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Andrés Gaudán

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Rags-to-Riches Entrepreneur Now a Rising Political Star in Uruguay

by Andrés Gaudín
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Uruguay’s two historic conservative parties, the Partido Nacional (National Party, PN, or Blanco, White Party) and the Partido Colorado (Red Party, PC), continue to pay a heavy price for the failed “Concertación” strategy they employed in last year’s municipal elections.

The strategy was to create a partnership party, the Partido de la Concertación, to compete specifically in greater Montevideo and hopefully wrest control of the prized department from the progressive Frente Amplio (Broad Front, FA) (NotiSur, June 5, 2015). But the limited experiment in joining forces came up short, leaving the PC, for the first time in its 180-year history, without representation in the Montevideo legislature. And it helped spawn a new political force, led by businessman Edgardo Novick, that could end up costing both the Blancos and the Colorados votes in future elections.

Of the 13 ediles (members of the municipal governing council) elected from the Concertación, four returned to the fold of the PN. The rest, all Colorados, migrated from their parent party, allying themselves instead with Novick, the Concertación’s top Montevideo candidate for the council, who continues to assert himself—much to the chagrin of many Blancos and Colorados—as an independent and increasingly influential player. The wealthy entrepreneur and his allies are now preparing to formally launch themselves as a new political entity before the end of the year, perhaps called Mejor Juntos (better together). “We still haven’t decided on the name,” Novick said of his spin-off group.

In addition to the nine Montevideo-area ediles, the businessman-turned-politician has also managed to bring a senator and four deputies on board, giving the Concertación, as it’s still generally referred to, national, rather than just departmental reach. The five lawmakers were all elected in 2014 under the Colorado banner.

Scratching backs

The situation is noteworthy not just because of how unusual it is, but also because Novick, despite his radically right-wing leanings, somehow maintains optimal relations with the FA-led Montevideo and national governments, headed by Intendente Daniel Martínez and President Tabaré Vázquez respectively.

In Montevideo, votes from the Novick-allied ediles provided the majority needed to launch Fondo Capital I, a blind trust created jointly by the intendencia (departmental government) and private business sector to fund improvements to the department’s roads and sewage system, among other things. In February, after praising the FA government for its “efficient implementation of the plan,” the Concertación then voted to create Fondo Capital II, which will allow Montevideo’s historic farmers market to be relocated from the city center to Melilla, an agricultural area west of the capital.
Martínez and Novick have never spoken publicly about exchanging favors. The businessman insists, furthermore, that he’ll support any kind of urban improvement plan that “gives back to the city what the city has given to me.” It’s interesting to note, nevertheless, that Novick was born and raised in Melilla, and that moving the market to the agricultural zone has long been a goal of the small-scale farmers with whom the Concertación leader worked as a young man selling fruits and vegetables in the street markets of Montevideo.

“The Frente Amplio and Martínez are providing Novick with oxygen so that he can break up the unity of the two traditional parties that established Uruguayan democracy,” PN Senator Luis Alberto Heber told the daily El País.

**Legitimacy boost**

Heber didn’t mention him by name, but was no doubt referring also to President Vázquez, who on June 7 honored Novick with an invitation to participate, alongside leaders of the various major parties (those that have parliamentary representation), in a committee meeting on national security and energy policy, issues Vázquez characterizes as “affairs of state.” Though no one has said so explicitly, it appears the president sees Novick’s recruitment of a senator and several national deputies as proof that a new party is set to emerge.

Novick was accompanied during the special committee meeting by attorney Jorge Barrera, a close adviser, who made a point, El País reported, of repeatedly complimenting the president. That, in turn, prompted an outburst by Heber. “Are you Novick’s lawyer or the government’s lawyer?” he asked. Novick also complimented the president, at one point calling him “a true leader,” according to the newspaper.

“It’s clear that [by inviting Novick to the meeting] Vázquez treated him like a party leader, even though he doesn’t really have a party,” El País wrote. “That’s what explains the indignation of the opposition representatives, as demonstrated by Colorado Senator José Amorín, when he said, ‘Vázquez extends a hand to Novick, who responds in kind, placing himself clearly in the pro-Vázquez camp.’”

Leaders from the two traditional parties continued to sound off on Novick afterwards. “He’s not a problem for the Frente Amplio, nor for the Blancos. But he’s a serious problem for the Partido Colorado,” Álvaro Garcé of the PN told the daily El Observador. Colorado Senator Germán Coutinho agreed with Garcé’s assessment and called Novick “a liar and a traitor.” And Senator Pedro Bordaberry, the PC president and son of Juan María Bordaberry (1972-1976), the former president and dictator, went so far as to propose a signature drive to “call on Novick to give up the political project he’s putting together.”

**High on the hog**

Novick, a 60-year-old entrepreneur who never completed high school, burst into politics 18 months ago, in January of last year, when the PN and PC tapped him as their best shot at breaking the Frente Amplio’s two-decade hold on Montevideo. Between the ages of 14 and 34 (from 1970 to 1990), he worked informally as a fruit and vegetable seller. Novick now owns a chain of sportswear shops, two restaurants, a luxury hotel, and Montevideo’s most modern shopping mall.

The wealthy business owner reportedly has his headquarters in the fourth tower of the World Trade Center Montevideo, on the exclusive 40th floor, home to Uruguay’s Club de Ejecutivos
(executive’s club), a select society that only accepts people who are personally recommended by existing members, are approved by a board of directors, and are able to pay an inscription fee of US $90,000 plus monthly dues of US$2,500.

“I’ve done well in life, and the moment came when the businesses could function without me. I’ve been married almost 35 years, live alone with my wife, and I felt it was time to give something back to the city,” Novick’s web profile reads.

He doesn’t exaggerate when he says he has done well. In addition to his material wealth, the businessman is also lucky enough to have two sons who are stars of the Peñarol soccer club, the country’s most popular. And if that weren’t enough, Marcel, the youngest of his four heirs, scored the deciding goal in the match that gave Peñarol its 50th national title.

Gathering steam

Many Uruguayans view Novick as an amiable fellow with a facility for communicating with the public. Academics, on the other hand, tend to regard him with a healthy dose of suspicion. “What we’re dealing with here is a non-ideological democratic right,” historian Aldo Marchesi said. “Novick represents rightist populism along the lines of Donald Trump in the US. He tries to play on the emotions of certain middle-class sectors that don’t feel represented by progressivism. His message is not very forward-looking; it taps into the animosity, rather, that stems from certain middle-class values like individualism and a faith in the primacy of business. All that accompanied by a certain festive aesthetic.”

Others make the inevitable comparison to two other South American business moguls who became conservative political leaders and with whom Novick is reportedly in contact: Mauricio Macri, the new president of Argentina (NotiSur, Dec. 4, 2015), and former Chilean President Sebastián Piñera (2010-2014) (NotiSur, Jan. 22, 2010).

Novick and his ediles allies began to travel the country late last year, meeting with local caudillos who have little national clout but enjoy solid electoral bases. Since May, with his recruitment of senators and deputies, the pace of the meetings and visits, always with Colorado players, has quickened. When Bordaberry warned Novick that his role “shouldn’t be to steal our votes,” the latter replied with a statement he has since used every time he is attacked: “They’re the ones inviting us to sit down and talk, and for us, it’s an honor.”

For the time being, “his” group of ediles, national lawmakers, and other allies doesn’t include people capable of designing major policy initiatives or economic plans. But more quickly than his Blanco and Colorado “victims” expected, Novick is beginning to attract some political heavyweights. Examples include Guillermo Stirling, a former interior minister with the PC; Blanco economist Javier de Haedo, deputy minister of the economy and president of the Banco Central during the presidency of Luis Alberto Lacalle (1990-1995); and Sergio Abreu, of the PN, a former foreign affairs minister. Those three and others speak with and advise Novick, but for reasons of pride or protocol, try to keep their distance and do not admit that, sooner or later, they’ll accept his political leadership.

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