

# Growth of Democratisation in Latin America Along Socialist Lines

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**Abstract :** Latin America is a highly volatile region. After it was exposed to the rigours of colonialism, it has experienced several doses of authoritarian rule before the process of democratisation gained momentum in the 1980s. This article analyses the tenor and quality of democratisation along socialist lines in three countries of Latin America. The paper tries to identify the positive aspects of socialist democracies in the volatile but resource-rich region and at the same time clearly highlights the shortcomings in the socialist experiments in Brazil, Chile and Uruguay. All these countries are able to achieve the social democratic goal of high rates of economic growth while at the same time ensuring social justice. In all the three cases poverty fell significantly and income inequality also decreased. However the author also highlights that these neo-leftist regimes have been often repressive towards minority voices leading to a sense of alienation among a significant section of their population .

**Keywords :** Latin America, socialist democracy, Brazil, Uruguay, Chile, Democratisation, poverty alleviation, minority voices, authoritarianism, repression, populist

**Abstrak :** Amerika Latin adalah daerah yang sangat volatile. Setelah itu terkena kerasnya kolonialisme, telah mengalami beberapa dosis pemerintahan otoriter sebelum proses demokratisasi mendapatkan momentum pada 1980-an. Artikel ini menganalisis tenor dan kualitas demokratisasi di sepanjang garis sosialis di tiga negara LatinAmerica. Makalah ini mencoba untuk mengidentifikasi aspek-aspek positif dari demokrasi sosialis di wilayah bergejolak namun kaya sumber daya dan pada saat yang sama jelas menyoroti kekurangan dalam eksperimen sosialis di Brazil, Chili dan Uruguay. Semua negara-negara ini mampu mencapai tujuan demokrasi sosial tingkat pertumbuhan ekonomi yang tinggi, sementara pada saat yang sama memastikan keadilan sosial. Dalam semua ketiga kasus kemiskinan ini turun secara signifikan dan ketimpangan pendapatan juga menurun. Namun penulis juga menyoroti bahwa neo-kiri rezim telah sering represif terhadap suara minoritas yang mengarah ke rasa keterasingan antara bagian signifikan dari populasi mereka.

**Kata Kunci :** Amerika Demokrasi sosialisme, Brazil, Uruguay, Chili, Demokrasi, penanganan kemiskinan, suara minoritas, authoritarian, penindasan, populis

## Introduction

Latin America is the geographic region comprising of all the countries on the southern part of the continent of North America from Cuba onwards as well as the entire continent of South America. The Caribbean Islands are also included as apart of Latin America as the lingua franca in this region is mostly Spanish. Historically, it refers to those territories also called Ibero-America that were once part of the Spanish and Portuguese colonial empires as a

result of conquests of these lands by these two nations after their discovery by explorers. Some exceptions are Suriname, Guyana and French Guyanawhere Dutch, English and French are spoken respectively.

The countries of Latin American region are inhabited by people of indigenous American or mixed races from Europe, Africa and Asia, including Indians in Suriname. Since the end of the cold war this region is undergoing some dramatic political, economic,

technological and cultural changes. These changes are speeding up as the 21st century progresses. Latin America at the dawn of the 20<sup>th</sup> century bore little resemblance to the Latin America of today. Despite some notable exceptions, Latin America gave rise to a stereotype that persists to this day of tropical republics mired in squalor, ruled by self-serving autocrats and lagging decades if not centuries behind the economically advanced societies of Europe and North America.<sup>129</sup>

### Historical Background

Democracy in Latin America was a phenomenon that gradually emerged and developed in a real sense after the 1980s. European exploration and penetration of South America started at the beginning of the 16th century. Under the Treaty of Tordesillas, Portugal claimed what is now Brazil, and Spanish claims were established throughout the rest of the continent with the exception of Guyana, Suriname, and French Guiana. An Iberian culture and Roman Catholicism were early New World transplants—as were coffee, sugarcane, and wheat. The subjugation of the indigenous civilizations was a ruthless accompaniment to settlement efforts, particularly those of Spain. The Inca Empire, centered at Cuzco, Peru, was conquered (1531–35) by Francisco Pizarro; other native cultures quickly declined or retreated in the face of conquest, conversion attempts, and subjugation. Spain and Portugal maintained their colonies in South America until the first quarter of the 19th century after which successful revolutions resulted in the creation of independent states. The liberated countries

generally struggled with political instability, with revolutions and military dictatorships common and economic development hindered. Between 1820 and 1920, the continent received almost 6 million immigrants, nearly all from Europe. Guyana gained independence from Great Britain in 1966 and Suriname from the Netherlands in 1975. French Guiana is an overseas department of France.

Beginning in the 1970s, road building and the clearing of land led to the destruction of large areas of the Amazonian rain forests. International pressure and changes in government policy, especially in Brazil, resulted in a decrease in the deforestation rate since the late 1980s, although burning and illegal logging continue. Efforts to combat the illegal drug trade have been largely ineffective. Peru is one of the world's largest growers of coca leaves, and Colombia is a center for the drug trade. Economic problems and social inequality have led to considerable unrest and political instability. Many indigenous peoples, angered by centuries of domination by a primarily European-descended upper class, have demanded a more equal distribution of land and power. Despite the increasing industrialization of some countries, notably Brazil, Venezuela, and Argentina, and the widespread introduction of free-market reforms in the 1990s, high inflation and huge foreign debt continued to be major problems for many South American countries. Such economic problems led to a rise in populist political parties and movements in the region in the early 21st century, most notably in Venezuela and Bolivia.

### Social democracy and the left in Latin America

While Europe has a long tradition

<sup>129</sup> Robert Buckman, *Latin America - 2008*, (*World Today Series*, 42<sup>nd</sup> edition, Harper Report on the Americas

of parliamentary labour - based parties successfully competing for office, social democratic politics is relatively new to Latin America. The reasons for this can be found in the region's distinctive social structures and the political conditions which they gave rise to.

Throughout the twentieth century, Latin America lacked the kind of developed industrial base that spawned the powerful organized labour movements of Western Europe. The poor were predominantly rural or worked in the vast informal urban economy which made it difficult to organise cohesive class-based movements. In general, the poor voted for populist politicians such as Lázaro Cárdenas in Mexico, Juan Perón in Argentina and Getúlio Vargas in Brazil. From the 1930s to the 1970s these personalist movements supported pro-poor protectionist development strategies, allowing them to capture the natural social constituency of the left. The Latin American left was also excluded from formal politics by legal proscription and military repression. Latin American politics was highly polarised and the ruling classes, as well as the United States in the context of the Cold War, lived in fear of communist-inspired revolutions. As a result, the left was often not allowed to compete for political office. In the one case where the left did win a presidential election, in Chile in 1970, it was forced to govern under a state of permanent political and economic siege. Eventually, the 'Chilean Road to Socialism' was brought to a brutal end with the Pinochet coup of 1973. Because of this there was no social democratic route available for the Latin American left: it remained ideologically Marxist and committed to armed revolution as the only tenable political strategy. Much of the left took inspiration from the Cuban Revolution of 1959 which showed that a socialist alternative was

possible on the back of a popular revolt and a guerrilla war. The triumph of Fidel Castro in Havana mobilised movement to take up arms right across the region. These revolutionary movements were largely unsuccessful, with the one great exception of the Sandinistas, who overthrew the hated Somoza regime in Nicaragua in 1979 (Angell, 1996).

It was the re-democratisation of the region during the 1980s that opened up new space for a more social democratic left to develop. Across Latin America, left-wing movements were permitted to compete in national elections, and therefore had the space to build support within the formal political arena. The experience of resistance to authoritarian rule, and the fact that left-wing activists were generally the principal victims of human rights abuses by the military, gave these parties a new appreciation of the value of liberal democratic political institutions. Whereas in the past the left tended to be dismissive of electoral politics as a formalistic 'bourgeois sham', it now committed itself to the protection of human rights and the consolidation of democratic institutions. The collapse of the Soviet Union further shifted the left away from Marxism and towards a more social democratic strategy. Finally, the dominance of conservative regimes committed to neo-liberal economics during the 1990s meant that the left gradually managed to broaden its support from the relatively small organised industrial working class and the public sector middle class to the wider mass of the urban and rural poor. It started to win municipal elections and in doing so demonstrate that it could be a responsible and competent administrator. By the 2000s, the fact that neo-liberalism had singularly failed to

deliver the higher living standards it had promised meant that many millions of voters turned to the left in search of a more equitable alternative.

Nevertheless, the left in Latin America is as heterogeneous as the region itself and the kinds of left governments that emerged over the course of the 2000s varied widely. Most authors divide them into the three social democratic administrations of the southern cone and the more radical national-popular administrations of Venezuela, Bolivia, Argentina, Nicaragua and Ecuador. This is inevitably a crude and simplistic distinction, and it is often associated with a normative argument that there is a 'good' social democratic and a 'bad' populist left in the region. This author makes no such normative judgement: the left everywhere emerges in distinct national political and social conditions that help to shape the trajectory it follows. 'Populism' is a crude and largely pejorative category.

There is nonetheless a kernel of truth in the distinction between these different kinds of left. Those that have emerged in Brazil, Chile and Uruguay share a set of important characteristics. They inherited relatively stable economies and are committed to their gradual reform. They aim to make capitalism work for the poor, rather than instigate a more radical break with neo-liberalism. They are committed to the existing liberal democratic framework, rather than seeking to radically re-found their countries' constitutional arrangements. Finally, they are based on institutionalised political parties with historic links to organised labour and other social movements.

This contrasts with the left governments that emerged in countries like Venezuela, Argentina, Bolivia and Ecuador.

These governments emerged following periods of acute economic and social crisis and political polarisation. Many of them benefited from oil and gas export bonanzas which freed them from some of the constraints imposed by international markets. As a result, they favoured a much more radical break with the neo-liberal model, in particular by pursuing greater public ownership of their nations' natural resource base. They operated in more fragile and unstable political systems and were structured more as loose personalist movements than as political parties. As such, they sought to re-found their country's democratic arrangements, shifting from traditional liberal democratic institutions to more majoritarian and participatory democratic forms.

These lefts have to be understood within the distinct national contexts in which they emerged and had to govern. This article focuses on the social democratic cases because they are likely to have more directly applicable lessons for the left in Europe.

### **Case of Brazil**

The Brazilian Workers' Party (the *Partido dos Trabalhadores* or PT) was formed in 1980 by a grassroots coalition of trade unionists, Catholic radicals, landless peasants and middle class intellectuals, committed to building a different kind of left-wing political party. The PT was the brainchild of the independent unions that had developed out of strikes in the 1970s in the Sao Paulo automotive industry, headed by the charismatic strike leader Luis Inacio 'Lula' da Silva. The PT was in favour of liberal democratic institutions and opposed to neo-liberal capitalism, but it was critical of classical Marxian traditions and committed itself to a

pluralistic form of reformist socialism.

Gradually the PT grew in size, managing to establish itself as a powerful force in the more developed southern part of the country, where the presence of an industrial working class and a public sector middle class provided it with a core base of social support. It stood out as the only party in Brazilian politics that was created from the 'bottom up' by those excluded from Congress, as opposed to being created as a vehicle for existing congressional elites. It won control of numerous municipal governments throughout the 1990s and became famous for its own distinctive way of governing. In cities like Porto Alegre, it experimented with 'participatory budgeting', which involved thousands of ordinary poor citizens in making decisions over how to spend council funds. It was respected for the fact that it was, unlike much of Brazilian politics, not corrupt, emphasising transparency and eschewing traditional clientelistic practices.

The PT became the main oppositional force in the country, with Lula coming second in the first three presidential elections since re-democratisation in 1989, 1994 and 1998. Over time the party moderated its political programme, aware that it was stuck on about a third of the vote and concerned that it had yet to convince the average voter that it could effectively manage the economy. As such, before the 2002 elections Lula wrote a 'Letter to the Brazilian People' (some joked that it was more a 'letter to the financial markets'), pledging that a PT government would meet the country's obligations to payback its IMF loans and would retain the basic macro-economic policies of the centre-right government of Fernando Henrique Cardoso. Despite this, the financial markets reacted to the prospect of a

Lula victory with some alarm. In the end, Lula emerged triumphant, defeating his centre-right opponent Jose Serra by 61 per cent to 39 per cent, winning more votes than any other candidate in Brazilian history.

Lula's victory was historic: not only was he the first left-wing candidate to win a presidential election in Brazil, he was also the first working class Brazilian to do so. The crowds of poor supporters that thronged along the avenues of Brasilia on inauguration day were similar to those that travelled to see the Obama inauguration in Washington in 2009. In Brazil's highly stratified and hierarchical society, this was a seminal moment: never before had an ordinary worker become President. But what was Lula able to do in office? Was he able to achieve the PT's long-standing goals of breaking with neo-liberalism, reducing poverty and deepening democracy?

In retrospect, one can evaluate that Lula's experiments with socialist democracies was only a partial success and was not free from controversies even within his own party. Lula's left-wing supporters were quickly disappointed: as he set out in his 'letter', Lula stuck to the tight monetary and fiscal policies of his predecessor, maintaining high interest rates and a primary budget surplus to allow Brazil to pay off its loans from the IMF. Although this constrained the space for growth and employment, and for many PT supporters looked like siding with the IMF over the social needs of the country, it has to be understood within the context in which Lula was elected. The possibility of Lula's election had triggered alarm in the financial markets leading to an increase in the country's external debt risk ratings. The government's priority was therefore to calm the markets to buy itself the space it needed to develop its growth and anti-

poverty strategies.

In the short term, Lula's macroeconomic conservatism was relatively successful in its stated objectives, leading to low inflation and strong balance of payment. An attempt to balance the books by reforming civil service pensions led to a congressional rebellion within the PT and a number of deputies being expelled from the party.

In the long run, however, we can see that Lula's administration did start a gradual shift away from neo-liberalism and towards what has been described as a 'new developmentalist' approach to growth. By 2005 it managed to pay off the entire IMF loan and thus ended the dependency of the country on international creditors. Lula's government opposed and effectively sank the Bush administration's Free Trade Area of the Americas, favouring instead the strengthening of the Mercosur trading bloc which also includes Venezuela. Lula saw the state as having a leading role in delivering a more planned and equitable model of economic development. The privatisations of the Cardoso government ended. There was a strong industrial policy, with the National Development Bank providing subsidised loans and investments and increasing the public sector stake in the utilities privatised by the previous government. In 2007 the government launched a Growth Acceleration Programme, which saw increases in public investment in roads, railways and hydro-electric power stations. In particular, it used public funds to try to narrow the regional disparities between the north and south of the country. It was not socialism, but nor was it neo-liberalism.

Although the economy contracted slightly in Lula's first year, from then on it grew, with rates accelerating during his second

term to records of over 5 per cent a year in 2007 and 2008. Lula combined this economic strategy with something entirely novel in Brazilian politics: a commitment to ensuring that poverty should be reduced alongside economic growth. Lula's main tool for achieving this fall in poverty was the *BolsaFamilia* or family grant scheme. This was formed in 2003 from the combination of a number of different social security programmes and delivered cash transfers of between 15 to 95 *reais* a month depending on family income. Access is conditional on parents ensuring that their children stay in school and undergo regular medical checks. The programme was rapidly expanded so that by 2006 it covered 11.1 million families or 44 million Brazilians – around a quarter of the population. This was combined with very significant increases in the minimum wage throughout Lula's time in office(2), such that it is now at its highest level in real terms since 1972.<sup>130</sup>

The result has been a growth in average real incomes and a very significant reduction in poverty: the proportion below the poverty line in the main metropolitan regions fell from 35 per cent in 2003 to 24 per cent in 2008. In addition to this, however, Brazil has also managed to achieve a narrowing of its vast levels of inequality under the Lula administration: the Gini co-efficient fell from 0.627 in 2002 to 0.54 in 2009. There has been a fall in the ranks of the poor and a growth in the size of the middle class, which by the end of Lula's time in office made up the majority of the population for the first time. If the success of any left-wing government is to be judged by its success in reducing poverty and

<sup>130</sup> Brazil's campaign: In Lula's footsteps, *The Economist*, July 1st 2010 print edition

inequality, then the Lula administration in Brazil must be counted as a social democratic success story. Finally, what of the deepening of democracy? It is in this area where the Lula government was least successful. The PT did not translate its 'PT way of governing' from the local to the national level. Although various consultative fora were established, the PT did not manage to bring a more participatory model of governance to Brasilia. Indeed, it did not try to involve its social movement allies directly in government and governed in a relatively conventional manner.

According to Perry Anderson in his article in the London Review on Lula's performance in his tenure, "From the start, Lula had been committed to helping the poor. Accommodation of the rich and powerful would be necessary, but misery had to be tackled more seriously than in the past. His first attempt, a Zero Hunger scheme to assure minimum sustenance to every Brazilian, was a mismanaged fiasco. In his second year, however, consolidating various pre-existent partial schemes and expanding their coverage, he launched the programme that is now indelibly associated with him, the BolsaFamília, a monthly cash transfer to mothers in the lowest income strata, against proof that they are sending their children to school and getting their health checked. The payments are very small – currently \$12 per child, or an average \$35 a month. But they are made directly by the federal government, cutting out local malversation, and now reach more than 12 million households, a quarter of the population. The effective cost of the programme is a trifle. But its political impact has been huge. This is not only because it has helped, however modestly, to reduce poverty and stimulate demand in the worst afflicted

regions of the country. No less important has been the symbolic message it delivers: that the state cares for the lot of every Brazilian, no matter how wretched or downtrodden, as citizens with social rights in their country. Popular identification of Lula with this change became his most unshakeable political asset."

Materially, a succession of substantial increases in the minimum wage was to be of much greater significance. These began just as the corruption scandals were breaking. In 2005, the rise was double that of the previous year in real terms. In the election year of 2006, the rise was still greater. By 2010, the cumulative increase in the rate was 50 per cent. At about \$300 a month, it remains well below the earnings of virtually any worker in formal employment. But since pensions are indexed to the minimum wage, its steady increase has directly benefited at least 18 million people – the Statute of the Elderly, passed under Lula, consolidating their gains. Indirectly, too, it has encouraged workers in the informal sector not covered by the official rate, who make up the majority of the Brazilian workforce, to use the minimum as a benchmark to improve what they can get from their employers.

### Case of Chile

The Chilean Socialist Party (*Partido Socialista* or PS) has a long history that stretches back to the 1930s, when it was formed by an eclectic mix of social democrats, anarchists and Trotskyists disillusioned with the dogmatic Soviet line of the Chilean Communist Party. The Socialists and Communists both enjoyed significant levels of support among the country's relatively sizeable industrial working class, especially among the unionised miners in the north of the country. Like elsewhere in Latin America, Chilean

politics was profoundly affected by the Cuban Revolution, which led to a radicalisation within the PS – it declared itself a Leninist party and came to regard armed revolution as at some point inevitable. In coalition with the Communists and a number of Christian left groups, the PS formed an electoral coalition which three times put forward the socialist Salvador Allende for the presidency.

Allende was narrowly elected president at his third attempt in 1970 at the head of the Popular Unity (PU) coalition. The Allende government attempted to bring about a transition from capitalism to socialism by peaceful parliamentary means. It raised salaries and wages, redistributed land from the large landowners to the peasantry and nationalised key industries. The PU government was one of the most radical left-wing governments ever to be elected by democratic means and while its support grew during its time in office, so did the degree of polarization within the country between the PU's working class supporters and the upper and middle classes. In 1973 the elected government was overthrown in a bloody coup led by General Pinochet, ushering in two decades of brutal military dictatorship.

The PS and its centre-left sister party the Party for Democracy (PPD) emerged from military rule ideologically transformed. The brutality of military rule had made the restoration and consolidation of democracy the first and most important priority for the left. Chilean democracy was fragile: in the 1988 referendum on whether to end military rule, Pinochet had scored a respectable 43 per cent, which demonstrated that the general retained the support of a significant minority within the population. Facing a defeated but still powerful military, backed by conservative sectors within

the population, the left was nervous about doing anything in the transition period that might undermine a fragile democracy and lead to a reversion to military rule.

The ideological moderation of the Chilean PS was also reinforced by the lessons the party had learned from the Allende period. Essentially many within the PS had come to believe that their revolutionary radicalism had contributed to the polarisation of politics. If they had reached out to the middle classes and those who supported the centrist Christian Democrats, perhaps the catastrophe could have been avoided. In exile and under the conditions of military rule, the party had moved from the Leninism of its past to a much more moderate social democratic disposition. Following the first democratic elections in 1990, the PS found itself in government as the smaller coalition partner in a government headed by the Christian Democrats. The *Concertación*, as the centre-left coalition was called, governed Chile for the first twenty years of its new democracy from 1990 to 2010. Between 1990 and 2000 it was led by Christian Democratic presidents Patricio Aylwin and Eduardo Frei, but from 2000 it was headed by Socialists Ricardo Lagos and Michelle Bachelet.

The *Concertación* sustained the broad parameters of the neo-liberal economic reforms introduced by General Pinochet. It pursued orthodox fiscal and monetary policies to sustain macroeconomic stability. It supported a liberalised trade regime and reduced tariffs. Unlike the Brazilian and Uruguayan lefts it eschewed a regionalist trade agenda through Mercosur, preferring bilateral agreements, including with the United States. In terms of delivering economic growth this model worked: Chile grew at an average of 5.1 per cent per annum during those twenty years.

GDP per capita was \$4,542 in 1989: in 2009 it was \$14,299. In 2010 Chile became the first South American country to join the OECD. The Chilean left chose to ride the neo-liberal economic wave rather than depart fundamentally from it.

If the *Concertación* sustained the free market reforms of the Pinochet period, it departed from the Pinochet legacy by investing massively in social programmes. The minimum wage was increased and there was an early and rapid expansion of targeted programmes of social assistance that offered financial support and help with education and training. There was a massive increase in investment in the public health and educational systems. The Lagos administration introduced a major health reform that guaranteed basic minimum services for all and established a system of universal unemployment insurance. The Bachelet administration established a basic minimum pension and a universal system of day care and pre-school nurseries. The social outcomes were impressive. Poverty fell from 38.8 per cent of the population in 1989 to just 13.7 per cent in 2009. Income inequality also marginally decreased from a Gini co-efficient of 0.56 in 1990 to 0.53 in 2006.

The Chilean left can also be seen to have been successful in delivering important democratic reforms. When it came to office in 1990, there remained important so-called 'authoritarian enclaves' within the Chilean constitution. The Lagos administration removed non-elected senators appointed by the military, increased the power of congress, and improved civilian control over the military. In terms of providing restitution for the victims of human rights abuses, progress has been slow and incomplete but steady. Since 2000, 779 former agents of the military regime have been

indicted, charged or sentenced for crimes committed during the dictatorship. A commission to investigate torture and political imprisonment has resulted in the majority of victims receiving some form of reparation.

### **Case of Uruguay**

The Uruguayan Broad Front (Frente Amplio or FA) was formed in 1971 as a 'popular front' style coalition involving the Uruguayan Socialist and Communist parties, alongside Christian Democrats, independent Marxists and defectors from the two dominant political parties – the Blancos and the Colorados. Proscribed and repressed during the military dictatorship (1973-1984), the FA re-emerged during the democratic period to become the major opposition force in the country. Unlike the Chilean PS, it had not undergone a radical ideological transformation during military rule – largely because, unlike the PS, it had not been in power when the coup hit and therefore felt less need to reassess its own political strategy.

As the Blancos and Colorados shared government power and introduced a gradual series of neo-liberal economic reforms including privatisations and welfare retrenchment, the FA gradually extended its popular support. It gained experience of public administration after it captured the mayoralty of Montevideo in 1989. As the traditional parties that had created Uruguay's welfare state abandoned it, the FA moved in as the defender of the poor and the welfare system, extending its support from the industrial workers and middle class intellectuals to wider social strata, including the urban poor. Following the financial crisis of 2002, the FA candidate Tabaré Vázquez was elected as his country's first leftist president with 50 per cent

of the vote on the first round in 2004. The FA candidate and former Tupamaro guerilla fighter Jose 'Pepe' Mujica was later elected in the 2009 election, sustaining the left in power for a further five years.

The FA can be considered as the most left-leaning of our three social democratic cases, simply because it has departed most clearly from neo-liberalism in its approach. First, while retaining an orthodox macroeconomic policy, the FA has actively sought to shift towards a more regionally oriented and state-led development strategy. This has involved public investment in education, strategic industries and infrastructure, as well as support for regional integration through Mercosur. In line with this commitment, the FA government rejected signing a proposed bilateral free trade agreement with the Bush administration. This economic strategy has proved successful, with strong growth leading to a fall in the unemployment rate from 13.1 per cent to 7.5 per cent in 2008. The generation of jobs in the formal economy has led to a decrease in the proportion of people employed in the informal economy from 42 per cent to 33 per cent.

Second, the FA has achieved some significant advances in social policy and has done so by using a more heterodox range of policy tools than those applied in Brazil or Chile. The FA introduced a number of labour market reforms that led to increases in real wages. It increased the minimum wage by 63 per cent in real terms in its first term. It also reintroduced compulsory collective wage bargaining through a system of wage councils, which had a long history in Uruguay but were abolished by the Lacalle government in 1992. This reform strengthened trade unions, whose membership rose from 130,000 to 320,000 in 2008 and contributed to an increase in real

wages of 24.9 per cent during the FA's first term in office.

The government also reformed taxes, making income taxes more progressive and significantly cutting sales taxes, which it is estimated had a positive impact on income distribution. In 2005 a large scale conditional cash transfer programme (PANES) was introduced, which helped provide food, financial assistance and health care. When that programme ended in January 2008, an old conditional cash transfer programme was redesigned (*Asignaciones Familiares*), and the amount of this transfer was significantly increased. This programme aims to cover half of the population under 18 years old in Uruguay.

These policies were successful in reducing both poverty and income inequality. The proportion of people living below the poverty line fell from 31.9 per cent in 2004 to 20.5 per cent in 2008. Poverty among children fell from 55.3 per cent of children in 2004 to 38 per cent in 2008. Income inequality fell from a Gini co-efficient of 0.46 in 2004 to 0.424 in 2008, the lowest in Latin America.

Finally, the FA has implemented some important measures in the area of democratic reform. On the issue of protection of human rights, Vázquez forced the military to cooperate with a successful investigation to find the remains of those who had disappeared under the military regime. In terms of public participation, the left has introduced a corporatist-style national economic council to bring together unions, employers and government to reach agreements on the country's economic strategy.

### **The Syndrome of Authoritarian Democracy**

The causes of these afflictions vary

from country to country. Some are purely internal, rooted in socioeconomic inequality and poverty and political cultures laden with heavy doses of authoritarianism and corruption. But the United States has also made a substantial contribution. The traditional Cold War inclination to support repressive military regimes simply because they were bulwarks against communism strengthened anti-democratic structures and practices that continue to haunt these countries today. At the same time, the seemingly unquenchable US appetite for drugs has led to the rise of powerful Latin American mafias and narcotics networks that have penetrated local economies, making them dependent on drug money, and that have subverted political institutions, weakening democracy and in some cases creating virtual narcostates.

Moreover, even with the best of intentions--and US intentions are not always pure--Washington's policies sometimes have precisely the opposite effect from what is intended. It can be argued, for instance, that there is a central contradiction in the Latin American strategy of the US. While encouraging democracy on the one hand, the United States is simultaneously strengthening the very forces (especially the military) that have traditionally constituted the greatest threat to democracy. The upshot has been the containment and weakening of democratic institutions and processes and the development of a hybrid form of "authoritarian democracy."<sup>131</sup>

The point here is that the economic hardships and social dislocations caused by a neoliberal US economic strategy have led many Latin American governments to adopt

authoritarian measures in order to maintain public order and national security. And so civilian presidents, allied with military forces, are creating limited and militarized forms of democracy as they carry out economic restructuring. Executives have used national security laws similar to those of past military dictatorships and mobilized the military and security forces to enforce order. In turn, new US-sponsored roles and missions for the armed forces have drawn them deeper into the political realm and legitimized their involvement in social control and guardianship activities. Eight trends or tendencies in particular, illustrate this phenomenon in a diverse array of nations.<sup>132</sup>

The first is the enlargement of the military's presence in civilian institutions. This is perhaps most striking in Venezuela, where politics and society have been militarized to an extent unwitnessed since the restoration of democracy in 1958. Under Hugo Chavez dozens of military officers have served as presidential advisors, cabinet members, governors, and congressmen, as well as in many other important government posts. Army doctors are working in civilian hospitals, soldiers are building schools and highways, military doctrine is being taught in schools. In other countries, too, armed forces have increasingly been performing social welfare and infrastructural roles reminiscent of the "civic action" programs that facilitated the military's entrance into the political arena in the 1960s.<sup>133</sup> In many instances, they have acquired substantial business empires, both in

<sup>132</sup> Ibid. pp.18-19

<sup>133</sup> Donald E. Schulz, ed., *The Role of the Armed Forces in the Americas: Civil-Military Relations for the 21st Century* (Carlisle, Pa.: US Army War College, Strategic Studies Institute, 1998).

<sup>131</sup> J.PatriceMcSherry, "The emergence of 'Guardian Democracy', NACLA Report on the Americas, 32 (November-December 1998),16-24.

defense industries and in areas of the economy traditionally left to civilians.

Second, there is the growing use of authoritarian practices by civilian governments, as seen in the emasculation of civil liberties and the free press, the marginalization of the congress and courts, and the resort to electoral fraud in Fujimori's Peru. But again Peru, though the most notorious case, has not been alone. In a number of countries--Venezuela under Chavez and Argentina under Menem come quickly to mind--strong executives, backed by the military and security forces, have dominated the policy process, bypassed constitutional constraints, intimidated the opposition, and limited political participation

Third, there is the creation or resurrection of domestic security and intelligence doctrines and missions for the military. An obvious example is the widespread employment of the Mexican armed forces for internal policing and counternarcotics operations. Again, these are increasingly common concerns for Latin American militaries. As drug trafficking and violent crime have spread, they have undermined political and socioeconomic institutions, increased public insecurity, and overwhelmed the abilities of police, courts, and other civilian institutions to maintain the rule of law. In addition, growing social unrest and the continuation (in Peru), resurgence (in Mexico and Colombia), or threatened spillover (in Colombia's neighbors) of guerrilla wars have encouraged militaries to refocus on traditional "low-intensity conflict"--i.e. counter-insurgency and counterterrorism missions.

Fourth is the use of political intelligence organizations by civilian governments. This practice is not yet

commonplace, but it could become so if the slide toward authoritarianism continues. The most notorious case is in Peru, under Vladimiro Montesinos, the shadowy head of the National Intelligence Service (SIN). Montesinos played a central role not only in the Fujimori government's counterinsurgency and counternarcotics campaigns, but in the president's wars against the political opposition. He was a major force in the shutdown of Congress and the Supreme Court in 1992, in the subsequent manipulation of judges and the news media, and in the eavesdropping and other "dirty tricks" that plagued the 1995 and 2000 presidential elections. Some of these same practices (though less extensive) occurred in Argentina under the Menem administration, where the State Intelligence Agency (SIDE) and parallel intelligence groups harassed and spied on the opposition.

Fifth is the continuing impunity for human rights violators. Until recently, very little had been done to bring to justice military officers who had carried out assassinations, torture, and other abuses during the "dirty wars" of the 1970s and 1980s. That may now be changing in a few countries--the move to try General Pinochet for the abuses that occurred under his regime is the most striking example--but it remains to be seen how far these issues will be pressed. More generally, democratic governments have treated this issue gingerly for fear of triggering a military backlash. That, in turn, may have encouraged continuing human rights violations by leaving the impression that those who engage in such practices can do so with impunity.

Sixth is the growing resort to the use of paramilitary groups and unregulated private security agencies. A good example of the latter

is in Haiti. Private security forces in Port-au-Prince have more personnel, many of whom are more experienced and better armed, than the Haitian National Police. As for the paramilitaries, the most striking example is provided by Colombia. Paramilitaries are the most rapidly growing violent group in the country today. They are growing faster than the FARC guerrillas and are responsible for most political assassinations. Moreover, some of these elements continue to have close ties with and receive aid from the Colombian military.

Seventh, there has been a growing trend toward "continuismo," of presidents attempting to extend their time in office by amending or reinterpreting the constitution to allow themselves second or, in some cases, third terms. While there is nothing inherently wrong with a president having more than one term-- after all, we permit this in the United States--given Latin America's long history of authoritarianism it should make observers a bit nervous. At a minimum, it gives the impression that constitutions are being manipulated so that certain presidents can stay in power indefinitely. And that is cause for concern, especially when the democratic credentials of some of these individuals (Fujimori, Chavez, Menem) have been suspect.

Finally, an eighth trend is the recent tendency for retired military officers to enter presidential politics. Now again, there is nothing inherently wrong with this. But given the region's long history of military rule, it is not reassuring. At the least, it blurs the distinction between military and civilian government and gives the appearance--justifiable or not--that the armed forces are perpetuating their power through the back door. Here one can simply note the successful

election campaigns of Presidents Chavez in Venezuela and Banzer in Bolivia, and the less-successful efforts of Lino Oviedo in Paraguay and Harold Bedoya in Colombia. And if that isn't enough, one might also note that the recent presidential election in Venezuela featured no less than two retired colonels, Hugo Chavez and Francisco Arias Cardenas.

### **Conclusion**

In the paper as we have examined the emerging trends of democratization on socialistic lines in Brazil, Chile and Uruguay the following scenario clearly emerges:

There are strong grounds to regard the experiments of democratization in these three countries as successful. They were all able to achieve the social democratic goal of high rates of economic growth while at the same time ensuring social justice. In all three cases poverty reduced significantly and income inequality also decreased. Even if some of the nations of Western Europe had an experience of developing democracy by combining it with socialism, yet one can gain some insight from the Latin American experiences from a comparative perspective. The Latin Americans have achieved this by combining orthodox macro-economic policies that pleased the markets with the implementation of redistributive social policies. Many of the leaders of these nations were fortunate of course to have come to office during a commodity price boom which produced strong growth across the region and which enabled it to avoid the worst effects of the 2008 financial crash.

There were, however, some basic differences in the approaches of these governments. The regime in Uruguay was able to adopt a much more leftist approach on

economic and social policies than its counterparts in Chile and Brazil. One reason for this is that neo-liberalism was never successfully embedded in Uruguay's political economy. Wage councils have a long history in Uruguay and employers were not especially resistant to their reintroduction. The state has always played a very powerful role in the economy and privatization was successfully blocked prior to the Left assuming office. The government in office was anchored firmly through a grassroots political movement that kept its leaders true to a more leftist approach.

It was in Chile that the leftist regime departed most radically from a traditional social democratic approach to economic management, more or less leaving free market reforms intact and resisting the developmentalist agenda pursued by the PT and the FA. To understand this strategy, one has to appreciate the very radical process of ideological revisionism which the Chilean left went through after the overthrow of the Allende government. This motivated the new rulers to break more radically from traditional socialism than in comparison with the Brazilian and Uruguayan cases. It is also true that in the Chilean case, democratic rule was much more fragile than in the other two cases. Here the military retained significant support and it left behind powerful constitutional impediments to what the democratic government could do in office. The left in Chile had much less room for political manoeuvre and hence tried to tame neo-liberalism rather than restructure it. In spite of their differences, these left of centre governments in these three countries have demonstrated that social democracy is possible in Latin America. While there are also some drawbacks involved in these social democratic

systems. In the name of majority or populist approach practised in these socialist democratic countries, they have been ignoring the voice of the minorities such as the aborigines of Latin America. These so-called popular regimes have been repressive towards their interests. So there should be a balance of policies introduced by the regimes with the welfare of the minorities or indigenous people equally to be kept in mind as the majorities for the socialist democracy to be fairly successful in Europe. On the brighter side, taking a lessons learned approach, the respectably good performance of socialist democracy in Latin America would also give a good example for the people to voice their protests against the authoritarianism or even socialist regimes in many nations of Africa or even Asia, like China, besides giving comparatively a good lesson for socialist democracy to develop in Europe. It could make a good contribution to resolve the economic downpour in many nations of Europe through socio-economic policies based on humanism.

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