DEMOCRATIZATION IN SOUTH AMERICA:
DEVELOPMENTS AND PROSPECTS

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1. Introduction

In 1968, while still a graduate student of political science, I organized a conference on Social Science Research and Political Change in Latin America, which was held in Pacific Grove, California. It was probably the first time one of the founding fathers of the "dependency theory" -Theotonio Dos Santos- introduced this concept to an academic audience in the United States. Thereafter, as you all know, a long debate was established between "dependency" and "modernization theory"— another powerful concept then dominating current explanations of development in Latin America (and elsewhere in the Third World).

At that time, the world of academia was still fascinated with Kuhn's paradigmatic understanding of scientific revolutions. In the social sciences, the search for broad, encompassing paradigms was seen by many scholars as the only fruitful way of academic advance, while a few others maintained strong reservations about this approach to theory building. For instance, when I invited Albert Hirschman to that Conference, I asked him about the title of his presentation. When he learned that David Apter was also attending, he asked me in turn: "What is David's paper going to deal with?". "The Search of Paradigms as a Help to Understanding" was my answer. Hirschman then replied: "In that case, the title of my paper will be The Search of Paradigms as an Obstacle to Understanding".

Both rendered magnificent pieces of research that may still be found in old journals and books (Apter, 1968; Hirschman, 1970). But I particularly recall the wealth of theoretical wisdom that Hirschman was able to find in Womack's "Zapata and the Mexican Revolution"-- a classical, well documented history he picked up to illustrate the way one can be scientifically relevant without resorting to grand-theory or all-encompassing paradigms.

Although both dependency and modernization theories have lost, since then, much of their appeal, as world events and new paths of development began to call for new explanatory categories, the macro-versus-micro approaches remain as a subject of continuing scholarly debate. Democracy, the subject of this symposium is a case in point, as portrayed by some of the controversies raised by the growing literature in this field.

Remmer, for instance, a leading scholar in the study of democracy in Latin America, has recently made the point that a continent wide pattern of political change, like the one involved in the sweeping democratization wave of the 80's, involves more than coincidence. To do research on this pattern -she argues- is the way to search for generalizations about a set of common outcomes. In her view, such generalizations will hardly be forthcoming if the particular and unique are the principal focus of research (Remmer, 1991). Thus, instead of looking more deeply into separate, individual cases, the author favors a rather broader, comparative approach as a strategy for enhancing our comprehension on the subject.
Personally, I do not see much value in these sharp distinctions between the particular and the general. After all, theoretical knowledge of social processes has grown out both from works like Marx's "18th Brumnaire of Louis Napoleon" and Weber's "Economy and Society". What really matters is the quality of either type of study. And this is precisely my concern with the recent literature on democracy in Latin America: I see little effort at analytically-focused, in-depth research on individual cases, and much rudimentary generalizations about broad patterns of political change.¹

True, since there is not probably enough cumulative experience with democracy in the region, it may be too early to draw any clear-cut patterns. There still are countries -like Paraguay and Chile- which have only recently moved away from authoritarian rule and have not yet gone through its first governmental succession under a democracy. Nevertheless, beyond the difficulties always involved in studying complex processes still under way and subject to highly uncertain outcomes, it may also be argued that social science is sufficiently established and endowed with analytic tools as to avoid both cursory macro propositions or purely descriptive accounts of events. In this regard I share Remmer's crude evaluation when she claims that

"(T)he development of a more adequate theoretical understanding of Latin American democracy has been hampered rather than advanced by the research strategies represented in the recent literature: theoretical denial, voluntarism, barefoot empiricism, and intellectual recycling" (Remmer, 1991).

Fortunately, my presentation today cannot be easily placed in any of these denigrating categories, because I do not claim to be a specialist in the study of democracy in Latin America. But I am familiar with the literature and with several of the actual processes of democratization taking place in South America, particularly in Argentina, Uruguay, Paraguay and Bolivia. Therefore, I will proceed to review the main interpretations found in recent works on the subject, from the comfortable vantage point of a non-specialized, critical observer.

2. Competing explanations

What is the literature on democracy in Latin (South) America concerned with? Why should somebody do research on this subject? Which are the basic issues? In trying to answer these elementary questions, I will leave aside the concern with transitions from authoritarianism to democracy, which several years ago attracted great academic interest and led to important contributions like the collective volume by O'Donnell, Schmitter and Whitehead (1989).

After trying to explain how democracy came about, the mere passage of time and the turn of events led scholars to concentrate on several other issues emerging from the following observations: (1) democratic regimes in South America came in a wave and managed to survive under very harsh social and economic conditions; (2) even though democratic in appearance, some of these regimes may not be true democracies--a fact that may explain their endurance in such difficult times; and (3) eventually, some of these democracies

¹ For instance, in a recent article on the problem of governance in Bolivia, Peru and Ecuador, all references are generally made to the three countries while the analysis rests heavily on the Bolivian case. There is no single empirical observation on Ecuador and only a couple of them on Peru along the entire text (Malloy, 1992).
may collapse anyway, as they prove incapable of surmounting the obstacles lying ahead. Let us consider these three aspects separately.

2.1 Can democracy and economic crisis live together?

The first area of concern is built around several coincidences and a basic paradox. In less than one decade, eight nations of South America made a successful transition from authoritarianism to democracy. With the only exceptions of Colombia and Venezuela, all other countries of the sub-region were previously governed by military regimes. Successively, Peru, Argentina, Brazil, Ecuador, Bolivia, Uruguay, Chile and Paraguay returned to democratic rule. In itself, this historical coincidence deserves an explanation.2

Moreover, besides Chile and Uruguay, which had registered long periods of orderly succession of democratically elected governments and enjoyed a comparatively solid party system, almost all other countries had not known a full democracy before or had experienced it only sporadically.

This massive and coincidental regime shift was regarded by noted political scientists, like Samuel Huntington, as an irrefutable demonstration that the process of democratization had entered into its "third wave" (Huntington, 1991). However, this wave coincided with those same years which economists and sociologists agreed to call the "lost decade". A period of persistent decline in the rate of growth of these countries, balance of payments problems derived from heavy indebtedness in the previous decade, and strong deterioration in the living conditions of large segments of their population.

Furthermore, while trying to consolidate their fragile democracies, all of those nations applied stabilization and adjustment policies that, in most cases, further impaired the well being of the poorest sectors of society. Recent studies provide well documented accounts of this process. It has been observed, for example, that greater regressivity in income distribution, greater unemployment and heavy drops in investment, production and salaries explain the growth of poverty and the neat configuration of a dual social structure, as middle income sectors have decreased in size. In relative terms, and taking Latin America as a whole, poverty had experienced a gradual decrease between the 1960-1980. The proportion of the poor in the population had dropped from 51% to 33%, although the absolute number remained constant. But towards 1985, the percentage of poor families increased up to 39%, whereas in absolute terms, the number grew from 119 million in 1980 to 158 million in 1985 (Isuani, 1991).

Most likely, at the beginning of the present decade several countries of the region - particularly those in which economic adjustment led to a pronounced decrease in income - have reached a greater degree of distributive inequity than that existing around 1980, as well as indices of poverty equally higher (Ferg and León, 1980).

Along this process, neoliberalism became the dominant ideology guiding socioeconomic policy everywhere, whereas the welfare and entrepreneurial roles of the state were

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2 Przeworski (1991) has gone further on this coincidence, by suggesting that the emerging democracies should bear very similar features. He thinks of "...at least two reasons the new democracies should be more alike than the conditions that brought them about. First, 'timing' matters. The fact that recent transitions to democracy occurred as a wave also means that they happened under the same ideological and political conditions in the world. Moreover, contagion plays a role. co-temporality induces homogeneity: the new democracies learn from the established ones and from one another. Secondly, our cultural repertoire of political institutions is limited.....Certainly, there are important differences among types of democracy but there are not as many types as the variety of conditions under which transitions occur."
subject, for the first time since the very formation of the national states, to their most extreme criticism.

Many authors have seen in these various coincidences a striking paradox: Was it not an established fact that the worsening of economic conditions paves the way for social unrest, unmanageable conflicts, and military take over? Apparently, the answer is no; or at least, not necessarily: it seems that these consequences are not always inevitable. Hence, new explanations for this unexpected coexistence of democracy and orthodox, unequitable capitalism are needed. In this respect, several lines of argument have been advanced.

First, in most cases, the economic crisis started before the transition to democracy and, to a certain extent, was responsible for the very shift of regime. The crisis was made apparent by the sudden explosion of the foreign debt but its inception can be traced back to the late stages of the ruling authoritarian governments. It may even be possible that the effects of economic crises on political systems has little to do with the sign of the regime. For instance, in his comparative study of crises in the late 20's and early 80's, Drake finds that the sharp negative impact of a debt crisis tends to undermine whatever type of regime happens to be in power, be it authoritarian or democratic. While in the 30's the change was from democracy to dictatorship, the reverse occurred in the 80's. The author also found that once this regime shift occurs, the economic situation has less an influence on politics. However, he contradicts the conventional wisdom by suggesting that democracies may have some resources that dictatorships lack, especially their greater legitimacy for resisting the negative effects of crises (Drake, 1989).

This last remark leads us to a second argument: military regimes have come into such high disregard that most democratic forces - and even society at large - will not accept new swings of the old authoritarian-democratic pendulum anymore. Some authors agree that the very effect of living through authoritarian periods has made political actors more willing to seek the compromise necessary for democracy to function. In addition, the dissatisfaction with military rule - both on the part of the civilians and the armed forces themselves - should help to prevent its return in the near future (Kaufman and Stallings, 1989).

As a result of its much greater legitimacy, democracy may endure the adverse consequences of adjustment and empowerment much longer than authoritarianism. Especially, if the democratic governments manage to put the economy back on more stable tracks. This line of argument suggests there is a link between democratic legitimacy, effectiveness in governance and distaste for military rule. Linz and Stepan (1989) argue, in this respect, that democratic legitimacy and perceptions of socioeconomic efficacy are not tightly coupled but are instead mediated by evaluations of the specific alternative political formulas of the recent past and plausible future. The ability of democratic rulers to claim ruling authority on the basis of procedural origin rather than governmental performance per se and the possibility of democratic alternation of governments are likewise seen as factors insulating democratic regimes from disaffection based on unsatisfactory policy performance (Remmer, 1991).

A third argument claims that political leadership may have played an important role in...
articulating and strengthening the degree of social consensus needed to overcome the perils of an authoritarian setback. From this perspective, the argument is made that political variables, rather than economic circumstances, are the main determinants of political outcomes (Smith, 1991). This approach stresses the role of leadership and the elite's maneuverability to get across the transition stage in a heavily constraint environment.

Similarly, Rehren (1991) stresses the importance of the dynamic interaction between executive leadership and political institutions, a link which has not been stressed enough in the study of transitions. He shows how different leadership styles might contribute to institutionalize patterns of conflict resolution that strengthen or weaken Congress, a vital democratic institution in presidential regimes. Finally, the author analyzes leadership from an institutional perspective, trying to assess the impact that the tensions between the transformational and transactional dimensions have on the success of redemocratization processes.

A fourth argument that may explain the paradoxical resilience of the democracy-crisis coexistence underlines one basic aspect of the learning process that comes with democratic experience. Simply, citizens may have discovered that their votes count. Therefore, if a particular government does not meet their demands and expectations, the democratic rules provide the solution: elect someone else. The fact that no single party coming to power after the demise of military rule was able to retain power in the next election, is seen as an eloquent demonstration of the citizens exerting that right.

This implies that the consolidation of democracy tends to depend on the achievement of a certain autonomy with respect to performance, that is to say, on a general support to a political order as distinct from the satisfaction with certain results. The key lies then -as Torre put it- in delinking the democratic system from the capacity of a given government to deliver desirable social goods and services. In this sense, the highly personalist and unilateral style of crisis management in the new democracies may be regarded as a blessing in disguise, as the responsibility for the austerity policies (and their failures) falls mainly upon the incumbent government and not on the system. Dissatisfaction can be thus channelled through elections and the vote may be used to remove unwanted governments from office and promote a change in economic and social policies (Torre, 1991).

In the fifth place, important changes that occurred in the domestic political scene of the nations undergoing a democratization process, may also account for the viability of the system. Probably the most conspicuous of these changes has been the continuing reduction of power of the organized labor movement. In part, this was due to the mere decrease in size of the industrial labor force and the consequent impact on their unions's capacity to articulate and mobilize their demands. And in part, also, the labor policies applied during the 1980's under the adjustment scheme, further impaired that capacity. In his study of these policies in Argentina, Brasil and México during the past decade, Roxborough (1989) finds that organized labor has not been able to defend itself against wage declines and increased unemployment. Divisions within the labor movement have exacerbated the problem. In the meantime, the governments have had no consistent policy. The possibility of negotiating a "social pact" among labor, business, and the government has been on the agenda in all three countries, but has not been successfully implemented anywhere. Failing that option, governments have "muddled through", varyingly trying to win support from the labor movement, to divide it, and/or repress it. Overall, labor has fared poorly, a clear loser despite its organizational potential.4

4 However, important distinctions should be made on this point. For instance, the relative power and behavior
A sixth factor that may partly explain the continuity of democracy despite the crisis is that the old civilian supporters of military takeovers have found new political channels of expression. In general, the political right has gained strength, has been able to enter into coalitions with other center, and even "leftist" parties, and has discovered that it can further its economic and political objectives without "knocking the doors" of the military barracks. For instance, conspicuous "golpistas" and pro-military civilians, like many politicians of the UCD (Unión del Centro Democrático), have become presidential advisers and political appointees of Menem's government in Argentina, while the party itself finds its political platform well represented in the policies followed by the Peronistas.

A seventh point, which in a way involves another paradox, is that political parties have not gained much strength with democracy. On the contrary, with the possible exceptions of Chile and Uruguay, all other countries in the sub-region have experienced a continuous deterioration of their political parties and great difficulties in truly constituting a party system. Parliaments have not been immune to the weakness shown by the parties and their constitutional role has often been bypassed by unilateral decisions on the part of the Executive. This gave the Presidency greater leeway in adopting pieces of legislation which, under different conditions, would have met with strong opposition.

Finally, certain foreign actors have probably played an important role in keeping democracy in the sub-region alive. This explanation relies more on external political influences than on intra-national factors. For instance, the orientations of U.S. diplomacy as well as the symbolic and rhetorical value of its public commitments on this matter have favored the installation and maintenance of political democracy in Latin America. It may have been in the U.S. interest to act this way and it probably cannot afford to do otherwise. As Lowenthal (1992) put it:

"In an earlier era, when what mattered most to Washington was obtaining military bases, preserving access to raw materials, protecting investments in extractive industries, and gaining diplomatic support from client states, the U.S. government could perhaps afford to turn a blind eye to internal conditions within Latin America, overlook poverty and inequity, and make its peace with unattractive dictators."

In his opinion, that is no longer the case.

The foregoing arguments provide a wide range of possible explanations about the way existing democracies in South America have managed to avoid turning back to authoritarianism. Although extensive, this catalogue does not address what I consider a basic point: the democratization process has not always been smooth and steady; and if the outcomes of certain episodes that occurred in several of these countries were different, so would have been the story we are now reviewing.

It should not be forgotten that over the past five years, the solidity of democracy was tested several times. We may recall, for instance, the "carapintadas" uprisings in Argentina and President Alfonsin's anticipated step down from office; Fujimori's "self-coup" and the closure of Congress in Peru, in the midst of bloody confrontations with "Sendero Luminoso" and other guerrilla groups; the various rebellions of the armed forces suffered of organized labor during the Alfonsin and Menem governments in Argentina have been widely different. Alfonsin was unable to reach any durable compromise with the unions and suffered over a dozen general strikes which helped undermine the performance and legitimacy of his government. Menem, in turn, divided the workers Confederation, co-opted its leadership and suffered only one, partially observed, general strike.
by President Carlos Andres Pérez in a country, like Venezuela, which used to enjoy a more consolidated democracy; the destabilizing political effects of internal warfare against narcotraffic in Colombia; the impeachment and separation from office of the incumbent president of Brasil, Collor de Mello; the threat of institutional discontinuity in Paraguay at the time the ruling Colorado party was debating the presidential ticket for the coming elections. Not to speak of hyperinflation in Brasil, Peru, Argentina and Bolivia, reaching up to 23,000 per cent in one year, and the ensuing social tensions. These are all dramatic testimonies which remind us that subversion, corruption, patrimonialism, mismanagement, and authoritarian practices may have not been definitely erradicated in South America, even though the democratic forces have prevailed for the time being.

2.2 Are South American regimes authentic democracies?

The latter observations may serve as an adequate entry point to our second area of concern, namely the true democratic nature of South American existing regimes. Again, several propositions have been advanced on this point.

Some authors, like James Malloy, have straightforwardly rejected the successful record of democracy in the region despite adverse economic conditions, by questionning the real democratic character of the newly installed regimes. According to this position, changes have been mainly superficial and cosmetic: the transformations occurred in the 80's are not authentic transitions from authoritarian to democratic regimes but rather adaptations of authoritarian patterns with only few conspicuous variations in the main actors and in the procedures for selecting the leadership. An overall continuity can be observed in the allocation of power and in the process of formulating public policies. In fact -the author believes- we are in the presence of "hybrid regimes", that is, technocratic and authoritarian political processes disguised under formally electoral democracies (Malloy, 1992a and 1992b).

A similar perspective is adopted by Sondrol, in his interpretation of political liberalization in Paraguay. For this author, the evolution of events in that country suggests that its civil-military elites are overseeing a controlled liberalization of society that will lead to a "dictablanda" (or liberal autocracy), rather than to a real democracy. The Rodríguez government has initiated something akin to a "Prague Spring" in Asunción. Authoritarian controls may have been relaxed, but democratic consolidation remains problematic. The Paraguayan experience suggests (1) that removing a long-reigning dictator does not necessarily lead to a change in regime type, and (2) that "civilianizing" the military does not necessarily mean inauguration of civilian control, much less democracy (Sondrol, 1992). The prognosis about the system's evolution is likewise pessimistic:

"As we look ahead in the short run, Paraguay will retain the basic characteristics of a corporative, centrist state along with the more modern tenets of liberal pluralism so recently added. A strong executive, bordering on Caesarism, will continue to provide the political leadership for a semi-authoritarian system" (Sondrol, 1992)

The literature on transitions from authoritarianism has raised this point several times: transitions to what? More recently, authors like Diamond, Linz and Lipset (1990), in an influential collective volume, provide interesting ways of distinguishing between these less-than-democratic systems. For example, one subset of authoritarian regimes may be really termed "pseudo-democracies", because they rely on formally democratic political institutions and procedures (i.e. multiparty elections and new constitutions) which very often mask and legitimize de facto authoritarian regimes. The less-institutionalized, typically more-personalized, coercive and unstable Central American governments of El Salvador, Guatemala, Honduras and Nicaragua may fall into this category. Another form
of semi-authoritarian system is the "hegemonic party system", in which opposition parties are allowed but subject to various types of limitations. Until very recently, the Mexican Partido Revolucionario Institucional (PRI) offered a clear illustration of this sort of system.

Other forms of semi-democracies, which have not yet acquired a definite shape, may be in the making. They are being favored to some extent by the very process of economic adjustment, which demands a high concentration of political decision-making powers, specialized expertise of a new technocratic elite and a strong capacity to make swift decisions on the basis of technical rather than political criteria. "To govern by decree" is their favorite formula. Legislation by Congress is seen as very time-consuming; if and when a law is passed, it may be too late for action. The opposition parties lose the initiative. The very role of Congress is sharply diminished and its legitimacy damaged. Sometimes -as it occurs in Argentina- even the Judiciary may be brought under the control of the Executive by increasing the number of Supreme Court judges appointed on the basis of loyalty to the incumbent government. Internationalized business groups -rather than intermediary corporate organizations- become key political actors for articulating the consensus needed to put into effect neoliberal policies, some of which, like massive privatization of public enterprises and services management, favor them directly.

As a consequence, the traditional political actors of democracy (i.e. parties, business associations, labor unions, Congress) tend to become secondary figures, looked upon with apprehension by the citizens, as revealed by preliminary data of a Gallup study to be released next year. The political scene is narrowed and occupied by a few powerful economic groups, technocrats, international financial organizations, a "Court" of favorites, one or two foreign ambassadors and, sometimes, the Catholic Church. Among other things, this entails a progressive loss of confidence in the political class and the emergence of new types of leadership -usually upholding nationalist and populist ideologies- that seek popular support by differentiating themselves from the now discredited political parties.

However, it is interesting to notice that the viability of this type of democracies lies in the short-run positive effects of precisely those features which are detrimental to the long-term strengthening of democratic institutions, namely autocratic procedures and discretionary governmental decisions (Torre, 1991).

2.3 Will democracy in South America last?

The final area of concern involves the viability question: will democracy be able to survive against all odds and regardless of its real or merely formal character?

One possible approach to deal with this issue is to evaluate the strength of political consensus, the need and chances of a social pact or "concertación", and the role played by the parties in building coalition governments. Uruguay, with a three-party system and internal factions ("lemas") comprising the whole ideological spectrum, have a long experience in building coalition governments. So is the case of Chile, with another fractionalized party system.

The case of Argentina, Paraguay, Peru and Venezuela is different: the degree of polarization is greater and the occupation of government usually excludes any form of participation by competing parties, except in Congress. In turn, political parties in Bolivia, Ecuador and Peru have not been a central factor in building coalitions, a fact which debilitated the capacity of those countries to maintain democratic regimes for considerable periods of time. Above all, the parties have been vehicles for distributing state patronage among the various fractions of a clear political class common to the three countries. Under these circumstances, some authors fear that the weakness of the party
system may prove detrimental for the future of democracy.

Another related factor is the responsibility shown by the leadership of either left or right wing parties in resorting to political mechanisms having potentially destabilizing effects on the system. For instance, Lechner observes that a special merit of the Chilean left has been not to electorally rely upon the mobilization of social demands. Similarly to the right, the Chilean left has abandoned an approach that used to privilege the defense of class interests before the state, without considering the interests of society as a whole. This change may be the most salient feature of the socialist renovation in that country: to assume social reforms not as a rupture strategy but as a responsibility with the system (Lechner, 1992). As compared to the Chilean case, however, probably no other country in the sub-region can show a similar degree of responsibility of its political forces. For example, the consolidation of pervasive forms of capitalism in Argentina and Brasil, based on speculative and corrupt practices, privileged access to the state for prebendal practices, and huge transfers of income and capital from the lower to the higher economic classes, marks the complicity of the political leadership with the eventual collapse of the democratic system, rather than their commitment to its further consolidation.

A different way of approaching the subject of the future of democracy is by asking what is the strength of the military in the different countries and the chances of future attempts at imposing new forms of authoritarianism. In part, prognosis is based upon the present strength of the armed forces, the conditions under which they turned power back to the civilians, and the dangers posed by continuing warfare with subversive groups. It has been held, for instance, that the greater danger to democracy in the next decade is not military overthrow, but military subversion. This threat seems especially high in societies like Peru and Colombia, which have been plagued by incessant guerrilla warfare. Military subversion also poses a severe threat to democracy in Brazil, where the military possesses a powerful intelligence apparatus and extensive legal prerogatives. If such tendencies are not effectively countered, elected civilian governments may be left to rule in name only—the facades for far more unaccountable forms of decision-making authority (Kaufman and Stallings, 1989).

But the approach which has received greatest scholarly attention is the one that draws future possible scenarios for democracy in South America by asking about the economic prerequisites of its viability and eventual consolidation. Most contributions adopting this perspective point to either (1) the weakness of private investment; (2) the continuous destabilizing effect of heavy servicing of the public debt; and (3) the social costs of the adjustment policies.

On the first point, several authors contend that the continuing economic problems have deterred private sector investment. In the absence of a dramatic increase in investment, the forecast for democracy is not auspicious. It is further agreed that in the 1990s, massive international debt relief and political reaccommodation between Latin American governments and domestic business people are requisites for a renewed entrepreneurial spirit. Debt relief and political reaccommodation would encourage entrepreneurs in the region to invest in new industrial expansion. This in turn would improve the chances for a long-term democratic opening. Without growth in domestic private sector investment, democracy will remain a dream for current and future generations of Latin Americans (Maxfield, 1989).

The general mood, in this respect, is consistently pessimistic. O'Donnell, for instance, foresees languishing capitalisms centered upon weak state apparata and bourgeoisies voraciously speculative and transnationalized in the worst possible manner, that is, as mere appendices of the world financial system and not as agents that attempt to compete in the international market on the basis of a local productive base (Nun and O'Donnell,
1987). In turn, Katz (1987) observes that two models on which development occurred in Latin America do no exist any longer: those based on an agrarian rent and on foreign investment. Once stabilization is attained, what remains is an industrial apparatus with no international competitiveness, that applies outdated technologies lagging 10 or 15 years with respect to the frontiers of world knowledge. Hence, Katz asks, what kind of actors will reconstruct the sources of accumulation or finance in cases like these? The answer may be to "privatize the private sector." Or, as Fishlow (1990) put it bluntly,

"The heart of the matter is not simply taking the state out, but bringing the private sector and civil society back in more positively."

The debt problem has also been considered as a major factor jeopardizing democracy, although its significance -at least in some countries like Argentina, Bolivia and Brazil- has greatly diminished. Roett (1989) considers that it is in the U.S. interest to avoid further polarization between Latin America and the industrial world, by mitigating the threatening effects on democracy of a strict servicing of the public debt. To survive, Latin American countries must have economic growth. But they cannot service the outstanding debt and grow simultaneously. What is needed is vigorous and courageous political leadership by the U.S. and its industrial allies.

But the adverse effects of adjustment policies on the future of democracy are, undoubtedly, the favorite subject of the current literature. Some authors, like Amin (1991), have cast the matter in polar terms by posing the following dilemma:

"One of two things has to happen. One is that the democratic political system accepts subordination to the demands of world "adjustment". In this case, it will be unable to contemplate any major social reform, and democracy will itself soon be in crisis. If the popular forces, seizing the means offered by democracy, impose such reforms, the system will then come into conflict with dominant world capitalism and will have to slide from the bourgeois national project into a popular national project (...) Indeed, the whole dilemma of capitalist periphery lies there. For if these countries accept the "unilateral adjustment" imposed upon them by the strict logic of global unequal capitalist development, they are rendered unable to introduce acceptable conditions for their own peoples and therefore will remain an 'area of storms'."

Since it is unlikely that the North is prepared to accept the political and ideological changes that would allow for a path of development meeting the needs of the majority in the South while simultaneously safeguarding global interdependence, Amin sees no alternative to delinking.

For the time being, however, the so-called "poor democracies" of Latin America have demonstrated to be much more resistent to economic crises and adjustment policies than their predecessors. The record seems even more striking when observing that these policies have tended to lose their emergency, short-run nature, to become part of a project seeking to found a new type of society. Borón has characterized the main outcomes of these often chaotic and incoherent, but always coercive, projects: neo-conservative capitalisms, dual societies, marginality of formerly integrated masses, rupture of the social fabric, disarticulation and degradation of politics, surrender of sovereignty, etc. (Borón, 1991).

As the democratic governments lose their capacity to improve the material conditions of the masses, they must drag a growing number of unsatisfied social demands fueled by the very institutions and climate of liberty that come with democracy. Under these
conditions, regime legitimacy decreases, governance becomes problematic and the chances of a reinstallation of dictatorship -probably of a fundamentalist national-popular type, with a strong military base and even democratically elected- become more threatening.

For Lowenthal (1992), too, if neoliberal receipes are not soon perceived as successful, it is uncertain what will follow. Inward-oriented national populist movements may regain strength in some countries. The system may end up germinating the seeds of its destruction--what Fuller (1991) calls the "democratic trap."

Fernando Henrique Cardoso tends to agree with this somber scenario. While accepting the need of adjustment, as the state has gone bankrupt, he believes that these policies are not aimed at recovering the state's capacity to tax but at diminishing public expenses. In the short run, expenditures are comprised but no solution is provided for the financing of education, health, infrastructure, and so on. Moreover, salaries are controlled while prices remain untouched, thus turning adjustment totally inequitable. The result is a weak state, incapable of exerting social control, and an increased capacity of oligopolies to fix their prices. The situation may become explosive and the chances of extremist nationalist leaders -like Aldo Rico- attaining power should not be dismissed (Cardoso, 1991).

Economists have also anticipated the threats of these attempts at stabilization at the cost of falling into a bottom-of-the well equilibrium, as in the case of Uruguay or Bolivia (Fanelli et al, 1990). They consider that the state should take responsibility in speeding up growth and promoting economic development. Empirical evidence shows that countries like Colombia and Chile, where the state did not renounce its role as a major investor and where the state institutions suffered a much lower degree of erosion during the adjustment process, have had the most successful experiences in the region. State reform, then, should seek to improve the institutional capacity of government to stabilize the economy and promote growth.

Still, there are authors for whom the picture may not be so gloomy. For Remmer (1991) "the Latin American experience in the 1980s suggests that economic crisis should be described less as a threat to democracy than as a challenge posing opportunities as well as risks. Economic decline may menace democratic stability by provoking political polarization, but it may also create new incentives and opportunities for building elite consensus around democratic institutions" (Remmer, 1991). Dependence of the new regimes on effectiveness or performance is not inevitable. In addition, powerful intervening variables, like recent political experience and perceived political alternatives to democracy, should -as proposed by Linz and Stepan (1989)- also be taken into account. Those alternatives, which condition prospects for future democratic breakdowns, are likely to seem least attractive where recent authoritarian experience proved more repressive and costly.

All arguments considered, one conclusion seems evident. In the long run, the stability of a democratic state strongly depends on the credibility of the political actors and the effectiveness of the state. The lack of clear exit routes from the economic crisis widens the existing credibility gap. A striking result of this situation is the rapid exhaustion of available political options. Parties of different persuasions, successively gaining control of government, are unable to improve performance. The legitimacy of those parties as mechanisms for the selection of new leadership and the representation of popular interests suffers greatly. In this climate of "vertiginous political consumption" -as Paramio (1991) has called it- the new options like Fujimori in Peru, Collor de Mello in Brazil or even the PRD Cardenistas in Mexico, rapidly lose credibility. Other, more extremist variants (like the Alianza Democrática M-19 in Colombia) appear, but *caeteris paribus*, the most likely future scenario may be the emergence of personalized candidacies, commonly
identified by their rejection to traditional politics.

While awaiting a more edifying experience, a founding myth of democratic legitimacy based on the efficacy of results, Paramio believes that the shadow darkening the political future of Latin America is what Zermeño (1990) calls the "return of the leader": growing social exclusion combined with political apathy, that would open up the time of the urban tribes, of the marginal social identities, of the ephemeral populisms, of the anti-political leaderships. A time of confusion of which only chance could perhaps find a fortunate way out.

3. Some final reflections

After summarizing the main points raised in my presentation, I would like to add a few final remarks. Our journey along the recent literature on South American democracy probably leaves us with more open questions than definite answers. Let us recall our first question: Can democracy and economic crisis live together? So far, empirical evidence demonstrates they can, and a number of reasons have been advanced to explain the viability of this otherwise odd couple:

*Democracy arrived when the crisis had already emerged: military governments were held responsible for the crisis.

*Life under bureaucratic-authoritarian regimes was such a dreadful experience that democracy has come to be seen as the only convivial, civilized form of social and political organization.

*Political leadership played a decisive role in creating the social consensus needed to avoid any authoritarian setback.

*Citizens have discovered that the voting booth is a powerful instrument to replace governments showing an unsuccessful record in meeting social demands.

*Stronger coalitions between incumbent governments and big business, in the face of declining power of the labor unions and other activist groups, has tended to reduce political vulnerability to social demands.

*Rightist parties, aligned with the more traditional center and leftist ones, have found new channels for political expression that make support of military regimes unnecessary.

*The presidency has gained a renewed strength as a political actor; the system of checks-and-balances may have suffered but a unilateral and much more expeditious decision-making process has provided greater room for bringing about swift economic and social changes.

*Foreign powers have played a major role in maintaining democratic institutions, mainly by utilizing financial and diplomatic means.

Of course, not all of these factors apply to any single experience. Particular combinations may account for the co-existence of democracy and crisis in different countries of the sub-region.

However, there are signs that the newly installed democracies may have not fully acquired democratic characteristics. This has led scholars to raise our second question: Are South American regimes authentic democracies? Again, different arguments
have been advanced to indicate that in certain countries, democracies exist only in paper:

*Elections have become merely a formality: authoritarian patterns and technocratic rule survive, rendering democracy a mockery.

*In several countries, military power has been left untouched and political life continues to depend heavily on the whims and behavior of the armed forces.

*Personalized and coercive regimes, sometimes based upon a hegemonic party system, are still a familiar scene in Latin America.

*The traditional actors of democracy (i.e. Congress, parties, labor unions, business associations) have lost power on behalf of highly concentrated economic groups, technocrats, and political profiteers.

*Widespread corruption, state patronage, and adscriptive practices signal the endurance of a political culture that is clearly inimical to the development of democratic institutions.

This characterization may not be strictly representative of existing democracies in the sub-region but certainly, many of the features described do apply in several cases.

The circumstances examined thus far led to an inevitable, final question: will democracy in South America last under these conditions? Obviously, it is much easier to speculate about the reasons for the survival of democracy during times of crises or to identify non-democratic features in existing regimes than to predict the possible unfolding of political processes and their likely consequences upon the future of democracy. Besides, no wholesale answer can be given to a question that puts together countries with widely different levels of modernization, social mobility, political culture and institutionalization.

Mixed, optimistic and pessimistic answers have been registered in the recent literature. Authors believe that the chances of further democratic consolidation depends on:

*The degree of social consensus and the strength of the party system in coalition formation, political bargaining, and renovation of leadership.

*The extent to which left and right parties are able to foresee and avoid the destabilizing consequences of making political decisions aimed at the blind promotion of class or sectorial interests.

*The remaining strength of the military institution and the degree of control the armed forces still exert on incumbent elected governments.

*The prospects of surmounting some critical bottlenecks that lay along the process of economic growth, particularly low rates of private investment and heavy servicing of the public debt.

*The chances of meeting the demands of an explosive social agenda, as adjustment policies continue to be applied mercilessly, material conditions of the poor deteriorate, expectations grow, and the existence of an open public scene may set the stage for the advent of new forms of civilian-nationalist-authoritarian regimes.

Needless to say, any theoretical perspective on the future of democracy should consider the extraordinary uncertainty of this process, full of surprises and difficult dilemmas (O'Donnell, Schmitter and Whitehead, 1987). No serious speculation can be based on the
need of meeting strict conditions or unavoidable prerequisites to reach a particular stage
of democratization. Recent transitions demonstrate that democracy is a process in which
both, adverse structural conditions and strategic decisions by political actors in a
constrained environment, are equally relevant for the possible outcomes of the interacting
patterns.

Being a complex system and, itself, an intricate political process, democracy defies any
clear-cut, once-and-for-all characterization—let alone, explanation. We, scholars, may be
doomed to endlessly strike matches in order to light up and figure out the shape and
features of a dark, multi-cornered stage, full of unexpected turns, featuring constantly
renovated decorations; while at the same time, trying to understand the plot and action
taking place on this scenario, where many different actors perform changing roles along
several, improvised acts. Definitely, no single match will allow us to really understand how
the stage looks like or what is really going on.
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Democratization. Quite the same Wikipedia. Just better. 

Empirical research thus lead many to believe that economic development either increases chances for a transition to democracy (modernization theory), or helps newly established democracies consolidate.[1][2] One study finds that economic development prompts democratization but only in the medium run (10–20 years). In a highly unequal society (for example, South Africa under Apartheid), the redistribution of wealth and power in a democracy would be so harmful to elites that these would do everything to prevent democratization.