it helps to trace the road from a partial democracy toward a more solid, liberal one.

The paper seeks to make contributions on four topics of democratic theory: strengthening of democracies’ checks and balances systems; enforcement of a limited government in new democracies; efficacy of the institutions that limit the presidential power, and collective action dilemmas for preserving democratic institutions. The proposed framework may be useful for scholars investigating electoral-authoritarian presidential systems, semi-democratic hegemonic-party systems and other type of regimes that are undergoing a process of democratic consolidation and transitions to electoral democracies and liberal democracies.

The paper is organized as follows. The first section of the paper revises the literature about the role of term limits provisions in constraining the presidential power. In the second section I present a theoretical framework for the enforcement of a limited government in presidential democracies that are also unconsolidated. Then, I develop a game-theoretic model to review the case of the enforcement of term limits provisions. Finally, the third section revises the case of term limits enforcement in Peru and Colombia. These cases show that the enforcement of these provisions is challenging for democratic players, but if democratic players succeed in solving their collective action dilemmas and ratify term limits, the probability that the president doesn't abide to this outcome is very low.
II. Literature review

*Term Limits: A Key Institution for Constraining Presidential Power.*

Term limits provisions have multiple effects on presidential democracies, but the most important one is their role in restraining and controlling the executive power (see O'Donnell, 1994; Przeworski, 1999; Colomer, 2001; Carey, 2003; Maltz, 2007). Guillermo O'Donnell (1994) was one of the first authors to stress the importance of constitutionally imposed term limits for constraining the presidential power (O'Donnell, 1994, p. 59) but it was Maltz (2007) who further developed this idea. According to Maltz (2007), term limits provisions are a check or control on political power. He suggests that, just as division of powers and elections, term limits are an institutional devise that can stop abuse of power by the executive branch over other political players, mainly politicians that are part of the opposition.

We can go further and suggest that, in fact, term limits provisions are the ultimate devise for the protection not only of political leaders in the opposition but also of citizens belonging to minority groups. This is so because under these provisions it does not matter how popular a president is or how he manages to win the vote of the majority of citizens, a president that has abused a minority's rights will eventually be replaced, even if the majority of voters would prefer to keep voting for him. In other words, term limits provisions try to prevent the maintenance of popular tyrants -- those presidents who are kept in power for the majority of voters regardless of their abuse of minority groups. As Linz (1994) pointed out, "[t]he maximum time limit for any government between elections is probably the greatest guarantee against omnipotence and abuse of power, the last hope for those in the minority position." (Linz, 1994, p.17; see also Elhauge, *et. al*, 1997).

Term limits are especially important for presidential democracies. Different from parliamentary democracies, the chief executive in presidential democracies does not depend on other powers for its survival (see Linz, 1994). This means that presidents are less
constrained than prime ministers and therefore may find easier to abuse their power (Maltz, 2007). In this sense, Maltz sustains that "prime ministers do not need to be term-limited, as they are not guaranteed a set term in office, often rule for only a few years before facing reelection, and have substantially less power than full-fledged presidents since tenure in the premiership depends entirely on the will of members of parliament and a premier is usually subordinate to a head of state with an independent mandate." (Maltz, 2007, p. 139).

Long serving incumbents can become the centre of power and political networks, gradually concentrating power at the expense of other state organs. Maltz (2007) further argues that term limits create uncertainty about the future and for this reason political players become cautious not to unconditionally follow the incumbent. Political players think about what the future might bring and consider the time when the incumbent is no longer in power. Under such uncertainty, rules become the focal point of interaction of political players (Maltz, 2007). In a system with term limits political players know they cannot count on an individual to stay forever in power. Players tend to play by the rules, which have a lasting nature. Thus, term limits help to cement the rule of institutions rather than the rule of individuals.

Term limits provisions also constraint the power of the president vis-à-vis other branches of government. These constraints may transform the president into a 'lameduck' incumbent as the president's power decreases when his last term approaches (see Elhauge, 1997). In this line of reasoning, Josep Colomer (2000) has argued that, given the dominance of presidents over assemblies during periods of unified government -- that is, when the president's party controls the majority of the assembly's seats-- term limits provisions help to maintain a more balanced equilibrium between the state powers by assuring legislators that the president will eventually be replaced, thus, giving them more confidence to confront him (Colomer, 2000, pp. 169-171 ). In this regard, a limited tenure weakens the presidential power, which in turn
has a positive effect to counterbalance the concentration of power at the hands of the executives during unified governments.

Colomer considers that in the absence of these 'asymmetrical' limits on the executive power, presidents will resist to share the state power with the assembly during periods of unified government (2000, p. 169). Colomer (2000) has also stressed how, in presidential systems, the combination of unlimited reelection and an unified government evolved in some cases into semi authoritarian regimes of personalistic rule (Ibid). For the very same reason -- the weakening of the presidency vis-à-vis the assembly --, Alexander Hamilton argued strongly during the Federalists debates against term limiting presidents (Hamilton, Federalist no.71 and 72).49 However, during the Federalists time the consequences of unified government for power equilibrium had not been fully foreseen. And it wasn't until the arrival of President Franklin D. Roosevelt, a Democrat who won the U.S. presidency four times (1932, 1936, 1940, and 1944), that the U.S. constitutionalists started to consider that the possibilities of a presidential 'dictatorship' were real, and thus that concern derived in Republicans formally establishing presidential term limits on the U.S. Constitution in 1947 (Colomer, p.172; see also Elhauge, 1997).

Maltz (2007) observes that despite the wide use of presidential term limits, and despite all its benefits for democracies, there are also incentives to eliminate this institution. Noticing that in the last years of the period covered by his study there was a worrisome trend to abolish

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49 Hamilton sustained that it was important to assure the president that he could be in office for an unlimited period as this would keep his mandate strong: "Duration in office has been mentioned as the second requisite to the energy of the Executive authority. This has relation to two objects: to the personal firmness of the executive magistrate, in the employment of his constitutional powers; and to the stability of the system of administration which may have been adopted under his auspices." (Alexander Hamilton, The Duration in Office of the Executive, Federalist No. 71, The Federalist Papers, 1788.).
term limits provisions, Maltz concludes that "the challenge for term limits is not adoption but enforcement", adding that "the trend toward contravention must be addressed." (2007, p.130). To Maltz, what makes it difficult to enforce this political institution is the "eagerness of incumbents to stay in office" (2007, p. 129). Maltz suggests to include presidential term limits in the global 'democratization agenda,' proposing different ways in which the international community may help to enforce this institution.

Could there also be a way in which democracies' own institutions and internal mechanisms enforce term limits? The general question of how to constrain and limit the presidential power, and the particular topic of the enforcement of term limits, have been largely overlooked by the comparative research on presidential democracies. In the last decades the study of presidential democracies, and in particular Latin American ones, followed two general routes, neither of which addressed the topic of how to enforce the rules that constrain the presidential power. The first route of research was inspired by the work of Guillermo O'Donnell (1994), who characterized Latin American countries as 'delegative democracies' in which the presidential power was unchecked and excessive. This unbalance of power was considered as one of the reasons Latin American countries were unable to consolidate their democratic systems; at the same time, the weakness of other players that were supposed to keep the president accountable lead O'Donnell to conclude that this situation was helpless.

This line of research failed to address the question of how to limit the presidential power because it considered a weak system of checks and balances as an invariable state, instead of seeing it as an element that can change across countries and over time. According to Guillermo O'Donnell, when the system of checks and balances is properly working we find 'horizontal accountability' between the branches of government (O'Donnell, 1994). This means that the three branches of government hold each other accountable. It is 'horizontal'
because each branch has the same status; they are ‘equals’ and should share political power on equal terms. How well does this mechanism of checks and balances work in new democracies? According to Guillermo O’Donnell, “(...) the horizontal accountability characteristic of representative democracy is extremely weak or non-existent in delegative democracies. Furthermore, since the institutions that make horizontal accountability effective are seen by delegative presidents as unnecessary encumbrances to their 'mission,' they make strenuous efforts to hamper the development of such institutions.” (1994, p. 62).  

Hence, the problem of the strengthening of the checks and balances system almost falls into a tautological conceptual trap -- the president is powerful because the checks and balances system that is supposed to keep him accountable is non-existent but the same system cannot get stronger because the president is too powerful as to permit this. Although O'Donnell was one of the first authors to suggest that presidential term limits are one of the few institutions effectively constraining the presidential power (O'Donnell, 1994, p. 59), his analysis presented a paradox. On the one hand, term limits provisions have shown effective in constraining the executive branch, but, on the other hand, their very preservation relies on what is a distinctive weakness of 'delegative democracies' -- a very weak system of checks and balances.

The second line of research studying presidential democracies focused more on topics of governability and effective government than on the more traditional, liberal concerns of limited government. Juan Linz (1994) brought to attention the important role that the fixed nature of presidential terms plays for the functioning and survival of this type of democracy. While in parliamentary systems the prime minister can be removed from power by parliament before the next general election, in presidential systems the chief executive remains in office

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50 Here it is important to notice that when talking about 'political institutions' O'Donnell includes both 'the rules of the game' and formal state organizations in charge of enforcing those rules such as congresses and courts.
for a set term. According to Linz, fixed tenures make presidential democracies prone to breakdown as there is no institutional mechanism for terminating a presidency that is in conflict with the congress, mainly in cases of divided government. In this view, the fixed nature of the presidential term was seen as an institutional feature causing governability problems and, in the worst cases, the breakdown of democracies. Therefore, there was not too much interest in understanding the role of this institution in limiting the presidential power.

The agenda that followed tried to understand what circumstances could minimize the structural rigidities of the institutional design of presidential democracies. Scholars were investigating how presidents could be more effective in having their legislative agenda approved by national assemblies; thus, they investigated variations in their constitutional powers and congressional coalition-building possibilities. These scholars asked what are the conditions that increase cooperation between the president and the congress. Political gridlock was an important problem that needed to be solved. In other words, they tried to identify what conditions would minimize presidential democracies 'structural' problems (see Linz, 1994; Mainwaring and Shugart, 1997; Jones, 1995). General concerns about how to strengthen the checks and balances system and the enforcement of mechanisms for limiting the presidential power were not addressed in this comparative line.

This vacuum is not only in the literature about presidential democracies, though. There is a significant lack of research about the political factors that facilitate the enforcement of government limits in all types of democracies. One of the few exceptions in this academic trend, is the work of Weingast (1997). Weingast developed a game-theoretic model "of the stability of limited government" (Weingast, 1997, p. 245). In his theoretical approach, the stability of the rules that constrain the government depend on a "self-enforcing equilibrium: It must be in the interests of political officials to respect democracy's limits on their behavior." (Weingast, 1997, p. 245). According to this author, such equilibrium emerges when citizens
solve their "coordination dilemmas about the appropriate limits on the state." (p. 246). Once these coordination dilemmas have been resolved, the sovereign will respect this consensus because "(t)o remain in power, the sovereign must retain sufficient citizen support" (p. 246). Weingast's model "abstracts from the institutions of representative government by focusing on the relationship between a single political official, called the sovereign, and the citizenry." (p. 246).

By presenting the enforcement of a limited government as a collective action dilemma, Weingast's model provided an important departure point. However, because his model does not take into account democratic institutions, we do not know which role internal mechanisms play in limiting the government. In this regard, in his theoretical approach there is no difference between democratic and non-democratic systems. Yet one important feature of democracy is precisely its supposed capacity to constrain governments more effectively than other type of systems. Weingast's model, thus, let pass the opportunity to explore how these democratic mechanisms for limiting governments get activated or how they can become stronger in performing this task. Another shortcoming of Weingast's model is its reliance on the existence of a society that not only has an ingrained liberal culture that prefers a limited government, but one that also knows what exactly those limits should be. Unless there are significant chances of counting with such a society, this model gives little hope to countries where there is not a clear consensus about what limits governments should not contravene.

Another problem not foreseen in Weingast's (1997) model is what happens when politicians do have, in fact, incentives to eliminate government constraints, even when those constraints are constitutionally imposed. Contrary to Weingast's view of constitutional government constraints as 'self-enforcing equilibriums,' Hardin (1989) considers that often there are conflicting interest around those constraints, but the reasons those constraints survive is not
necessarily because people solve those conflicts but because there are transaction cost that make it difficult to change those constitutional provisions. Thus, they survive because of the "difficulty of recoordinating on an alternative arrangement" (Hardin, 1989, p.102). In this regard, Hardin (1989) sustains that "constitutions have a far less significant element of agreement behind than do contracts" (Hardin, 1989, p. 101). Sometimes, the objective of creating a constitution is precisely to establish criteria to deal with conflicting interests and opposite views. In Hardin words, "the point of establishing a constitution and of creating particular institutions is to put obstacles in our way in order to force us to move along certain paths and not others." (1989, p. 116). Sometimes actors would prefer a different arrangement, but in order to adopt this new arrangement they have to solve collective action dilemmas as well. For this reason, Hardin concludes that "[a] constitution, to come into being or to be effective, does not require universal or even widespread agreement." (Hardin, 1989, p. 108).

However, change does happen as well, so we can say that sometimes actors not only do have incentives to change those provisions but actually find ways to solve their collective action dilemmas and organize around a new rule. In the same way, I will try to explain in the next section, collective action can also be achieved for enforcing those constraints. In the next section I develop a model for explaining the enforcement of constitutional provisions that constrain and limit the presidential power. The model focuses on the enforcement of presidential term limits provisions. The model revises the conditions under which the checks and balances system activates to enforce these rules before attempts by the president to eliminate these constraints. This approach is based on the assumption that very often politicians have interests in evade or eliminate these constrains and extend their power. Precisely because of this, the system of checks and balances was created: power is confronted with power as a means to counterbalance those actors that want to concentrate all the state
power in their hands. However, sometimes this system is weak and confrontation between players has to occur in order to strengthen this system.

*Models of institutional change: Why starting with Weingast's model?*

For decades scholars have studied the factors and dynamics behind institutional change; that is, the reform of rules in political systems. Research has especially focused on political actors who have an interest in institutional change and who also have the power to initiate it. One of such actors in democracies is the chief executive. Plenty has been written about the willingness and ability of presidents and prime ministers to change laws. For instance, in the 1990s political scientists were often interested in finding out under what conditions Latin American presidents would support the agenda of the so-called economic 'structural reforms.' This agenda sought to implement reforms in favor of free markets, reduction of government's deficits, reduction of the inflation, among others (see Stokes, 2001). One theoretical approach focused on the preferences and constitutional prerogatives of the presidents. There could be the case of presidents who may want to implement those reforms but they lacked the constitutional powers to push through such economic proposals (see Shugart and Carey, 1992). Scholars focused on presidents, as they governed at the time in an environment of weak or non-existent checks and balances systems (O'Donnell, 1994). There was therefore no need to understand problems of cooperation, coordination, or any other collective action problem among political players, to studying the process of institutional change. This theoretical framework was straightforward and elite-centered, and the answers offered by these studies were simple: institutional change happens when presidents advocate reform and when they have the constitutional prerogatives to do so. Actors' preferences and their legal powers were the main explanations of institutional change.
One decade later, the next generation of studies found that although presidents are key players in institutional reform, other players, mainly national assemblies, had a critical role as well. This progress in research was in tune with a slow but steady development in the region, which was that opposition parties started to win more legislative seats than ever before, which resulted in national congresses becoming more active players in the region (see Mainwaring and Shugart, 1997). Thus, while in the past legislators were mostly there to support the legislative agendas of presidents, now assemblies were becoming more relevant, exercising their role as a check on the president. The increasing occurrence of divided governments across the region made it necessary to disentangle all the important elements of the relationship between presidents and assemblies in order to understand the process of institutional change. Those analyses were still centered on political elites but more political factors were included as relevant variables for explaining institutional change.

Interestingly, actors such as congresses and supreme courts were not always seen as actors willing to participate in institutional change but rather as players with interest in vetoing change. They often were depicted more as 'reactive' actors, trying to stop or obstruct institutional change in contrast to presidents, who were often seen as the initiators of reforms. The emphasis of this literature was to studying not only those actors interested and capable of implementing institutional reform, but also those actors who had the power to stop it. Many of these studies were influenced by George Tsebelis’ 'veto players' theory (1995). Tsebelis’ theoretical contribution added an important conceptual layer to the problem of institutional change. According to his theory, veto players are those actors who have the power to stop reforms and therefore their consent is a necessary condition for institutional change. Thus, in order to understand when institutional change was more likely to occur they had to find out how many veto players were in the political system.
The concept of veto players helped to understand how divided governments affect institutional change. In a country with a bipartisan national assembly, for instance, if the opposition party has more seats than the president's party, then that opposition party can be seen as a "veto player": no legislation can be passed without its consent. On the other hand, if the majority of legislators pass a bill but the president has the power to veto that bill and also has the support of enough legislators to sustain his veto, then this president is also a veto player. Here again, change is seen as the combination of players' preferences and players' constitutional prerogatives. The main question is who has the legal power to pass bill X or to stop bill Y. Because all this is only about the formal rules, in some cases there is no need to solve any collective action problem, all it takes is players' willingness and capability to start or to stop reforms.

This approach gave practical answers to the problem of institutional change. The theory about collective action offered some answers too. But still these answers fell short of explaining the entire picture. In particular, from the point of view of collective action theory, it was easier to explain failure at forming congressional coalitions for approving reform than explain cases of success. There was one important problem to overcome in forming coalitions: the problem of cycles of preferences (see Ordeshook, 1992; Shepsle, 1998; Colomer, 2001). For instance, in a simple world, let’s say, one with three political parties holding each 33 percent of the seats, the formation of a majority winning coalition may get complicated. For once, party A may join party B and form a winning coalition but party C and party B can also form a winning coalition, and also party A and party C can form a winning coalition. As we can see there are three possibilities which can cause 'cycles' of coalition-building processes. More players only add more complexity to these problems. From this perspective, achieving institutional change becomes more complicated and tangled than it was in the real world. The problem of forming winning coalitions to approve institutional change was usually somehow solved in the real
world. Thus, the theory of collective action and basic theories about the formation of legislative coalitions were more successful in explaining why actors may fail to cooperate than to explain why actors sometimes succeed in cooperating to achieve collective goals.

The 'new' institutionalism tried to solve this question. According to the proponents of this approach, institutional change doesn't occur in a vacuum. There are established procedures to produce new rules or to change the old ones or even to reform these procedures themselves. This 'institutional' structure allows and sometimes shapes these reforming processes. Scholars who proposed this approach named the outcomes of these processes 'institutional-induced equilibrium' to emphasize that the cooperation solutions emerged from these institutional structures (Shepsle and Weingast, 1981).

The 'new institutional' approach generated vast academic research. In the case of democracies, scholars started studying how different institutional arrangements could allow and structure the bargaining of political reforms. Also, it was recognized that actors' preferences may have an important role as well in creating cooperation among political players and, therefore, in the negotiation of institutional reforms. In this way, ideological preferences also added a useful element to deal with the previously chaotic, cyclical world of collective action problems and coalition-building processes. In particular, taking into consideration actors' ideologies and preferences could reduce the number of potential collaborators and therefore the number of possible winning coalitions. Hence, in a three-party world, for instance, leftist parties are more likely to join a centrist party in forming a coalition than to cooperate with a rightist party; so, now we have two possible winning coalitions instead of the three possible coalitions as we had in the first example (see Tsebelis, 1995). And so, in the last decades a picture has emerged connecting these dots. In this regard, we can see the new institutional approach as a to-do list of, more or less, four points: 1) fist, identify actors, 2) find out the preferences and ideology of those actors, and 3) map out the
institutions in place --i.e., the rules of the game, and 4) find out the cooperation games that emerge as a result of this institutional structure and the possible solutions to these games. In the rules of the game referred to under 3) include: rules that define which actors have the power to initiate political reform, rules that determine the formal powers of the actors, rules about procedures, and the rules for changing all those rules (see Moe, 1990; Calvert, 1995; Knight and Sened, 1995; Koelble, 1995).

This approach is very handy as it is usually possible to identify all these elements in different political contexts. Usually, information about the formal powers of presidents and assemblies can be found in formal constitutions and other legal documents. There is also plenty of information that could be used for figuring out the preferences and ideology of political actors. So, the strength of this framework is that it facilitates the comparison of different political contexts, also, it allows and gives order to the analysis of different collective action dilemmas by reducing the number of possible cooperating solutions.

One issue less tackled by the institutional approach is the maintenance or preservation of institutions, in particular, the preservation of democratic institutions. Usually, the preservation of institutions is seen as the default solution: institutions are preserved if no one is trying to change them or if those who want to preserve them have enough power to resist the collective action of those who want to reform these institutions. Again, the matter of institutional maintenance was explained by the presence of veto players: if there is one or more veto players in the bargaining process, those institutions will be preserved. I would qualify, however, that sometimes the maintenance of institutions also requires some form of collective action. Those actors who want to preserve the status quo also need to organize in order to defend it. The organization of collective action for the preservation of institutions, thus, is the other side of the coin.
In this paper, I use the Weingast's model (1997) because it presents a macro view about how democratic institutions can be preserved. In addition to taking into consideration all those elements of the 'new institutionalism' described above, Weingast presents an ‘ultimate cooperation game’ that unfolds to maintain democratic institutions. In Weingast's model, the end game for reforming or maintaining institutions is popular support. People taking to the streets to demand institutional change or to protect certain institutions are seen as the ultimate force in this process. Sometimes, even the mere possibility of public mobilization is enough to encourage or to dissuade politicians of approving laws or policies. Does the public supports the president's proposal for reducing social benefits, for instance? Or does the public will protest against this reform? And may this lead to governability problems? In this regard, although institutional change, and all political reforms in general, may be initiated by politicians and be negotiated by the political elites, the end game of these reforms is about public support for those reforms. In fact, in the democratic world, there is a clear link between public support and the rest of the reform chain: elections. Angry public demonstrations of course may exert some deterrence force on its own, but mostly, they may herald an electoral cost at the ballot box. But at the very end, what is at stake is the 'sovereign' survival, whether it is a hereditary monarchy, a dictatorship or a democracy, the survival of the ruler relies on having some legitimacy coming from the people.

In this regard, I consider that Weingast's model shows this "end game" of institutional reform: if you have the support of the majority of the public, then, you will have a certain legitimacy that will allow you to perform all the tasks involved in governing a country, including the possibility of implementing your political agenda or changing the rules about accessing and keeping power. In semi-democratic contexts, this model for studying institutional change is extremely important mainly because these countries are sometimes swinging between democratic consolidation and authoritarian regression. Thus,
implementation of unpopular measures by the government may sometimes lead to a political conflict that can easily escalate into a major governability crisis, such as forcing the resignation of presidents. This happened, for instance, in Argentina in 2001, when people took to the streets to protest against economic austerity measures issued by the then president De la Rúa, which in turn led to the premature end of his administration. So, understanding this possibility, this final game, is important in semi-democratic environments, in which a legitimacy crisis not always ends in a party losing elections but sometimes it may lead to the breakdown of the democratic regime itself.

However, whenever we talk about citizen's mobilization, we need to talk about collective action dilemmas as well. In Weingast's model, citizens' believes about which limits the ruler should not transgress are key to understand these dilemmas. Hence, when people agree on which democratic institutions must be preserved, they will organize to defend them. I will explain in more detail in the following sections that people's believes are an important focal point for organizing but, in order to protect democratic institutions, some type of leadership is needed. Otherwise, I will argue, some collective action dilemmas will continue to prevail. In particular, I show that Weingast's model doesn't address this question: how does the general public solve their collective action problems to protest against the ruler? What is lacking in Weingast’s model are leaders, agency, actors that organize citizens' collective action to protect democratic institutions. In other words, what is lacking are politicians, those individuals whose daily business is to organizing the people -- thereby solving collective action dilemmas-- for political ends.
III. Enforcing a Limited Government in New Democracies:

A Theoretical Framework Proposal

This section aims to set theoretical foundations for the enforcement of a limited government in new democracies. Particularly, it revises constitutional provisions constraining the presidential power. Rather than looking for external enforcement\(^{51}\) to these constrains, this theoretical framework situates democracies' own internal mechanisms as the key element for the upholding of these provisions. Also, this theoretical framework sustains that both elements, a strong checks and balances system and the enforcement of a limited government, are linked: the reinforcement of the checks and balances system is achieved by the regular confrontation of the different democratic players. Democratic players have to counterbalance players that seek to extend their formal power and also eliminate constraints imposed upon them.

This theoretical framework only requires a partial level of democracy, which means that it is not too strict in its requirements. This allows us to include not only consolidated democracies but also political systems that do not present yet the conditions of the 'minimalistic' version of democracy which requires elections to be free, fair, and contested.\(^{52}\) For this reason, it can be applied to electoral-authoritarian systems, semi-democracies ("delegative democracies"), illiberal democracies, and to countries returning to democracy after periods of authoritarian

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\(^{51}\) A proposal for external enforcement was suggested by Maltz (2007), who argued that the international community may consider term limits provisions in its democratic agenda, and thus, find ways to preserve this institution.

\(^{52}\) About the 'minimal' conditions for a political system to be considered as an 'electoral democracy' see Schumpeter (1942), Huntington (1991), and "A minimalist Concept of Democracy: A Defense" by Przeworski (1999). Those authors state that, at least, free, fair and contested elections are needed for a political system to be considered an electoral democracy. In this paper, I will deal with electoral authoritarianisms where elections are partially free and fair (see Schedler, 2006 ), and systems where elections are little contested -- there is a lack of political plurality, like in systems with hegemonic party governments, etc.
rule. The model neither requires citizens to have a strong democratic culture or having clear preferences for a limited, liberal government; nor is it required that there is consensus on democratic values among the political elites, they only need to be rational actors acting in self-interest. To be sure, a citizenry embracing democratic values and a liberal political elite would help a lot but they are not a necessary condition in this model.

This framework does require the following four conditions: 1) Basic 'formal' democratic procedures. This means that regular elections must be held. There can be a very uneven playing field for contestants and therefore the competition may not be perfectly free and fair, but elections still need to have some weight in the selection of representatives. 2) Official law must indicate that the state power is shared and divided amongst different state organs. There can be, however, asymmetries in the power of those organs; this asymmetry may come from constitutional norms but mostly it comes from informal practices. The model in particular considers those political contexts where the president concentrates significant power vis-à-vis the rest of the democratic players. 3) Confrontation between democratic players has to happen. For the checks and balances system to be strengthened, there have to be critical moments of conflict between the branches of government, -- democratic players have to confront other players whenever they try to avoid or eliminate

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53 The basic nature of this framework means that its implications can also hold for consolidated democracies. A more demanding model would exclude all these mixed regimes -- like electoral authoritarianisms and hegemonic regimes-- and all democracies in the process of consolidation.


55 Levitsky and Way (2010) define an 'uneven playing field' "as one in which incumbent abuse of the state generates such disparities in access to resources, media, or state institutions that opposition parties' ability to organize and compete for national office is seriously imparted" (p. 57). According to these authors, in many countries "democratic competition is undermined less by electoral fraud or repression than by unequal access to state institutions, resources, and the media." (p. 57).

56 As O'Donnell suggest, in this type of political context, democratic practices are mixed with undemocratic, informal arrangements: "(a) noninstitutionalized democracy is characterized by the restricted scope, the weakness, and the low density of whatever political institutions exist. The place of well-functioning institutions is taken by other nonformalized but strongly operative practices –clientelism, patrimonialism, and corruption.” (1994, p. 59).
constrains imposed upon them. 4) The conflict between the branches of government occurs around provisions that are already written on constitutions or official law.

*The theoretical puzzle*

The basic premise of the checks and balances system of democracies is that a balance of power is created by distributing power among players and then confronting each other (see Dahl, 1971). The system is based upon the assumption that power is a zero-sum game: whenever the executive increases its power, the rest of the state organs become weaker and power becomes unbalanced. As we saw in the previous section, long incumbencies lead to a significant accumulation of power in the hands of the executive power at the expenses of other democratic players (Maltz, 2007). Term limits provisions have proved effective institutional devises for constraining the presidential power (O'Donnell, 1994, p. 59; Przeworski, 1999, p. 50; Colomer, 2001, p.170; Maltz, 2007) but, because of this, presidents have incentives to eliminate this constraint and, in this way, increase their power. So the question is how DCPs should counteract the president to maintain this institution.

When the president announces his intentions of extending his tenure, democratic control players (DCPs) have to be strategic in the way they respond to the president's reform campaign. A failure to stop the president's reform will weaken their power further; therefore, they need to be strategic during the inter-branch confrontation. Garrett, Kelemen and Schulz (1998) suggest that the authority of any judge -- which is one of the DC players of democracies -- , depends on how much his decisions are respected by other players. This is why they have to strategically determine in which cases it is worth to enforce some rules and in which cases it is preferable to deal with the changes by adjusting their criteria and verdicts. In cases where the most likely outcome is that their verdict will be defied, judges prefer to change their criterion in order to avoid having their decision challenged (See Garrett, Kelemen and Schulz, 1998). In the case of term limits enforcement, the authority of DCPs
also depends on how much their decisions are respected by the president; however, a cautious approach in which they avoid confrontations may cause to have their power eventually reduced as it may lead the president to believe that these players agree with his political agenda and therefore that he has their consent to keep extending his power. Therefore, there is no choice to DCPs but to confront the executive if they want to keep their share of power. These confrontations, thought, entail a lot of risk for democratic players involved.

We can start examining these risks by considering the different available choices for political actors. The following game-theoretic model can help us in this analysis. The entire analysis is based on four assumptions. First, suppose that we depart from a constitutional arrangement in which the presidential tenure is limited; for the sake of simplicity in this model the presidential term only lasts one period, i.e., the reelection of presidents is not allowed. Second, the model assumes that the president wants to advance a constitutional reform to remove this provision so he can run for reelection. Third, DC players have legal prerogatives allowing them to reject the president's reform and have a political interest to do so. And, finally, the model is not considering consolidated democracies but only delegative democracies. Let's remember that, as suggested by O'Donnell (1994), the main characteristics of these democracies -- that is, delegative democracies -- is a significant concentration of power at the hands of the president and a weak system of checks and balances. So, the challenge here for DC players is preventing a further enhance of the presidential power by upholding term limits provisions.

In the case of the DC players, the riskier outcome would be that in which the president achieves being reelected for another term while they had previously showed opposition to his reform. This could be similar to a failed coup d'état, in which the dictator survives and then starts taking reprisals against those who tried to overthrow him. In this regard, each individual player asks himself what would happen if he tries to stop the president's reelection
reform but the rest of the DC players approve it and then the president is indeed reelected. The following cooperation game shows these dilemmas. I call this game the 'Belling the Cat' game (BTC). This name comes from a children's fable with the same name. In their game-theory book *Thinking Strategically*, Dixit and Nalebuff (1991) mention the story as an example of the well-known prisoners' dilemma game but with more than two players. According to those authors, the BTC story illustrates "the superiority of punishment over reward" (Dixit and Nalebuff, 1991, p.17) and it is similar to a "hostages' dilemma" in which a group of individuals have a common enemy and "a simultaneous move by the masses stands a very good chances of success," however, when the moment to take action has come, "the question arises, Who is going to be first? Such a leader will pay a very high cost -- possibly his life." (Dixit and Nalebuff, 1991, p.17).

Different from other collective action dilemmas that have become very well-known games, with a common accepted payoff structure -- games like the 'battle of the sexes,' 'chicken,' 'matching pennies', and the 'prisoners' dilemma' itself -- the BTC dilemma has not a standard accepted form. Some consider it an example of a prisoners' dilemma for the mice, while others rather use it for explaining what strategies the Cat could follow to dissuade collective action against him (see Dixit and Nalebuff, 1991, pp.16 - 19). Here I propose a specific payoff structure for showing the type of dilemmas facing the mice.

**Figure A** proposes the following formal structure (specification) for the BTC dilemma. We have two players, the leader and the follower. They both have two choices: to confront the Cat or do not confront it. Here, as in the fable, both players would be better off under the cooperation solution (8, 2), than in their current situation (-1, -1) where they live scared by the Cat. As we can see, this game is a variation of the prisoners' dilemma but their payoff structures differ a little bit. **Figure B** shows an example of the classical payoff structure of the prisoners' dilemma. As we know, the prisoners' dilemma is a noncooperative game in
which players have incentives to deviate from the outcome that would improve their collective well-being. The payoffs of the players are symmetrical and both players have as their dominant strategy to not cooperate as the reward for deviate (10 each) is bigger than the payoff they get for cooperating (5 each). In contrast, in the BTC game, the individual reward for cooperating (8 each) is bigger than the one for deviate (0 each) and the payoffs are asymmetrical as the leader gets a higher payoff.

### Figure A

**Belling-the-cat dilemma**

<table>
<thead>
<tr>
<th></th>
<th>Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td>Follower</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>B</td>
</tr>
</tbody>
</table>

Source: payoffs structure developed by the author.
A= confront; B= do not confront.

### Figure B

**Prisoners' dilemma (example)**

<table>
<thead>
<tr>
<th></th>
<th>Player 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S 1</td>
</tr>
<tr>
<td>Player 1</td>
<td>S 1</td>
</tr>
<tr>
<td></td>
<td>S 2</td>
</tr>
</tbody>
</table>

Source: example of "Prisoners' dilemma" payoffs given by Morrow (1994, p. 78).
s1 = no confession; s2 = confession.
Prisoners' dilemma (formal payoff structure)

<table>
<thead>
<tr>
<th></th>
<th>Player 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>(S_1)</td>
<td>((a, a)) ()((c, d))</td>
</tr>
<tr>
<td>(S_2)</td>
<td>((d, c)) ()((b, b))*</td>
</tr>
</tbody>
</table>

\(s_1 = \) no confession; \(s_2 = \) confession.
\(d>a>b>c\)

In the BTC game there are no strong incentives to not cooperate; instead, their highest payoff comes from the cooperative solution. However, the noncooperative solution becomes the outcome of the game due to players wanting to avoid their worst payoff (-4). In effect, under uncertainty, your best response to other players' strategies has to minimize the losses (see Shoham and Leyton-Brown, 2010, p. 77). So, unless players are assured that everybody will cooperate, players may rather choose a risk-averse strategy that at least avoids their worst payoff. I do believe that this payoff structure captures better the essence of the fable and also the choices faced by players in the enforcement of term limits. Players do not have high incentives to betray one another -- as in the prisoners' dilemma -- but they do have fear of confronting the Cat alone and fail. There is also a little bit of a free-rider incentive here, as the follower improves his situation even if he lets the leader confront the Cat alone and the same is true for the leader (he gets 0, which is an improvement from -1). These payoffs from deviation, however, are smaller than the reward they would get from cooperating, especially in the case of the leader. Figure C shows the general formal structure of the game.
Belling-the-cat dilemma (formal payoff structure proposal)

Source: payoffs structure developed by the author.
A= confront; B= do not confront.
a > b > c > f > d

But this variant of the prisoner's dilemma with different payoffs for the players leads to some possible solutions. If we assume that the leader and the follower have identical preferences regarding risk, the equilibrium of the game is the no-cooperation solution, in which both get (1,-1), and they will have to live frightened by the cat. However, results are different if we assume that the leader and the follower have different utility functions.

Two nested games

We can reconsider these collective action dilemmas by using a sequential game. The next sequential game consists of two nested games. The model is based on the game-theory contributions of George Tsebelis (1990); in particular his idea that sometimes political players engage in conflicts that take place in different arenas or scenarios at the same time. These conflicts involve strategic interaction between players in different contexts, with more than one game being played concurrently. Tsebelis describes these strategic interactions as 'nested games,' with one central, main game and several secondary games. According to Tsebelis, these games are somehow connected or 'nested', with small or secondary games affecting the outcome of a larger, central one. Players know this; they are continuously updating their expectations and strategies in the main game taking into consideration the
outcomes or developments in secondary games. In this sense, the payoffs, and therefore the outcomes of the games, are intrinsically linked.

It is important not to mistake these games with what is commonly known in game theory as a 'simultaneous game' in which players' actions are displayed jointly rather than in a sequential form. Tsebelis' 'nested games' are games occurring at the same time but in different political contexts. For example, it can be the case of a political leader negotiating a policy bill – let’s say, a bill about minimum wage -- with members of congress, on the one hand, and with members of labour unions, on the other. In this example we can see how these negotiations are linked and how the results of one game may affect the other, however, each negotiation process may reacquire different strategies. It is also important to notice that for these nested games sometimes the players of the games aren't exactly the same.

The first game -- which is the main game in the model -- shows strategic interaction between the president and other democratic players such as congresses, constitutional courts, electoral commissions, opposition parties, and local opposition politicians (governors, local legislators and Mayors), which are grouped as DCPs. For the first game, which I call the 'consent game,' the president will try to win the support of DC players for eliminating term limits so he can run for reelection. The second game, which I call 'the popularity game,' is a secondary game in which the president will try to convince the general public that his reform is beneficial for the country. While the model is based upon the existence of certain institutional conditions, it is still abstract enough as to permit being applied to different levels of democratic rule. Also, the model is kept parsimonious as to achieve explanatory efficiency, that is, explain as much as possible with the fewest variables.

The first game, the 'consent game,' starts with the president presenting his proposal. Then DCPs have to decide whether to support or reject the reform. If they reject it, then the
president has to decide whether to send signals of future repression to those who are not supporting or to accept their decision. In semi-democratic contexts, there has been a history of intimidation against lawmakers and judges when they reject the agenda of the president, as we will see in the case of Peru (1992). At the same time, the president may decide to start a public campaign in favour of his reform as to pressure other players to support him. Here we can see there is a nested game in which the president tries to convince the majority of the public that his proposal is lawful. It is important to notice that people who may consider the president's reform is legal would not necessarily reelect him as president but there may be a likely overlap between those who think the reform is legal and those who will vote for the president if he runs for reelection.

The consent game

Figure D displays the main decision tree. The president starts the game by proposing a reelection reform to eliminate term limits; then if the majority of the DCPs rejects his reform, he has to decide whether to accept their decision or exert pressure over DCPs for having his reform approved. In case the president's reelection reform is approved, voters have to decide whether or not to reelected the president; we can say that in this decision tree, voters are "Chance" or "Nature" which in game theory "is considered a player that makes random moves in a game tree with known probabilities" (Morrow, 1994, p. 350). The main factors that the incumbent president has to consider are: 1) the benefits of being in office ('a'); 2) the cost of running for reelection ('b'), and 3) the consent cost ('c'). All these factors together give us the president's utility function $f(x)$, which in turn allow us to obtain the payoffs for each of the tree's outcomes. If we also multiply this utility function by the president's probability of being reelected ('\beta'), we obtain the president's expected utility function of being reelected $u_{p}f(x)$, and the expected utility for each outcome of the tree becomes the 'expected payoff'. Ideally for the president, all other democratic players, willingly, would support his reform,
and then, after the reform has been approved, he gets reelected for another term. If his reform is not supported right away and he has to use repressive measures for having his reform approved, there will be a 'consent cost' derived from losing willing support from other political players (‘b’). This cost b decreases the value of the future term, so the incumbent needs to take this into account. Thus, in order to determine whether or not to initiate a reelection reform process, a cost-benefit analysis must be considered in which \( f(x) = a - b - c > 0 \); so the expected utility of being reelected is \([u_p f(x)] > 0\).

**Figure D: The consent game**

Majority of DC players (MDCPs).

**PUBLIC**
- The president is reelected (A)
- The president is not reelected. (B)

**PRESIDENT**
- Proposes reform for removing term limits.
- Accepts MDCPs’ decision. (C)
- Challenges the MDCPs’ decision by displaying repressive measures.

**MDCPs**
- Approve the reform.
- Reject the reform.

**PUBLIC**
- The president is reelected. (E)
- The president is not reelected. (F)

**POPULARITY GAME**
The president wants the majority --if not all-- of DC players to approve his reform because in case he is reelected he could claim that this was achieved lawfully and with the willing support of the whole political system, which helps him to discourage possible challengers from trying to overthrow him. He then has to assess what to do in case some players show opposition towards his reform. The president could send signals that there could be repressive measures for those who defy him in trying to implement his reform. So, the president has to be strategic in deciding whether it is worth to confront other players in order to get reelected or it is better to accept the status quo. However, if he achieves to implement his reform by using excessive repression this could also end up affecting the value of his future tenure. The president knows this, so, concurrently with his negotiation with DC players, he may engage in a public campaign to promote the benefits of his reform as to make it for any loss of consent derived of confronting other democratic players. Then, if he fails to convince the majority of the public that his proposal has some benefits he may choose not to proceed with his reelection ambitions or he can proceed but risk affecting the strength of his mandate, opening the door to be continuously challenged by other political players who may question his mandate.

In order to enforce term limits provisions, a majority of DCPs has to oppose and reject the president's reform. In an environment where repression of dissenters comes from a highly popular president it is rather a challenge to enforce democratic constraints in general but especially those determining the duration of the presidential tenure. Different from other scenarios in which the president tries to increase his power, the enforcement of term limits leads to think about the future: players need to take into account that they will confront a president who, if he succeeds in changing the rules, may keep governing for a long time. Thus, if DCPs fail to stop the president's reform, they may face reprisals not only at present
but also for the coming years. The possibility of reelection brings with it uncertainty about
the future. Coupled with the semi-authoritarian nature of the presidents in this game,
uncertainty makes a confrontation with the president a challenging option for DCPs. Thus,
when deciding their options, DC players have to assess the level of risk to decide whether to
confront the president or not. Direct coordination between players to confront the president is
not always possible, as the government branches should take independent decisions;
however, the decisions of some DC players may encourage others to follow and oppose the
president.

Even a minority of DCPs can start this collective action. By making known their decision of
opposing the president’s reform, this minority may encourage the rest of DCPs to join in
upholding term limit provisions. This minority of DCPs can be seen as political leaders.
Calvert (1992) was one of the first authors to suggest that a political leader is someone who
helps to solve problems of social coordination. After discussing the different collective
problems in politics and its representation in game-theoretic models, Calvert argues that
leaders can make a difference in those problems that need social coordination: "A
coordination problem, roughly speaking, is one in which several individuals share a desire to
achieve certain outcomes, but have difficulty doing so only because there are several such
outcomes to choose from." (Calvert, 1992, p.9). Here, one of the tasks of the leader is to
organize the rest of the players towards one specific outcome; sometimes this can be done
just by suggesting to other players this specific outcome and what strategies are needed to
obtain it (Calvert, 1992, p.17). In the BTC game that we previously revised, there is only one
equilibrium that everyone would prefer, so, it is not a coordination problem but a cooperation
problem. However, the leader can still help to solve the collective action dilemmas by going
first in confronting the Cat with the hope that others will follow. In other words, he helps to
solve the dilemmas by showing other players that he is willing to cooperate.
So, in order to solve the 'belling the cat' dilemma, DCP leaders need to announce that their strategy is to confront the president (A). Although Calvert highlighted the importance of leaders in solving social dilemmas and what they can do in order to help to solve such problems, he did not dwell on the motivations and preferences of those political leaders. Here I suggest seeing DCP leaders as 'risk-acceptant actors.' According to Morrow (1994), "[r]isk-acceptant actors prefer risky gambles among a set with the same expectation. They also prefer some gambles with both greater risk and lower expectation than other gambles. Neither risk acceptance nor risk aversion implies that such actors always prefer gambles with greater or lower risks, respectively. An actor that is more risk acceptant than another accepts all the gambles that the latter will and some that the latter will not." (Morrow, 1994, p. 36). In the same vein, we can see the rest of the DCP as 'risk-averse actors': "risk-averse actors prefer some gambles that have both less risk and a lower expectation than other gambles" (Morrow, 1994, p. 36).

Thus, DCP leaders can be thought of as political self-interested gamblers, willing to take some risks (obtain their worst outcome) in order to achieve their best outcome; however, the expected utility of their best outcome needs to be greater than the expected utility of their worst outcome for them to take the risk (also known in game theory as a 'lottery' or 'gamble'); otherwise they would be indifferent or would not take the gamble. Let’s remember that we obtain the expected utility by multiplying the utility of an outcome by the probability that that outcome takes place; this result then constitutes the expected 'payoff’. According to Morrow: "[w]e need preferences over all possible risky choices. Abstractly, we represent risky choices over the outcomes as lotteries, there one outcome is selected from a fixed set of consequences with known probabilities of selecting each outcome. If an individual can rank all possible lotteries over the consequences and those preferences over the lotteries observe certain regularity conditions, then a utility function can be calculated to reflect those
preferences." (Morrow, 1994, p.29). In the game, DCP leaders should be the ones willing to take greater risks but if they do and succeed, they also obtain the highest payoffs among DC players. This could be the case of an opposition leader -- maybe an opposition leader at the national congress -- who announces a focal point solution; that is, a strategy of confrontation and that term limits provisions will be enforced. There can be several DCPs leaders, they are risk-takers and will initiate the confrontation with the president; then, hopefully, others will follow, otherwise they risk acting on their own and face alone the consequences of confronting the president.

The decision tree shows only the actions taken by the majority of DCP (MDCP) but in Table A we see the payoffs for the president, DCP leaders and the majority of DCPs (MDCP). The payments are for individual players, not for collective bodies, such as the whole congress or an entire electoral court but these individuals belong to those state organs (congresses, constitutional courts, electoral commissions and opposition parties). As we can see, DCP leaders have the highest positive and negative payoffs, which means, they are the ones who benefit the most from a successful defence of term limits provisions but also the ones who will bear the highest costs in case of failure. The second payoff is for the majority of the DCPs. The game shows that DC players calculate what could happen if they reject the president's proposal but other players support it and furthermore what could happen to them if the president is actually reelected for another term. Clearly this is the riskier scenario for them. If they reject the proposal, the president has to decide if he should accept this decision or challenge it.

Then, if the president decides to challenge the decision of the DC players and signals some future repression, DC players have to assess if they still will uphold term limits provisions or will accept the president's reform. There could be several rounds of deliberation but we can see how the more the president has to pressure other DC players, the lesser will be his payoff
for being in office another term. This is because the loss of support from political players weakens his presidential mandate. Most importantly, the DCPs also have to take into account the probability that, if the reelection reform is approved, the president will be indeed reelected. This scenario is difficult for them as the president may take retaliation against the players that did not support him in the first place. However, we can see that if the majority of DCPs decides to confirm their verdict, the probability that the president defies this decision is very low. And then, if successful, they all become stronger, so there is a collective payment for defending a limited presidential tenure and also another for the individual effort.

*The popularity game*

Along with the conflict with DC players, the president could initiate a campaign to convince the general public that his reform is beneficial. This secondary nested game shows the calculations DC players have to make when considering to reject the president's proposal; especially, they have to consider the possibility that the president may actually be reelected by the public, which clearly makes it more difficult for them to confront the president. In other words, confronting a popular president increases the risks of the payoffs of the DCPs. In the case of the president, a higher popularity increases $\beta$ (the probability of being reelected.). In this game we also can consider 'the public' as a 'nature' player.

It is easy to see why more often than not presidents get away with it -- they are strategic in the timing and conditions to start their reform campaign. However, if DCPs players achieve to coordinate to preserve term limits provisions, the probability that the president defies this outcome is low; and, as a result, the whole system of checks and balances gets more solid.
Table A. Payoffs

<table>
<thead>
<tr>
<th>Outcome</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC Leaders</td>
<td>-2</td>
<td>2</td>
<td>8</td>
<td>15</td>
<td>-5</td>
<td>2</td>
</tr>
<tr>
<td>DC Majority</td>
<td>-1</td>
<td>-1</td>
<td>6</td>
<td>8</td>
<td>-1</td>
<td>0</td>
</tr>
<tr>
<td>President</td>
<td>15</td>
<td>-1</td>
<td>0</td>
<td>-2</td>
<td>3</td>
<td>-3</td>
</tr>
</tbody>
</table>

Table A shows players' payoffs for the consent game. As we can see, the best outcome for the president is A (15), when he gets the consent from all relevant actors, and his worst outcome is F (-3), when after having taken repressive measures against other democratic players for having his reform approved he is not reelected. In the case of DC leaders, their best outcome is D (15) and their worst outcome is E (-5). And for the rest of the DC, their highest payoff is D (8) and their lowest is A, B and E. The table shows arbitrary numbers; however, taking all the payoffs together they present a payoff structure that reflects the trade-offs and dilemmas for the players. This payoff structure can be formalized to find out a more general equilibrium. In this game, the payoffs for DCPs players are comprised of three
factors. First, there is a collective payoff for stopping the president's reform 'e'; this means that the whole checks and balances system gets reinforced by this result -- and therefore all actors on an individual level-. Second, there is an individual transaction cost for confronting the president 'f'. And third, there is a 'prize' 'g' for those who won the lottery after confronting the president first, that is, for the leaders. So, in the case of the DCP leaders, the expected utility is $e-g+y > e-g$, and for the rest of DCP (followers) the utility is $e-g > 0$. Here we must remember that often there cannot be direct coordination by DCPs for taking a joint decision as they can be a judge or a legislator and they are in different government bodies that must be independent from one another. However, they can from their respective pulpit lead an oppositional stance and thus, encourage others to follow. They can also announce in a public way the legal arguments against the president's proposal and the steps needed to enforce term limit provisions. Results from the second nested game showing that the president is popular (outcome G) will increase the cost 'g' of confronting him.

With these proposed values, we can point out several important elements of the games. First, if the majority of DCPs rejects the president's reform there would be the major benefits for all of them; however, there are also incentives to be a free rider, that is, there may be players hoping that the majority of DCPs will take the risk of rejecting the reform while they choose not to confront the president, i.e. while they are playing it safe. The aggregate result of these individual decisions leads to an outcome in which all the DCPs are worst off. However, those who take a chance and decide to confront the president will have the highest payoff if the president is not reelected at the end, as there is public reward for those who took risks in facing the president during times of repression to dissent. However, these last players also may end up as political prisoners or face repression from the president in case he actually is reelected for another term.
Taking this into account, the model predicts the president having his way more often than not: he will most probably start a campaign for reelection at the height of his popularity and signal possible future retaliation against those who oppose him. Thus, he creates enough negative incentives for the DCP to support his reform. However, the model also shows a path for enforcing term limits provisions, which depends on DCPs leaders to come forward and initiate opposition towards the president's reelection campaign. If their gamble succeeds and others follow, the reward is high for them and the whole system of checks and balances. Once this occurs, the probability that the president defies their verdict is very low. In conclusion, we would expect the enforcement of term limits when there is a collective -- albeit uncoordinated -- rejection of the president's reform by DCPs.

IV. Cases: Peru and Colombia

Selection of cases and methodology

In this section, I will compare the cases of Peru (1992) and Colombia (2004) where presidents started a campaign for reforming the presidential term limits provisions. These cases illustrate the strategic interaction between players in the enforcement of term limits. Specifically, I will review the reelection reform campaigns by presidents Alberto Fujimori (Peru, 1992) and Alvaro Uribe (Colombia, 2004) and the response to that campaign from other democratic players. The objective of comparing two cases with greater detail is to understand the causal mechanisms of reelection reform (Elster, 1991). This methodology has its advantages and disadvantages. As Landman (2008) suggests, "[b]y intentionally limiting the number of countries under comparison, the method sacrifices in some degree the broad generalizations made possible through the comparison of many countries, but gains a deeper understanding of the countries that feature in the analysis, as well as their similarities and differences" (p. 69). According to Landman (2008), when studying a few cases, and, in particular, few countries, one important starting point is to ask if we are comparing cases that
are very different but that we are expecting them to lead to a similar outcome or, on the contrary, comparing very similar countries that lead to different outcomes (Ibid). For this study, we will go the second route, also known as the "most similar design" or MSSD (Ibid). In this sense, the "[m]ost similar design (MSSD) seeks to compare political systems that share a host of common features in an effort to neutralize some differences while highlighting others." (Landman, 2008, p. 70).

Turning now to an analysis we can ask in what respect we expect Peru and Colombia to be similar and in what respect they differ. First of all, these cases are presidential systems and unconsolidated democracies. There is substantial concentration of power at the hands of the president and the checks and balances systems and party systems were weak. Smith and Ziegler (2008) classify Peru as a moderate nondemocracy from 1978 to 1988; as a moderate democracy in 1989; as an illiberal semidemocracy from 1990 to 1992, and as an illiberal democracy from 1993 to 2004. In the case of Colombia, Smith and Ziegler (Ibid.) classify it as an illiberal democracy from 1978 to 2004. Second, both countries share a similar historical and cultural heritance, thus, we can also exclude these sociological variables as significant factors. Third, these cases are similar in that both presidents -- Fujimori and Uribe -- were very popular when they initiated reelection reform. This will allow us to control for 'level of popularity' as a variable that may affect the possibility of presidents being successful in eliminating term limits and imposing a reelection reform. Another variable that will be controlled is economic success -- that is, both presidents implemented successful economic policies that lead to a positive economic growth. This way, we can exclude the possibility that economic variables explain the outcomes of the reform.
In both cases, the reform timing was perfect: the two Latin American presidents started their administrations under an economic and politically troubled legacy from their predecessors; but after their economic and social policies delivered significant results, they started campaigning for reelection reforms, right on the peak of their popularity, having gained a strong mandate from the polls and when the public support was at its highest. Likewise, they both made the most of their ‘outsider’ status: Fujimori and Uribe presented themselves as a ‘new departure’ from the political establishment, promising a new era in the politics of their countries, far from, according to their campaigns, the corruption and mismanagement of their predecessors and traditional party systems. Up to here those were similar stories: charismatic leaders who implemented successful policies, delivered good results and who subsequently initiated a reelection reform.

So, in what aspects do I expect the cases to differ? Primarily, the role of democratic players other than the president -- mainly congresses, constitutional courts and electoral commissions -- and the decisions of the presidents in confronting the verdicts of those democratic players. Here, the purpose is to see the interaction of the checks and balances system in the enforcement of term limits, so it is important to see how democratic players reacted to the president's ambitions for being reelected and how the president reacted to the decisions of these actors: did the president accept their verdict or decide to defy it and confront other democratic players? How did his decisions affect his mandate? Those are the elements that I expect to be different. In other words, like in the theoretical model previously presented, I expect the role of democratic players to make the difference in the enforcement of term limits. When the democratic players successfully coordinate to oppose the president, term limits provisions are enforced. On the other hand, a failure to coordinate to oppose the president's ambitions should lead to failure to enforce term limits. Thus, according to the
proposed theoretical model, I expect the participation of democratic controls to be the real key in explaining term limits enforcement in Peru and Colombia rather than factors such as the president’s popularity or economic factors. In this way, if these cases show that DCPs are relevant actors in enforcing term limits provisions, the theoretical model presented above may be useful for understanding the basis of how to enforce constraints on the government.

**Peru: The Fujishock (1990)**

Peru started the wave of presidential term limits reform in Latin America in the 90's. Presidential reelection became a forbidden topic in the region after violent popular movements terminated long incumbencies. These historical episodes had a clear influence on the constitutional engineering of the 19th century -- the majority of Latin American countries implemented in their constitutional laws some form of limit to the presidential tenure; some constitutions restricted the number of times presidents could run for reelection, others prohibited reelection completely. Setting limits to the presidential tenure became the institutional answer to prevent long incumbencies in the region and, therefore, future political turmoil (Carey, 2003). However, after President Alberto Fujimori successfully changed the Peruvian Constitution for allowing reelection in his country, other countries in the region started to follow a similar path. In this regard, because of its novelty, the Peruvian case may serve as a benchmark to compare the rest of the reforming processes in the region. It will help us to find out if there is a formula or ‘similar recipe’ that incumbents were trying to follow in order to change reelection rules. Furthermore, it will illustrate how other democratic players responded to Fujimori’s reelection campaign in a time in which these types of reforms were rare for a country with a certain degree of democratic rule. We could say that this process was developed under significant levels of historical uncertainty.
The constitutionalist tradition in Peru has a long history of prohibiting the consecutive reelection of presidents. Since Peru became an independent nation in 1821, twelve constitutions have been promulgated and all but two established a non-consecutive presidential reelection rule. The Constitution of 1823, Peru's first constitution as an independent nation, started this tradition by establishing that the president would be elected for a four-year term and then to be reelected he had to wait one term. The majority of the successive constitutions maintained this provision, with only some adjustments in the length of the term. The two exceptions were the constitutions of 1826 and 1828. Known as the 'president-for-life-Constitution,' as it established that the elected president could stay in office for life, the Constitution of 1826 was short-lived; it was written by Simón Bolívar and for this reason it was also called the "Bolivarian Constitution". Written in the aftermath of the independence war, this constitution was meant to bring some order to the state-making process that the newly independent country was undergoing (see Political Handbook of the World, 2010, pp. 295-301). New political institutions were just emerging and it took a long while before elections were not only meaningful but also the most common route for accessing power.

The next charter, the Constitution of 1828, was also born in that political context. This one saw the return of presidential term limits, which had been abandoned in the "Bolivarian Constitution". However, it was still less restrictive than the future constitutions as it permitted two consecutive presidential terms. This constitution was also short-lived and after six years it was replaced by the Constitution of 1834, which re-established the non-consecutive reelection. Since then this provision was kept in the following seven constitutions. As stated above, there were some adjustments to the rule, though, mostly in the length of the presidential term which was changed from four to six years and then to five years (see Table
B). It seems that the most stable combination of duration and renewal choices was the five-year term, non-consecutive reelection provision. This combination was implemented in the Constitution of 1867 and was in place for 126 uninterrupted years until 1993, when President Alberto Fujimori changed this electoral arrangement.

Since the 1930's, there were several military governments that seized power by *coup d'état* and, in between, a few moments of democratic rule by civilian governments. The last military government ruled from 1968 to 1980. By the time Fujimori appeared on the public scene there was certain democratic regularity. The Constitution of 1979 officially marked the return of democracy and civil governments (see *Political Handbook of the World*, 2010, pp. 295-301). As the previous constitutions, consecutive reelection of presidents was prohibited by the Constitution of 1979. Article 205 stated that the presidential mandate was five-year long and that in order to be eligible for reelection, the incumbent president had to wait one presidential term. Since the promulgation of this constitution, there were two peaceful presidential elections. There was in place an emerging democratic normality; however there were also increasing economic problems which, coupled with political scandals of corruption and mismanagement, created public discontent with the political establishment. These circumstances paved the way for the Fujimori's constitutional reform.

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### TABLE B. PERUVIAN CONSTITUTIONS AND PRESIDENTIAL TERM LIMITS PROVISIONS.

<table>
<thead>
<tr>
<th>Constitution</th>
<th>Article</th>
<th>Duration of Term</th>
<th>Renewal of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1823</td>
<td>Art. 74</td>
<td>Four-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1826</td>
<td>Art. 77</td>
<td>The presidential term last 'a lifetime'.</td>
<td>There are no term limits.</td>
</tr>
<tr>
<td>1828</td>
<td>Art. 84</td>
<td>Four-year term.</td>
<td>Two consecutive terms allowed, then after one term out.</td>
</tr>
<tr>
<td>1834</td>
<td>Art. 77</td>
<td>Four-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1839</td>
<td>Art. 78</td>
<td>Six-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1856</td>
<td>Art. 80</td>
<td>Four-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1860</td>
<td>Art. 85</td>
<td>Four-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1867</td>
<td>Art. 76</td>
<td>Five-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1920</td>
<td>Art. 133</td>
<td>Five-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1933</td>
<td>Arts. 139, 142 and 143</td>
<td>Five-year term.</td>
<td>Non-consecutive (after one term out of office).</td>
</tr>
<tr>
<td>1993</td>
<td>Art. 112</td>
<td>Five-year term.</td>
<td>93-2000 -- Two consecutive terms allowed, then after one term out. 2000- Non-consecutive (after one term out of office). *</td>
</tr>
</tbody>
</table>


* Art. 112 of the 1993 Constitution was modified on November 5th, 2000 by the law No. 27365 as to re-establish the non-consecutive reelection provision (http://www.leyes.congreso.gob.pe/constituciones.html).

At the end of the presidency of Alan Garcia, the last president before Fujimori, Peru was hit by economic hardships. The GDP of Peru “…declined by a quarter between 1988 and 1990. Prices increased by around 6,500,000% between 1985 and 1990; inflation peaked in August 1990 at a monthly rate of 396%. By then the central bank had run out of foreign-exchange reserves, and tax revenues for the year were just 3.6% of GDP—less than the government’s own payroll.”

During those chaotic years, Alberto Fujimori, an outsider of the political system, appeared “out of nowhere” to win the 1990 presidential elections.

Fujimori ran a political campaign offering a “social democratic agenda” with a mix of liberal economic policies and programs in favour of the poor of the country. This was very appealing for the

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general public, but was particularly attractive for the poor, who were at the time about seven million -- or one-third of Peru’s population.\textsuperscript{60} This allowed him, in a second-round election, to defeat the famous writer Vargas Llosa --who was expected to be the winner at the beginning of the electoral contest-- by a wide margin.\textsuperscript{61} When it came to their respective economic agendas, newspapers reported: “Mr Fujimori said on polling day that his government would be market-oriented but not neo-liberal. Translated from Peruspeak, this means that he is a social democrat, somewhat to the right of Mr Alan Garcia’s party.”\textsuperscript{62}

Observers of the process pointed out that both Vargas Llosa and Fujimori would have to implement drastic economic measures given the economic problems of Peru; however, at the beginning Fujimori did not mention that his reform agenda would contain painful economic measures, promoting instead a slow plan for stopping Peru’s inflation. Also, Fujimori tried to gain support from the poor by promising to “to make sure that the burden of any economic reforms should be evenly distributed”, which was very appealing to the voters in general.\textsuperscript{63}  

*The Economist* magazine commented at the time that:

Mr Vargas and his advisers think Peru needs a brutal economic shock. Mr Fujimori thinks a shock would starve a lot of people. He wants, first, an exchange rate that will encourage exports from the smaller mines, from fishing and from textiles; and a boost to farmers, by making imported food very expensive. That would produce foreign exchange and get the economy going without much new investment. Only then would he set other prices right, and close or privatise some loss-making state firms. (“The man from nowhere,” *The Economist Historical Archive*, 1990, p. 79).

\textsuperscript{60} “The man from nowhere,” *The Economist Historical Archive*, April 14, 1990, p. 79
\textsuperscript{61} “A script that went wrong,” *The Economist Historical Archive*, June 16, 1990, p. 94.
\textsuperscript{62} “A script that went wrong,” *The Economist Historical Archive*, June 16, 1990, p. 94.
\textsuperscript{63} “A script that went wrong,” *The Economist Historical Archive*, June 16, 1990, p. 94.
Ironically, it was Fujimori who would end up implementing aggressive market-oriented policy reforms. These economic reforms were known as the “Fujishock.”⁶⁴ During his first term he made wide use of decree rulings --which allowed him to legislate without the congress approval--, implementing a series of reforms in favour of free trade and foreign investment; also, his administration carried out large privatizations of public firms that were causing losses to the state.⁶⁵ Despite promising that the reforms would be accompanied with measures for supporting the poor, these measures were insufficient and the economic adjustment proved to be very painful for these sectors of the population. The main problem was that the programs designed to alleviate the effects of the economic measures only reached workers in the official sector, a minority of the working class of Peru at the time. On the other hand, Fujimori implemented reforms that negatively affected labour unions, facilitating the firing of workers. Overall, these reforms had very painful short-term effects on the working class in general.⁶⁶

Despite initially damaging the economy of the poor sectors, the Fujishock proved very successful in quickly re-establishing macroeconomic stability in Peru, with inflation drastically reduced, flows of foreign capital attracted and tax revenues and public reserves increased. The recovery of the economy was fast, going in a short period of time from an economic recession to significant growth. Peru’s rapid recovery impressed economic analysts, with organizations like the IMF praising the series of reforms implemented by

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⁶⁴ See Fujishock,” The Economist Historical Archive, October 12, 1991, p. 90
⁶⁵ “Fujishock,” The Economist Historical Archive, October 12, 1991, p. 90
⁶⁶ “Fujishock,” The Economist Historical Archive, October 12, 1991, p. 90
Fujimori.⁶⁷ After just two years of reforms, Fujimori successfully stabilized the economy, with the control of the hyperinflation being his most important achievement.⁶⁸

Another of the obstacles that Fujimori faced at the beginning of his administration was a divided congress, in which no party had a majority of seats to pass even ordinary legislation – let alone constitutional laws. This problem was spotted early on, even before Fujimori was elected president for the first time in 1990. Congressional elections were held before presidential elections, and they produced a congress in which no party obtained a majority of seats. During the presidential election campaign, observers warned that

...The new president, whoever he is, will have to work with the divided Congress that was elected last April. In both houses Mr Vargas’s Democratic Front won more seats than any other group, but no party or alliance has an absolute majority. There will have to be compromises. The nearest thing to a workable combination would be a pact between the Democratic Front and Mr Fujimori’s Cambio 90. ("Virgin voters,” The Economist Historical Archive, 1990; p. 70).

As one opinion column rightly pointed out, after finding obstacles for implementing his economic reforms, Fujimori became increasingly “impatient with democracy.”⁶⁹ The Peruvian Congress more and more often tried to stop Fujimori’s agenda, blocking several of his reforms. Under this scenario, Fujimori reached the conclusion that the main problem were the democratic institutions and democratic procedures and that if any change was to be made it was necessary first to remove any opposition to his reforming agenda, starting with opposition parties in the congress.⁷⁰ With 60% of support in the elections⁷¹ and an increasing

⁶⁷ See “Peru’s financial markets,” The Economist Historical Archive, 1993, p. 104
⁶⁸ “Suddenly the money goes home to Peru,” The Economist Historical Archive, June 22, 1991, p. 73
⁶⁹ "Peru pays the price of a high-handed president," The Economist Historical Archive, April 11, 1992, p. 73
⁷⁰ "Perú, a 20 años del autogolpe...”, Jornadaonline, April, 2012
⁷¹ “A script that went wrong”, op. cit.
popularity after successfully stabilizing the economy of the country and stopping hyperinflation, he took the decision to carry out an auto coup, closing the Peruvian Congress. Fujimori carefully crafted a strategy to carry out the coup, with a perfect timing and a formula that, it seems, was later copied by other presidents:

“Mr Fujimori dissolved his country’s legislature in April 1992 and took on near-dictatorial powers. He had excuses: the Shining Path terrorists, economic reforms to push ahead, uncooperative legislators...But now it turns out that Peru may have helped a much grander figure, and with more success: Boris Yeltsin. Months before Mr Yeltsin summarily dissolved Russia’s parliament in September, says a well-placed Peruvian, one of his advisers, seeking a way for the Russian president to bypass parliamentary resistance, went to Mr Fujimori’s government for help. He wanted full details of how exactly Mr Fujimori went about his coup (whose success indeed lay in the details: for example, the Peruvian president ensured the support of television broadcasters before he sent troops into the streets). ("The Peruvians obliged.” The Economist Historical Archive, December 4, 1993, p. 76).

As part of Fujimori's coup, state organizations like national congress, the constitutional court and the general attorney office were dramatically shaken. Thus, "[o]n April 5, 1992, after what appeared to have been extensive consultation with the military, Fujimori seized extraconstitutional power in a dramatic self-coup (autogolpe). Announcing the formation of an Emergency Government of National Reconstruction, the president dissolved Congress, launched a reorganization of the judicial and penal systems, and declared that he would take 'drastic action' against both the Sendero Luminoso and drug traffickers."

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72 Handbook of Politics, 2010, p. 1143; also see "Peru, a 20 años del autogolpe...", Jornadaonline, April, 2012
A former congressman, Raúl Ferrero, recalls that after the dissolution of Congress, the legislators "agreed to gather next day at the Lima Lawyers College headquarters but military forces prevented us from doing it; there was a tussling and scuffling with the soldiers and there were also cudgel blows." During that time, "army tanks were patrolling the streets of Lima at night, going around the Congress, the judiciary offices and strategic zones in order to avoid riots. Army contingents took over television broadcasters and newspapers headquarters, imposing censorship. The intervention also reached out foreign news broadcasters such as AFP, whose offices were occupied that same night by an army commander and two soldiers as a 'security measure', they said." Fujimori's self-coup was rejected by 50% and supported by 37% of the Peruvians.

After the self-coup, a new Congress was elected on November 22, 1992, which had the sole purpose of writing a new constitution for Peru and laying the foundation for the next general elections in 1995. Due in part to opposition parties not participating in the elections, legislators that were backed by Fujimori were able to secure a majority of seats in the new elected Constituent Congress. Initially, this congress would only last until the new constitution was promulgated, however, it lasted until the next general elections of 1995.

The new Constitution was promulgated in December 1993. It eliminated the non-consecutive reelection provision and established that presidents would be allowed to run for up to two consecutive elections. Newspapers of the time agreed that the political ‘timing’ for reforming electoral laws couldn’t be more perfect, pointing out how economic success was behind this political move:

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73 Perú, a 20 años del autogolpe...” Jornadaonline, April, 2012, my translation.
74 Perú, a 20 años del autogolpe...” Jornadaonline, April, 2012, my translation.
75 Perú, a 20 años del autogolpe...” Jornadaonline, April, 2012, my translation.
76 Perú, a 20 años del autogolpe...” Jornadaonline, April, 2012, my translation.
78 "Peru pays the price of a high-handed president,” The Economist Historical Archive, April 11, 1992, p. 73.
By the time Alberto Fujimori was elected in 1990, Peruvians were praying for one thing only: order. The country was on the brink of economic and social disaster. Inflation had reached 7,650% a year and the left-wing guerrillas of the Shining Path had grown ever more menacing. Under President Fujimori they got order, and now they want more of it. Never mind that he staged an autogolpe last year in which he threw away the legitimacy of his rule by seizing near-dictatorial powers. What matters is that prices now rise a mere 2% a month and that the once-invincible guerrillas are no longer a threat to the survival of the Peruvian state. So Peruvians will probably be only too happy to help Mr Fujimori consolidate his achievements. In a national referendum on October 31st he is asking the country to approve constitutional changes that would allow presidents to run for re-election (beginning with himself) and would also allow the death penalty for terrorist crimes.” (“El chino or chinochet,” The Economist Historical Archive, October 30, 1993, p. 68).

After the Constitution was reformed in 1993, it was stated that the consecutive reelection ban would be replaced by a rule allowing presidents to run for up to two consecutive terms. This constitution was approved through a referendum that allowed him to run for reelection in 1995. Still enjoying high popularity due to the success of his economic policies, Fujimori managed to win the presidency again, defeating former UN secretary Javier Perez de Cuellar. Furthermore, his allies in Congress also had a good result in the elections: "With an ease that reportedly surprised the incumbent himself, Fujimori won nearly two-thirds of the valid votes in presidential balloting on April 9, 1995. Equally surprising was the showing of his ruling coalition (Cambio 90-Nueva Mayoría), which won 67 of 120 congressional seats with 51.5
percent of the vote, humbling the leading 'traditional' parties, none of whom surpassed the 5 percent threshold needed to retain legal registration."\textsuperscript{79}

Still enjoying high popularity in Peru, Fujimori announced his intentions for running for a third presidential term. There was a controversy regarding the eligibility status of Fujimori for running for reelection. Taking into account that he was in his second term, technically speaking he shouldn't be allowed to run for a third term. However, his allies at the new elected Congress supported his claim that the restrictions did not apply to him as the new Constitution was approved when he stared his second term, which then, according to this interpretation should be counted as his first term. Thus, even though there were objections about it, "...nevertheless, the Congress on August 23 [1996] paved the way for Fujimori to stand for a third term by voting, after a heated debate, that his initial incumbency was excluded from an existing two-term limit since it began under the previous constitution."\textsuperscript{80}

After a while, however, political events at the time together with an increasing sense of authoritarian rule by Fujimori had a negative effect on his popularity: "On December 17, 1996; about 25 members of the Tupac Amaru Revolutionary Movement (MRTA) stormed a reception of the Japanese embassy in Lima, taking nearly 600 guests prisoner...."\textsuperscript{81} The conflict resulted in "an assault of the complex by Peruvian commandos April 22, 997, during which all of the rebels were killed. In the wake of the crisis Fujimori's popularity, which had crested at 70 percent, plummeted to a low of 27 percent, in part because of a move by the government-controlled Congress to dismiss three members of the Constitutional Tribunal who had voted against the president's bid to seek a third term...".\textsuperscript{82} These manoeuvres by Fujimori surely showed to political actors what could happen if they opposed his agenda.

\textsuperscript{79} Handbook of Politics, 2010, p. 1143.
\textsuperscript{80} Handbook of Politics, 2010, p. 1143.
\textsuperscript{81} Handbook of Politics, 2010, p. 1143.
\textsuperscript{82} Handbook of Politics, 2010, p. 1143.
Fujimori was supported by other democratic players in his attempt for standing for a third term: "In late December 1999 the National Election Board accepted Fujimori's argument that he was not bound by the two-term limit because he had assumed office before adoption of the current constitution. "

Thus, Fujimori ran for a third term and successfully won over his main opponent, Alejandro Toledo, in a run-off election. Nevertheless, his popularity started to dramatically decrease.

Things didn’t end well for Fujimori after he went for his third term. Even though he was allowed to compete again, he faced increased criticism both internal and from the international community as it appeared to the public and international observers that he was trying to curve the law to stay in office. A series of corruption scandals were the tipping point of the political crisis. After the "public release of a videotape showing the former presidential adviser Vladimiro Montesinos Torres paying US$15,000 to former Congressman Alberto Kouri Buchamar to join the party Perú 2000" , Fujimori announced new elections in which he wouldn't participate.

**Colombia: Uribe’s failed attempt to stay in office**

Alvaro Uribe's journey to reform the Colombia constitution illustrates very well the dynamics for reelection reform. Uribe was Colombia's president from 2002 to 2010. All the elements for a successful reelection were there -- a charismatic leader that tackled efficiently the political and economical problems of Colombia. He, like Fujimori, was introduced as the ‘new politician’ -- someone who would break with Colombia's political past, bringing a new era for democracy in Colombia. During his first term, economic and political troubles were turned into economic growth and political stability. This made him one of the most popular Colombian politicians of his time and paved the way for him to reform the Constitution in

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order to run for a second term. However, his ambitions to stay in office for a third term were cut short when the Constitutional Court of Colombia ruled that he was not allowed to run for another reelection, not even after being one term out of office. Uribe decided to abide to the Court's decision and with that he set an important precedent regarding reelection in his country, strengthening in this way the two-terms rule.

When putting together all the elements that helped Uribe to get reelected, it is clear that although certain economic and political conditions were met, this wasn't enough for him to keep reforming the electoral laws to stay in office. In this case, Colombian institutions – the system of checks and balances-- were important elements for containing Uribe's ambitions. This could mean that, at the most, favourable conditions and political stability may be a necessary but not sufficient condition for reelection reform to occur. So this case illustrates how different democratic controls may be the key to enforce term limits provisions.

Uribe was an outsider and didn't run for any of the traditional parties. He had a conservative platform in the economic front, supporting free markets and a limited role of the state in the economy. Taking into account that he didn’t belong to any of the traditional parties, he was a surprising strong contender at the end of the presidential race, ending up winning the post with a majority of the vote (53%). According to accounts of The Economist, Uribe survived "assassination attempts and the slurs of opponents"; he won important experience in politics during his time as a provincial governor, winning "a clear mandate from the voters to tackle the violence of the FARC guerrillas. In a presidential election on May 26th, Mr Uribe, a lifelong Liberal who ran as an independent, won 53% of the vote. That was well ahead of Horacio Serpa, the official Liberal candidate, with 32%. By winning an absolute majority, Mr Uribe avoided a run-off election which might have prompted further attempts on his life."

85 "Uribe's hour," The Economist Historical Archive, , June 1, 2002, p. 59
Uribe ran a campaign for the presidency of Colombia with the promise of confronting the Colombian guerrilla FARC. He proposed an agenda based on what he called "democratic security" or 'seguridad democrática," a series of policies based on the idea that in order to bring about economic prosperity, security problems should be addressed. He supported economic liberalism and promised to fight corruption and eradicating poverty. In this regard, it was noted that "Mr Uribe was not elected as a peacemaker, however. He has promised to double the security forces, revive Colombia's war-crippled economy, crack down on corruption and seek extra aid from the United States and from development banks." The support at the polls also would allow him to become a reformer: "His strong mandate gives Mr Uribe the chance to push ahead with economic and political reforms aimed at freeing resources for defence spending and attacking corruption. He has the support of much of the Liberal party, and of Mr Pastrana's Conservatives."

According to several reports, Uribe became a very popular president because of his successful policies. This allowed him to push for a reelection reform. During his administration, there was a positive economic outlook. In this regard, "economic recovery was recorded in the mid-2000s, as annual GDP growth reached 7.5 percent in 2007, with corollary declines in inflation and unemployment. Inflation, which had been in double digits in 2000, slowed to 5.5 percent in 2007, while the unemployment rate over the same period fell from 20 percent to 11.2 percent." These figures for sure help to see why Uribe became so popular and why he thought he could succeed in being reelected.

Presidential consecutive reelection was not part of the democratic tradition of Colombia. In this regard, "the Constitution of 1910 banned immediate reelection and presidents were able to serve only one term."

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86 "Uribe se lanza a la reeleccion", BBCMundo, November 28, 2005
87 "Uribe se lanza a la reeleccion" BBCMundo, November 28, 2005
89 The Economist, Uribe's hour, June 1, 2002, p. 59
to run for reelection only after staying one term (of four years) out of office.\textsuperscript{91} However, in the Constitution of 1991 "a no-reelection provision was added, and this provision continued until the reelection reform implemented during the Uribe presidency".\textsuperscript{92} Quite strategically, "Uribe started his campaign for a reelection reform at the peak of his popularity, knowing that this will mean that his reelection chances were pretty high."\textsuperscript{93}

In 2004 Uribe announced his intentions of reforming the Colombian Constitution of 1991 to implement consecutive reelection. Before this, reelection was prohibited by the Constitution of 1991.\textsuperscript{94} In October 2003 Uribe first tried to reform the Colombian Constitution but "it failed because the electoral turnout fell short of a mandate of 25 percent."\textsuperscript{95} Thus, a year later he tried to implement his reforms again this time through the Congress. There was opposition to a reelection reform in Congress, with opposition parties fearing that this measure would make the electoral competition for the presidency unfair. The debate about the reelection reform began in April 2004, and there were eight sessions for deliberating about the reform.\textsuperscript{96}

Traditionally, the Liberal and Conservative parties had obtained the majority of seats in Congress (see Table C). But the elections of 2002 changed this record: "... on March 10, both of the traditional parties were outpolled in legislative balloting by an unprecedented aggregate of minor candidates, most of whom declared their support for the new chief executive".\textsuperscript{97} Although the main opposition party during the Uribe administration, the Liberal Party, won the largest number of seats both in the Senate and the Chamber of deputies -- 28 and 54 seats, respectively (see Table D) --, the majority of seats was in the hand of the coalition of parties supporting Uribe. The same happened in the 2006 legislative elections:

\textsuperscript{91} BBCMundo, "Colombia: aprueban reelección", December, 2004
\textsuperscript{92} BBCMundo, "La reelección más complicada", 2013, my translation.
\textsuperscript{93} BBCMundo, "La reelección más complicada", 2013, my translation.
\textsuperscript{94} See BBCMundo, "Uribe se lanza a la reelección", 2005
\textsuperscript{95} Political Handbook of the World, 2020, p. 296
\textsuperscript{96} BBCMundo, "Colombia: liberales rechazan reelección", April, 2004
\textsuperscript{97} Political Handbook of the World, 2010, p. 296
the Liberal Party won the largest number of seats in the House of Representatives but "the majority of seats once more was won by an aggregate of parties allied with the president."98 This debilitation of the main opposition party, the LP, made it easier for Uribe to have his reelection ambitions accomplished (see Table D).

Table C. Composition of the Senate

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<td>48</td>
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<td>Colombian Conservative Party</td>
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<td>13</td>
<td>18</td>
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<tr>
<td>Total</td>
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<td>102</td>
<td>102</td>
<td>102</td>
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</tbody>
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Source: Observatorio del Poder Legislativo en América Latina.
(http://americo.usal.es/oir/legislatina/colombia.htm)

Table D. Composition of the Chamber of Deputies

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<td>86</td>
<td>54</td>
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<tr>
<td>Colombian Conservative Party</td>
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<tr>
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<tr>
<td>Total</td>
<td>199</td>
<td>163</td>
<td>161</td>
<td>166</td>
<td>166</td>
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Source: Observatorio del Poder Legislativo en América Latina.
(http://americo.usal.es/oir/legislatina/colombia.htm)

Members of the main opposition party, the Colombian Liberal Party -- which was the largest party in the Senate with 28 senators and also in the House of Representatives with 54

98 Political Handbook of the World, 2010, p. 296
deputies\(^99\), together with allies from small parties and independent legislators, rejected Uribe's reelection reform both at the Senate and the House of Representatives;\(^100\) however, Uribe's legislators supporters were able to form a larger coalition, gathering the necessary votes for approving the measure.

The supporters of Uribe argued that he needed another period in office in order to successfully carry out the policies of this "democratic security project", mainly, to continue his "fight against the illegal armed groups."\(^101\) His supporters highlighted the "success of his policies" in reducing the violence across the country, and his 80% popularity ratings among Colombians.\(^102\) Besides the economic recovery, there were significant advances in the national security, and both achievements "maintained President Uribe's approval rating in the 70 to 80 percent range, the highest of any Latin American leader."\(^103\)

Thus, with the votes of the Conservative Party and small parties that were supporters of Uribe, the reelection reform was approved in the Senate. After several congressional debates in the Senate, the reform ended up being "approved with 58 votes in favour and 21 against."\(^104\) Members of the Liberal Party and from other opposition groups and independent legislators who opposed the reform "abandoned the legislative session when the reform was being voted.\(^105\)

With the successful approval in the Senate, the chances of it being also approved in the Lower Chamber increased, furthermore because some deputies were aware of the popularity of Uribe. In December, 2004, the Colombian deputies approved the constitutional reform

\(^{99}\) Legislativa, Observatorio del Poder Legislativo en América Latina, [http://americo.usal.es/oir/legislatina/colombia.htm#Evolución_de_la_composición_de_la_Cámara_de_Representantes_(1982-2006)]

\(^{100}\) See BBCMundo, "Colombia: liberales rechazan reelección", April, 2004, and "Colombia más cerca de la reelección", May, 2004

\(^{101}\) "Colombia: liberales rechazan...," op. cit.

\(^{102}\) "Colombia: liberales rechazan...," op. cit.

\(^{103}\) Political Handbook of the World, 2010, p. 298.

\(^{104}\) BBCMundo, "Colombia más cerca de la reelección", May, 2004.

\(^{105}\) BBCMundo, "Colombia más cerca de la reelección", May, 2004.
allowing the immediate reelection "for and only once." At the end, 115 deputies approved the reform (out of 166 total deputies) and 15 voted against it after the eight sessions in which the deputies debated the reform. The senator Héctor Elí Rojas denounced that the government was offering "benefits" to deputies for their vote in favour of the reform, but the government rejected these accusations. His undeniable popularity and the achievements of his policies contributed to Uribe’s success in obtaining support from legislators.

However, the support wasn’t unanimous; there were still legislators who opposed the reform. In this regard, members of the opposition parties argued that the president was "changing the rules of the game" for obtaining the presidency. Joaquin Vives, member of the opposition Liberal Party, stated when the reform was approved that "this day will be remembered in the history as the moment in which this Chamber has made a monumental historical mistake; today, the equilibrium needed for competing for the public power in Colombia has been broken." In exchange for the approval of the reform, the government agreed to implement a law "to make sure that there was an equal access for opposition parties to mass media and in the financing of electoral campaigns."

After the Constitution was amended to allow reelection, Uribe announced his intention to run again for the presidency. For his first reelection, on 11 November, 2005, the Colombian Constitutional Court approved the Congress’ law establishing the rules for presidential reelection. Thus, by November 2005, Uribe officially announced that he would run for reelection. For his second campaign, he continued focusing on his agenda about

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106 BBCMundo, "Uribe se lanza a la reelección", 2005.
109 BBCMundo, "Colombia: aprueban reeleccion...
111 Quoted by BBCMundo, "Colombia: aprueban reelección", December, 2004
112 "Uribe se lanza a la reelección", BBCMundo, "Colombia: aprueban reeleccion...
113 "Uribe se lanza a la reelección", op.cit.
114 "Uribe se lanza a la reeleccion", op.cit.
"democratic security", saying that "democratic security and social policies go hand in hand. Security creates trust, investment, and resources for social policies and these, once achieved, bring with them the support of public opinion needed for keeping security policies afloat."\textsuperscript{115} He was reelected for a second period, from 2006 to 2010. This time, he was reelected with a wider support: "the March 2006 legislative elections gave the pro-Uribe parties a majority of seats in the Congress, a strong signal that Uribe would win reelection. In a peaceful fist-round balloting on May 28, 2006, Uribe won convincingly --the first time an incumbent Colombian president had been reelected in more than a century."\textsuperscript{116}

By the end of his second mandate, Uribe announced his intentions of running again for a third term. This time again, the Colombian Congress supported Uribe’s attempt to amend the Constitution to allow for a third term but the Constitutional Court rejected this attempt. After the Constitutional Court rejected the Congress’ law, Uribe had to face an important choice: to finish his administration as a democrat who helped to decrease Colombia’s problems or to become a dictator in the making. As it was observed, "...Yet, when Mr Uribe first took office, back in 2002, Colombia was in serious danger of becoming a failed state. Mr Uribe has indeed accomplished much. But for Colombia to progress it needs strong institutions that would have been in danger of erosion under the rule of an eternal strongman."\textsuperscript{117} Luckily for Uribe’s legacy and Colombia’s democracy, the Colombian Constitutional Court enforced the 2004 constitutional amendment that established that presidents were allowed to run for only two consecutive terms. In this regard, he will not be able to run for office even if he stepped out of office for one term. It is interesting to notice that part of the reasons the Court gave to stop Uribe from running again was to protect Colombia’s institutions:

\textsuperscript{115} "Uribe se lanza a la reeleccion", op.cit.
\textsuperscript{116} Political Handbook of the World, 2010, p. 298
\textsuperscript{117} "Third time, unlucky", The Economist Historical Archive , February, 17, 2010.
"The Constitutional Court approved an amendment in 2005 that allowed Mr Uribe to run for a second term, which he won in 2006. But the wording of the court's ruling foreshadowed Friday's decision, specifically permitting re-election only one more time. In the latest ruling the court said the proposed referendum would have attempted to change the spirit of the constitution and would have altered the system of checks and balances..."  

It was clear for Colombia what was at stake in Uribe's reelection outcome. The media widely discussed that Uribe's proposed reform would indeed weaken Colombia's democracy and make him an aspiring dictator. On the other hand, the Court not only discussed the effects of this reform for the functioning of Colombia's democracy but also discussed the procedures by which Uribe was trying to get reelected. The fact that the Court was very punctual in observing that there was a compliance of the due process was an important step in enforcing term limits. Very often incumbents try to find creative ways to bend the law in order to extend their tenures (Maltz, 2007), so the fact that the Court made an effort to make sure that the process of reform was fully legal was an important measure in enforcing the provisions:

Colombia's Constitutional Court, by blocking President Alvaro Uribe from seeking the presidency ever again, resolved the two-time leader's quandary over whether to try to stay in power or leave with his legacy intact. The country had been on tenterhooks for months while it awaited the approaching decision of the court which finally made its ruling late on Friday February 26th."(…) "By a vote of 7 to 2 the court concluded that a referendum that would have sought to allow Mr Uribe to run for a third term in elections in May was unconstitutional. The court ruled that the

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118 Third Time, unlucky, February, 17, 2010, The Economist Historical Archive
measure was fraught with irregularities and 'substantial violations to democratic principles.'

Particularly important, was the Court's revision of the referendum process, making sure that it followed the correct process:

"It ruled that a petition campaign that started the referendum process and its passage through Congress was loaded with irregularities, which the court president said was a 'grave violation' of electoral laws and procedural norms. Also in its passage through Congress the ambiguous wording of the referendum question was changed to allow the president to seek immediately a third term, rather than after four-year gap. The court said that the change was unconstitutional. (...) With the court resolving what Mr Uribe had called his 'dilemma of the soul' over whether to run again, the popular president said after the ruling that he would work for Colombia 'from any trench' for the rest of his life.". (…)

According to the procurador (or the inspector-general) of Colombia, Edgardo Jose Maya, among the irregularities in the procedures for approving a third term, was that Congress members voted the reform without a proper debate about it. Also, members of the opposition parties complained that there weren’t good conditions for debating the initiative.

Together with the opposition of the procurador and opposition legislators, the role of the Constitutional court was key for enforcing the two-terms limit provision. By enforcing the two-term limits provision, the court also helped to protect the interbranch balance of power:

"The ruling demonstrated the court's independence, which Mr Uribe's critics claimed had

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119 Third Time, unlucky, February, 17, 2010, The Economist Historical Archive
121 In Colombia, "an inspector-general (procuraduria) investigates and metes out administrative sanctions for offenses committed by state representatives..." (Political Handbook of the World, 2010, p. 296).
122 BBCMundo, "Colombia: procurador contra la reeleccion", July, 2005
been lost through a blurring of lines between the branches of government. A former court magistrate, Manual Jose Cepeda, said the ruling was a 'triumph' for state institutions that many had worried would not work.” However, while it should be appreciated that democratic controls, in this case the Constitutional Court, worked, it was equally important that Uribe decided to accept the Court’s decision. The Colombian case shows that the way reelection is obtained matters. It certainly helps if major democratic players also support the president in his quest for seeking reelection. The case of Peru's Fujimori, in contrast, illustrates how a reelection that is not backed by democratic institutions and democratic procedures may produce a weak mandate.

Conclusions

This paper has revised the problem of the maintenance of democratic institutions, especially those institutions that limit the presidential power. I have developed a game-theoretical model that shows the basic choices that democratic actors face when confronting a popular president that wants to extend his tenure. The model predicts that in order to preserve these institutions, democratic actors need to solve collective action dilemmas and together oppose the president's intent to reform constitutional provisions that set limits to the presidential tenure. At the same time, the model indicates that these victories for preserving a limited government may help to strengthen the checks and balances system of new democracies. In order to illustrate these theoretical arguments, I have revised the cases of Peru and Colombia.

What I found after revising those cases was that the enforcement of these institutions and the strategic interaction between political actors is not a linear event, most of the time there are several rounds of strategic interaction, and sometimes it is not totally clear how this collective action unfolds and what is the strategic reasoning of the actors -- leaders -- that are trying to

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stop the president's ambitions. However, I believe that the presented model captures the general dynamics of term limits enforcement. Mainly, the cases illustrate the importance of democratic players such as congresses, courts and electoral commissions in the enforcement of these provisions. When these actors are united to defend the constitutional limits on presidents, not even a popular president is able to defy them. While the current literature points out that term limits provisions are often eliminated by powerful, popular presidents, these cases show that this cannot be done without, at least, the implicit complicity of other democratic actors. Thus, the preservation of democratic constraints on governments is a collective task.

In the case of Peru and Colombia, there are some important differences regarding the resilience and choices of democratic controls. In both cases, democratic controls resisted at first the power-concentration campaigns started by the incumbent presidents. In Colombia the Constitutional Court intervened to enforce the two-term limits provisions, whereas in Peru the Congress failed to enforce the two-terms rule, allowing Fujimori to run for a third term in 2000. In the case of Colombian President Alvaro Uribe, he decided to abide to the Court’s decision and did not run for a third term. Fujimori, on the other hand, together with a newly elected Congress was able to extend his tenure but at the cost of facing increasing criticism for this controversial decision. So, the stories prove the importance of analysing the role of different democratic players in reelection reform; specifically, how they react whenever an incumbent embarks on a campaign for power-concentration by changing key democratic institutions such as term limits. The conclusion of the comparison of both cases is that the way term limits were abolished matter – whether they have been abolished by proper means or by challenging the decisions of other democratic controls, such as the Congress or Constitutional Courts.
The limitations of the model are clear. It has difficulties in capturing all the details and nuances of the empirical cases, particularly, the irregular dynamics of strategic interaction between actors. On the empirical front, there are also some limitations in using only two cases as it is not possible to derive general conclusions; however, it is the only way to test the general model, as it requires to assess the responses of individual actors. A more general empirical strategy, let say, one large statistical analysis would have made difficult to prove some of the theoretical claims of the model. Finally, after revising the cases it was not entirely possible to demonstrate that there is a link between these confrontations among democratic players and the strengthening of the checks and balances system. Without following the cases for a larger span of years, it is difficult to test this proposition. To do so, it would have been necessary to revise the relevance of these players after these confrontation with the president have taken place. However, I believe that this model can provide a theoretical guide to develop such empirical study in future research.

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**Newspapers, magazines and websites resources**

III

Winning Voters Over:
Elections, presidential term limits and strategic policy-making in Latin America (1990-2010).

Abstract
This paper investigates the effects of elections on public spending by analysing 18 Latin American countries from 1990 to 2010. I claim that elections set conflicting incentives for office holders: On the one hand, they have incentives to increase the public spending to meet the demands of their constituents and thus get reelected; on the other, they have incentives to be fiscally conservative, especially if they are confident that they are going to be reelected. In this regard, the prospect of being reelected encourages incumbents to be fiscally responsible. They would prefer not to deal with fiscal unbalances in case they are going to be in office for another term. Thus, they have to think about the coming electoral race but also about their future mandate. How do presidents deal with these two conflicting incentives? The empirical analysis of the spending policies of Latin American presidents shows that they have developed a rather smart strategy: they increase the spending which is most likely to win the vote over: social spending, that is, spending on education, healthcare, and poverty reduction programs. At the same time, they keep an eye on the general spending as to avoid generating high levels of public deficit.

I. Introduction
This paper investigates the effects of elections on public spending. In order to do so, the paper contrasts the propositions of two different approaches to explaining the relationship between elections and public spending: the political budget cycles theory (PBC) and the
presidential term limits (PTL) literature. According to the PBC theory, around election time, politicians have incentives to increase public spending so as to create an artificial economic boom that may enhance their electoral chances. In other words, elections may lead to opportunistic behaviour (Rogoff, K., 1990). In contrast to this approach, the PTL literature claims that politicians who are eligible for reelection will put in more effort to keep spending low. They want to avoid fiscal unbalances which, in turn, may damage not only their electoral chances but also their ability to administrate the country during their next mandate (Besley and Anne Case, 1995). Thus, according to this approach, elections create incentives for public officers to be fiscally conservative.

Although the PBC and PTL approaches have developed into two different research agendas, quite often they address the same topic: the relationship between elections and public spending. The PBC literature aims to find out whether public spending is increased before election years, creating cycles of spending; the PTL literature investigates whether running for re-election affects incumbents’ decisions about public spending. Still both approaches arrive at opposite conclusions: while the PBC theory states that elections lead to increases in public spending and taxes, the PBC theory argues that elections lead representatives to keep public spending and taxes low. It is quite surprising then that very little academic effort has been made to compare the assumptions, theoretical models, and empirical findings of both areas of research.

In this paper, I argue that by contrasting these two theoretical approaches we bring into light hidden assumptions often made about how elections affect incumbents’ fiscal policy decisions. Often both research agendas depart from very different assumptions and their predictions and empirical findings are contradictory. These assumptions, although not always explicitly stated, can make a huge difference in the way we think about how elections affect incumbents’ fiscal policy decisions. The fact that these assumptions are sometimes
contradictory proves the necessity of reviewing them in depth. The most significant theoretical difference is, I will argue, the importance that they assign to the chief executive as an individual in the electoral process. Does the fact that he is eligible for reelection -- i.e., the presence of individual reelection incentives -- affect his fiscal policy choices? For the PTL literature individual incentives matter, that is, whether the president himself is eligible for reelection or not can make an important difference. In contrast, for the PBC theory, what matters is the whole 'political system' which ensures that the electoral chances of the party in power are enhanced regardless of whether the incumbent himself is running for reelection. Also, the approaches arrive at opposite conclusions about the effect of elections on public spending. While the PBC theory concludes that elections lead to short-sighted fiscal policy choices, the PTL literature states that incumbents with reelection incentives will make responsible choices.

In order to analyse and evaluate these two theoretical approaches, I will review public spending in 18 Latin American countries, from 1990 to 2010. The paper concludes that individual incentives do matter, as incumbents that are eligible for reelection show different levels of spending compared with presidents facing term limits. Overall, the empirical findings of the paper suggest that elections provide complex incentives for officeholders. Elections create an incentive to use the public budget so as to meet the demands of their constituents -- and thus be reelected, -- but also they require candidates to bear long-term consequences in mind. Especially if they are confident that they are going to be reelected they certainly prefer not to deal with fiscal problems during their next term. So, how do presidents deal with these two conflicting incentives? The empirical analysis of the spending choices of Latin American presidents shows that they have developed a rather smart strategy: they increase the spending which is likely to attract more votes: social spending, that is used for education, healthcare, and poverty reduction programs. At the same time, they try to control
the general spending so as to avoid generating high levels of public deficits. Thus, data reveals that on average, presidents that are eligible for reelection have solved this dilemma by focusing on visible spending that has electoral impact but try to keep deficits low. In order to test this analysis, and following Alt, Bueno de Mesquita and Rose (2011), I have developed a model that tries to isolate electoral incentives from other variables that may affect office holders’ fiscal decisions. Specifically, I will distinguish three elements: experience or 'time' in office, 'electoral incentives', and 'political survival'. Each of these elements may impact fiscal policy outcomes so it is useful to try to assess the impact of each one of them.

In contrast to previous research, I try to see if policymakers spend strategically and how those strategic choices are affected for term limit provisions. In particular, rather than claiming that reelection creates one specific type of incentives regarding spending -- as the PTL and PBC approaches suggest --, I claim that it sets rather complex and sometimes conflicting incentives for spending, which may lead to different choices of fiscal policy-making. This way to understand the relationship between elections and public spending may help us to see more clearly the links between election incentives, political institutions (rules of the game), individual choices, and fiscal policy outcomes.

The paper is organized as follows. Section one discusses assumptions and predictions of the PTL and PBC approaches regarding public spending and elections, as well as existing empirical evidence supporting the theoretical propositions. The PBC literature is abundant so I will only review the most influential work about it. In the case of the PTL literature, the research is still on-going so I will review in more detail the main research published up to now. Specifically, I will review the ‘reputation-building model’ (Besley-Case, 1995), which is the theoretical background for most of the PTL literature. Then, those basic assumptions and predictions are compared to the premises of the PBC theory. In section two, the variables

\[ \text{The last model, the 'political survival' one, was inspired by the ideas of Barry Ames (1990).} \]
of this study will be presented as well as the methodological strategy for testing the theoretical propositions. Both theories are tested empirically in section three. Finally, section four discusses some methodological challenges and the robustness of the statistical findings.

II. Literature review

What is the impact of elections on public spending? Presidential Term Limits (PTL) and Political Budget Cycles (PBC) literatures offer some answers, but these answers differ in important ways. Particularly, three elements are treated differently in both literatures. The first element is the importance of the individual in the theoretical argument. Most of the PBC theoretical and empirical models deal with the relationship between elections and fiscal outcomes on a systemic level. Even when incumbents are facing term limits, they will manipulate the budget in order to get their party reelected. Thus, elections have an impact on public spending regardless of whether the incumbent himself is running for reelection. This is why most of the PBC literature, in its empirical tests, does not distinguish whether or not the incumbent is running for reelection and only focuses on whether there is a difference in the level of spending in election years compared to years in which there are no elections. If that is the case, the PBC literature should be able to explain how the 'system' operates in such a way as to make incumbents to care for the "future of the party" and not only for their own future. Or, at least, it should make explicit how the candidate’s future may be connected with the future of the party.

In contrast, the PTL theoretical arguments start with an ambitious individual who wants to get reelected and, because of that, has incentives to implement fiscal policies that will win as many citizens' votes as possible. Thus, the PTL literature stresses the importance of reelection incentives, stating that in absence of these incentives, elected officials may exhibit a different behaviour. According to PBC theory, politicians will increase spending around elections with the aim of winning elections, and decrease it afterwards and thus create ‘cycles’ of spending.
For the PTL literature, the cases in which the incumbent is unable to run for reelection —i.e., when he is facing a term limit— are an opportunity to create a counterfactual to the previous point. In effect, if elections create incentives for spending, then, an incumbent who cannot run for reelection should behave in a different way, since he does not have those electoral incentives (Carey, 2003). But in its empirical tests, the PBC literature tries to overcome this problem by assuming that the incumbent wants his party to win the election, thus, even when he cannot run for reelection, he will still engage in opportunistic behaviour to support whoever is the candidate of his party. However, scholars using this assumption have made little attempt to fully explore the links between parties and candidates and how parties manage to convince the current incumbent to help the party's next candidate to win elections.

The second element in which the approaches differ is timing and strategic behaviour. The PBC theory presents incumbents as engaging in strategic behaviour: public spending is manipulated just in critical times, that is, during elections years or near the election year. Elections create incentives for manipulating public spending only during specific times rather than permanently modifying incumbent’s decisions about public spending. In this sense, they manipulate the spending around elections so as to create just an illusion of a booming economy to lure voters. In the PTL research, this question has not been empirically addressed. Models and empirical analysis of the PTL literature assume that elections provide incentives for the incumbents that are permanent. An incumbent who can be reelected will behave differently during his whole administration from an incumbent who faces term limits and therefore cannot run for another election.

Finally, models developed by each theoretical approach predict different fiscal policy outcomes and also have reached different empirical conclusions about whether or not elections lead to fiscal irresponsibility. Following the model of Rogoff (1990), ‘Political Budget Cycles’ models predict that spending is increased during election years, leading to the
increase of taxes afterwards while the PTL research agenda, mainly based on Besley-Case’s ‘Reputation-Building Model’ (1995), states that elections create incentives for incumbents to take care of fiscal discipline, so they will make an effort to keep spending and taxes low.

**Term Limits Literature**

According to the ‘Reputation-Building Model,’ developed by Besley and Case (1995) and frequently used for analysing the impact of elections on fiscal policy outcomes (see for example Johnson and Crain, 2004), the desire of being reelected affects incumbents’ decisions about fiscal policy. Specifically, the model predicts that incumbents aspiring to be reelected will make an effort to hold spending and taxes low.

The model starts with the assumption that each elected official puts in a certain amount ‘w’ of “effort” into policymaking, which is an unobservable action. This in turn “probabilistically affects” voter’s utility ‘r’ and, taking this into account, voters decide whether or not the incumbent should be reelected. Then, if reelected, the incumbent gets a reward or payoff, which consists in keeping office for another term. Knowing this, officeholders will choose to put in the amount of effort that increases their chances to keep office. According to Besley and Case “individuals are keen while in office to develop a reputation that enhances re-election chances.” (Besley and Case, 1995, p. 770). So, “incumbents increase effort in the hope that it will convince voters that they have high values of w” (*Ibid.*, p. 770), that is, they want to convince voters they are making a great effort to keep spending low.

Based on the principal-agent literature, the model establishes that elections set a specific incentive scheme, leading elected officials to certain behaviours while discouraging others. Therefore, we should expect different fiscal policies from a politician who can run for elections again compared with one who is unable to do so, i.e., an incumbent who is term-limited. *In effect, if elections have any effect on officeholders regarding their fiscal policy*
choices, then a term limit should eliminate those electoral incentives. Thus, “in a world with imperfect information where both voters and incumbents behave rationally, a binding term limit should have implications for policy choice” (Besley and Case, 1995, p. 771).” Specifically, “we would expect to see different application of effort when term limits are binding relative to when term limits do not bind which may show up in all manner of policy choices.” (Besley and Case, 1995, p. 773). In this way, in institutional arrangements which permit incumbents running up to two terms, we should find that officials will build a good reputation in their first term because of the expectation of being reelected the next term; but once reelected they put in less effort. By extension, in places where reelection is not allowed at all we should expect that incumbents put in little effort since there is no future reward. According to Besley and Case, the model predicts that elected officials who are in their last term (‘lame duck’ incumbents) will put in less effort, resulting in increased taxes and spending (Ibid. p. 786).

But why should putting in less effort lead the incumbent to increase spending and taxes? Although it is quite clear why a non-term-limited and a term-limited incumbent would behave differently, it is not clear from the model’s assumptions how the predictions about fiscal outcomes where derived. The model goes from stating that elections set a specific incentive scheme to saying that the possibility of being reelected will lead the incumbent to keep spending and taxes low. In this regard, the model lacks an explicit link between its assumptions and the predictions about fiscal policy outcomes. It is possible to argue that elections lead to different outcomes. Indeed, some authors make the opposite argument, i.e., that elections lead to increases in spending and taxes. This is precisely the basic premise of the ‘Political Budget Cycles (PBC)’ theory: that in order to get re-elected, incumbents will increase the public spending in an election year with the aim of increasing their chances of winning elections.
According to the PBC theory, incumbents manipulate the fiscal policy in order to get re-elected (see Rogoff, 1990; Alesina, Alberto and N. Roubini, 1992; and Drazen, 2000). These different predictions may be due to the different assumptions from which both the PBC and PTL research agendas depart. Specifically, they differ in three key aspects: Firstly, the relevance of political parties in defining the fiscal policy; secondly, the depiction of voter’s preferences, and finally, the extension of the electoral influence over policy-makers. While the PTL literature highlights the preferences of the incumbent as an individual, the PBC theory is based on the assumption that what matters is not the electoral success of one individual but that of the collective, that is, the political party. Also, while the PTL literature assumes that voters always prefer politicians to keep public spending low, the PBC theory suggest that voter’s preferences regarding fiscal policy are heterogeneous and sometimes voters may reward politicians who increase spending in specific public goods and services for their constituents (see Drazen and Eslava, 2008). Finally, while the PTL literature holds that the electoral incentives influence politicians throughout all years of their administration, the PBC theory holds that these incentives are at work only during critical times, that is, during the election year itself or around election times. In this sense, for the PBC literature, public spending is strategically increased only during election years, or the year before the election, but then it decreases during non-election years, creating ‘cycles’ of public spending.

To test their model, Besley and Case (1995) analyse the behaviour of U.S. governors from 1950 to 1986. Specifically, they test the impact of term limits on policy choices about spending and revenue. The authors find that, consistent with their model, a binding term limit affects policy choices. They conclude that their results agree with the theory stating that when an incumbent cannot run again for elections they care less about building a reputation and therefore put in less effort to keep taxes and expenditures down (Besley and Case, 1995, p. 781).
Following the study of Besley and Case (1995) on the effects of term limits on fiscal policy outcomes, many authors have employed their research strategy to analyse other countries and longer periods of time. The empirical analysis of these last studies shows mixed results. Johnson and Crain (2004), for example, compare presidents and prime ministers who can run for reelection with those who are in their last allowed term (“lame duck” incumbents). They analyse 48 countries for the period 1972-1990 and find that expenditures are higher during lame duck administrations compared to non-lame ducks incumbents. So they conclude that “as predicted and as Basley-Case observed in the American States, politicians appear to exert less effort to hold down spending when they cannot stand for re-election compared to when re-election remains an option (Johnson and Crain, 2004, p. 77).” The authors also find that there is “substantial evidence that expenditures and revenues increase in the lame duck term for countries that have implemented a term limitation rule” (Johnson and Crain, 2004, p. 82).

Finally, Johnson and Crain (2004) also analyse the long-term effect of term limits on the size of the government, finding that a two-term limit rule generates cycles in the spending but does not increase the size of the government overall, while the one-term rule increases slightly but steadily the size of the government.

Studying the case of the United States, and after controlling for variables that recent literature consider significant such as divided government, electoral competence, and partisan ideology, Uppal and Glazer (2011) find that a term-limited governor spends significantly less than does a non-term-limited governor; thus, they arrive at the opposite conclusion: “Total spending as a share of income is 0.14-0.18% lower for a state in which the governor cannot stand for election than for a state in which he can.”(p.17). After revising a larger sample of countries, Dalle Nogare and Ricciuti (2008) come to a different conclusion than Basley-Case (1995), Johnson and Crain (2004), and Uppal and Glazer (2011). These authors test the hypothesis that a term limit may change the behaviour of an officeholder using a sample of
52 countries from 1977 to 2000. The authors conclude that in the case of expenditures, they have been “unable to find significant differences in the behaviour of term-limited and non term-limited chief executives” (Dalle Nogare and Ricciuti, 2008, p.1). According to their analysis, the basic problem with previous studies is that they have mostly focused on the case of the U.S. in which, unlike many other countries, elections are candidate-centred and political parties are not as strong as in other countries. The second problem with those studies, according to Dalle Nogare and Ricciuti (2011), is that they have omitted “the very significant lagged expenditure variable” (Dalle Nogare and Ricciuti, 2011, p. 9). They conclude that “the driving force in the determination of government spending is its previous year’s value, while term limits have no effect at all” (Ibid., p. 8).

Another recent contribution to the PTL literature is the work of Alt, Bueno de Mesquita and Rose (2011). The most important contribution of these authors is the distinction of what they call “accountability effects” and “competence effects” of elections. According to these authors, the accountability effects are the result of reelection incentives on incumbents, whereas the competence effects are due to the fact that reelected incumbents “are more likely to be competent both because they have survived re-election and because they have experience in office” (Alt, Bueno de Mesquita and Rose, 2011, p. 171). Thus, in their study, these authors treat differently the presidents who are in their first term but cannot be re-elected for another term and lame duck presidents. In both cases incumbents are not eligible for another term, but, according to their theoretical argument, lame duck presidents have more experience than first-term presidents and that should be taken into account. This is a major contribution to the study of term limits as previous literature treated both first term presidents who were not eligible for another term and lame ducks alike, without making a distinction (cf. Johnson and Crain, 2004). After analysing panel data from US states for the period 1950-2000, the authors find that, among other things, spending is lower under first-
term governors who can be re-elected for another term than it is under governors who are in their first term but are not eligible for another term. They also find that under reelected incumbents the spending is lower than under first term incumbents (Alt, Bueno de Mesquita and Rose, 2011,p. 171). They conclude that both accountability and competence have a negative impact on gubernatorial spending levels.

**Political Business Cycle Theory**

The Political Business Cycle (PBC) theory proposes a relationship between elections and economic outcomes. Broadly speaking, this theory suggests that in order to get reelected, government officials will try to manipulate the performance of the economy before elections. The objective is to create an economic boom before elections to incentivize people to vote for the incumbent executive. Because there is an "opportunistic pre-electoral manipulation" of economic variables, this theory is also known as the "opportunistic model" (see Drazen, 2000). Throughout the years, scholars have proposed models that modify and develop this general idea.

While most of the studies on PBC use as their main independent variable the occurrence of elections, the dependent variable varies. Drazen (2000) classifies the main versions of the PBC models into two broad groups, the "monetary-based PBC" and "fiscal-based PBC" models. In the first group, the "monetary-based PBC" model, authors focus on the manipulation of monetary policy, which affects mainly macroeconomic variables such as inflation, economic growth and unemployment. In the second group, the "fiscal-based PBC", authors focus on the manipulation of fiscal policy, which affect government spending, taxation, public deficit and debt (Drazen, 2000, p. 77). There is also a third model, proposed by Drazen himself (2000) that uses both fiscal and monetary policies. Drazen calls this third model the "active-fiscal, passive-monetary (AFPM) model" (Drazen, 2000).
The specification of the economic variables also varies across the different studies, with some authors using yearly data while others use quarterly data or even more desegregated information. Finally, there are variations regarding the chosen time frame, with some models suggesting that the effects of this economic manipulation start to occur one or two years before elections and others suggesting that the main effects only occur during the election year.

Building on Keynesian economic notions, Nordhaus proposed the first PBC model (1975). This model sustains that elected officials will try to implement an expansionary monetary policy with the objective of incentivising economic growth and employment. According to Rose (2006), this model "showed that if reelection-minded politicians can exploit the trade-off between inflation and unemployment known as the Phillips curve, and if voters base their decisions on recent economic performance, the incumbent will find it optimal to expand the economy prior to elections." (Rose, 2006, p. 402; see also Drazen, 2000).

However, some authors notice that the Nordhaus model presupposes irrational voters. In order for policy makers carrying out this manipulation to be successful, one needs to assume irrational voters because after "each election, output and employment return to their natural rates but inflation is higher" (Rose, 2006; see also Lucas, 1976). This is why other authors tried to modify this model. Instead of focusing on macroeconomic variables, they use fiscal variables. Thus, in 1990, Rogoff proposed one of the first modified versions of the PBC model, which holds that what elected officials manipulate before elections is fiscal policy. Rogoff's version (1990) has since been known as the "political budget cycles theory" instead of the "business cycles theory." This version used variables such as public deficit, government spending and taxes. In its current, and more generally known version, this model "suggests that reelection-minded incumbents temporarily increase spending in election years and defer the tax increases needed to pay for new spending to non-election years. It follows
that deficits should rise before elections and fall after elections" (Rose, 2006, p. 407). Rogoff starts his analysis by noting that previous PBC models were based on the notion of "voter myopia". It requires that voters ignore the fact that at the end of the cycle there would be inflation while employment and output will go back to their previous levels. Therefore, he proposed an alternative version in which voters, as well as policymakers, were "rational, utility-maximizing agents." (Rogoff, 1990, p. 21). Different from previous models, though, is that in Rogoff's version, there is asymmetric information between voters and the incumbent government. Thus, voters must choose between the incumbent, who can be indefinitely reelected, and an unknown challenger. The incumbent sends signals that he is competent by providing collective goods. But voters are unaware -- hence the asymmetrical information -- that they will have to pay for those goods in the future with more taxes. Rogoff states in a footnote that "[i]f the incumbent can only run for reelection a finite number of times, then the model predicts [that] there will be no political budget cycle in the last period." (1990, p. 24).

Recently, Drazen (2000) has proposed a model that takes into account both fiscal and monetary policy. His model is named the "active-fiscal, passive-monetary (AFPM) model" (Drazen, 2000). Drazen's model shows that it may be easier for democratically elected officials to try to manipulate fiscal rather than monetary policy for usually central banks or another independent authority controls the monetary policy. Therefore, it is much harder for opportunistic policymakers to manipulate monetary policy. However, Drazen claims, this independent authority will at times react to the "shocks" caused by the manipulation of fiscal policy by elected officials, which means that there may be some indirect effects of this opportunist behaviour on monetary policy as well.

Furthermore, Drazen (2000) finds that the literature produced in the decades after the publication of Nordhaus' work has not provided convincing empirical evidence to sustain the postulates of the PBC model as originally proposed, that is, that the economic activity
increases before elections. Instead, he found that the majority of research on PBC has found some evidence for the fiscal-based PBC version, which coincides with other authors’ findings.

These models have been tested on municipal, state and country level and across all the regions of the world. However, the main problem of the empirical research on PBC is that there is not enough consistency throughout the research. This makes it very difficult to draw general conclusions. In this sense, even though the theory has been one of the most revised and tested across the world, the studies differ in many important aspects. As mentioned earlier, not all authors use the same economic variables and even when they do, they use different samples of countries or only revise one country. Also, the use of different time periods in the case studies makes it difficult to compare these cases. Furthermore, there are variations in the type of control variables studied. Another complication arises from the use of very different specifications of models to statistically test the hypotheses. So, in terms of generalization, we can only say that different studies provide evidence for the manipulation of economic variables before elections in some of the countries studied. What we can say though is that some of these studies find evidence for these economic cycles in the cases they have studied. Particularly, as Drazen sustains, there is some evidence for the manipulation of fiscal variables. For example, Alesina and Roubini (1992) found that in the case of 18 OECD economies, "the <political business cycle> hypothesis, as formulated in Nordahaus (1975) on output and unemployment is generally rejected by data" (p. 59). However, they found that there was an increase in inflation levels "perhaps as a result of pre-electoral expansionary monetary and fiscal policies" (Ibid). After revising the occurrence of business cycles in Latin America, Barberia and Avelino (2011) found that "elections provoke increases in the fiscal deficit for Latin American democracies...". There are also several studies focused on
particular countries. For example, for the case of Germany, Berger and Woitek (1997) rejected "the Nordhaus hypothesis of opportunistic cycles" for the period 1950-1989.

In the following section, I will test the Basley-Case (1995) model in Latin America, where political parties are important players in the policy-making process. The period under study is 1990-2010 (for country specifics, see Table 4). In this sample we find important variations in reelection rules, ranging from no reelection at all to reelection for another immediate term, to regulations that require a term out of office before candidates can run for elections again. This will allow me to test for different reelection schemes and test if these variations have an effect on fiscal policy outcomes. Different from previous research, I will compare the performance of presidents under these different rules during election years. This will allow simultaneous testing of some of the predictions of the PTL and PBC theories. The advantage of focusing on Latin America is that there are significant variations in reelection rules across the region (see Tables 1 and 2) and, at the same time, political parties are strong players. This allows investigating the different assumptions of the theories.

Nieto-Parra and Santiso (2009) conducted a study similar to the investigation in this paper. They find that consecutive reelection has an impact on fiscal variables such as current expenditure and capital expenditure. However, there is an important methodological difference in the classification of reelection rules: Nieto-Parra and Santiso's study only classifies rules for immediate reelection, on the one hand, and non-immediate and forbidden reelection, on the other, which makes the interpretation of results very different from Alt, et.al, (2011). I believe that the classification of Nieto-Parra and Santiso makes it difficult to separate the electoral incentives from the experience incentives, and that is why I prefer to follow the methodology used by Alt, Bueno de Mesquita and Rose (2011).
Table 1. Duration of the Presidential term in Latin America, as of 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Term Length</th>
<th>Period covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina I</td>
<td>Six-year term</td>
<td>1983 - 1995</td>
</tr>
<tr>
<td>Argentina II</td>
<td>Four-year term</td>
<td>Rule in place since 1996 *</td>
</tr>
<tr>
<td>Bolivia I</td>
<td>Four-year term</td>
<td>1985 - 1997</td>
</tr>
<tr>
<td>Bolivia II</td>
<td>Five-year term</td>
<td>Rule in place since 1998 *</td>
</tr>
<tr>
<td>Brazil I</td>
<td>Five-year term</td>
<td>1945 - 1994</td>
</tr>
<tr>
<td>Brazil II</td>
<td>Four-year term</td>
<td>Rule in place since 1995 *</td>
</tr>
<tr>
<td>Chile I</td>
<td>Six-year term</td>
<td>1945 - 2005</td>
</tr>
<tr>
<td>Chile II</td>
<td>Four-year term</td>
<td>Rule in place since 2006 *</td>
</tr>
<tr>
<td>Colombia</td>
<td>Four-year term</td>
<td>1974 -</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Four-year term</td>
<td>1953 -</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Four-year term</td>
<td>1978 -</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Four-year term</td>
<td>1978 -</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Five-year term</td>
<td>1984 -</td>
</tr>
<tr>
<td>Guatemala I</td>
<td>Five-year term</td>
<td>1985 - 1992</td>
</tr>
<tr>
<td>Guatemala II</td>
<td>Four-year term</td>
<td>Rule in place since 1993*</td>
</tr>
<tr>
<td>Honduras</td>
<td>Four-year term</td>
<td>1981 -</td>
</tr>
<tr>
<td>Mexico</td>
<td>Six-year term</td>
<td>1994 -</td>
</tr>
<tr>
<td>Nicaragua I</td>
<td>Six-year term</td>
<td>1984 - 1996</td>
</tr>
<tr>
<td>Nicaragua II</td>
<td>Five-year term</td>
<td>Rule in place since 1997 *</td>
</tr>
<tr>
<td>Panama</td>
<td>Five-year term</td>
<td>1989 -</td>
</tr>
<tr>
<td>Paraguay</td>
<td>Five-year term</td>
<td>1993 -</td>
</tr>
<tr>
<td>Peru I</td>
<td>Six-year term</td>
<td>1963 - 1980</td>
</tr>
<tr>
<td>Peru II</td>
<td>Five-year term</td>
<td>Rule in place since 1980 *</td>
</tr>
<tr>
<td>Uruguay I</td>
<td>Four-year term</td>
<td>1942 -1966</td>
</tr>
<tr>
<td>Uruguay II</td>
<td>Five-year term</td>
<td>Rule in place since 1967*</td>
</tr>
<tr>
<td>Uruguay III</td>
<td>Six-year term</td>
<td>Rule in place since 2000*</td>
</tr>
<tr>
<td>Uruguay IV</td>
<td>Six-year term</td>
<td>Rule in place since 2000*</td>
</tr>
</tbody>
</table>

Source: Updated from Jones (1995). The period's first year reflects the first year covered in Jones (1995) dataset and not necessarily the first year in which the rule was implemented. The last year covered in Jones' dataset was 1995. The sources I used for the rest of the years (1996 - 2010) were mostly current constitutional texts, the Political Handbook of the World (2010), The Economist Historical Archive, and BBC Mundo's reports (http://news.bbc.co.uk/hi/spanish/latin_america) to situate the exact year of the reform. Reports for situating the exact year of the reform. See Appendix 1 for more details about the sources consulted for updating this table.

* Countries in which there were constitutional changes in the last two decades that modified the length of the presidential term.
Table 2. Rules about the Renewal of the Presidential term in Latin America, as of 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Renewal of the term</th>
<th>Period covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina I</td>
<td>After one interim term</td>
<td>1983 - 1992</td>
</tr>
<tr>
<td>Argentina II</td>
<td>Two consecutive terms, then one interim term</td>
<td>1993 -</td>
</tr>
<tr>
<td>Bolivia I</td>
<td>After one interim term</td>
<td>1985 - 2008</td>
</tr>
<tr>
<td>Bolivia II</td>
<td>Two consecutive terms, then no reelection</td>
<td>2009 -</td>
</tr>
<tr>
<td>Brazil I</td>
<td>After one interim term</td>
<td>1945 - 1997</td>
</tr>
<tr>
<td>Brazil II</td>
<td>Two consecutive terms, then one interim term</td>
<td>1998 -</td>
</tr>
<tr>
<td>Chile</td>
<td>After one interim term</td>
<td>1945 -</td>
</tr>
<tr>
<td>Colombia I</td>
<td>After one interim term</td>
<td>1974 - 1990</td>
</tr>
<tr>
<td>Colombia II</td>
<td>No reelection</td>
<td>1991 - 2004</td>
</tr>
<tr>
<td>Colombia III</td>
<td>Two consecutive terms, then no reelection</td>
<td>2004 -</td>
</tr>
<tr>
<td>Costa Rica I</td>
<td>No reelection</td>
<td>1953 - 2002</td>
</tr>
<tr>
<td>Costa Rica II</td>
<td>After two interim terms</td>
<td>2003 -</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>No limit</td>
<td>1978 -</td>
</tr>
<tr>
<td>Ecuador I</td>
<td>No reelection</td>
<td>1978 -2008</td>
</tr>
<tr>
<td>Ecuador II</td>
<td>Two consecutive terms, then no reelection</td>
<td>2009 -</td>
</tr>
<tr>
<td>El Salvador</td>
<td>After one interim term</td>
<td>1985 -</td>
</tr>
<tr>
<td>Guatemala</td>
<td>No reelection</td>
<td>1985 -</td>
</tr>
<tr>
<td>Honduras</td>
<td>No reelection</td>
<td>1981 -</td>
</tr>
<tr>
<td>Mexico</td>
<td>No reelection</td>
<td>1994 -</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>After one interim term</td>
<td>1985 -</td>
</tr>
<tr>
<td>Panama</td>
<td>After two interim terms</td>
<td>1989 -</td>
</tr>
<tr>
<td>Paraguay</td>
<td>No reelection</td>
<td>1993 -</td>
</tr>
<tr>
<td>Peru I</td>
<td>After one interim term</td>
<td>1980 - 1992</td>
</tr>
<tr>
<td>Peru II</td>
<td>Two consecutive terms, the one interim term</td>
<td>1993 - 2000</td>
</tr>
<tr>
<td>Peru III</td>
<td>After one interim term</td>
<td>2001 -</td>
</tr>
<tr>
<td>Uruguay</td>
<td>After one interim term</td>
<td>1970 -</td>
</tr>
<tr>
<td>Venezuela I</td>
<td>After two interim terms</td>
<td>1958 - 1999</td>
</tr>
<tr>
<td>Venezuela II</td>
<td>Two consecutive terms, then no reelection</td>
<td>2000 - 2008</td>
</tr>
<tr>
<td>Venezuela III</td>
<td>No limits</td>
<td>2009 -</td>
</tr>
</tbody>
</table>


III. Model: Elections as a restriction

This model departs from the assumption that reelection incentives do matter. Thus, I expect to see different policy choices from incumbents that can be reelected compared to those who are facing a term limit. In this model, I assume that both types of incumbents -- the incumbent that is eligible for reelection and the one that is facing a term limit -- want to maximize the achievements of their administrations. This means they will need to spend "x"
amount of money in order to achieve 'n' projects of their economic agendas. These projects can go from investing in public education to projects on security and so on. Both incumbents are given a 'g' fixed budget to carry out their projects. However, incumbents that are seeking reelection have two restrictions: 1) they have to think about voter's demands and preferences and 2) they have to think about the future, i.e., their next term. In this model, incumbents do not have as primary goal to maximize voter's preferences but their own preferences although subject to different democratic restrictions which are defined by the political institutions in place. Thus, elections are a type of constraint on incumbents that want to be reelected.

PTL models emphasize that the prospect of reelection affects incumbents’ behaviour in a way that they put greater effort into policy-making compared to incumbents that cannot be reelected. However, incumbents facing term limits do not necessarily exhibit a completely unconcerned, reckless behaviour. Although neither type of incumbent has a strict mandate from voters, incumbents seeking reelection have to take into consideration voter's preferences over spending. Suppose that 'z' is the type of spending that voters prefer. A reelection-seeking incumbent will try to figure out what type of spending is the one that increases the probability that voters will support him at the ballot box, that is, he tries to figure out what is the 'z' spending. Also, they have to think about the effects of their current policies on their possible, future term. Thus, if 'g' is the total available public income, a reelection-seeking incumbent must spend \((g - x)\) on his projects and \([(g - x) - z]\) on voter's demands. Also, 'g' must equal the total spending 'y'. That's is, while the term-limited incumbent is only concerned about his present administration's achievements, the reelection-seeking incumbent is concerned about his present and future achievements.

In this regard, the reelection-seeking incumbent knows that if public spending surpasses the available income, his country may face financial imbalances in the next years and, if reelected, he will have to deal with these problems eventually. So, he has to consider how
present economic decisions affect the country's finances in the future. Meanwhile, incumbents facing a term limit do not have to take into consideration these restrictions, and thus they may try to accomplish their projects without worrying about its future effects on the country's finances. This means, on the one hand, that reelection-seeking incumbents are more likely to increase '$z$', the type of spending that may bring in more votes, but at the same time they will try to keep total spending in balance with total revenues. On the other hand, term-limited incumbents are more likely to spend the entire budget on their projects '$x$' -- even when some of them are not very appealing to voters. Also, there is higher probability that they increase the public deficit since they do not have to worry about the future. Therefore, in the absence of institutional restrictions, incumbents are more likely to care only about their own economic agenda, which may or may not coincide with the agenda of the majority of voters. These differences in institutional frameworks may lead incumbents to make different policy choices, which may be noticeable during their whole administration but especially during election years. So, if there are budget cycles, they must be more pronounced in the case of the reelection-seeking incumbents. These are the main factors to consider:

(1) $g =$ total amount of income available to an incumbent,

(2) $y =$ total public spending,

(3) $z =$ the type of expenditure that brings in more votes -- at least, it must bring in enough votes to win the election,

(4) $x =$ the amount of public budget that the incumbent spends on his preferred economic projects,

(5) $k =$ the borrowing capacity (budget deficit limit) for a given country, where $k > g$.

then:

The utility function (preferences) of the reelection-seeking incumbent regarding the public spending is $u_I(x)$, thus his maximization problem is:

$$\max u_I(x) \text{ such that } z+x/g \leq 1, \ g \leq y \quad (x, \ z, \ and \ g > 0)$$
and the maximization problem for the term-limited incumbent regarding the public spending is:

$$\max u_2(x) \text{ such that } x/k \leq 1, \quad x \leq k, \quad x > 0 \text{ and } k > g.$$ 

For the sake of simplicity, the above functions are ordinary linear utility functions and all they tell us is what the factors are that incumbents will take into account when making fiscal policy decisions. As we can see, if we consider that 'z' -- that is, the budget used for covering the demands of voters -- is a constant, then the amount of money that incumbents spend on $x$ depends on the budget constraint in the case of the reelection-seeking incumbent and on the level of deficit constraint in the case of the term-limited incumbent. That is, the reelection-seeking incumbent will try to keep a balanced budget while the term-limited incumbent will increase the public deficit as much as the fiscal laws of his country permit it. If the fiscal laws of the country of the term-limited incumbent require the budget to be in equilibrium, then the levels of deficit will be similar to those in the case of the reelection-seeking incumbent. However, the reelection-seeking incumbent is still constrained by voters' spending demands.

The model supposes that $z \neq x$; however, there could be cases in which what voters want and what the incumbents want are the same policies, and so, the only difference between the fiscal policies of both types of incumbents is the level of spending. Finally, taking into consideration that the reelection-seeking incumbent is a strategic actor, he may want to attend voters demands 'z' mostly during election years and during other years he will try to maximize 'x'. Thus, general predictions of the model are the following:

A. Type of spending
   
a. Presidents who are eligible for reelection will increase the spending that voters favour more than presidents who face a term limit.
   
b. Presidents who are eligible for reelection will especially increase voter's preferred spending around election years more than presidents facing a term limit.

B. Fiscal responsibility
a. Presidents who cannot be reelected will increase the public deficit more than presidents who can be reelected.

**Methodology**

To test the effects of term limits provisions on public spending, I will use three models that classify incumbents into different categories. The first model, the 'reelection incentive' model, simply classifies presidents into two categories: presidents who can run for reelection, whether in consecutive elections or after stepping out of office one or more terms; and presidents who are not eligible for reelection, that is, presidents who can only serve one term and presidents who have been in power more than one term but are currently in their last allowed period ('lame ducks' presidents). This model doesn't distinguish between reelection incentives and experience. The basic objective of it is to see if the mere existence of reelection incentives can make a difference in the results.

The second model, 'the incumbent's status model,' classifies presidents according to how long they have been in office. We have four categories of presidents. First of all, we have the group of the presidents who can only be in office for one term, the "no reelection" (NR) category. This category will serve as a benchmark for trying to evaluate how other different provisions and time in office may affect the level of public spending. Thus, I will compare this category with the remaining three categories. In the second category we have presidents who are in their first term and are allowed to run for reelection (FTRA). With this category, the model tries to isolate the effects of 'reelection incentives' from the effects of 'time in office' (cf. Alt, Bueno de Mesquita and Rose, 2011) as these presidents are in their first term and therefore are the ones with less experience in office but, at the same time, they are also eligible for reelection. This means that when compared against the NR category, the impact of this category will tell us how much having reelection incentives matters for decisions about public spending.
The third group of presidents belong to the 'lame duck' category (Lameduck), in which we have presidents who are in their second term which is also their last one. The objective of this category is to measure experience alone. Presidents in this group have experience in office but can no longer be reelected and therefore they lack reelection incentives. In Latin America, usually, “lame duck” presidents can be found in countries in which reelection is allowed just once, that is, rules that allow two consecutive terms only. As of 2010, the last year of the dataset, we don't have countries allowing up to three or four consecutive terms and presidents serving their last terms on those periods. We only find lame ducks in countries with two-terms provisions. We have presidents serving a third term but they belong to countries that don't limit the number of times a president may run for reelection (non-consecutive reelection). Lastly, we have the 'unlimited reelection' (UR) category, in which there are no limits in the number of times a president may run for reelection although in most of the cases those reelections cannot be consecutive but presidents have to stay one or more terms out of office before competing again for reelection. This last category will show us the impact of the effects of both experience and reelection incentives. These four categories capture the variation regarding reelection provisions in Latin America while allowing to differentiate the effects of elections from the effects of experience in office (cf. Alt, Bueno de Mesquita and Rose, 2011).

Finally, the last model classifies presidents into two groups: presidents who were reelected and presidents who weren’t. I call this model 'the survival model' as it tries to assess what kind of presidents where reelected by voters in Latin America: did presidents who are conservative in spending or the presidents who were irresponsible in spending have better chances of being reelected? Here the direction of causality is tested; maybe candidates who spend more are the ones that voters choose for staying in office --in a kind of 'natural selection' mechanism that benefits presidents who spend more-- rather than presidents
spending more due to reelection incentives. Thus, this model tests if the different levels in spending that we may observe are the result of voter preferences. Here elections appear to be more an accountability tool rather than a mechanism creating incentives for certain behaviours. This model is particularly interesting in Latin America where we find several cases of reelection reform. Thus, in the category of 'presidents that were reelected' we have many presidents that initially, due to constitutional provisions, were unable to run for reelection and therefore had no reelection incentives. However, after the implementation of constitutional reforms allowing reelection those presidents were reelected. So this model will permit us to see whether presidents who ended up being reelected exhibit different patterns of spending when compared to those that were not reelected.

The three models are tested in different regressions due to the overlapping of a number of cases for some of the categories. Because of this, we have a high correlation between some of these categories that can lead to multicollinearity. The correlation is high for some categories but it is not perfect, otherwise it would be meaningless to test these different models.

In this section, I use two different estimators for evaluating the impact of term limits incentives on government spending, random-effects and pooled OLS estimators. As it is well known, the OLS estimator does not take into account heterogeneity between the units of analysis, in this case, heterogeneity between countries. For these cases, fixed-effects (FE) and random-effects (RE) estimators are commonly used. I have discarded the FE estimator because the main independent variable of the model, term limits provisions, is time-invariant for the majority of the countries in the dataset. The FE model doesn't consider cases that are time-invariant and thus the model would end up with very little information for estimating the coefficient of the variable. For this reason, I will only use the RE model. However, the RE model has its own drawbacks, of which the most worrisome is the possibility of overestimating the impact of the independent variables as well as their statistical significance.
I will also report the pooled OLS coefficients; although the OLS is an estimator that doesn't take into account unit's heterogeneity, it gives us consistent estimations of the coefficients. We can then compare them with the RE model's coefficients so as to have a reference for the consistency of our estimations.

For most of the variables, the RE model gives results with a lower level of significance than the pooled OLS. Thus, as expected, once the initial heterogeneity of units is accounted for (which is done by the RE model), the significance level for most of the categories and variables decreases. I will discuss only the results of the RE models; the pooled OLS model coefficients are reported only as a benchmark to show how consistent our estimations are in different regression models. It is interesting to note, when the RE and Pooled OLS models yield very different results, the RE model's results are not significant most of the time. So, in these cases, even when the pooled OLS gives statistically significant results, this difference tells us that we probably do not have enough information to draw conclusions about those variables effects.

**Regressions**

The model uses as dependent variable ‘social spending’ for this is probably the kind of spending that incumbents would be most tempted to manipulate in order to win elections. Also, I will use as dependent variable public deficit as a way to measure fiscal responsibility. The main independent variables are related to the different reelection rules. As explained earlier, they will be tested in three different models. Regarding the control variables, it includes a dummy variable for the year in which an election is held. Following the work of Drazen (2001), I have included a variable for the ideology of the president’s party. Drazen argues that presidents who belong to left-wing parties will increase the social spending more because their political agenda is focused on distribution and social welfare. Right-wing parties are usually more concerned with keeping the fiscal deficit low; therefore, they try to
keep social spending low in order to have a balanced budget and thus avoid fiscal deficit and increases in the public debt (Ibid). There is also a variable measuring the number of years an incumbent has been in office. The model also includes one variable related to the Congress, which measures whether there is a unified government or a divided government. Regarding the importance of Congress for policymaking, see Morgenstern and Nacif (2002); Wes (1998); Pereira and Mueller (2004); Cheibub (2006); Dabla-Norris et al, (2010); and Fabrizio and Mody (2006). Finally, following the literature (see for example Johnson and Crain, 2004) I have included a group of economic and demographic variables that influence spending such as population and GDP. According to the theory, all these economic and demographic variables should be positively related to government spending. Table 3 summarizes the variables and describes how they have been operationalized for the empirical tests.

We then have the following model:

**General model**

Fiscal policy outcome = Term limits variables + control variables (partisan ideology + years in office + Congress' support + election year + population + GDP) + error term ($\mu$)

$$Y = \beta_0 + \beta_1 X_1 + (\beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7) + \mu$$

**Model 1**

Fiscal policy outcome = reelection incentives + control variables + $\mu$

**Model 2**

Fiscal policy outcome = incumbent's status + control variables + $\mu$

**Model 3**

Fiscal policy outcome = reelected incumbent + control variables + $\mu$

**Dependent variable:**

$Y =$ fiscal policy outcome (social spending or public deficit)
Independent variables:

$X_1$ = term limits categories: model 1 (dummy variable measuring reelection incentives versus no reelection incentives); model 2 (categorical variable: no re-election (NR)/ first term, re-election allowed (FTRA)/ lame duck president (lameduck)/ unlimited re-election (UR)); model 3 (dummy variable: reelected versus no reelected).

$X_2$...7 = control variables (partisan ideology, years in office, election year, divided government, GDP, population)

$\mu$ = error term

Testable Hypotheses

A. Type of spending

c. Presidents who are eligible for reelection will increase social spending more than presidents who face a term limit.

d. Presidents who are eligible for reelection will increase social spending around election years more than presidents facing a term limit.

e. Presidents who spend more have a higher probability of being reelected than presidents who spend less.

B. Fiscal responsibility

b. Presidents who cannot be re-elected will increase the public deficit more than presidents who can be reelected.

c. Presidents with more time in office will increase public deficit more than presidents with less experience in office.
### Table 3. Variables

<table>
<thead>
<tr>
<th><strong>DEPENDENT VARIABLES</strong></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social expenditure (continuous variable)</td>
<td>This variable measures the share of resources allocated to social spending as a share of total government spending. It takes into account spending in health, education, poverty reduction and social security. It is measured as a percentage of total government expenditure.</td>
</tr>
<tr>
<td>Public deficit</td>
<td>General government net lending/borrowing (% GDP)</td>
</tr>
<tr>
<td>General expenditure</td>
<td>General government total expenditure (% GDP)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INDEPENDENT VARIABLES</strong></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reelection incentives (dummy variable)</td>
<td>Dummy variable taking on 1 when presidents can be reelected and 0 otherwise.</td>
</tr>
<tr>
<td>Incumbent status (categorical variable)</td>
<td>No reelection (NR). Dummy variable taking on 1 when presidents are one-term limited and 0 otherwise. Presidents cannot serve for another term even after being out from office during one or more terms. This is the most restrictive rule regarding presidential reelection.</td>
</tr>
<tr>
<td></td>
<td>First term, reelection allowed (FTRA). Dummy variable taking on 1 when presidents are in their first term and they can be reelected for another consecutive term or can be re-elected after being one or more terms out from office. It takes 0 otherwise.</td>
</tr>
<tr>
<td></td>
<td>Lame ducks (Lameduck). Dummy variable taking on 1 when presidents have been re-elected for another term but this is their last one (&quot;lame ducks&quot; presidents). It takes 0 otherwise.</td>
</tr>
<tr>
<td></td>
<td>Unlimited re-election (UR). Dummy variable taking on 1 when presidents can be reelected, either in consecutive elections or after stepping out of office one or more terms. It takes 0 otherwise.</td>
</tr>
<tr>
<td>Electoral survival (dummy variable)</td>
<td>Reelected. This is a dummy variable taking on 1 when presidents were reelected and 0 otherwise.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CONTROLS</strong></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unified government</td>
<td>Dummy variable, takes on 1 under unified government (that is, when the president's party controls a congressional majority) and zero otherwise.</td>
</tr>
<tr>
<td>Presidential elections</td>
<td>Dummy variable, takes on 1 in election year and zero otherwise.</td>
</tr>
<tr>
<td>Years in office.</td>
<td>Number of years a president has been in office.</td>
</tr>
<tr>
<td>President’s party orientation.</td>
<td>Categorical variable classifying the president’s party into leftist (Left), centrist (Center) or rightist (Right). The category that will be left out in the regression models is the 'right' category.</td>
</tr>
<tr>
<td>Population</td>
<td>Total country’s population. Continuous variable in units.</td>
</tr>
<tr>
<td>GDPpc</td>
<td>Gross Domestic Product per capita. Continuous variable.</td>
</tr>
</tbody>
</table>
Data

In order to test these hypotheses, I built a dataset containing information about presidential term limits provisions and fiscal policy outcomes. **Table 4** shows all the countries included in the study. The dataset assembles yearly information. To determine the periods to be analysed for each country I considered both the type of political regime and data availability. In the case of the dependent variables (fiscal outcomes), it was possible to collect data from 1990 to 2010 for social expenditure; for figures related to the total government expenditure and public deficit, most of the data starts from the late 90's to 2010. In the case of political variables, information was available for each year from the 70's up to today, however, I limited the study to the years in which elections were reasonably fair, free and contested. Since I depart from the assumption that incumbents care about winning elections, it is essential that elections were meaningful. Thus, it is important that countries fulfil, as a minimum, the conditions for being counted as 'electoral democracies'. This is why I excluded all the years in which countries where considered as non-democratic. In order to determine the periods of study I follow mostly the classification of Latin American regimes by Smith and Ziegler (2008) for the period 1978-2004. These authors classify regimes as nondemocratic (hard-line and moderate); semi-democratic, and democratic (illiberal and liberal). Both types of democratic regimes, the illiberal and liberal ones, are electoral democracies. Smith and Ziegler define an electoral democracy as a regime where elections "were free and fair: if adult suffrage was more or less universal, if all serious candidates could run, if any candidate could win, if votes were counted accurately, if victory went to the contender with the highest number of votes (according to transparent decision rules), and if the winner acquired effective authority as a result." (Smith and Ziegler, 2008, p. 48). Countries that partially exhibit these characteristics are classified as semi-democracies ([Ibid.]).
Table 4. Sample Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Years included in the dataset</th>
<th>Year since the country is considered 'democracy'*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Argentina</td>
<td>1990-2010</td>
<td>1983 - 2004</td>
</tr>
<tr>
<td>2  Bolivia</td>
<td>1990-2010</td>
<td>1983 - 2004</td>
</tr>
<tr>
<td>3  Brazil</td>
<td>1990-2010</td>
<td>1990 - 2004</td>
</tr>
<tr>
<td>4  Colombia</td>
<td>1990-2010</td>
<td>1978 - 2004</td>
</tr>
<tr>
<td>6  Chile</td>
<td>1990-2010</td>
<td>1989 - 2004</td>
</tr>
<tr>
<td>7  Dominican Republic</td>
<td>1990-2010</td>
<td>1978 - 2004</td>
</tr>
<tr>
<td>9  El Salvador</td>
<td>1993-2010</td>
<td>1994 - 2004</td>
</tr>
<tr>
<td>10 Guatemala</td>
<td>1990-2010</td>
<td>1996 - 2004</td>
</tr>
<tr>
<td>11 Honduras</td>
<td>1990-2010</td>
<td>1997 - 2004</td>
</tr>
<tr>
<td>12 Mexico</td>
<td>1990-2010</td>
<td>2000 - 2004</td>
</tr>
<tr>
<td>13 Nicaragua</td>
<td>1990-2010</td>
<td>1990 - 2004</td>
</tr>
<tr>
<td>14 Panama</td>
<td>1990-2010</td>
<td>1994 - 2004</td>
</tr>
<tr>
<td>15 Paraguay</td>
<td>1994-2010</td>
<td>1993 - 2004</td>
</tr>
<tr>
<td>16 Peru</td>
<td>1990-2010</td>
<td>1990, 2001 - 2004</td>
</tr>
<tr>
<td>17 Uruguay</td>
<td>1990-2009</td>
<td>1985 - 2004</td>
</tr>
</tbody>
</table>

* Source: Smith and Ziegler (2008). The category of 'democracy' includes the 'liberal democracies' and 'illiberal democracies'.

As we can see, with the exception of El Salvador (1993), Ecuador (1996 - 1999), Mexico (1990 - 1999), Peru (1991- 2000), and Venezuela (1999 - 2004) which are classified as 'semi-democratic' during the specified years, all the country-years (1990-2004) included in the dataset fall into the 'democracy' category. The dataset excludes all the years in which countries are considered nondemocratic; the only exception in the dataset is Ecuador in 2000, which is classified by Smith and Ziegler as "moderate non-democracy". In the year 2005, Freedom House democratic rankings, the main source for the Smith and Ziegler's classification, show similar democratic indicators to those of the last year of Smith and Ziegler's classification. For the next years, from 2006 to 2010, I consulted The Economist Intelligence Unit's Index of Democracy (2006 - 2010 reports) which classifies the majority of Latin American Countries as "full democracies" and "flawed democracies". Both categories require that countries also meet the elements of an electoral democracy. There were important
democratic regressions during those years, though, with Bolivia, Ecuador, Honduras, Nicaragua and Venezuela reclassified as "hybrid regimes" in 2010 by the *Economist Intelligence Unit*. The *Economist Intelligence Unit* definition of a hybrid regime is similar to the category of "semi-democracy" in Smith and Ziegler's study (2008). As of 2010, none of the countries included in the dataset has been classified as an "authoritarian regime" though. In this regard, reasonably fair elections have been regularly held across the region.

In the case of the term limits provisions, I used as a starting point the classifications of Jones (1995) and Carey (2003) for the period 1995-2001 and I completed the rest of the years using several sources that are listed in *Appendix 1*. In the final dataset we have 472 observations: 172 years for the category of "no-reelection"; 202 years for the category of FTRA (44 years in which consecutive reelection was allowed, 158 years in which non-consecutive reelection was allowed, 129 years in which presidents can be reelected after one interim term and 29 years in which presidents can be reelected after two interim terms); 26 years with lameduck presidents, and 65 years in which presidents where able to run for an unlimited number of elections. Also, in 267 years presidents had reelection incentives while in 198 years presidents did not have reelection incentives. Finally, as the data shows, there are 163 observations of presidents that were reelected and 304 observations of presidents that were not reelected.

**Results**

**Panel Models (POLS and Random Effects)**

Results from the statistical tests tell a coherent story. The outcomes of the first model, the "reelection incentives model," are reported in *Table 5*. Incumbents that are eligible for reelection show higher levels of social spending than incumbents facing term limits. But, at the same time, incumbents that have reelection incentives show lesser deficit levels than
incumbents who cannot be reelected. These results suggest that incumbents with reelection incentives are careful in the kind of spending they target for electoral ends: increasing social spending may bring electoral gains but increasing the overall spending thereby generating a higher deficit may be counterproductive in the long run. They may end up lowering their electoral prospects if the economy is negatively affected as a result of irresponsible spending.

So, incumbents with reelection prospects focus only on the kind of spending that may bring voters’ support while being careful not to create risks of macroeconomic troubles. Both the REM and Pooled OLS estimators give us the same signs for the coefficients, although -- as expected -- the Pooled OLS regression estimates a slightly bigger effect of the main variables than the REM model. All the main variables are statistically significant at 10 per cent or higher.

Table 5. Reelection Incentives (Model 1)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Social expenditure</th>
<th>Public deficit</th>
<th>General expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Random-effects regression</td>
<td>Pooled OLS regression</td>
<td>Random-effects regression</td>
</tr>
<tr>
<td>Reelection incentives</td>
<td>4.541954*** (1.771387)</td>
<td>9.744212*** (1.436663)</td>
<td>-1.167395* (.6405274)</td>
</tr>
<tr>
<td>President's party ideology</td>
<td>-3.737499*** (1.569859)</td>
<td>-3.28627 (2.190852)</td>
<td>1.364276* (.7245398)</td>
</tr>
<tr>
<td>President's party ideology (left)</td>
<td>-0.811876 (1.178673)</td>
<td>-0.497299 (.333194)</td>
<td>.4664125 (.5328977)</td>
</tr>
<tr>
<td>Years in office</td>
<td>.0761328 (1.207423)</td>
<td>-.497299 (.333194)</td>
<td>.1685442 (.1179944)</td>
</tr>
<tr>
<td>Unified government</td>
<td>2.310491*** (1.072424)</td>
<td>5.789378*** (1.489992)</td>
<td>.1860487 (.5893838)</td>
</tr>
<tr>
<td>Election year (presidential elections)</td>
<td>.1305707 (.9943984)</td>
<td>-.6072436 (1.6600607)</td>
<td>-.623525 (.5215704)</td>
</tr>
<tr>
<td>Population</td>
<td>.1444758*** (.04134)</td>
<td>.0909096*** (.0156601)</td>
<td>-.0200329*** (.0081291)</td>
</tr>
<tr>
<td>GDPpce</td>
<td>.0012078*** (.0002371)</td>
<td>.0018426*** (.000251)</td>
<td>.0003599*** (.0000976)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.2925</td>
<td>0.4421</td>
<td>0.1206</td>
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<tr>
<td>Observations</td>
<td>273</td>
<td>273</td>
<td>247</td>
</tr>
</tbody>
</table>

Number of groups = 18. For the random-effects regressions, the r-squared reported is the overall explained variance.

* Significant at 10%, ** Significant at 5%; Significant at 1%. Standard errors in parentheses.
Table 6 shows the result of the "incumbent status model." In this case the main variable, term limits provisions, is disaggregated into four categories. The category that was left out -- and the one to which the remaining three categories will be compared --, is the "no reelection" category. By creating these four categories, I try to assess not only the impact of reelection incentives but also the impact of 'experience' (cf. Alt, Bueno de Mesquita and Rose, 2011).

So, we have the category of the incumbents who are in their first term and can be reelected for another term (FTRA), then we have the 'lameduck category' in which we have incumbents who are in their second term and cannot keep running for reelection, and then the 'unlimited reelection' category in which we have incumbents who are in their second or third term and can keep running for reelection in the future. This last category includes incumbents who can be reelected in a consecutive reelection and those who have to wait one or two terms before running again for reelection. These three categories are compared with the "no reelection" category. The general intuition here is that there are two elements that may influence the incumbents choices regarding public spending. The first one is the 'reelection incentives' element, and the second one is the 'experience' of the incumbent. So, we can expect that, for example, the 'Lameduck' presidents' record reflect the interplay of both factors when compared with the 'no reelection' category. Hence while lameduck presidents are not eligible for running for reelection, the fact that they have already been in office will probably make a difference when compared with those presidents who are in their first term and cannot be reelected and who therefore have both less experience in office and no reelection incentives. Also, we would expect to see different results for presidents who have experience in office and have reelection incentives and those who only have reelection incentives (Alt, Bueno de Mesquita and Rose, 2011).
### Table 6. Incumbent status (Model 2)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incumbent status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(FTRA)</td>
<td>6.942859*** (2.182931)</td>
<td>-3.340684 (.7790326)</td>
<td>-9497846* (.5115005)</td>
<td>-1.439136 (1.721852)</td>
<td>4.656528*** (1.9811522)</td>
<td></td>
</tr>
<tr>
<td>(Lameduck)</td>
<td>8.061211** (3.697186)</td>
<td>1.335426 (1.5924)</td>
<td>.4848373 (1.369716)</td>
<td>.7454894 (2.875165)</td>
<td>10.6923*** (2.638815)</td>
<td></td>
</tr>
<tr>
<td>(UR)</td>
<td>6.719138*** (2.204077)</td>
<td>-1.773658** (.8411956)</td>
<td>-2.161482*** (.6232368)</td>
<td>-2.208886 (1.733063)</td>
<td>5.065323*** (1.200694)</td>
<td></td>
</tr>
<tr>
<td>President's party ideology (center)</td>
<td>-3.643386** (1.556846)</td>
<td>1.269125* (.736804)</td>
<td>1.550705** (.6450915)</td>
<td>-58161 (1.056265)</td>
<td>-3.018743*** (1.240907)</td>
<td></td>
</tr>
<tr>
<td>President's party ideology (left)</td>
<td>-6.644644 (1.176052)</td>
<td>.3393581 (.5412573)</td>
<td>.8576543* (.4845728)</td>
<td>.7195715 (.7884211)</td>
<td>1.705793* (1.9322031)</td>
<td></td>
</tr>
<tr>
<td>Years in office</td>
<td>-.0561183 (2.2316644)</td>
<td>.2173736* (.1205881)</td>
<td>.1838658 (.1250306)</td>
<td>.054698 (.1599509)</td>
<td>-.453932* (.2407516)</td>
<td></td>
</tr>
<tr>
<td>Unified government</td>
<td>-2.58273** (1.072539)</td>
<td>.0971513 (.5895409)</td>
<td>.3194138 (.5697467)</td>
<td>.5617769 (.8093531)</td>
<td>.3126794 (1.097565)</td>
<td></td>
</tr>
<tr>
<td>Election year</td>
<td>.2337557 (.1015626)</td>
<td>-.7403793 (.5210401)</td>
<td>-.7220394 (.5493287)</td>
<td>.1774496 (.6820567)</td>
<td>.8746261 (1.057078)</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>.1470298*** (.0429643)</td>
<td>.0171999* (.0091663)</td>
<td>-.0190469* (.0056118)</td>
<td>.0503035 (.0360165)</td>
<td>.077498*** (.0108099)</td>
<td></td>
</tr>
<tr>
<td>GDPpc</td>
<td>.0011473*** (.0002396)</td>
<td>.0003208*** (.0000773)</td>
<td>.0006538*** (.0001796)</td>
<td>-.0001201 (.0001485)</td>
<td></td>
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</tr>
<tr>
<td>R-squared</td>
<td>0.2974</td>
<td>0.1287</td>
<td>0.1435</td>
<td>0.1303</td>
<td>0.3357</td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>273</td>
<td>247</td>
<td>247</td>
<td>248</td>
<td>248</td>
<td></td>
</tr>
</tbody>
</table>

Number of groups = 18. For the random-effects regressions, the r-squared reported is the overall explained variance. * Significant at 10%; ** Significant at 5%; Significant at 1%. Standard errors in parentheses.

First of all, we can see that incumbents belonging to the FTRA group show higher social spending levels than presidents in the NR category. Then we have the category of the 'unlimited reelection (UR)' which shows a slightly lesser impact on spending than the FTRA group when compared to the NR category but it is also positive. Regarding the 'lameduck' category, we can see that the REM model estimates a higher coefficient when compared to the other categories, while the pooled OLS model gives us not only a very different coefficient but a different sign as well. The coefficient of the REM model for the 'lameduck' category is positive and significant at the 10 percent level while the coefficient of the pooled OLS model is negative but it is not significant. This may be due to the fact that the 'lameduck' category
category has the smallest number of presidents in it, and thus makes it difficult for the regression models to estimate the coefficients. We know that the REM model tends to overestimate the effect of certain variables as well as their significance. This happens mainly when the units of analysis have few cases (see Kennedy, 2003). We also know that in these cases it is better to choose the pooled OLS model to get consistent estimations. Bearing in mind the clear disagreement between the models the most probable explanation is that, as shown by the pooled OLS model, the difference of the 'lameduck' and the NR category is not significant. All in all, the discrepancy in the results tell us to be cautious about the relationship between reelection incentives and increases in all type of public spending: maybe politicians think that not all spending helps to get more votes.

Compare the results of this 'incumbent status model' with our first model, the 'reelection incentives model.' Here we have results pointing in the same direction. In our first model we simply classify presidents into two categories, creating a dummy variable that takes on 1 when the president can be reelected -- for one or more additional terms -- and zero when presidents cannot be reelected -- and which includes both presidents who could only be in office for one term and those who could serve more than one term but were in their last allowed term, that is, 'lameduck' presidents. In the second model, the category of presidents who can be reelected is broken down into two categories: presidents who are in their first term -- and thus the ones with less experience in office -- and those who are in their second or third term and thus have more experience (there are no presidents in their fourth term in the dataset). The 'no reelection' category is also divided into two groups: the ones who can only be in one term and those who were able to stay in office for more than one term but are currently in their last one, that is, lameduck presidents. The category with most presidents in it is the FTRA presidents, that is, presidents who are in their first term and who can keep running for reelection. All the presidents in the FTRA belong to the 'presidents with
reelection incentives' category of our first model, and therefore, we would expect similar results. In this regard, we can see that, in effect, the coefficient of the FTRA category is close to the coefficient of the 'presidents with reelection incentives' of the first model but, also as expected, it is not exactly the same. Finally, another interesting result of the model is that having more experience --i.e., being in second or third term-- doesn't make a big difference with respect to those who are in their first term. The effect of experience alone couldn't be unambiguously determined. As said before, the REM and pooled OLS regressions show very different coefficients for the lameduck category.

In the case of government deficit, the 'status of incumbent' model shows important results. First of all, we can notice that both the REM and pooled OLS regressions give us the same signs for the coefficients and that the coefficients themselves are not too far off in both regression models. Consistent also with the 'reelection incentives model', the FTRA and UR categories have a negative relationship with the government deficit, meaning that presidents that can be reelected for at least one more term are more cautious regarding the level of general spending than presidents who cannot be reelected. Even so, presidents in the UR category -- those who can be reelected for more than one term-- are the ones exhibiting lower levels of deficit than the FTRA presidents -- that is, those who are in their first term and can only be reelected for another term. We can then conclude that the longer you expect to be in office, the more careful you are with the management of public finances and thus with the level of the budget deficit. However, only the UR category is significant at the 10 per cent level. The lameduck category's coefficient is positive, which could mean that experience leads to more spending. But this result wasn't significant, not even at the 10 per cent level. Finally, the third model, the electoral survival model, shows that in the case of general expenditure there was a positive relationship between this variable and being reelected, which means that voters in Latin America reward presidents who spend more, which is just as the
theory explained and, to some extent, also reveals why presidents with reelection ambitions want to increase spending. The other two variables, social expenditure and public deficit results were inconsistent in the REM and Pooled OLS regressions and not significant.

Table 7. Electoral survival (Model 3)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Social expenditure</th>
<th>Public deficit</th>
<th>General expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Random-effects</td>
<td>Pooled OLS</td>
<td>Random-effects</td>
</tr>
<tr>
<td></td>
<td>regression</td>
<td>regression</td>
<td>regression</td>
</tr>
<tr>
<td>Reelected</td>
<td>-.5653347 (.182484)</td>
<td>.815473 (.509562)</td>
<td>-.409644 (.5586808)</td>
</tr>
<tr>
<td>President's party ideology (center)</td>
<td>-3.311635 (.506408)</td>
<td>-1.136224 (2.368675)</td>
<td>1.312102 (.7443194)</td>
</tr>
<tr>
<td>President's party ideology (left)</td>
<td>-.016969 (.121387)</td>
<td>-.4042075 (1.640793)</td>
<td>.4261655 (.5404055)</td>
</tr>
<tr>
<td>Years in office</td>
<td>0.884172 (.2052262)</td>
<td>-0.2477507 (.3647699)</td>
<td>.1715529 (.1213249)</td>
</tr>
<tr>
<td>Unified government</td>
<td>-2.64779 (.105231)</td>
<td>3.230297 (.156324)</td>
<td>.4874863 (.5959842)</td>
</tr>
<tr>
<td>Election year (presidential elections)</td>
<td>-.0731336 (.9581875)</td>
<td>-.1284704 (.1790812)</td>
<td>-.6110224 (.53615)</td>
</tr>
<tr>
<td>Population</td>
<td>2379783 (.0556726)</td>
<td>.0576728 (.0162414)</td>
<td>-.018949 (.008135)</td>
</tr>
<tr>
<td>GDP pc</td>
<td>0.001346 (.0002444)</td>
<td>.0024077 (.0002566)</td>
<td>.0002917 (.0000974)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.1807</td>
<td>0.3449</td>
<td>0.0863</td>
</tr>
<tr>
<td>Observations</td>
<td>275</td>
<td>275</td>
<td>249</td>
</tr>
</tbody>
</table>

* Significant at 10%, ** Significant at 5%; Significant at 1%. Standard errors in parentheses.
Number of groups = 18. For the random-effects regressions, the r-squared reported is the overall explained variance.

The variable for election years, the variable that was trying to find out if differences in spending and public deficit were especially important during electoral years, turned out to be not significant in all the models. This may be due to the way that the fiscal variables were measured. Possibly quarterly measures (one year before and after elections) instead of annual data could have been better able to find spending budget cycles. However, these results can still be used as a benchmark when compared with future research. It also could be possible that in the last years, incumbents and policymakers in general are finding it more difficult to manipulate the public spending in time for the electoral cycle and that is why differences in
spending can be observed throughout the whole administration and not only in specific years. As expected, the coefficients of the variables 'Population' and GDP proved to be positive and highly significant in all the models about social expenditure. The results for the rest of the control variables were inconsistent, with some models showing the variables as significant and in others insignificant at the 10 per cent level. Furthermore, in some cases the signs of these variables were inconsistent across the two models.

**Time-Series, Cross-Section Models (TSCS)**

In this section, I will carry out additional statistical tests using Time-Series, Cross-Section models (TSCS). The main source of my analysis is the work of Beck and Katz (1995b) and Podesta (2000). To carry out these additional tests, I used the statistical package "RStudio," which is a free software that allows users to perform traditional linear regressions along with more complex panel and TSCS analysis. Before running new regressions, I replicated with RStudio the previous section's tests that I ran using the Stata software and the results were the same, no difference. So, the results of these two sections can be replicated with either Stata or RStudio.

In the case of the Stata package, the usual command for estimating TSCS models is the "xt" option, which allows to estimate the Parks-Kmenta method\(^{125}\), the FGLS model (xtgls), and the Beck-Katz method, the PCSE (xtpcse) (see Podesta, 2000). In the case of the RStudio statistical program, there are several options for regression analysis of TSCS models but as long as the data is balanced, the analysis is straightforward; for unbalanced panels, though, it is necessarily additional steps. Mainly, it is important to indicate that the data is unbalanced,

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\(^{125}\) Podesta (2000) states that two of the most common methods for estimating regression models that use TSCS data are the Beck and Katz model (1995) and the Parks-Kmenta model. In the case of the first model, the Beck and Katz model, the authors co-wrote papers in which they detail this methodology. In the case of the Parks-Kmenta model, the model was first proposed by Parks (1967) and further elaborated by Kmenta (1986) but Podesta (2000) says that they have a similar base and thus he has named it as the "Parks-Kmenta method".
which means that sometimes there could be more time-observation for some unites than others. After indicating the format of the data, the researcher can use the "gls" command for the GLS model and either pcse or vcovBK commands for the PCSE model.

Both panel-data and TSCS-data contain time and space observations. However, according to Beck and Katz (2006), the main difference between common panel-data and TSCS data is the proportion of time-observations in relation to space-observations. Usually, panel-data contains a large set of units that are observed for a relatively short time period; for example, economic data of 70 countries for two years, which would bring a total of 140 observations. By contrast, TSCS data usually consist of a small set of unites, let's say, 30 countries, observed by a long number of times, for example, during 10 or more years. According to Beck (2006), "TSCS data typically have the opposite structure of panel data: a relatively small number of units observed for some reasonable length of time. Thus, methods that are appropriate for the analysis of panel data are not necessarily appropriate for TSCS data and vice versa." (Beck, 2006, p. 1). Because in TSCS data the time dimension is usually large, this type of data is also known as "longitudinal data". Here, the most important element is to observe the proportion between the time series and the cross-sectional data: when the time-series data is larger than the cross-sections data, we have TSCS type of data.

TSCS-data analysis was initially developed to address comparative political economy questions (see Podesta, 2000; Beck, 2006). It was common that scholars were interested, for example, in understanding the impact of political variables on the economy of OECD countries, that is, developed countries. However, sometimes the researcher had only data for less than 30 countries, which may affect the significance of the statistical tests. This is why, by adding the time dimension -- that is, the same unit observed several times--, helped to deal with this problem of few observations.
One of the main problems for analysing TSCS data is that its "designs often violate the standard OLS assumptions about the error process" (Podesta, 2000, p.9), which means that for the OLS estimations to be BLUE, it is important that the "errors have the same variance (homoschedasticity) and that all of the errors are independent of each other." In the case of TSCS data these assumptions rarely hold up, which may lead to the problem of obtaining an inaccurate estimation of the standard errors (Ibid). In order to address these problems, there are two popular estimation techniques that have been developed.

The first estimation technique is the Parks-Kementa method, and "is an application of the generalized least squares (GLS) estimation" which is often used instead of the OLS estimation method because it "is based on less restrictive assumptions concerning the regression the behaviour of the disturbance ... than the classical regression model" [Podesta 2000 (Kmenta, 1986)]. The main characteristic of this method is that it utilizes an estimate of the covariance matrix of errors and that is why it is also known as the 'feasible' GLS method (see Beck, 2006). The main purpose of this technique is to remove serial correlation of the errors as well as the contemporaneous correlation of the errors that is often found in TSCS data. The second technique is the method developed by Beck and Katz (1995b), known as the Panel-Corrected, Standard Errors (PCSE) method, which proposes "to retain OLS parameter estimators but replace OLS standard errors with panel-corrected standard errors that take into account the contemporaneous correlation of the errors and perforce heteroschedasticity" (Podesta, 2000, pp. 16-17).

As expected, and in comparison to the previous models -- the POLS and the Random models -- in the TSCS regressions the significance of the majority of the variables was considerably reduced (see Tables 8a-10c). When comparing the PCSE results with the POLS regression

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126 Ibid, footnote no.3.
127 Podesta (2000, p. 13). As explained earlier, this method comes from the work of Parks (1967) and Kmenta (1986), see Podesta (2000) for more details about this method.
results, we can see that although the statistical significance of all variables decreased, almost all term limits variables that were previously significant remain significant. The only exception is the case of "public deficit" in model 5, as the "FTRA" category appears as not significant in the PCSE regression but it was previously significant under the POLS model. In the case of the PCSE and GLS regressions, there are some discrepancies for the variable "general expenditure" (models 5 and 6): the GLS model estimation appears with negative sign while it was positive under the PCSE estimation, but it is not significant.

Table 8a. Reelection incentives  
Model 4: Social expenditure

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Social expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PCSE</td>
</tr>
<tr>
<td>Relection incentives</td>
<td>9.744212*</td>
</tr>
<tr>
<td>President's party ideology (center)</td>
<td>-3.28627</td>
</tr>
<tr>
<td>President's party ideology (left)</td>
<td>-4.489695</td>
</tr>
<tr>
<td>Years in office</td>
<td>-0.499729</td>
</tr>
<tr>
<td>Unified government</td>
<td>5.78937</td>
</tr>
<tr>
<td>Election year (presidential elections)</td>
<td>-0.60724</td>
</tr>
<tr>
<td>Population</td>
<td>0.090909-</td>
</tr>
<tr>
<td>GDPppc</td>
<td>0.00184**</td>
</tr>
</tbody>
</table>

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Table 8b. Reelection incentives  
Model 4: Public deficit

<table>
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<th>Public deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PCSE</td>
</tr>
<tr>
<td>Relection incentives</td>
<td>-1.38665***</td>
</tr>
<tr>
<td>President's party ideology (center)</td>
<td>1.48057*</td>
</tr>
<tr>
<td>President's party ideology (left)</td>
<td>0.79559*</td>
</tr>
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<td>Years in office</td>
<td>0.14196</td>
</tr>
<tr>
<td>Unified government</td>
<td>0.39676</td>
</tr>
<tr>
<td>Election year (presidential elections)</td>
<td>-0.61635</td>
</tr>
<tr>
<td>Population</td>
<td>-0.021107*</td>
</tr>
<tr>
<td>GDPppc</td>
<td>0.00030108 *</td>
</tr>
</tbody>
</table>

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1
### Table 8c. Reelection incentives
Model 4: General Expenditure

<table>
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<tr>
<th>Independent Variables</th>
<th>General expenditure</th>
</tr>
</thead>
<tbody>
<tr>
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<td>PCSE</td>
</tr>
<tr>
<td>Reelection incentives</td>
<td>4.0861e+00</td>
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<tr>
<td>President's party ideology (center)</td>
<td>-3.3053e+00</td>
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<tr>
<td>President's party ideology (left)</td>
<td>1.5149e+00</td>
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<tr>
<td>Years in office</td>
<td>-3.1957e-01</td>
</tr>
<tr>
<td>Unified government</td>
<td>1.0947e-01</td>
</tr>
<tr>
<td>Election year (presidential elections)</td>
<td>5.0934e-01</td>
</tr>
<tr>
<td>Population</td>
<td>7.3536e-02 **</td>
</tr>
<tr>
<td>GDPpc</td>
<td>-9.2977e-05</td>
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Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

### Table 9a. Incumbent status
Model 5: Social Expenditure

<table>
<thead>
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<th>Independent Variables</th>
<th>Social expenditure</th>
</tr>
</thead>
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<tr>
<td></td>
<td>PCSE</td>
</tr>
<tr>
<td>Incumbent status (FTRA)</td>
<td>9.497*</td>
</tr>
<tr>
<td>Incumbent status (Lameduck)</td>
<td>-3.452</td>
</tr>
<tr>
<td>Incumbent status (UR)</td>
<td>9.379*</td>
</tr>
<tr>
<td>President's party ideology (center)</td>
<td>-3.300</td>
</tr>
<tr>
<td>President's party ideology (left)</td>
<td>-4.632**</td>
</tr>
<tr>
<td>Years in office</td>
<td>-0.409</td>
</tr>
<tr>
<td>Unified government</td>
<td>5.787 -</td>
</tr>
<tr>
<td>Election year (presidential elections)</td>
<td>-0.862</td>
</tr>
<tr>
<td>Population</td>
<td>0.089 -</td>
</tr>
<tr>
<td>GDPpc</td>
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Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1
Table 9b. Incumbent status
Model 5: Public deficit

<table>
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<tr>
<th>Independent Variables</th>
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<tr>
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<tr>
<td>Incumbent status (Lameduck)</td>
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<tr>
<td>Incumbent status (UR)</td>
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</tr>
<tr>
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<tr>
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<tr>
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<tr>
<td>Election year (presidential elections)</td>
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<tr>
<td>Population</td>
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<tr>
<td>GDPpc</td>
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GLS-REML: 0.986, 1.313, -1.914, 0.916, 0.695, 0.074, 0.152, -0.242, -0.022, 0.0003-

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Table 9c. Incumbent status
Model 5: General expenditure

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<td>Incumbent status (FTRA)</td>
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<td>Incumbent status (Lameduck)</td>
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<td>Incumbent status (UR)</td>
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<td>Unified government</td>
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<td>GDPpc</td>
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GLS-REML: 4.4204, 3.2994, 5.6757, -0.5093, -0.5007, -0.0663, -0.8343, 0.1270, 0.0544-

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1
### Table 10a. Electoral Survival
#### Model 6: Social expenditure

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<td>GLS-REML</td>
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<tr>
<td></td>
<td>0.8154</td>
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<td>Years in office</td>
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<tr>
<td>Unified government</td>
<td>3.23029</td>
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<td>Election year (presidential elections)</td>
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<td>Population</td>
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<tr>
<td>GDPpc</td>
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Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 1

### Table 10b. Electoral Survival
#### Model 6: Public deficit

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</tr>
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<td>GLS-REML</td>
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<tr>
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<td>1.0999</td>
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<td>0.7090</td>
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<tr>
<td>Years in office</td>
<td>0.12724</td>
<td>0.0235</td>
</tr>
<tr>
<td>Unified government</td>
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<td>Election year (presidential elections)</td>
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<td>0.0003**</td>
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Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 1

### Table 10c. Electoral Survival
#### Model 6: General expenditure

<table>
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<tr>
<th>Independent Variables</th>
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<tr>
<td>Reelected</td>
<td>PCSE</td>
<td>GLS-REML</td>
</tr>
<tr>
<td></td>
<td>5.24041***</td>
<td>3.1836***</td>
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<tr>
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<td>Years in office</td>
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<tr>
<td>Population</td>
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</tr>
<tr>
<td>GDPpc</td>
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</table>

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 1
Conclusions

The literature about democracy and economic outcomes is vast. But at the center of it is the more specific question about the relationship between democratic elections and economic outcomes. We place a lot of hope on elections, after all, the existence of popular, regular elections is the most important difference between democracies and dictatorships. The fact that popular representatives are chosen and kept in power by the people is thought to be one of the most important elements of a democracy and this very fact brings multiple positive consequences. For instance, the legislator that is about to face elections may have incentives to work harder for providing legislation that tackles the main problems of his district. We expect that ambitious politicians seeking reelection will show better records on human rights, employment and security. After all, if they do not produce good results how can they expect to be reelected? But, what happens then when the policymaker doesn't have these incentives? What happen if he cannot keep competing in elections? The term limits literature tries to address this question. And the answer it may offer could have important implications for the way we think about democracy. So, although this study is about elections and economic policy outcomes, the implications go beyond this. It is also about how efficient democratic mechanisms are in influencing the behaviour of the elected leaders.

In this regard, this study tries to contribute to this new line of research. The findings suggest that presidents that can be reelected make different policy choices than presidents facing term limits. However, the analysis suggests that it is not always obvious what kind of behavior or policy they must embrace, at least on the field of economic policies. On the one hand, they have incentives to please their constituents, which means they should spend money, but, on the other hand, if they are not spending responsibly they could put the welfare of their voters at risk in the long run. What the study of Latin American elections shows is that presidents of
the region have found a smart way to address these conflicting demands. Although literature about it suggest that politicians should chose between the short and the long run -- and that elections encourage to think about the long run -- this study shows that they have found a way to have their cake and eat it too: the spending on social issues -- such as education, healthcare and poverty reduction -- is higher in the cases of presidents that are eligible for reelection but, at the same time, the overall spending is such that the deficit levels are smaller for presidents with reelection ambitions. This means that, probably, presidents that can be reelected have decreased spending in other areas of the general budget. Although some statistical tests offered some evidence supporting these hypotheses, it is important to say that not all statistical tests showed the same results, there were some discrepancies between the models. Particularly, the random-effects model and the GLS model showed that there could be a negative relationship between general spending and reelection incentives. Although these results were not significant, it should lead us to conduct further tests for exploring the possibility that there could be certain type of public spending that politicians consider as not helpful for getting more votes.
### Appendix 1. Data sources

<table>
<thead>
<tr>
<th>Variable</th>
<th>Source</th>
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</thead>
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<td>GDP</td>
<td>World Bank national accounts data, and OECD National Accounts data files, 2011.</td>
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References


