

Democracia y Neoliberalismo en América Latina Democracy and Neoliberalism in Latin America

Guest Editor / Edición a cargo de MARIO SZNAJDER
Universidad Hebrea de Jerusalén

Liberalisation and Democracy in Latin America

GEOFFREY HAWTHORN
University of Cambridge

Guillermo O'Donnell's now famous complaint is that Latin America in the past two decades or so has at best had democracies of a 'delegative' kind. Presidents and other politicians come to power in competitive elections and nominally represent. But they do so in societies in which institutions lack that degree of independence from each other and from the state that is held to be an essential defence against government power and in which individuals are not reliably able to claim those social, political or even civil rights that liberal constitutions formally confer. Most citizens are excluded, directly and indirectly, from political parties, and many are effectively excluded also from one or other of the associations in 'civil society'. They do not enjoy that 'participation' to which republicanism aspires. The new regimes, that is to say, are but democracies in name, requiring parties and candidates for posts of president, governor or mayor to compete for power in what a seasoned British law minister once described, in reference to his own country, as elective dictatorships. The question is whether it can be otherwise.

The aspiration, in the countries of Spanish America at least, is that it should be. These are the last repository of the classical ideal of a citizenry actively defending its collective virtue, if necessary with arms, against those who

threaten it from without and those who threaten to undermine it from within. At the moment at which the more progressive liberal thinkers in Europe – Benjamin Constant, for example, and Alexis de Tocqueville – were abandoning this ideal, which Constant called ‘ancient’, for the ‘modern’ aspiration to a representative democracy, liberators in the south of America were fighting for republics in its name. Some still are. President Chávez’s regime presides over a newly-named Bolivarian Republic of Venezuela.

Such aspirations, of course, have long since ceased to be cleanly classical. The picture of a leisured and sophisticated *criollo* aristocracy presiding over the grateful beneath them who, like women, slaves and barbarians in fourth-century Athens, had no voice in the new republics, has gone. So, too, has the patrician liberalism that contested this picture into the first thirty years of the twentieth century. In their place, there arose a populist republicanism, in which civilians and soldiers with an interest in industrialisation made an alliance of capital and favoured urban labour against the landed and the landless in the countryside. In these republics, for which Perón’s Argentina (and Vargas’s Brazil before it) were the models, the new civic virtue, a city virtue, would be defended by arms. Competition from within the political class, as well as challenges from those excluded from it, was frequently met by force. And where competition did exist, and for this reason – or for others – circumstances deteriorated, armed force was used to remove it. As for the Abbé Sièyes in 1789, the virtue of the republic and the unity of the redefined nation were as but one, and paramount.

These two rhetorics continued in the more obviously ‘democratic’ regimes that were fashioned in some countries to replace such republics from the 1940s. So too, into the early 1980s, did many of the previous social attitudes and economic policies. Citizenship may have been extended to the rural poor, but these people did not enter the political classes, or benefit greatly from the governments of such regimes. The economic model remained that of Raúl Prebisch and others at CEPAL in the post-War years, favouring the export, where possible, of primary products, and state-directed, import-substituting industrialisation under the protection of tariffs and overvalued currencies. Firms and workers in industry and the services were offered generous guarantees. Political power lay in the patronage that protection afforded, and was financed by loans.

For so long as one or another of these kinds of republic could be financed, and for so long as the United States was prepared, politically, to support them, they prospered. In the 1980s, the flows of capital, in flight and repayment, were reversed, and so, too, were the politics. Even, or as some have remarked, especially, in those states whose governments had been proceeding under the old rules, currencies were devalued, fiscal deficits were

lowered, subsidies were withdrawn, state enterprises were sold, and imports were freed. Employment in the 'formal' sector – public and to an extent private, too – fell, and poverty rose. Military governments, encouraged by the United States and relieved to be free of public shame, transferred their power to civilians. The civilians used the excuse of the new financial disciplines to rid themselves of powerful and now troublesome clients, and power became concentrated in the presidential palaces and ministries of finance. Where electoral competition had been suspended, it was reintroduced. Where it had not, the existing parties, having lost their powers of patronage, often crumbled.

It is these new governments that govern by 'delegative democracy'. They have to maintain their political authority while persuading the citizens to expect less from politics. The state, they insist, can no longer be expected to provide employment and the other material securities. Government cannot respond, and insists that it cannot now be expected to respond, to the myriad interests that have found their voice in 'civil society', in those professional associations, trade unions, peasant associations, churches, and non-governmental organisations of other kinds which have hoped that, in the new 'democratisation', the interests they press might at last be heard. To contain the discontent of the excluded and protect the rest, it can spend more only on the police. Politics is now the politics of depoliticisation.

This is not peculiar to Latin America. The politics of depoliticisation pervades all those countries – which is nearly all that there are – which have had to stabilise their finances and liberalise their trade in order to protect their currencies and attract investment. In Latin America, however, it is a politics that is especially bitter. The hope from the *lo popular* and its advocates was that the advent of democracy, or the advent of a democracy that did not depend on patronage and the corruption that patronage brings, would at last allow that redistribution which such exceptionally unequal societies had long required. Yet, in Latin America, it is a politics that is also bitterly familiar. In its depoliticisation, its refusal to accept claims from below and the challenges that will follow to its priorities, it resembles the old republics. Power is to be prerogative of a political class committed once again to a common programme for the sake of the nation and in its name. In Britain, in 1999, the Labour Prime Minister declared his ideal of 'one party, one nation'. In that country, this struck an unusual note, and was derided. In Latin America, it would not be unusual at all. The new 'delegative democracy' is in this respect the 'ancient republic' reborn.

In Venezuela, the ancient republic has been deliberately induced. Chávez's rhetoric is openly hostile to the old political class in their new liberal dress, and to those international forces and international institutions that support

them. It is in favour of the poor and excluded and the national patrimony. But Venezuela's national patrimony is exceptional, and Chávez has acted to increase its price per barrel. It is conceivable that the president will be able, for a while, to sustain his populism financially, and for as long as he can, and as long as the old political class is in disarray, to sustain it politically also. But what is financially conceivable for Venezuela is not conceivable for other smaller states: Bolivia, Ecuador, Paraguay, Perú, Uruguay. In these, as in Argentina, Chile, Colombia, above all in Mexico, which is now in NAFTA, it cannot be an option.

The enthusiasm in the World Bank and other Northern circles for a politics in which the state retreats in favour of the market, and where the market cannot penetrate NGOs, has now subsided. There is an acknowledgement once again in the Bank, and elsewhere in the North, that the state – government as well as legal and administrative ‘governance’ – does matter. But this does not resolve the practical dilemma. If a state is to compete in the new international economy, it cannot afford to put its currency and its prospects for inward investment at risk. In all states, the politics of depoliticisation bear most heavily on the poor. In more prosperous states, however, the poor are in a minority, the economies are stronger, and the tax bases are wider. In the less prosperous, the poor are more numerous, economies are weaker, tax bases are narrower, and there is not the will or capacity to exploit the bases there are. The political temptations to spend are greater, the practical possibilities of doing so, much smaller. The prospects for a more inclusive democracy in Latin America, and for its material consequences, are not good.

Moreover, even some of the democracies there are precarious. In some Latin American republics, the government is not in control of all its territory. In some, the rule of law does not operate, or operate well. In some, public administration still is more personal than impersonal; individuals determine more than institutions. Yet an authoritative representative democracy, *a fortiori* an authoritative liberal representative democracy, can only rest on the foundations of a modern state. To the extent that it does not, it can not only fail to deliver what it promises. In societies in which inequality, anger and despair are as great as they are in many parts of Latin America, and in which ancient political fantasies still resonate, it can also jeopardise its very existence.