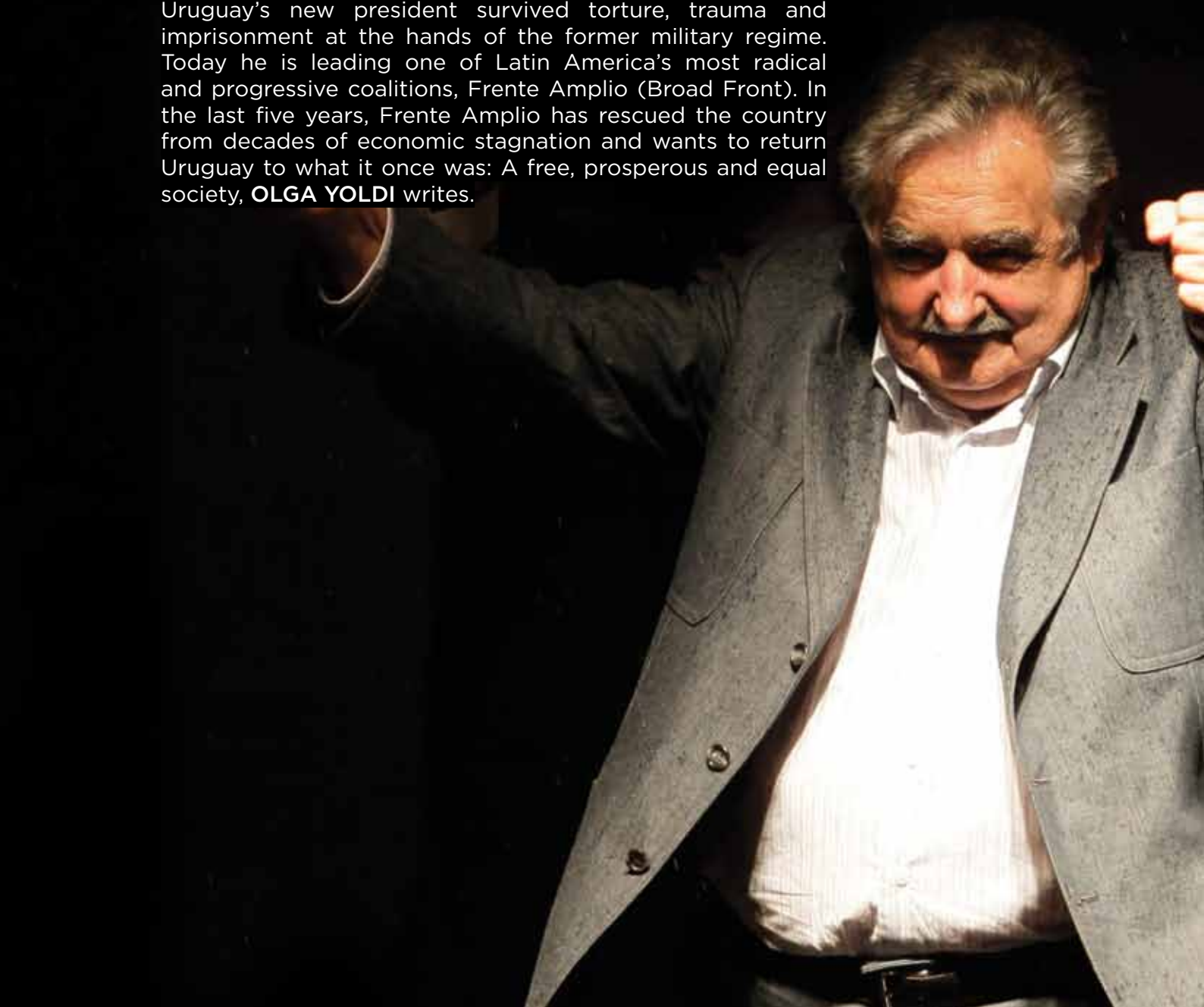


# URUGUAY: THE QUEST FOR A JUST SOCIETY

Uruguay's new president survived torture, trauma and imprisonment at the hands of the former military regime. Today he is leading one of Latin America's most radical and progressive coalitions, Frente Amplio (Broad Front). In the last five years, Frente Amplio has rescued the country from decades of economic stagnation and wants to return Uruguay to what it once was: A free, prosperous and equal society, **OLGA YOLDI** writes.



An atmosphere of optimism filled the streets of Montevideo as Jose Mujica assumed the presidency of Uruguay last March. President Mujica, a former Tupamaro guerrilla, stood in front of the crowds, as he took the oath administered by his wife – also a former guerrilla leader – while wearing a suit but not tie, an accessory he says he will shun while in office, in keeping with his anti-politician image.

The 74-year-old charismatic new president defeated the National Party's Luis Alberto Lacalle with 53.2 per cent of the vote. His victory was the second consecutive mandate for the Frente Amplio catch-all coalition, which extends from radicals and socialists to Christian democrats and independents disenchanted with Uruguay's two main parties.

In his victory speech President Mujica called for reconciliation and promised to improve key areas such as education, environment, security and energy. He pledged to continue the social policies and market-friendly reforms of his predecessor, Tabare Vazquez, a quietly spoken oncologist whose 2005 victory ended 150 years of rule by the two traditional parties.

Austerity and self-denial seem to be President Mujica's trademarks. As soon as he was sworn in, to everyone's surprise, he announced that he would spurn the official fleet for his old car; he would give away 85 per cent of his salary to a fund for the homeless, and would continue living in his humble farm outside the capital.

This was considered generous, bordering on quixotic. But when he proposed asking for donations to pay for the ceremony of his inauguration to save money, Uruguayans thought he had gone too far and drew the line at his plan. He has made it clear he wants to reduce government spending to a minimum and has told officials he does not want extravagance.

In the last five years Frente Amplio has transformed the political and social landscape of Uruguay, from the grassroots to the government. Vazquez's social and economic reforms, combined with a boom in commodity prices, have contributed to five years of strong economic growth.

During his term Uruguay's gross domestic product (GDP) grew by an average of seven per cent per year. Foreign debt decreased from 66 per cent to 26 per cent of GDP. Investments increased to 19 per cent of GDP, the highest rate in the country's history.

The poverty rate fell from 31.9 per cent to 20.3 per cent, while real wages increased by 18 per cent and income increased by 30 per cent. In the last five years, the Uruguayan central bank's reserves have nearly quadrupled to US\$7.9 billion.

Vazquez has been credited with steering the country through the troubled waters of the global financial crisis. The International Monetary Fund (IMF) reported Uruguay has held up considerably well in the face of the global recession. According to a preliminary balance from

the Economic Commission for Latin America and the Caribbean, Uruguay's economy is forecasted to expand this year.

Vazquez enjoyed a 70 per cent approval rate at the end of his term. Political analysts say President Mujica's victory is the result of Vazquez's popularity and the economic growth during his time in office. According to Arturo Porzecanski, an economist at the American University, "Mujica only had to promise a sense of continuity [for the country] and to not rock the boat."

He reassured investors by delegating economic policy to Daniel Astori, a former economics minister under the Vazquez administration, who has built a reputation for pragmatism, reliability and moderation.

President Mujica told conservatives, alarmed at his rebel background, that he had left the past behind him and held no resentment towards the Uruguayan military. "Prison cured me of any illusion that armed revolution can achieve lasting social change," he said.

However his values and principles appear to have remained intact. Social equality still rates high in his political agenda. He has pledged to bridge the gap between rich and poor and reduce the number of those who live under the poverty line, while maintaining Uruguay's steady economic growth.

"We want to achieve an end to poverty and for people to have jobs," he has said repeatedly.

At the inauguration ceremony President Inacio Lula da Silva of Brazil praised the new president and predicted President Mujica will advance the cause of creating a more just society.

The quest for a just and equal society has been a part of the political narrative in Uruguay since its early history. In the 1800s, Jose Gervasio Artigas, the father of Uruguayan nationhood, fought against Spanish, Argentinean and Brazilian armies to secure an independent future for Uruguay. He was hoping to build a progressive federated democracy.

Artigas laid the foundation for an egalitarian society when, inspired by the US constitution, he wrote the principles of independence, republicanism and confederation, which earned him the title of "protector of free people". Unfortunately he never saw his dream come true, forced into exile in Paraguay in 1820, he never returned, although he lived to see the creation of an independent Uruguay in 1828.

Independence brought turmoil and chaos. For the first seven decades the country became a battleground. Among the many groups fighting for power, two of them stood out, the Blancos and Colorados, which came to dominate Uruguayan politics for 175 years. Increasingly, the Colorados came to represent the interests of the capital, and the Blancos the more rural and conservative interests.

A state of peace and stability was finally achieved

when the Colorado party's José Batlle y Ordóñez was elected president in 1903. He established the basis for a progressive and stable social democracy by making widespread political, economic and welfare reforms and establishing institutions and state enterprises.

Activities which are normally run by the private sector, such as insurance, utilities, and mortgage banking, were owned and managed by the government's state enterprises. According to historian Martin Weinstein, author of *Uruguay: Democracy at the Crossroads*, Batlle's state enterprises were designed to redistribute wealth, enhance the welfare system he created and serve the national interest by reducing the country's reliance on foreign expertise and capital. According to Weinstein these enterprises were crucial to Uruguay's expansion during this period.

His political reforms included a system of "co-participation" in which the two main parties, Colorados and Blancos, shared directorship of state enterprises and monopolies on a proportional basis. This ensured political stability.

Batlle separated the state and the church, insisting Uruguay should be a secular society. No public building bore the names of saints, crucifixes were removed from schools and the word 'God' had to be written in lower case.

Batlle's vision was bold for such a small country. For him the task of an interventionist state was to bring about social justice. His eventual legacy (he died in 1929) was a country where education and health care were universal rights, where laws encouraged home ownership, a welfare system protected the most disadvantaged and workers were protected from unfair working conditions. Uruguay ended up having public education before England, women's suffrage before France, the eight-hour workday before the United States and divorce 70 years before Spain.

Most historians have written that prosperity made Batlle's vision possible. Uruguay's economy had developed rapidly during the first three decades of the 20th century because of expanding beef and wool exports. Between 1903 and 1929 the value of exports doubled because of the market for frozen meat.

As long as prosperity continued the system appears to have worked well, producing one of Latin America's most prosperous, egalitarian societies, with one of the most stable, progressive and representative political systems, but in the late 1950s, when the economy stagnated and exports began to slide rapidly, it all came to an abrupt end.

At first the government turned to industrial production. The import-substitution industrialisation strategy involved raising tariff barriers in an effort to discourage imports and protect the new manufacturing enterprises. But the industrial boom was short lived because of the small size of the domestic markets, the inability to compete on world markets, due to high tariff

barriers, and the technological dependence on other countries.

The stagnation of both industrial and livestock production created a negative balance of payments, a decrease in reserves, a rise in unemployment and growing inflation. Uruguay's economy entered what would be a 20-year crisis. The protracted economic crisis became a political crisis in the late 1960s.

In 1958, the Uruguayans voted in the Blancos, who for the next eight years failed to develop the momentum required to pull the economy out of the doldrums. In 1966 a retired general, Oscar Gestido, was elected president but died shortly after. He was replaced by his vice president, Jorge Pacheco Areco, who was described as authoritative and conservative.

Within a week of taking office, he issued a decree outlawing the Socialist Party and several small anarchist groups and shut down the most progressive newspapers. "We elected Eisenhower," went a Montevideo joke, "and we ended up with Nixon".

Tensions came to a head when the national liberation movement Tupamaros rebelled against the political establishment. Its founder, law student Raul Sendic and his followers, mostly middle-class students, had grown increasingly disillusioned with the government. Tupamaros did not believe that fundamental change was going to be made through the ballot box so they chose the armed struggle instead.

Initially they robbed food trucks, banks and businesses to distribute the bounty to the poor. Their behaviour infuriated the authorities – especially President Pacheco, who now urged the army to take a tougher line.

Tupamaros became increasingly violent when they kidnapped and executed Dan Mitrione, an American police instructor who was stationed in Montevideo as part of a program sponsored by the US Agency for International Development (AID), an international program that had been founded by John F Kennedy's Alliance for Progress.

According to journalist Lawrence Weschler, it brought Latin American police officers up to the standard of the AID's International Police Academy in Washington DC and sent American agents down to Latin America to assist armed forces with counter insurgency training.

Mitrione was in charge of the Office of Public Security, which was providing weapons and training police on advanced counter insurgency techniques. Although it is claimed that torture had been in used in Uruguay since the 1960s, according to the New York Times, Dan Mitrione was reported to be the man who made it routine. He is quoted as having said: "the precise pain, in the precise place, in the precise amount, for the desired effect".

Former Uruguayan police officials and CIA operatives claimed that Mitrione had taught torture techniques to Uruguayan police in the cellar of his Montevideo home

including the use of electric shock delivered to his victims' mouths and genitals.

Tupamaros wanted to exchange Mitrione for fellow guerrilla members languishing in Pacheco's jails but the attempt failed and they ended up executing him. Mitrione's death caused a national rejection of the Tupamaros, who also kidnapped others, among these was British ambassador Geoffrey Jackson, who was released eight months later.

Pacheco turned gradually to the military and increased the military budget.

In the 1971 elections, left-wing parties founded the Frente Amplio Coalition to return the country to democracy but lost the elections. The Colorado party supported Pacheco's handpicked successor, the conservative Juan Maria Bordaberry, while the Blancos were led by Wilson Ferreira, a progressive senator.

Ferreira achieved a majority over Bordaberry, but Pacheco's deputies on the electoral court manipulated the results and Bordaberry was declared the winner. He turned out to be the military's willing partner.

With another wave of violence by the Tupamaros and growing social unrest, Bordaberry forced a bill through Congress transferring total authority to the military for the war against the Tupamaros. Two years later the military suspended Congress; set up a Supreme Military Council as the only executive and legislative authority and downgraded Bordaberry's role to that of a figurehead.

During the next 12 years of dictatorship the country had the world's highest per capita rate of political incarceration. All groups with leftist affiliations were outlawed. Unions, journalists, students and intellectuals were targeted, tortured and sentenced to long prison terms.

The figures quoted by Amnesty International were 5,000; one in every 500 citizens was confined to prison; one in 50 had been interrogated and between 300,000 and 400,000 Uruguayans went into exile.

The Broad Front would plead to its constituents not to leave: "Brother, don't leave ... there is hope!" But the crisis moved so much faster than hope. A decade of terror, despair and lost opportunity would follow. The military established one of the most sophisticated and repressive apparatus in Latin America.

The extensive and systematic use of torture was documented in testimonies presented to the US congress and by prisoners themselves. Uruguayan poet and playwright Mauricio Rosencof, a Tupamaro leader, wrote about his time in prison and the systematic abuse he was subjected to in his book *Memories from Jail*.

"I was captured along with Jose Mujica "Pepe" [the current President of Uruguay] and Fernandez Huidobro (Ñato) and they moved us between cells across the whole of Uruguay. We were underground for a long time, in cells that, at best measured two metres by one."

"They often didn't give us water, so we learnt to drink our own urine. They often didn't give us food, so we ate

insects ... They only let us go to the toilet once a day. It was torture, because if you went in your cell, you were punished. So your organs ended up switching places – your bladder becomes your brain, because you can't think of anything else. We never saw another human face, not even each other's, and we never saw the sun."

One day the International Committee of the Red Cross came to visit the prisoners. "That day, we noticed something really strange: the guards took us out of our cells, opened the windows to let the sunlight in, and brought in a table and a chair. I shifted from side to side in the chair – it had been 10 years since I'd sat on one."

The Red Cross interviewed prisoners in specially prepared cells, but soon learned the chilling truth about conditions in the prison and the fact that their conversations had been recorded secretly by the prison authorities. After their departure many prisoners were subjected to reprisal, others disappeared.

Like Rosencof, others wrote about their experiences in prison. "These texts constitute one of the most eloquent literary statements we know concerning the impact of repression," writes journalist John Glad. "The daily attacks on all aspects of human dignity, the brutal harassment by means of which the dictatorship, conscious of the far reaching effects of its terror tactics upon third parties attempted to impose the rule of silence on the entire country."

To this day official figures have not been compiled. According to the main human right commission in Montevideo, Servicio Paz y Justicia, 109 were killed and 163 disappeared.

Events in Uruguay were not happening in a vacuum. In neighbouring countries military forces had taken over the governments following military coups, in Brazil (1964), Argentina (1976) and Chile (1973), as well as other Latin American countries. Influenced by the Doctrine of National Security, military governments saw a new threat posed by the world's communist movement. Extensive collaboration between military forces and paramilitary death squads across international borders meant refugees from Uruguay were not safe in Chile or Argentina where they had fled and vice versa.

According to this doctrine, unions, universities, newspapers, churches and parliaments were infected with communist tendencies and only a coup and military rule could save democracy. Their mission was to restore order, deal firmly with subversives and create the environment for economic development. When all that had been achieved and the nation was re-educated politically and economically, power could then be gradually transferred to responsible politicians.

"There is considerable argument regarding the degree to which the US was directly implicated in the promulgation of such doctrine throughout Latin America," writes journalist Lawrence Weschler.

Several generations of Latin American officers received training at the School of the Americas, operated by the

US Army, in the Panama Canal Zone and in its parallel institute in Fort Benning, Georgia.

According to Weschler, proud graduates of the schools include Augusto Pinochet of Chile; Gustavo Alvarez of Honduras, Jorge Rafael Videla, Roberto Eduardo Viola and Leopoldo Galtieri of Argentina and Manuel Noriega of Panama – all of whom helped the program to earn its nickname, ‘the school of coups’.

While the Uruguayan military was successful at stifling political opposition, by the time the generals relinquished power they had left the economy in shambles. According to Weinstein, the military’s economic program sought to transform Uruguay into an international financial centre. They pursued the extreme monetarist policies of Milton Friedman that included liberalisation of the economy and deregulation of the financial systems, reducing the health and education budgets, lifting restrictions on the exchange rate and reducing tariffs in an effort to open up Uruguay to the world economy. But the timing could not have been worse. A recession was forcing the industrialised countries back to various forms of protectionism.

## “Battle separated the state and the church, insisting Uruguay should be a secular society.”

By the end of the military period economic growth had stopped. Most private banks were owned by foreign conglomerates and the regime had left a debt of \$5 billion, an extraordinary burden on a country with under three million citizens. The future looked bleak.

Power was returned to the traditional parties. The Colorados and Blancos, or Nationals led the country for the following two decades. Julio Maria Sanguinetti from the Colorado party was elected president in November 1984 and in 1996. Sanguinetti appeased the generals through a general amnesty, despite calls for criminal trials. He consolidated democracy, freed political prisoners, legalised political parties and continued the neoliberal economic reforms, adopted by the military, to revitalise the economy, with mixed results.

Luis Alberto Lacalle (1990-96) pursued further liberalisation of trade and made Uruguay a member of the Southern Cone Common Market (MERCOSUR) in 1991. Despite economic growth Lacalle’s adjustment and privatisations attempts caused political opposition and some reforms were overturned by referendum.

When Frente Amplio was elected in 2004 many people watched the news in disbelief. This was the day many Uruguayans had waited years for. The day the left would finally come to power. Frente Amplio was not your everyday leftist party, but a coalition of left-wing parties.

It was founded by Liber Seregni in 1971 to break the stranglehold of the two major parties and carry out a democratic revolution which would change society. Thousands of people danced and cheered as they saw their dream come true. Frente Amplio had beaten the odds, the 33-year-old dream had been realised.

In 2004, Uruguay was just beginning to recover from the 2001-03 crisis, which was mainly caused by the spillover effects of the economic problems of Argentina and Brazil.

In mid-2002 Argentina’s massive withdrawals from Uruguayan banks started a bank run that was overcome only by massive borrowing from international financial institutions. The economy contracted by 11 per cent, unemployment climbed to 21 per cent and over one third of the country’s 3.5 million citizens found themselves living below the poverty line.

This grim outlook was compounded by a crippling debt to the IMF with loans totalling \$2.3 billion. Political commentators say that all these factors set the stage for the Broad Front’s Vazquez presidential bid. It was time for change.

Vazquez opened the door to a new, bold political direction. He worked at stabilising the economy, signed a three year \$1.1 billion stand-by arrangement with the IMF that committed Uruguay to a substantial primary fiscal surplus, low inflation, a reduction in foreign debt, and to several structural reforms designed to improve competitiveness and attract foreign investment.

This agreement, combined with a mix of pro-investment policies and social programs, contributed to revitalise the economy in a short period of time.

His \$240 million National Plan to Address Social Emergency contributed to reduce poverty. He established wage councils made up of representatives from unions, business and government to negotiate wages for 100,000 firms and 600,000 workers. Hundreds of jobs were created under the Work for Uruguay Program, pushing unemployment down from 12.3 per cent to 7.3 per cent, its lowest level in decades. His education reforms provided all students in primary schools with a personal laptop equipped with an internet connection.

He reduced value added tax on basic food items, and created a personal income tax that exempts the poorest 60 per cent. He also made efforts to decentralise government and encourage greater popular participation in politics.

Vazquez went out of his way to sustain good ties with the US. When President Bush visited Uruguay thousands of Frente Amplio supporters marched in outrage against his visit. Some complained that the party had moved to the centre and that the coalition was losing its revolutionary principles.

Perhaps the Frente Amplio is no longer the political and social movement that it once was. Even President Mujica, despite his revolutionary past, has made it clear that there is no contradiction between embracing revolutionary ideals and pursuing moderate economic reforms.

Unlike Vazquez, President Mujica's suffering at the hands of the military afforded him great credibility among voters. After all, this is a man who paid a high price for his ideas. Yet he remains loyal to his political ideals and he is opposed to corruption. He has not taken to the trappings of power. He has no bank accounts, no assets and no other possessions. President Mujica himself may be one of the world's poorest sitting leaders.

It is no wonder he has generated expectations among the poor. He has pledged to build new housing projects, improve the infrastructure, expand access and quality of education and participate actively in the regional integration with other South American countries.

Whether he manages to fulfil his pledges remains to be seen. According to researcher Elizabeth Benjamin, President Mujica will face some challenges on the economic front. "One such obstacle to tackle will be inflation. Another will be the dependency on the somewhat unpredictable economy of its largest trading partner, neighbouring Argentina."

The main challenge will be to reintegrate more than 400,000 poor into the mainstream economy and stop the constant emigration of skilled and educated young adults, which represents a massive loss in human capital.

President Mujica has been attempting to settle a dispute with Argentina over the construction of a paper mill to be built on the Uruguay River, which delineates the border between Uruguay and Argentina. The project would be the largest industrial investment in Uruguay ever, according to a 2006 report by the BBC news. Although negotiations have commenced with the Argentinian government they are still a long way from

reaching an agreement.

Another challenge will be initiating a process of reconciliation with the past, which is well overdue, and many people are demanding justice to be done and reparations to be made.

Some Uruguayan political analysts say that "Mujica challenges, provokes, pushes you to think but he doesn't necessarily resolve issues". "He is a big picture man, but his proposals lack detail and clear guidelines," says journalist Miguel Arregui. "Mujica has spoken about State reform but hasn't quite articulated it ... His cabinet is given broad strategic directions and much autonomy."

Yet he was riding well on public opinion approval in his 100 days in office. Currently he has an approval rating of 74 per cent. He enjoys a 90 per cent positive approval from Frente Amplio but he also has support among the two main opposition parties.

According to political analyst Adolfo Garce this is due to his negotiations with the opposition parties that enabled non-ruling coalition members to be invited to the board of directors of some of the state enterprises.

Garce said that the clearly political negotiation attitude of President Mujica, so far, and not only with the opposition but also with the military and the Argentine Government "is something which receives full support from the average Uruguayan voter".

The Mujica government will do well as long as the economy goes well. But he knows the economic bonanza that was initiated in 2003 will not last forever, and that the strength and wisdom of his government will be better measured during crisis situations.

