



# **Uruguay's 2019 Elections**

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On November 24, 2019, Uruguayans narrowly elected Luis Lacalle Pou of the center-right National Party in a presidential runoff election. Lacalle Pou's inauguration, scheduled for March 1, 2020, will end the center-left Broad Front coalition's 15-year hold on power and could usher in several changes to Uruguay's economic and security policies. The new government is also likely to align more closely with the United States on some foreign policy issues, such as efforts, supported by Congress, to facilitate the restoration of democracy in Venezuela.

### **Domestic Context**

As much of the Latin American region has struggled in recent years with recessions and mass protests, Uruguay has remained a bastion of relative stability. The center-left Broad Front has held the presidency and majorities in both houses of the Uruguayan General Assembly since 2005. In office, the Broad Front has adhered to orthodox macroeconomic policies while expanding social welfare programs, making the tax system more progressive, and enacting union-empowering labor laws. This policy mix, combined with a boom in international demand for Uruguay's agricultural commodity exports, has contributed to considerable improvements in living standards. Uruguay is in the midst of the longest economic expansion in its history; real gross domestic product (GDP) growth has averaged 4.3% per year since 2005, and the poverty rate has fallen from 32.5% in 2006 to 8.1% in 2018. The Broad Front governments also have enacted several far-reaching social policy reforms that have legalized abortion, regulated the marijuana market, and expanded lesbian, gay, bisexual, and transgender (LGBT) rights.

The Broad Front's support base has eroded over the past five years, however, as the administration of President Tabaré Vázquez has struggled to address domestic challenges. Economic growth averaged 1.6% during the first four years of Vázquez's term and is forecast to slow to 0.4% in 2019. This slowdown,

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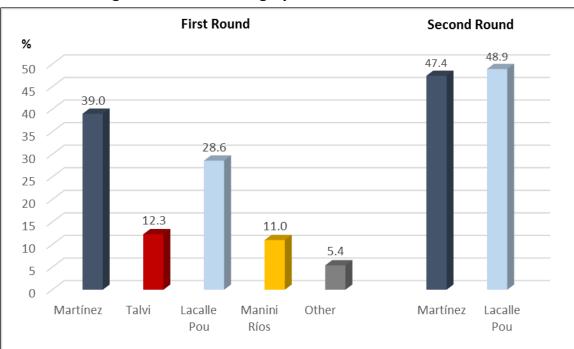
CRS INSIGHT Prepared for Members and Committees of Congress — partially due to economic downturns in Argentina and Brazil, has contributed to higher unemployment, larger budget deficits, and a general sense of economic stagnation. Many Uruguayans also have been alarmed by rising levels of crime and violence. The homicide rate has more than doubled since the Broad Front took power, rising from 5.7 per 100,000 residents in 2005 to 11.8 per 100,000 in 2018.

#### 2019 Election Campaign and Results

Given Uruguayans' dissatisfaction with the Broad Front, the political opposition entered the 2019 campaign in a favorable position. Opposition voters remained divided, however, between the National and Colorado Parties—traditional rivals that had alternated in power prior to the rise of the Broad Front. The National Party nominated Luis Lacalle Pou, a conservative senator and son of a former president, and the Colorados nominated Ernesto Talvi, a centrist economist. The opposition splintered further following the entrance into the race of former General Guido Manini Ríos, who launched the far-right Open Town Hall Party after President Vázquez dismissed him as commander of the army for questioning the convictions of former military members involved in dictatorship-era (1973-1985) human rights abuses. All three major opposition parties criticized the Broad Front's economic management and security policies; Open Town Hall also pledged to repeal the Broad Front's social policy reforms.

The Broad Front's candidate, former mayor of Montevideo Daniel Martínez, spent the campaign defending his coalition's legacy. He also claimed that the opposition's business-oriented economic policies would threaten the socioeconomic gains achieved over the past 15 years and could lead to the type of instability seen elsewhere in the region.

Although Martínez won a plurality in the first-round election held on October 27, 2019, the three major opposition candidates combined for nearly 52% of the vote. Talvi, Manini Ríos, and two other opposition candidates united behind Lacalle Pou for the runoff, pushing him to a narrow victory (see **Figure 1**). The opposition parties also won majorities in both houses of the Uruguayan General Assembly (see **Figure 2**).





Source: CRS, based on data from República Oriental del Uruguay, Corte Electoral.

#### **Potential Policy Implications**

Lacalle Pou negotiated a 13-point agreement with four of his former competitors to help forge a multiparty coalition before the runoff election. Among other policy commitments, they agreed to reduce the fiscal deficit without cutting social welfare benefits, adopt business-friendly economic reforms to attract investment and improve competitiveness, and declare a national public security emergency to combat narcotics trafficking and other crime. Although the agreement identified points of convergence, Lacalle Pou may struggle to hold the multiparty coalition together when fleshing out policy details. A number of differences already have emerged between centrist members of the Colorado Party and farright members of Open Town Hall, all of whom Lacalle Pou will need to pass legislation (see **Figure 2**). Lacalle Pou's policies also could face opposition in the streets from labor unions and other civil society organizations that traditionally have had closer ties to the Broad Front. Perhaps anticipating such unrest, the pre-election agreement pledged to largely maintain Uruguay's current labor relations framework and protect recent policy changes that benefitted women, ethnic minorities, and the LGBT community.

Lacalle Pou may have more room to maneuver on foreign policy. He has pledged to strengthen Uruguay's commercial diplomacy to diversify trade relations and access new markets. He also has pledged to maintain Uruguay's traditional support for multilateralism and peaceful dispute resolution, including through contributions to U.N. peacekeeping missions. The most significant shift in Uruguay's foreign policy may involve its approach to Venezuela. Although the Vázquez Administration has condemned the undemocratic actions of Nicolás Maduro, it has not recognized the U.S.-backed interim government of Juan Guaidó. The Vázquez Administration also has opposed U.S.-backed efforts to impose sanctions against Venezuelan officials under the Inter-American Treaty of Reciprocal Assistance (Rio Treaty). Lacalle Pou is likely to recognize Guaidó and take a stronger stand against the Maduro regime within multilateral organizations. He also could reverse the Vázquez Administration's decision to withdraw from the Rio Treaty.

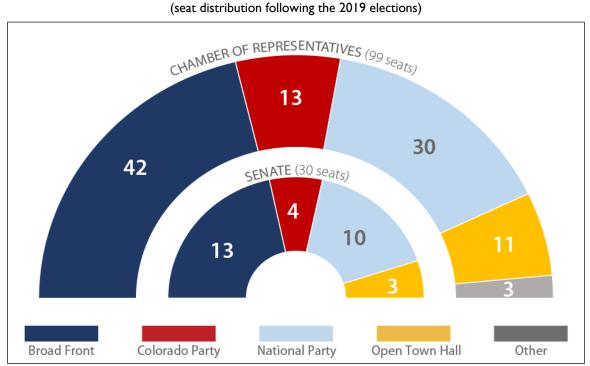


Figure 2. Party Affiliation in the Uruguayan General Assembly

Source: CRS, based on data from República Oriental del Uruguay, Corte Electoral.

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