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PRIVATE GOODS, PUBLIC GOODS AND THE COMMON GOOD:
ANOTHER LOOK AT ECONOMICS AND ETHICS IN CATHOLIC SOCIAL
TEACHING

Ernest Bartell, c.s.c.

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This paper was first presented at a symposium on “Catholic Social Teaching and the Common Good,” held at Notre Dame in April 1986 under the auspices of the Center for Ethics and Religious Values in Business. The proceedings of the symposium, including this paper, will be published later this year in a book edited by John Houck and Oliver Williams (University Press of America, forthcoming).

ABSTRACT

There has been an evolution in the methodology of Catholic social thought over the past century that needs to be taken into account when the ethical concept of the common good in Catholic social teaching is applied to contemporary economic, social and political issues. While the early papal social documents relied primarily upon deductive analysis within a scholastic natural law tradition, recent documents, including those emanating from regional conferences of bishops in the United States and Latin America, attempt to incorporate both biblical theology and positive analysis from the social sciences into moral and ethical discourse. During the same period some positive analysis within the social sciences has moved more closely into ethical discourse, especially with the extension of the normative criteria of market economics into theories of rational choice as applied to concepts of social justice and welfare in political science and social analysis. It is tempting then to perceive a convergence in the two approaches to ethical discourse. A closer look, however, suggests that they may still be separated by basic differences in value premises about the relation of the individual person to society.

RESUMEN

Ha habido una evolución en la metodología del pensamiento social católico en el último siglo que necesita ser tomado en cuenta cuando se aplica el concepto ético del bien común en la enseñanza social católica a cuestiones económicas, sociales y políticas contemporáneas. Mientras que los primeros documentos sociales papaes se basaban principalmente en análisis deductivos dentro de una tradición escolástica de derecho natural, recientes documentos, incluyendo aquellos surgidos en conferencias regionales de obispos en los Estados Unidos y Latinoamérica, intentan incorporar tanto la teología bíblica como el análisis positivo de las ciencias sociales, en el discurso moral y ético. Durante el mismo período algunos análisis positivos dentro de las ciencias sociales se han acercado más al discurso ético, especialmente con la extensión del criterio normativo de economías de mercado a teorías de selección racional tal como se aplica a conceptos de la justicia social y el bienestar en las ciencias políticas y el análisis social. Es tentador entonces percibir una convergencia en los dos acercamientos al discurso ético. Una evaluación cuidadosa sin embargo, indica que los dos pueden estar separados todavía por diferencias básicas en sus premisas valorativas acerca de la relación entre el individuo y la sociedad.
THE MEXICAN CHARRAZO OF 1948: LATIN AMERICAN LABOR
FROM WORLD WAR TO COLD WAR

Ian Roxborough

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ABSTRACT

This paper discusses labor history in Mexico in the years before, during and immediately following the Second World War. The author argues that the intervention by the Secretaría del Trabajo y Previsión Social in the Sindicato Ferrocarrilero in 1948 marks a major turning point in the trajectory of Mexican labor. He suggests the possibility that a number of other countries experienced similar, dramatic upheavals in labor relations at around the same time, and explores the implications of this possibility for theories of comparative labor movements. The paper begins with descriptions of the left-right splits in the Mexican labor movement at the end of the Cárdenas period, and the effects of the War on Mexican labor. The author goes on to discuss the restructuring of the Mexican state and economy during this time and in the immediate post-War period, and describes in detail the cluster of events in Mexican unionism around the Charrazo. The paper concludes with a section on possible similarities in other countries and with some speculative remarks raised by the comparative questions.

RESUMEN

Este trabajo discute la historia laboral en México en los años anteriores, durante e inmediatamente después de la Segunda Guerra Mundial. El autor argumenta que la intervención por parte de la Secretaría del Trabajo y Previsión Social en el Sindicato Ferrocarrilero en 1948 marca un cambio crucial en la historia de las relaciones laborales en México. El autor sugiere la posibilidad de que otros países experimentaron un trastorno dramático similar en sus relaciones laborales por la misma época, y explora las implicaciones de esta posibilidad para teorías comparativas de movimientos obreros. El trabajo comienza con descripciones de las divisiones entre izquierda y derecha en el movimiento obrero Mexicano al final del periodo de Cárdenas, y de los efectos de la guerra sobre las relaciones laborales en México. El autor pasa después a la discusión de la reestructuración del Estado y la economía mexicanos durante este período y durante el periodo inmediatamente posterior a la Guerra, y analiza el impacto del Charrazo en el sindicalismo mexicano. Se concluye con una sección sobre posibles similitudes en otros países y con algunos comentarios expeculativos suscitados por las cuestiones comparativas.
A SIMPLE MACRO MODEL FOR A SEMI-INDUSTRIALIZED ECONOMY FACING A BINDING EXTERNAL CONSTRAINT

Patricio Meller and Andrés Solimano

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This work forms part of CIEPLAN's area of research in macroeconomics, employment and international economy and received the support of the International Development Research Centre. Preliminary versions were presented at CLADS (Boston University), the Department of Economics at the University of Notre Dame and at CIEPLAN. The authors thank René Cortázar, John Harris, Joseph Ramos, Daniel Schydowsky and CIEPLAN colleagues for their comments. Of course, the authors are solely responsible for the paper's content.

ABSTRACT

This work uses a macroeconomic (Keynesian) model for a small open economy to describe the short run functioning of the economy when it faces a dominant external restriction. The main conclusions are the following: (1) In the model, a devaluation can be counterproductive considering that (i) in an economy without complete wage indexation, a devaluation produces a reduction of real wages, a contraction of consumption and a decline in aggregate demand, and (ii) a devaluation can produce a deterioration in the commercial balance in the short run if the price elasticity of the commercial balance is low enough. (2) When the economy enters a situation of external disequilibrium, to overcome this disequilibrium, the combination of exchange and fiscal policy which minimizes the decline in income depends on the magnitude of the devaluation. (3) In an economy in which the export industries use imported goods for their production, the potential impact of a uniform increase in tariffs on income is ambiguous. The income effect of the tariff increase will be positive if (i) the cost of production of the domestic goods which are (imperfect) substitutions of the goods exchanged through the market is relatively labor intensive; (ii) the imports are relatively more price elastic than the exports, and (iii) the positive income effect increases as the initial commercial deficit does. (4) When a small open economy encounters a limited external restriction, there is a tradeoff between increases in real wages and increases in the level of employment.

RESUMEN

En este trabajo se utiliza un modelo macroeconómico (keynesiano) para una pequeña economía abierta, que describe el funcionamiento de la parte real de la economía en el corto plazo, cuando ésta enfrenta una restricción externa dominante. Las principales conclusiones de este trabajo son las siguientes: (1) En el modelo, una devaluación puede ser contraproducente en el corto plazo, al considerar los siguientes dos efectos: (i) En una economía sin indexación completa de salarios, una devaluación produce una reducción de salarios reales, una contracción del consumo y una caída de la demanda agregada. (ii) Una devaluación puede producir un deterioro de la balanza comercial en pesos en el corto plazo si las elasticidades precio de la balanza comercial son suficientemente pequeñas. (2) Cuando la economía presenta una situación de desequilibrio externo, para eliminar éste, la combinación de política cambiaria y fiscal que minimiza la caída del producto depende de la magnitud de la devaluación. (3) En una economía en la que las industrias exportadoras utilizan insumos importados en su producción, el efecto potencial de un aumento uniforme de aranceles sobre el producto es ambiguo. El efecto del aumento de aranceles sobre el producto será positivo si: (i) El costo de producción de los bienes domésticos que son sustitutos (imperfectos) de los bienes transables en los mercados es relativamente intensivo en trabajo. (ii) Las importaciones son relativamente más elásticas a precios que las exportaciones. (iii) Mientras mayor sea el déficit inicial de la balanza comercial. (4) Cuando una pequeña economía abierta enfrenta una restricción externa limitante, hay un "tradeoff" entre aumentos del salario real e incrementos del nivel de empleo.
CARNIVAL AS A CULTURAL PROBLEM: TOWARDS A THEORY OF FORMAL EVENTS AND THEIR MAGIC

Roberto DaMattta

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ABSTRACT

This paper is a study of the Brazilian Carnaval from the perspective of social anthropology. The author contends that Carnaval, while clearly a major social phenomenon, is difficult to analyze because it does not express seriousness, a sense of religious mystery or a well-defined purpose but rather laughter, grotesquerie and sensuality, which seems to pose the question of whether it can be considered a real ritual. In the course of answering this question he examines a number of cultural oppositions—for example “above the waist”/“below the waist,” acceptable/taboo, rational/emotional, static/relational, formal/spontaneous, social/individual—and points out that the theories of some social anthropologists tend to reinforce the belief that such oppositions amount to mutual exclusion. He argues on the contrary that it is necessary to recognize the paradox of social situations whose essence is to mix these categories in order to reach an understanding of “rituals of reversal,” and also that social occasions should be studied both in terms of the behavior that they prescribe as appropriate and the behavior that they exclude. Against this background the paper presents a detailed analysis of Carnaval, and in particular the Carnaval Ball, and its function in relation to Brazilian life as a whole. The concluding section discusses the logic and human significance created by rituals and their magic.

RESUMEN

Este ensayo es un estudio del Carnaval Brasileño según la perspectiva de la antropología social. El autor sostiene que el Carnaval, aunque es claramente un fenómeno social importante, es difícil de analizar porque no expresa seriedad, ni un sentido de misterio religioso ni un propósito bien definido, sino más bien la risa, lo grotesco, y la sensualidad, lo cual parece poner en duda si debe considerarse un verdadero ritual. Al contestar esta pregunta el autor examina varias oposiciones culturales—por ejemplo “arraíba de la cintura/debajo de la cintura,” aceptable/taboo, racional/emocional, estático/correolativo, formal/spontáneo, social/individual—y señala que las teorías de algunos antropólogos sociales tienden a reforzar la creencia de que tales oposiciones implican exclusión mutua. El autor argumenta por el contrario que es necesario reconocer la paradoja de situaciones sociales cuya característica básica es la de mezclar estas categorías para alcanzar una mejor comprensión de “rituales de inversión,” y también que las ocasiones sociales deben ser estudiadas en términos del comportamiento que ellas ordenan como apropiados y del comportamiento que ellas excluyen. En este contexto el ensayo presenta un análisis detallado del Carnaval, y en particular del Baile de Carnaval, y su función en relación a la vida brasileña en conjunto. La sección final discute la lógica y el significado humano creados por los rituales y su magia.
NOTAS HISTORICAS SOBRE O CONCEITO
DE CULTURA POPULAR

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ABSTRACT

This paper analyzes the historical origins and evolution of the concept of "popular culture," beginning with late seventeenth century usages. The author traces the development of the concept during the romantic period, and goes on to discuss the first attempts at "scientific" investigations of popular culture in the late nineteenth century. He then analyzes the folklorists' view of methodology and science in the treatment of popular culture, and the early relationship between folklore and anthropology.

RESUMEN

Este ensayo analiza los orígenes históricos y la evolución del concepto de "cultura popular," a partir de los usos de finales del siglo diecisiete. El autor traza el desarrollo del concepto durante el periodo romántico y pasa a discutir los primeros intentos de investigación "científica" de la cultura popular a fines del siglo diecinueve. Luego se analiza la perspectiva del folklorista acerca de la ciencia y la metodología en el tratamiento de la cultura popular, y la relación inicial entre folklore y antropología.
THE RISE AND FALL OF CAPITAL MARKETS IN THE SOUTHERN CONE

Joseph Ramos

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**ABSTRACT**

This paper analyzes the attempts in Argentina, Chile and Uruguay in the 1970s to solve the problem of slow growth by liberalizing the economic system. Neoliberal policymakers in these countries sought to abolish the interventionist paradigm which had prevailed since the Great Depression. They particularly criticized the previous policy of “financial repression” and argued that the capital market, the central mechanism for allocating financial resources, should not be determined by the discretionary authority of the government but by the forces of supply and demand. Thus, an important part of their policy from the beginning was to create domestic capital markets and open them up to the outside world. The resulting financial systems were in a state of total collapse by the time the neoliberal experiences came to a close: Real interest rates remained high throughout the period without producing corresponding advantages and despite large capital inflows from abroad. The author agrees that the domestic capital markets were repressed and underdeveloped at the start. However, he argues that financial liberalization should not take place without first (1) stabilizing prices; (2) overcoming segmentation within the domestic capital market and between the domestic and international markets; (3) ensuring the operation of long-term capital markets; (4) enforcing banking regulations; and (5) introducing alternative mechanisms to ensure that liberalizing interest rates will in fact increase national savings and investment rather than simply releasing consumption demand.

**RESUMEN**

Este trabajo analiza los esfuerzos en Argentina, Chile y Uruguay en los años setenta por resolver el problema del lento crecimiento mediante la liberalización del sistema económico. Las políticas neoliberales de estos países procuraron abolir el paradigma intervencionista que había prevalecido desde la Gran Depresión. Los equipos económicos particularmente criticaron la política anterior de “represión financiera” y argumentaron que el mercado del capital, el mecanismo central para asignar los recursos financieros, no debería ser determinado por la autoridad discrecional del gobierno, sino por las fuerzas de la oferta y la demanda. Así, una parte importante de su política, desde el principio, fue la de crear mercados nacionales de capital y abrirlos al mundo exterior. Cuando las experiencias neoliberales llegaron a su conclusión, los sistemas financieros se encontraban en un estado de colapso total: las tasas de interés real permanecieron altas durante todo el periodo sin producir las ventajas correspondientes y a pesar de las grandes afluencias de capital del extranjero. El autor está de acuerdo en que los mercados nacionales de capital se encontraban reprimidos y subdesarrollados al principio. Sin embargo, argumenta que la liberalización financiera no debería tener lugar sin primero (1) estabilizar los precios; (2) superar la segmentación dentro del mercado nacional de capital y entre los mercados nacional e internacional; (3) asegurar la operación de mercados de capital a largo plazo; (4) hacer valer los reglamentos bancarios; (5) introducir mecanismos alternativos para asegurar que la liberalización de las tasas de interés de hecho incrementen el ahorro y la inversión nacionales, en vez de simplemente liberar la demanda de consumo.
**MEXICO: THE DEBT CRISIS AND OPTIONS FOR DEVELOPMENT STRATEGY**

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An earlier version of this paper was presented at the conference on External Debt in Mexico, UNAM, Mexico City, May 18-22, 1986.

**ABSTRACT**

This paper highlights elements of macroeconomic policy issues facing Mexico in coping with its debt crisis. The author begins with a brief introduction to the origins and evolution of the crisis, and goes on to provide an overview of its socioeconomic impacts in Mexico and an examination of its implications for Mexico's future development. The concluding section of the paper critically evaluates Mexico's options for development strategy. One aspect of the debt crisis which particularly concerns the author is the economic interdependence between Mexico and its neighbor, the United States, and consequently the need for their mutual collaboration if the crisis is to be resolved.

**RESUMEN**

Este ensayo destaca elementos de la política macroeconómica que enfrenta México debido a su deuda externa. Empezando con un sumario de los orígenes y de la evolución de la crisis, nos provee con una vista general de los impactos económicos de la deuda externa en México y examina sus implicaciones para su futuro desarrollo. El trabajo evalúa de forma crítica las opciones de México para una estrategia de desarrollo. Un aspecto de la deuda externa que se enfatiza es la interdependencia económica entre México y los Estados Unidos, y por lo tanto, la necesidad de una mutua colaboración en la resolución de esta crisis.
RELIGION AND POPULAR PROTEST IN LATIN AMERICA

Daniel H. Levine and Scott Mainwaring

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The authors wish to thank Thomas Bruneau, Caroline Domingo, Susan Eckstein, Suzanne Marilley, Peter Walsh, and Alexander Wilde for helpful criticisms.

ABSTRACT

For centuries, religion stood as a bulwark for conservatism in Latin America. In recent decades, this has changed, as the Catholic Church in a number of countries has actively supported and legitimated popular protest. However, the nature of ecclesiastical change and the relationship between the Church and popular protest differ sharply from one country to the next. This paper examines the relationship between the Church (especially its ecclesial base communities, or CEBs) and popular protest, focusing on two sharply contrasting cases. In Brazil, Church progressives have played a dominant role, and in Colombia, conservative Church leaders have systematically prevented grassroots Church groups from participating actively in popular protest. The paper begins with some theoretical reflections on the relationship between the institutional and popular components of the Church, and on the relationship between informal protest and institutional politics. The authors then provide an overview of the nature, origins, and religious character of CEBs. Through individual life histories, they then analyze the role of CEBs in empowering popular protest in Brazil, and the tight ecclesiastical control over popular Church groups in Colombia.

RESUMEN

Por siglos, la religión ha permanecido como un baluarte de conservadurismo en Latinoamérica. En décadas recientes esto ha cambiado, ya que la Iglesia Católica en varios países ha apoyado y legitimado activamente la protesta popular. Sin embargo, la naturaleza del cambio eclesial y la relación entre la Iglesia y la protesta popular difieren mucho de un país a otro. Este ensayo examina la relación entre la Iglesia (especialmente sus comunidades eclesiales de base, "CEBs") y la protesta popular, enfocando dos casos contrastantes. En Brasil, religiosos progresistas han jugado un papel predominante, mientras que en Colombia, líderes eclesiásticos conservadores han impedido sistemáticamente la participación activa en la protesta popular de las CEBs. El ensayo comienza con algunas reflexiones teóricas sobre la relación entre los componentes institucionales de la Iglesia y lo popular, y sobre la relación entre la protesta informal y la política institucional. Los autores entonces pasan a dar una vista sintética de la naturaleza, los orígenes, y el carácter religioso de las CEBs. A través de historias individuales, ellos analizan el rol de las CEBs en el fortalecimiento de la protesta popular en Brasil y el control eclesiástico ejercido sobre los grupos religiosos populares en Colombia.
URBAN POPULAR MOVEMENTS, IDENTITY, AND DEMOCRATIZATION IN BRAZIL

Scott Mainwaring

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Scott Mainwaring is Assistant Professor of Government and Member of the Kellogg Institute at the University of Notre Dame. His book, The Catholic Church and Politics in Brazil, 1916-1985, was published by Stanford University Press in 1986. He has published numerous articles on transitions to democracy, social movements, and Latin American politics. Caroline Domingo, Peter Evans, Frances Hagopian, Margaret Keck, Daniel Levine, Guillermo O'Donnell, and Eduardo Viola provided helpful criticisms.

ABSTRACT

This paper addresses the political impact and limits of grassroots popular movements in Brazil during the past decade. In the second half of the 1970s, as Brazil's military regime promoted a gradual process of political liberalization, grassroots popular movements burgeoned, generating widespread hopes among the forces that opposed the regime. Nearly a decade after this initial wave of optimism, it has become apparent that the earlier expectations have not been born out. The author analyzes why this has been the case. He argues that although a wide amalgam of social movements did oppose the military regime and did work towards democratization, their enormous heterogeneity made unity difficult to attain, except for very short times and for very specific conditions. Despite egregious poverty and inequalities, the popular classes have had difficulty creating a political identity based on common interests. Moreover, the state has intentionally pursued a policy of dividing social movements, and political parties have generally reinforced the fragmentation and isolation of grassroots movements. While underscoring these limits in grassroots movements, the author also argues that they have helped the popular classes conquer a sense of common identity and citizenship, and that they have helped put popular issues on the political agenda to a greater extent than in previous years.

RESUMEN

Este ensayo considera el impacto político y las limitaciones políticas de los movimientos populares de base en Brasil durante la década pasada. Durante la segunda mitad de la década de los setenta, cuando el régimen militar de Brasil promovía un proceso gradual de liberalización política, movimientos populares de base se fortalecieron, generando amplias esperanzas entre las fuerzas que se oponían al régimen. Cerca de una década después de esta onda inicial de optimismo, es aparente que las expectativas de antes no se han realizado. El autor analiza el por qué de este caso. Arguye que aunque una amplia amalgama de movimientos sociales se opuso al régimen militar y trabajó a favor de la democratización, su enorme heterogeneidad hizo difícil lograr la unidad, a no ser por periodos de tiempo muy cortos y en condiciones muy específicas. A pesar de la tremenda pobreza y la desigualdad que marcan la sociedad brasileña, para las clases populares les ha sido muy difícil crear una identidad política basada en intereses comunes. Por otra parte, el estado ha seguido intencionadamente una política de división de movimientos sociales, y los partidos políticos generalmente han reforzado la fragmentación y aislación de los movimientos populares. Mientras subraya estas limitaciones en los movimientos populares de base, el autor también arguye que ellos han ayudado a las clases populares a conquistar un sentido de ciudadanía común, y que han ayudado a colocar los asuntos populares en la agenda política en un grado mayor que en años anteriores.
LOGICS OF UNION ACTION IN CHILE

Guillermo Campero and René Cortázár
Working Paper #85 - October 1986

Guillermo Campero received his Ph.D. in Sociology from the University of Paris. He is Academic Director of ILET, ILO expert in Labor Relations and has been a visiting professor at the Universidad Autónoma de México and the University of Paris. His main research area is the sociology of social movements. René Cortázár received his Ph.D. in Economics from MIT. He is a researcher at CIEPLAN, and has been a visiting professor at the Catholic University of Rio de Janeiro and a visiting fellow of the Kellogg Institute in 1983, 1984 and again in 1986. His main research areas are labor economics and macroeconomics. This work forms part of CIEPLAN's research in the area of "Development Strategies and Democracy," and received the support of the Ford Foundation. A previous version was presented at the workshop on "Labor Relations in Contemporary Latin America," organized by the Kellogg Institute of the University of Notre Dame in March 1985, at the "CLACSO Labor Movement Commission Seminar" in May 1985, and at a CIEPLAN seminar. We are grateful for the numerous comments we received from the participants in these events.

ABSTRACT

The acute crisis Chile faces at present has made the subjects of democratic alternatives and reconstruction a source of renewed concern. With regard to the latter, greater emphasis is being placed on perspectives upholding the need for the so-called "concertation" between the different social and political groups, with an aim to ensure adequate conditions of governability for a country that will remain under strong political and social tensions in the future, mainly as a result of the legacy of the authoritarian regime. From this perspective, we shall attempt to analyze the present situation of the trade union movement, its recent historical antecedents and its possible future evolution. Some of the questions that arise are: What were the logics of union action in the past? Will trade unions constitute one of the fundamental hubs of social and political "concertation" in Chile? What course of action will they choose to follow? What type of relations will they establish with the entrepreneurs and the political system? What social orientation will characterize union activity in the future? In the first section, we outline some of the elements that must be taken into account in order to establish a diagnosis of trade unionism, both in its present and pre-1973 situation. In the second section, a prospective analysis of union activity is developed. In both cases the aim is to set forth tentative hypotheses and to provide some possible interpretations of the trade union phenomenon, and on no account to present an air-tight case. Lastly, we should like to point out that this study does not contemplate agricultural or rural unionism. This subject has a specificity and complexity of its own, and will be analyzed in future research.

RESUMEN

La aguda crisis por la que atraviesa Chile en la actualidad ha hecho rebrotar con fuerza los temas de las alternativas y la reconstrucción democrática. Dentro de este último, parece desarrollarse con énfasis aquellas perspectivas que enfatizan la necesidad de la concertación entre los diversos actores sociales y políticos, de modo de asegurar condiciones de gobernabilidad a un país que, principalmente como resultado de las herencias que le deja el régimen autoritario, seguirá sometido en el futuro a fuertes tensiones políticas y sociales. Es en esta perspectiva que intentamos analizar la situación actual del movimiento sindical, sus antecedentes históricos recientes y su posible evolución futura. ¿Cuáles fueron las fórmulas de acción sindical del sindicalismo en el pasado? ¿Se constituirá el movimiento sindical en uno de los ejes fundamentales de esa buscada concertación social y política en Chile? ¿Cuáles serán las orientaciones para la acción sindical, el tipo de relación con los empresarios y con el sistema político y la orientación societal que caracterizarán el movimiento sindical en el futuro? En una primera sección, reseñamos algunos elementos para un diagnóstico del sindicalismo, tanto de su situación actual como de aquélla previa a 1973. En la segunda sección se desarrolla un análisis prospectivo del movimiento sindical. En ambos casos se trata de plantear hipótesis tentativas y de sugerir algunas posibles interpretaciones del fenómeno sindical, más que de intentar demostraciones rigurosas. Por último, cabe mencionar que en este trabajo no nos hemos referido al sindicalismo agrícola o campesino, a pesar de su enorme importancia. Dada su especificidad y complejidad optamos por diferir su análisis para futuros estudios.
HUMANITARIANISM AND POLITICS IN CENTRAL AMERICA

Gil Loescher

Working Paper #86 - November 1986

Gil Loescher is an associate professor in the Department of Government and International Studies and a departmental fellow of the Kellogg Institute at the University of Notre Dame. He recently co-authored Calculated Kindness: Refugees and America's Half-Open Door (The Free Press, 1986).

ABSTRACT

Refugee assistance, in common with other humanitarian work, tends to be perceived as somehow apart from politics. However, as this paper demonstrates, the treatment of refugees and indeed their very existence are intensely political issues. The author concentrates on refugee policy in Central America, examining in detail the situation of refugees in Mexico, Honduras and Costa Rica—the various actors, their interests, and the effects on them of geopolitics, ideology and ethnic politics. He analyzes the attitude of the United States and its impact, the role of the United Nations High Commissioner for Refugees, the problems faced by voluntary agencies in their struggle for humanitarian “space,” and the efforts of the refugee groups themselves, and concludes that only the return of peace and stability to Central America will ensure the protection of the region's refugees.

RESUMEN

La asistencia a refugiados, como otras formas de trabajo humanitario, tiende a ser percibida como algo aparte de la política. Sin embargo como lo demuestra este ensayo, la ayuda a los refugiados y, hasta la existencia de los mismos, son asuntos intensamente políticos. El autor analiza la política de refugiados en América Central, examinando con detalle la situación de refugiados en México, Honduras y Costa Rica—los diversos actores, sus intereses y los efectos sobre ellos de la geopolítica, la ideología y la política étnica. Se describe la actitud de los Estados Unidos y su impacto, el rol del Alto Comisionado para Refugiados de las Naciones Unidas, los problemas afrontados por agencias de voluntarios en su lucha por un “espacio humanitario” y los esfuerzos de los grupos de los mismos refugiados. Concluye que solamente el regreso de la paz y la estabilidad en América Central asegurará la protección de los refugiados en esa región.
ISSUES AND PERSPECTIVES IN TANZANIAN INDUSTRIAL DEVELOPMENT— WITH SPECIAL REFERENCE TO THE ROLE OF SADCC

Kwan S. Kim

Working Paper #87 - December 1986

Kwan S. Kim is Associate Professor of Economics and faculty fellow of the Kellogg Institute at the University of Notre Dame. He has served as an economic consultant for governments of developing countries and for international agencies. He has published extensively in the areas of trade and development, and planning and industrialization, with a special interest in East Africa, East Asia and, recently, Mexico. He is editor of Papers on the Political Economy of Tanzania and Debt and Development in Latin America. His recent writings include Política industrial y desarrollo en Corea del Sur (Mexico City: NAFINSA and UNIDO, 1985).

An earlier version of this paper was presented at the conference on “Tanzania after Nyerere,” organized by the School of Oriental and African Studies, London University, June 26-27, 1986. The author wishes to acknowledge the valuable comments of Professors Walter Elkan, Ian Livingstone and Peter Walshe. Some of the data and information were collected while the author was on a recent USAID mission in Tanzania, and he wishes to thank S. Tareq and P. Santos for assisting in research and Dr. Chandra Hardy of the World Bank for providing relevant materials. The views expressed in the paper are solely those of the author.

ABSTRACT
This paper is concerned with the evaluation of Tanzania’s industrialization strategies since 1967. After a brief review of the origins and evolution of past industrial strategies, it explores their implications for the emerging patterns of industrial development, examining in particular the structural characteristics and the nature of contradictions of Tanzanian industries. The focus of the paper is to trace causes for the industry’s inadequate performance and to critically reevaluate past and current industrial policies, at the same time suggesting future options for Tanzania. In this context, the paper identifies the areas of potential contribution the Southern African regional economic cooperation scheme (SADCC) could make for Tanzanian industrial development. Other contextual issues discussed include roles of public vs. private enterprises and of small-scale vs. large-scale firms; choice of technologies; and human and physical infrastructural developments. Although the paper focuses on the longer-term perspectives, the analysis also deals with the short-term adjustment problems in coping with the current debt crisis.

RESUMEN
Este ensayo examina las estrategias de industrialización en Tanzania desde 1967. Después de un breve repaso sobre los orígenes y la evolución de las estrategias industriales del pasado, explora sus implicaciones para los padrones emergentes del desarrollo industrial, examinando en particular la estructura característica y la naturaleza de la contradicción de las industrias en Tanzania. Se averigua las causas del desempeño inadecuado de la industria y se hace una revaluación crítica de la política industrial no solo del presente sino también del pasado, y a la vez sugiere diferentes opciones para el futuro de Tanzania. En este contexto, el trabajo identifica los aportes potenciales de la cooperación económica regional Sur Africana (SADCC) para el desarrollo industrial de Tanzania. También se discute el papel de la empresa pública versus la privada y de las firmas de pequeña escala versus las de grande escala; las opciones tecnológicas; y la infraestructura humana y física. Aunque el ensayo focaliza las perspectivas a largo plazo, también trata problemas de ajuste de corto plazo para enfrentar la presente deuda externa.
THE POLITICAL ECONOMY OF LATIN AMERICAN DEVELOPMENT: 
SEVEN EXERCISES IN RETROSPECTION

Albert O. Hirschman

Working Paper #88 - December 1986

This paper is a collaborative publication with The Center for U.S.-Mexican Studies, University of California, San Diego (Working Paper No. CE-03). The author wishes to express his gratitude to the Ford Foundation for the travel grant that supported his field interviewing in Latin America in April-May, 1986, and especially to the Foundation’s representatives in Rio de Janeiro and Mexico for their helpfulness. He is also indebted to his Latin American friends and interlocutors for their readiness to share information and ideas.

The Center for U.S.-Mexican Studies at the University of California, San Diego, and the Helen Kellogg Institute for International Studies at the University of Notre Dame are extremely pleased to be making this working paper by Albert O. Hirschman available to the international scholarly and policy-making community.

This paper resulted from the most recent award of the Kalman Silvert Presidents’ Prize, which is presented every 18 months by the Latin American Studies Association to a senior member of the profession who has made a distinguished lifetime contribution to the study of Latin America and to the advancement of the Latin American Studies profession generally. Albert Hirschman, Professor of Social Science, Emeritus, at the Institute for Advanced Study, Princeton, was selected to receive the 1986 Silvert Award by a committee consisting of past LASA Presidents Wayne Cornelius (Chair), Helen Sala, and Peter Smith, and the current editor of the Latin American Research Review, Gilbert Merkt.

In its original form, this paper was requested by the Silvert Award committee for presentation at the 20th Anniversary International Congress of the Latin American Studies Association in Boston, Massachusetts, October 24, 1986. Professor Hirschman’s analysis draws upon interviews which he conducted during a two-month field research trip to Brazil, Argentina, Chile, and Mexico in April-May, 1986, supported by a travel grant from the Ford Foundation.

The issues addressed in this paper are timely and controversial. Professor Hirschman’s analysis is characteristically fresh and provocative, and merits wide attention as a corrective to much of what passes as the conventional wisdom on Latin America’s current economic crisis. A final version of this paper will be published in an academic journal during the coming year.

Wayne A. Cornelius
Director
Center for U.S.-Mexican Studies
MACRO POLICY IN A DOLLARIZED ECONOMY:  
THE EXPERIENCE OF BOLIVIA

Kenneth P. Jameson

Working Paper #89 - December 1986

Kenneth P. Jameson, is a faculty fellow of the Kellogg Institute and a professor in the Department of Economics at the University of Notre Dame. The author would like to acknowledge the Jesse Jones Faculty Research Travel Fund of the University of Notre Dame for partial support of this research.

ABSTRACT

Currency substitution, or dollarization, has become a concern of macroeconomic policy in Latin America because of its impact on exchange rates and on the money supply. This paper reviews the experience of Bolivia and concludes that efforts to limit financial liberalization and currency substitution in a country with a weak state apparatus are likely to be destabilizing. The author examines the process of dollarization in Bolivia, details the effort to dedollarize the economy in 1982, and then traces the effects of the program on the development of informal exchange markets, on the banking system, and on the foreign exchange market.

RESUMEN

La sustitución de la moneda, o dolarización, ha sido una preocupación de la política macroeconómica en Latinoamérica debido a su impacto en las tasas de cambio y en la oferta monetaria. Este ensayo reflexiona sobre la experiencia de Bolivia y concluye que el esfuerzo para limitar la liberalización financiera y la sustitución de la moneda en un país con un aparato estatal débil, es probable que sea desestabilizador. El autor analiza el proceso de dolarización en Bolivia, detalla los esfuerzos para desdolarizar la economía en 1982 y traza los efectos de este esfuerzo sobre los mercados informales de cambio, el sistema bancario y el mercado de divisas.
THE STRUCTURE AND PERFORMANCE OF INTERNATIONAL BANKING
DURING THE 1970s
AND ITS IMPACT ON THE CRISIS OF LATIN AMERICA

Robert Devlin


Robert Devlin has been an economist in the Economic Development Division of the
United Nations Economic Commission for Latin America and the Caribbean in Santiago,
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banks, debt adjustment, and crisis in Latin America. He was a fellow of the Kellogg
Institute in the fall semester, 1985.

Research for this paper received support from the Corporación de Investigaciones
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R. French-Davis, M. Marfan, J. Ramos, J. Weaver and J. Willoughby for their extensive
comments on the manuscript. Helpful observations were also received from J.P.
Wilson, and members of the Workshop on International Economics of CIEPLAN.

ABSTRACT
This paper examines the behavior of international private banks and their role as an
endogenous source of crisis in Latin America during the 1970s. The analysis first
summarizes an interpretation of private banking at the international level that was quite
fashionable in the ’70s. This interpretation rests on the tradition of portfolio theory, and
projects banks as efficient, risk conscious, arm’s length lenders, in an atomistic market
which maximizes a risk-return calculus. In these circumstances borrowers face
conventional upward sloping supply curves and encounter the much touted “discipline of
the marketplace.” This conventional view is then contrasted with an alternative
institutional focus: the bank as a transnational firm in an oligopolistic market, which is
destabilized by new entrants. Coupled with an examination of how banks institutionally
translate risk assessment into credit volume and price, this allows us to illustrate how
permissiveness rather than discipline could be the expected outcome of the banking
expansion of the 1970s. It also provides insight into the supply-side dynamics underlying
overindebtedness, and thereby begins to lay a technical foundation supporting the Latin
American assertion of coreponsibility in the crisis.

RESUMEN
Este ensaya analiza el comportamiento de los bancos privados internacionales y su rol
como fuente endógena de crisis en Latinoamérica durante los setenta. El análisis resume
una interpretación de los bancos privados a nivel internacional que estuvo muy de moda
en los setenta, basada en la teoría de portafolio, que percibe los bancos como eficientes,
conscientes de riesgos, prestamistas a distancia en un mercado atomístico, el cual
acrecencia al máximo el cálculo de riesgo-ganancia. En estas circunstancias los
prestatarios confrontan curvas ascendentes convencionales de la oferta y encuentran la
renombrada "disciplina del mercado." La perspectiva convencional es entonces
contrastada con un enfoque institucional alternativo: el banco como empresa
transnacional en un mercado oligopófico, el cual se desestabiliza por nuevos postulantes.
Junto con un análisis de cómo los bancos institucionalmente traducen la determinación
del riesgo en un volumen de crédito y precio, esto nos permite ilustrar cómo la tolerancia y
no la disciplina era el resultado a esperarse de la expansión bancaria de los setenta.
Ilumina también la dinámica de la oferta que subyace al sobreendeudamiento, y empieza a
establecer un fundamento técnico para apoyar la aserción latinoamericana de una
responsabilidad compartida para la crisis.
THE TRADITIONAL POLITICAL ELITE AND THE TRANSITION TO DEMOCRACY IN BRAZIL

Frances Hagopian

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Frances Hagopian, a faculty fellow of the Kellogg Institute, received her Ph.D. in Political Science from the Massachusetts Institute of Technology in 1986. Research for this paper was made possible by a Seed Money Grant from the Kellogg Institute. The author gratefully acknowledges comments received from Suzanne Berger, Caroline Domingo, Scott Mainwaring, Guillermo O'Donnell, and Silvia Raw on an earlier version of this work.

ABSTRACT

This paper examines the participation of traditional political elites in the transition to democracy in Brazil through an in-depth study of the political elite of the state of Minas Gerais. The first part of the analysis focuses on the political negotiations, crucial for the construction of the civilian regime, which allowed the traditional elite to recapture the political bases of its dominance: control of state office and political parties through which the elite organized channels of state clientelism. The second part of the paper discusses how the participation of this group in the governing coalition may undermine efforts to achieve democratic politics in Brazil. It concludes that open political competition among representative political parties holds the best prospects for consolidating democratic gains.

RESUMO

Este trabalho examina o papel das elites políticas tradicionais, sobretudo da elite política do estado de Minas Gerais, na transição democrática no Brasil. A primeira parte do estudo aponta as transações policiais que, enquanto críticas para a consolidação de uma regime civil, entregaram à elite tradicional os instrumentos principais da dominação política tradicional: o comando do aparato estatal e dos partidos políticos pelo qual o clientelismo estatal é canalizado. A segunda parte da análise chama atenção à maneira em que a participação deste grupo na coalização governante pode prejudicar os esforços para construir uma democracia no Brasil. Conclui que a competição política aberta entre partidos políticos representativos oferece a melhor chance para a consolidação da democracia.
CREATING NEO-CHRISTENDOM IN COLOMBIA

Alexander Wilde

Working Paper #92 - March 1987

Alexander Wilde is Associate Academic Director of the Kellogg Institute. He was formerly Acting Secretary of the Latin American Program of the Wilson Center, Washington, D.C. and has taught at the University of Wisconsin-Madison and Haverford College. He has written about the politics of Colombia for some twenty years. This Working Paper is part of a longer term study of the Church and politics in Colombia.

ABSTRACT

The Catholic Church in Colombia, like those elsewhere in Latin America, experienced considerable pressure from liberationist forces during the 1960s and '70s. In Colombia these forces have been successfully tamed within a coherent model of “neo-Christendom”—a form of conservative modernization in which tradition has been consciously wielded, the Church has combined organizational reform with the reassertion of a vertical authority structure, and the interpretation of the Church’s social responsibilities has been limited to support of governmental reform and the teaching of general principles. During the 1970s and early '80s there was some rhetorical criticism of Colombian governments from the bishops, but it remained within the historical tradition of appealing to the consciences of the powerful rather than to the consciousness of the poor, and the unity of the Hierarchy was maintained towards the disciplining of clerical rebels. This corporate control over its own ranks has probably been the Church’s major contribution to the stability of the oligarchical regime. By linking itself to the regime, however, the Church has become dependent on the regime’s ability to preserve relative openness and legitimacy, both of which appear to be declining with the continuing challenge of armed guerrillas and the growing authority of the army. The Church has won ecclesiastical orthodoxy, but at the cost of autonomous social influence. Neo-Christendom may prove to be vulnerable to future change, particularly if the military were to come to power.

RESUMEN

La Iglesia Católica en Colombia, como otras en Latinoamérica, experimentó una presión considerable de parte de fuerzas liberacionistas durante los sesenta y setenta. En Colombia estas fuerzas han sido domadas dentro de un modelo coherente de “neo-Cristiandad”—una forma de modernización conservadora en la cual la tradición ha sido ejercida de forma consciente. La Iglesia ha combinado la reforma organizacional con la reafirmación de una estructura vertical de autoridad, y la interpretación de las responsabilidades sociales de la Iglesia ha sido limitada al apoyo a la reforma gubernamental y a la enseñanza de algunos principios generales. Durante los setenta y principios de los ochenta, hubo alguna crítica retórica a los gobiernos colombianos por parte de los obispos, pero ésta permaneció dentro de la tradición histórica de apelar a la conciencia de los poderosos antes que al conocimiento de los pobres, y la unidad de la Jerarquía fue mantenida para disciplinar a los clérigos rebeldes. Este control corporativo sobre sus propios rangos ha sido probablemente la mayor contribución de la Iglesia para la estabilidad del régimen oligárquico. Sin embargo, al respaldarse al régimen, la Iglesia se ha vuelto dependiente de la capacidad del régimen para preservar la apertura relativa y la legitimidad, lo cual parece estar en declive con el continuo desafío de guerrillas armadas y la creciente autoridad del ejército. La Iglesia ha mantenido la ortodoxia eclesiástica, pero a costa de una influencia social autónoma. La neo-Cristiandad podrá ser vulnerable a un cambio futuro, particularmente si el ejército llegara al poder.
Eduardo Viola was a visiting fellow at the Kellogg Institute during the 1983-1984 academic year. He currently resides in Florianópolis, Brazil, where he is Associate Professor at the Federal University of Santa Catarina.

This paper was first presented at the 10th Annual Meeting of the National Association for Postgraduate Studies and Research in the Social Sciences, Campos do Jordão, October 21-24, 1986. The author wishes to thank the following people for their comments and criticisms: Julia Guivant, Scott Mainwaring, Paulo F. Vieira, Paulo Krischke, Ilse Scherer-Warren, Ary Minella, Maria Ignex Paulillo and Sérgio Boeira.

ABSTRACT

This paper discusses the emergence and evolution of the ecology movement in Brazil from 1974 to 1986. The author argues that over time, a movement that was initially mainly limited to environmental issues came to address larger questions of models of development and politics. The paper begins with an overview of the world ecological crisis and the emergence of the ecology movement. It then discusses the particular ecological problematic in the Brazilian situation, before addressing at length the development of the ecology movement in Brazil since 1974. The author concludes with an analysis of diverging tendencies and viewpoints within the movement.

RESUMEN

PEASANT RESPONSE TO STATE GRAIN POLICY IN REVOLUTIONARY NICARAGUA

Michael Zalkin

Working Paper #94 - April 1987

Michael Zalkin is currently Assistant Professor of Economics at the University of Notre Dame. From 1981-1984, he served as research economist for the Center for Investigations and Studies of Agrarian Reform (CIERA), Managua, Nicaragua, and he returned for shorter periods in 1985 and 1986. His work at CIERA included studies of the national economy, the agricultural sector and urban food distribution. In particular, he carried out an investigation of peasant production and marketing of foodgrains, upon which his dissertation is based. He is currently initiating a project to quantify Nicaraguan peasant grain activity through data analysis of existing rural surveys. This paper was initially presented at the XIII International Congress of the Latin American Studies Association, Boston, Massachusetts, October 23-25, 1986. The content is based on collaboration by the author with CIERA. He wishes to thank CIERA, its staff, and particularly its Director, Dr. Orlando Nuñez Soto, for this opportunity. Work at CIERA is a collective effort, and therefore CIERA's researchers deserve much of the credit for the work within. He would also like to thank Caroline Domingo for her many editorial corrections and suggestions. However, the author alone is responsible for the views expressed.

ABSTRACT

This paper evaluates the peasant response to grain policy in Nicaragua during the revolutionary period. The author presents an overview of the stages and effects of the 1979-1986 agrarian reform. He argues that a treatment of the peasantry as homogeneous is inadequate, and proceeds to differentiate the peasantry into categories based on participation of agricultural producers in one or more class processes. This framework and empirical evidence show that these categories were characterized at times by markedly different grain production and marketing strategies, which were affected in distinct ways by the policies of the revolutionary state. The class-based analysis allows for policy implications that other frameworks might not capture; in particular, a view of the sectors within the peasantry in which grain self-sufficiency might be reached.

RESUMEN

Este trabajo evalúa la respuesta campesina a la política estatal de granos básicos en Nicaragua. Se presenta un resumen de las etapas y los resultados de la reforma agraria en el período 1979-1986, pero una visión tan general no es suficiente para abarcar la problemática de los granos. Para diferenciar al campesinado, se crean categorías que se basan en la participación de los productores agrícolas en uno o más de los procesos de clase. Este marco y los resultados de una investigación empírica muestran que las categorías fueron caracterizadas por estrategias de producción y comercialización de granos a veces muy distintas, y que fueron afectadas de manera diferente por las políticas del estado revolucionario. El análisis, basado en el concepto de clase, permite que se llegue a conclusiones para las políticas públicas, conclusiones a que otros marcos teóricos no llegarían. En particular, se desarrolla unas ideas acerca de cuáles serían los sectores dentro del campesinado que más podrían contribuir a la autosuficiencia en los granos.
THE PSYCHOLOGICAL ROOTS OF POLITICAL AND IDEOLOGICAL VIOLENCE:
A JUNGIAN PERSPECTIVE

R. Kevin Hennelly


R. Kevin Hennelly holds a B.A. in Economics from the University of Notre Dame, a M.S. degree in Foreign Service, and a J.D. degree from Georgetown University. He has worked for several years in the field of economic and social development, most recently with the Inter-American Development Bank in Washington, D.C. In the fall and spring semesters of 1984 and 1985 he was a guest scholar at the Kellogg Institute.

ABSTRACT

This paper discusses the problem of political and ideological violence from the perspective of the psychological theories developed by the Swiss psychologist C. G. Jung. Drawing from primary and secondary sources in the field of Jungian psychology, the paper focuses on two concepts central to Jung's thought—shadow and archetype—and addresses their broader implications as psychological factors in the processes of political and ideological conflict and violence. The paper initially outlines the role of the shadow, the term used by Jung to describe the dark, un-lived aspects of a person's personality, as a determinative factor in conflict and violence, not only on personal and social levels but on political and ideological levels as well. The broader role of the shadow as a source of political and ideological violence is then illustrated in a review of Jung's analysis of Nazi Germany, the only in-depth analysis of a single nation undertaken by Jung. The problem of the shadow is further treated as a source of misunderstanding and fear that has complicated immeasurably United States-Soviet Union relations in the post-World War II era and has contributed significantly to the nuclear dilemma confronting the world. Finally, the relationship between ideology and archetype, the most ontologically fundamental of Jung's concepts, is discussed in the context of the phenomenon of the shadow inherent in twentieth-century ideological belief systems in general.

RESUMEN

Este ensayo discute el problema de la violencia política e ideológica desde la perspectiva de las teorías psicológicas desarrolladas por el psicólogo suizo C. G. Jung. De acuerdo con las fuentes primarias y secundarias en el campo de la psicología de Jung, el ensayo se enfoca en dos conceptos centrales en el pensamiento de Jung, "sombra" y "arquetipo", y considera sus implicaciones generales como factores psicológicos en los procesos de conflicto y violencia políticos e ideológicos. El ensayo traza inicialmente el rol de la "sombra", término usado por Jung para describir los aspectos oscuros, no-vividos de la personalidad de una persona, como un factor determinante en el conflicto y la violencia, a nivel no sólo personal y social sino también político e ideológico. El rol general de la "sombra" como una fuente de violencia política e ideológica es entonces ilustrada en un repaso al análisis de Jung de la Alemania Nazi, el único análisis a fondo de una sola nación llevada a cabo por Jung. El problema de la "sombra" es entonces considerado como una fuente de malentendido y temor que ha complicado inmensamente las relaciones Estados Unidos-Unión Soviética en la era posterior a la Segunda Guerra Mundial y que ha contribuido significativamente al dilema nuclear que confronta el mundo. Finalmente, la relación entre ideología y arquetipo, ontológicamente el más fundamental de los conceptos de Jung, es discutido en el contexto del fenómeno de la "sombra" inherente en los sistemas de creencias ideológicas del siglo veinte en general.
LABOR, POLITICS, AND INDUSTRIALIZATION IN THE DOMINICAN REPUBLIC

Rosario Espinal

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Rosario Espinal received her Ph.D. in Sociology from Washington University, St. Louis. She has been a guest researcher at the Swedish Institute for Social Research, Stockholm University; a faculty fellow at the Kellogg Institute, University of Notre Dame; and a visiting fellow at St. Anthony's College, Oxford University. She is co-author with José Oviedo of Democracia y Proyecto Socialdemocrata en República Dominicana (Santo Domingo: Ed. Taller, 1986) and author of Autoritarismo y Democracia en la Política Dominicana (San José: CAPEL, forthcoming 1987).

The author wishes to thank René Cortázar, Frances Hagopian and Guillermo O'Donnell for their helpful comments on this paper.

ABSTRACT

The purpose of this paper is to trace the development of the Dominican labor movement in the context of the economic and political changes that have taken place in the Dominican Republic since the Trujillo dictatorship. A main objective is to show how the subordinate role of the working class in Dominican society has changed little, despite the industrialization process initiated in the 1940s and expanded in the late 1960s, and despite the establishment of a democratic government in 1978. Both under authoritarian and democratic rule the Dominican labor movement has been a weak political force, largely excluded from the economic and political benefits associated with industrialization and the democratization of politics.

RESUMEN

El propósito de este trabajo es examinar el desarrollo del movimiento obrero en el contexto de los cambios económicos y políticos que ha experimentado la sociedad dominicana a partir de la dictadura de Trujillo. Un argumento central del trabajo es que la clase obrera dominicana continúa subordinada y débil a pesar del proceso de industrialización iniciado en los años 40 e intensificado a fines de los años 60 y el establecimiento de un gobierno democrático en 1978. Es decir, tanto bajo los gobiernos autoritarios como democráticos, el movimiento obrero dominicano ha estado excluido de los beneficios económicos y políticos asociados con la industrialización y la democratización política.
THE MAKING OF A STATE-OWNED CONGLOMERATE:
A BRAZILIAN CASE STUDY

Silvia Raw

Working Paper #97 - August 1987

Silvia Raw received her Ph.D. from the University of Massachusetts in 1985, and is currently Assistant Professor of Economics at Vassar College. In the spring semester of 1986 she was an invited fellow at the Kellogg Institute. The research for this paper was supported by a grant from the Social Science Research Council and the American Council of Learned Societies, and made possible by the cooperation of the Companhia Vale do Rio Doce. The author alone is responsible for all conclusions and errors.

ABSTRACT

This paper examines the making of a state-owned conglomerate in Brazil, as a case study in state enterprise autonomy. It shows that the process of vertical integration and diversification undertaken by the Companhia Vale do Rio Doce, rather than simply an expression of managers' aspirations, satisfied both commercial and government objectives. The company's lack of dependence on subsidies was not a source of autonomy, but instead a source of vulnerability to government direction.

RESUMO

Este trabalho examina a formação de um conglomerado estatal no Brasil, como estudo de caso do problema de autonomia de empresas públicas. Mostramos que o processo de diversificação das atividades da Companhia Vale do Rio Doce não correspondeu simplesmente as aspirações de seus dirigentes; ele agregou objetivos comerciais e públicos. A capacidade de auto-financiamento da companhia, ao invés de uma fonte de autonomia, tornou-a mais vulnerável a orientações governamentais.
GRASSROOTS CATHOLIC GROUPS AND POLITICS IN BRAZIL, 1964-1985

Scott Mainwaring


Scott Mainwaring is Assistant Professor of Government and member of the Kellogg Institute, University of Notre Dame. He has written extensively on the Catholic Church and politics, social movements, and transitions to democracy. The author wishes to thank Caroline Domingo, Frances Hagopian, Margaret Keck, Alfred Stepan, and Alexander Wilde for helpful suggestions.

ABSTRACT

During most of its lengthy history, the Catholic Church in Latin America has been identified with dominant elites and the state. This situation has changed in recent decades as Church leaders have supported popular protest aimed at changing unjust social structures. At the forefront of the process of ecclesiastical change have been a panoply of new grassroots groups, the most famous of which are the ecclesiastical base communities (CEBs). This paper examines the relationship between such grassroots groups and politics in Brazil. The author calls attention to the strong linkages between these groups and the hierarchy. He also underscores the central religious character of CEBs and other groups, even while arguing that these groups did have a political impact. The paper traces how the political activities of CEBs and other grassroots groups evolved over time, largely in response to macropolitical changes. It pays particular attention to the difficulties poor Catholics often encountered in acting in the political sphere.

RESUMEN

Durante la mayor parte de su larga historia, la Iglesia Católica en Latinoamérica se ha identificado con las élites dominantes. Esta situación ha cambiado en las décadas recientes ya que líderes de la Iglesia han apoyado la protesta popular dirigida al cambio de estructuras sociales injustas. Al frente del proceso de cambio eclesiástico ha habido una panoplia de nuevos grupos de base, entre los cuales los más famosos son las comunidades eclesiásticas de base (CEBs). Este trabajo examina la relación entre estos grupos de base y la política en Brasil, subrayando los fuertes lazos entre estos grupos y la jerarquía. También hace hincapié en la importancia del carácter fundamentalmente religioso de las CEBs y otros grupos, aún cuando esos grupos sí tuvieron un impacto político. Se señala cómo las actividades políticas de las CEBs y otros grupos de base evolucionaron a través del tiempo, en gran parte como respuesta a cambios macropolíticos. El ensayo pone particular atención a las dificultades que con frecuencia encontraron los Católicos de las clases populares para actuar en la esfera política.
FOOD SECURITY TRENDS AND PROSPECTS IN LATIN AMERICA

Solon Barraclough and Peter Utting


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This paper draws heavily on some of the major findings of research on food systems development and food security carried out by UNRISD between 1979 and 1986. Barraclough was project coordinator of the UNRISD study and both he and Utting prepared the project's overview report. An earlier version of this paper was published in *Lateinamerika: Analysen und Berichte* 10 (Hamburg: Junius, 1986).

ABSTRACT

This paper analyzes the problems, trends and prospects for food security in Mexico, Nicaragua, Bolivia, and Chile. There are three main sections: The first evaluates the state of food security in the four countries. The second examines the development of their national food systems and the problems of food security in an historical context. Finally, the authors assess the prospects for food security in the region as a whole.

RESUMEN

Este ensayo analiza los problemas, tendencias y perspectivas respecto a la provisión de alimentos en México, Nicaragua, Bolivia y Chile. Hay tres secciones principales: la primera evalúa el estado de la provisión de alimentos en los cuatro países. La segunda examina el desarrollo de sus sistemas nacionales de alimentación y los problemas de provisión de alimentos en un contexto histórico. Finalmente, los autores estiman las perspectivas para la provisión de alimentos en toda la región.
DEMOCRACY IN BRAZIL: ORIGINS, PROBLEMS, PROSPECTS

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ABSTRACT

This paper analyzes the origins and problems of and prospects for democracy in Brazil. While Brazil has successfully passed from authoritarian to democratic government, it has yet to develop a well-defined and institutionalized democratic regime. Political institutions, particularly the legislature and the political parties, sometimes function as instruments of authoritarian rule rather than pillars of a democratic order. Many leading politicians of the current government, most notably President José Sarney, loyally served the military regime, and the military retains veto power over key legislation. Most important policy measures do not receive public or party debate, but are decided by bureaucrats in economic and planning ministries or in the central bank. Immense political, economic, and social inequalities persist, and the servicing of an onerous foreign debt constrains possibilities for economic growth and for improving maldistribution of income. Brazil’s relatively smooth transition to democracy has impeded the institution building necessary for democracy’s consolidation, discouraged popular participation in politics, and thwarted policy changes that might upset an extremely inequalitarian social order.

RESUMO

Este trabalho analiza as origens, os problemas e as perspectivas da democracia no Brasil. O Brasil já transitou de um governo autoritário a outro democrático, mas ainda não conseguiu estabelecer um regime democrático bem definido e institucionalizado. As instituições políticas, especialmente o congresso e os partidos políticos, às vezes funcionam mais como instrumentos de dominação autoritária do que como baluartes de uma ordem democrática. Muitos políticos destacados do governo atual, inclusive o Presidente Sarney, foram fiéis ao regime militar, e as forças armadas ainda detêm um poder de veto na arena política. De modo geral, as políticas públicas são decididas por burocratas dos ministérios econômicos ou do Banco Central, e não através de discussões partidárias ou públicas. Persistem as profundas desigualdades políticas, econômicas e sociais, e o pagamento dos juros da dívida externa limita as possibilidades para o crescimento econômico e para distribuição da renda. A relativa tranquilidade da transição democrática impede o desenvolvimento institucional necessário a uma democracia consolidada, desincentiva a participação popular na política e bloqueia políticas que poderiam alterar uma ordem social baseada em desigualdades exacerbadas.
DEMOCRATIC TRANSITION AND BREAKDOWN IN EUROPE, 1870-1939:
A TEST OF THE MOORE THESIS

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ABSTRACT

Barrington Moore's Social Origins of Dictatorship and Democracy is widely regarded as a contemporary classic, yet there have been few attempts to evaluate the validity of his argument on a large number of comparable cases. This article makes such an attempt on the universe of Western European cases which experienced some period of democratic rule between 1870 and 1939. It seeks (1) to explain what structural and historical features distinguish the breakdown cases from those countries which remained democratic, and (2) to trace the process of class coalition formation in the transition to democracy and the subsequent breakdown with these structural and historical features as a background. It argues that Moore's thesis does fit with some modification. All four breakdown cases were characterized by an authoritarian coalition of labor-repressive landlords, the state, and a politically dependent bourgeoisie. These groups did, in some way or another, come together to end democratic rule in the twenties and thirties. Moreover, in every case, large landholders did retain significant power into the modern era, which Moore argues is crucial for the path to dictatorship. In contrast, this was true in none of the democratic survivors. This difference can, in turn, be traced to the difference in landholding patterns in the previous century. However, in contrast to Moore's characterization of the conservative authoritarian path, the ruling coalition in the breakdown cases other than the German did not play the modernizing role that it played in the German case.

RESUMEN

Los orígenes sociales de la Dictadura y la Democracia de Barrington Moore está ampliamente considerado como un clásico contemporáneo, y sin embargo ha habido muy pocos intentos de evaluar la validez de sus argumentos aplicándolos a un gran número de casos comparables. Este artículo realiza tal intento en el universo de casos europeo-occidentales, los cuales experimentaron cierto periodo de gobierno democrático entre 1870 y 1939. Se pretende (1) explicar qué características estructurales e históricas distinguen los casos de países en que se da un fracaso de aquéllos que continúan siendo democráticos, y (2) trazar el proceso de formación de coaliciones de clases en la transición a la democracia y el fracaso subsiguiente, partiendo de estas características estructurales e históricas como base. Se argumenta que la tesis de Moore es correcta, aunque con ciertas modificaciones. Los cuatro casos de fracaso se caracterizaron por una coalición autoritaria entre el estado, una burguesía políticamente dependiente, y terratenientes cuya relación con su campesinado era precapitalista. Estos grupos, de una manera u otra, en los años '20 y '30, convirtieron en acabar con el gobierno democrático. Además, en cada caso, los grandes terratenientes retuvieron un poder significativo en la era moderna, lo cual según Moore es crucial en el camino hacia la dictadura. En cambio, no ocurre así en ninguno de los casos de los países que sobrevivieron como democracias. Esta diferencia, a su vez, puede remontarse a modalidades distintas de propiedad de la tierra durante el siglo pasado. Sin embargo, sólo en el caso alemán la coalición autoritaria-conservadora jugó el rol modernizante que Moore le atribuye; en los otros casos de quiebra de la democracia, esto no sucedió.
LATIN AMERICA IN THE 1980s: A NEW DOLLAR BLOC?

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The author wishes to thank his colleagues in the Notre Dame Economic Development Workshop and René Cortázar for their valuable comments, though they bear no responsibility for remaining problems.

ABSTRACT

Efforts to understand the international financial turmoil undermining Latin American development have not succeeded in linking international financial changes with the domestic financial systems of the Latin American countries. The starting point of the paper is the role in Latin America of "dollarization," the increased use of dollars in the domestic economies and its attendant detrimental effects on economic policy. The paper claims that the international financial system operates as a "dollar bloc," analogous to the earlier sterling bloc and the contemporary franc bloc. However, the benefits of such blocs, which placed certain obligations on the center country, are not present under current arrangements.

RESUMEN

Los esfuerzos para entender el desorden del sistema financiero internacional que socava el desarrollo de América Latina no han tenido éxito en relacionar los cambios financieros internacionales con los sistemas financieros internos de América Latina. El punto de partida del artículo es el papel de la "dolarización" en América Latina, el creciente uso de dólares en las economías domésticas y sus consecuentes efectos perjudiciales en la política económica. El artículo argumenta que el sistema financiero internacional opera como un "bloque del dólar," análogo al anterior bloque de la libra esterlina y al contemporáneo bloque del franco. Sin embargo, los beneficios de tales bloques, los cuales fijaron ciertas obligaciones al país central, no existen bajo los actuales acuerdos.
POPULAR MOBILIZATION AND THE MILITARY REGIME IN CHILE: THE COMPLEXITIES OF THE INVISIBLE TRANSITION

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This paper was prepared at the Latin American Faculty of Social Sciences (FLACSO) in Santiago, Chile, and completed during the author's stay as Visiting Professor at the Ecole des Hautes Etudes en Sciences Sociales and the Centre d'Analyse et d'Intervention Sociologiques, Paris, in winter of 1987. The author wishes to thank Federico Joannon for his bibliographical assistance. The paper was translated by Philip Oxhorn and Susan Eckstein, and will be published in Power and Popular Protest: Latin American Social Movements, Susan Eckstein, ed. (University of California Press, forthcoming).

ABSTRACT

This paper attempts an analysis of the popular mobilizations in Chile from the perspective of the problem of transition from a military regime to democracy. It begins with some general reflections on the role of social mobilizations under military regimes, distinguishing among various regime phases and types of mobilizations, and goes on to outline changing state/societal relations in Chile in the pre-1973 period to provide the historical context for an extended discussion of popular protest in Chile under the military regime. In this next section the author describes the mobilizations of the 1973-1983 decade and the cycle of protests and strikes after 1983, and gives an analysis of the principal sectors involved. The concluding section presents some interpretative hypotheses about the paradoxical role of mobilizations: their fundamental importance in reconstituting civil society and transforming dictatorial regimes, and their limits with respect to bringing about an end to dictatorship and the restoration of full democracy.

RESUMEN

Este trabajo intenta un análisis de las movilizaciones populares en Chile, desde la perspectiva del problema de transición de régimen militar a la democracia. En la primera parte se desarrollan algunas consideraciones analíticas sobre el papel de las movilizaciones sociales en los regímenes militares, distinguiendo diversas fases y diversos tipos de movilizaciones. El autor destaca las relaciones estatales-sociales cambiantes en Chile durante el periodo anterior a 1973, proporcionando un contexto histórico para una discusión extensa de las protestas populares bajo el régimen militar. En la próxima parte se analizan las movilizaciones en el decenio 1973-1983, el ciclo de protestas y paros después de 1983 y las movilizaciones de los sectores principales. En la última parte se intentan algunas hipótesis interpretativas respecto de la paradoja de las movilizaciones, que juegan un rol fundamental en la recomposición de la sociedad y en la transformación de la dictadura, pero tienen límites respecto de provocar su término.
LABOR MOVEMENTS IN TRANSITIONS TO DEMOCRACY: 
A FRAMEWORK FOR ANALYSIS

J. Samuel Valenzuela 


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This paper was prepared for a conference on labor movements in transitions to democracy at the Kellogg Institute, University of Notre Dame. The author would like to thank the National Endowment for the Humanities, Mr. Arthur F. O’Neil, and IDRC for the grants that made that conference possible. He also wishes to express his appreciation to Alessandro Pizzorno for contributing to his understanding of this topic during discussions in 1982, and to Guillermo O’Donnell, John Stephens, Evelyne Stephens, Juan Rial, René Cortazar, Antonio Kandir, Robert Fishman, Rosario Espinal, and an anonymous reviewer for Comparative Politics for their comments on earlier versions of this paper.

ABSTRACT

This paper presents a general framework to analyze the relationships between labor movements and redemocratizations. This relationship has two components: the influence of labor movements on the overall process of political change, and the effect of the latter on the internal reorganization of the labor movements themselves. Although virtually all labor movements respond to situations of breakdown of authoritarian regimes and possible transitions to democracy by increasing their mobilization in strikes and demonstrations and by restructuring their organizations and links to parties, there is considerable variation in the degree to which these changes occur, and in their ultimate political and internal organizational effects. After discussing the relationship between labor and redemocratizations in general terms, the paper presents a series of dimensions which should be heuristically useful to help account for the variations.

RESUMEN

Este artículo presenta un marco general para analizar la relación entre movimientos obreros y procesos de redemocratización. Esta relación tiene dos aspectos: el impacto de los movimientos obreros sobre el curso del cambio político en general, y los efectos de éste sobre la reorganización de los propios movimientos laborales. Aunque prácticamente todos los movimientos obreros aumentan las huelgas y manifestaciones y reestructuran sus organizaciones y sus vínculos partidarios al producirse una quiebra del régimen autoritario y una posible transición a la democracia, hay bastante variación tanto en la intensidad de dichas movilizaciones como en sus efectos políticos y organizacionales internos. Después de discutir la relación entre movimientos laborales y redemocratizaciones en términos generales, el artículo presenta una serie de dimensiones analíticas que debieran ser de utilidad heurística para tratar de explicar las variaciones.
"THE RICH HAVE ALREADY EATEN..."*
ROOTS OF CATASTROPHE IN CENTRAL AMERICA
Solon L. Barraclough and Michael F. Scott

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Michael F. Scott is a consultant, author, and photographer concerned with international development issues and has traveled widely in Latin America, Africa, and Asia. Among other organizations he has worked for the United Nations Food and Agriculture Organization, the Mexican government, and Oxfam America, where he was the Overseas Director for nine years. Scott has been particularly concerned with agrarian issues in Latin America and the Caribbean over the course of the last twenty years. He is the author of No Free Lunch: Food and Revolution in Cuba Today, as well as other papers and articles regarding food and development issues.

* The main title is a phrase from Father Andrés Giron, a Guatemalan parish priest, who leads the National Association of Campesinos for Land, an organization made up of 75,000 landless Guatemalan peasants. Father Giron is a fearless advocate of agrarian reform (OSGUA Newsletter, No. 4, Feb. 1987).

This enterprise is indebted to many individuals and several institutions, none of whom shares the responsibility for the writing, but all of whom contributed in diverse ways to whatever virtues it may have. Thanks go to Oxfam America, who commissioned an earlier version of this work as part of a Central America program assessment and who helped support the subsequent transformation of the document, and in particular to Katherine Fix, John Hammock, Sandy Isaacs, Rolando Lopez, Jethro Pettit, Bob Snow, and Lee Warren. Elsewhere thanks are also due to John Cavanagh, Saul Landau, Jorge Sol, Jacquelyn Craw, Ariane van Buren, Jim Tucker, Medea Benjamin, Kevin Danaher, Peter Marchetti, Peter Utting, Cynthia Hewitt de Alcantara, and Enrique Oteiza, among others. Special thanks to the Helen Kellogg Institute for International Studies at the University of Notre Dame and in particular to Caroline Domingo for her excellent editorial work and to David Ruccio and Alexander Wilde. We are most indebted to the many Central Americans who shared with us their understanding, their grief, and their hope for peace and justice.

ABSTRACT
Central America's profound political and military convulsion is largely the result of a boom and currently severely bust agro-export economy built upon an outmoded social order. Focusing upon food security issues and their implications for the poor majority, this report analyzes major factors contributing to the current crisis within and beyond this small sub-region of Latin America. The major emphasis is upon Nicaragua and El Salvador, but the the authors also discuss conditions in neighboring Guatemala, Honduras, Costa Rica, and Panama. Socioeconomic structures and government strategies are critically assessed in the context of growing food insecurity, and particular attention is given to agrarian reform experiences. Since the United States is the determining outside actor, U.S. policies and interests are analyzed in depth as obstacles and potential opportunities for broad-based popular development and food security.

RESUMEN
La profunda convulsión política y militar de América Central se debe en gran parte al crecimiento repentino y al severo fracaso actual de una economía dependiente de la agroexportación y a la vez basada en un orden social anticuado. Enfocando en la seguridad alimentaria y sus implicaciones para la población pobre mayoritaria, este informe analiza los principales factores que contribuyen a la crisis actual de esta pequeña sub-región de Latinoamérica. El énfasis principal se pone en Nicaragua y El Salvador, pero los autores también tratan las condiciones en países vecinos, es decir Guatemala, Honduras, Costa Rica y Panamá. Las estructuras socioeconómicas y las estrategias del gobierno son evaluadas de manera crítica en el contexto de la creciente insseguridad alimentaria, y se pone particular atención a las experiencias de reforma agraria. Puesto que los Estados Unidos es el actor externo determinante, las políticas y los intereses estadounidenses son analizados a fondo como obstáculos y oportunidades para el desarrollo democrático.
TASKS AND METHODS IN DEVELOPMENT ETHICS

Denis Goulet


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An earlier version of this paper was presented at the First International Conference on Ethics and Development, University of Costa Rica, June 1987.

ABSTRACT

Growth paradigms of development are now widely criticized as anti-developmental because they bring benefits to few while keeping the masses poor, and destroy valuable cultures. Some critics repudiate development altogether. Most international institutions and national planning agencies still follow old models, however, although they modify them under the rubric of "structural adjustment." Yet a new model is in gestation, which raises basic value questions about the good life, the just society, and the right stance toward nature. Modern conditions, characterized by large scale, complex interdependencies among all social systems, and the extreme rapidity of change, render ancient answers to these normative questions obsolete. The ancient answers were framed in static environments marked by slow change, high degrees of isolation of one system from another, and small scale. Clearly, what is now needed to create a modern development ethic is critical dialogue between ancient wisdoms and modern sciences. In the past, ethics has not successfully answered normative questions posed by economics. A new approach is needed: an ethic as "means of the means," that is, a strategy in which ethics formulates its norms from within the constraints faced by those who wield economic policy instruments. Ethics is to lay bare value gains and losses attendant upon diverse policy choices, and establish criteria for determining which value sacrifices an affected population will tolerate. Four areas of ethical discourse are analyzed to show where ethics may engage politics, economics, and other technological rationalities to forge working strategies for problem-solving. The tasks of ethics are to devise value strategies in development, and to keep hope alive in a world where rational calculations of probable developmental success would lead to despair.

RESUMEN

Los paradigmas de crecimiento en la teoría del desarrollo son ahora ampliamente criticados como anti-desarrollistas a causa de conllevar beneficios a unos pocos mientras dejan a las masas pobres, y destruyen culturas valiosas. Algunos críticos repudian totalmente el desarrollo. La mayoría de las instituciones internacionales y de las agencias de planeación nacional todavía siguen viejos modelos, aunque sin embargo los han modificado etiquetándolos como "ajuste estructural." Con todo, un nuevo modelo está en gestación, cuestionando los valores básicos acerca de la calidad de la vida, la sociedad justa y la postura apropiada respecto la naturaleza. Dándose condiciones modernas, las viejas soluciones ya no sirven, son obsoletas a tales cuestiones normativas, de ahí la necesidad de una ética moderna del desarrollo y por lo tanto la necesidad de un diálogo entre viejas sabidurías y ciencias modernas. En el pasado, la ética no ha sabido responder a cuestiones normativas planteadas por la economía. Se requiere un nuevo enfoque: una ética como "medio de los medios," esto es, como estrategia para entrar dentro de los límites y dinamismos propios a los instrumentos de política económica. La ética deberá encargarse en poner de manifiesto ganancias y pérdidas de valores derivadas de cada opción política escogida, y establecer los criterios para determinar qué sacrificios de dichos valores tolerará una población afectada. Se analizan cuatro campos de discurso ético para mostrar dónde la ética podría tomar parte en política, economía y otras racionalidades tecnológicas para forjar estrategias de trabajo en la solución de problemas. Las tareas de la ética son idear estrategias de valor en la teoría del desarrollo, y mantener la esperanza viva en un mundo dónde los cálculos racionales de un probable éxito en el desarrollo llevarían a la desesperanza.
Scott Mainwaring is Assistant Professor of Government and member of the Kellogg Institute at the University of Notre Dame. He is the author of The Catholic Church and Politics in Brazil, 1916-1985 (Stanford University Press, 1986), as well as many articles on the Catholic Church, social movements, and transitions to democracy in Latin America. He wishes to acknowledge the helpful suggestions of Caroline Domingo, Kenneth Erickson, Margaret Keck, Karen Remmer, Juan Rial, Timothy Scully, Ezra Suleiman, Samuel Valenzuela, and Alexander Wilde. This paper will be published in the October 1988 issue of Comparative Politics, Volume 21, No. 1.

ABSTRACT

This paper reviews some recent analyses of political parties in Brazil, Argentina, Chile, and Uruguay, noting that, for the first time ever, a substantial corpus of important works on this subject has emerged. The central theme is that parties have historically related to the state and civil society in markedly different ways in these four countries. Parties have been fundamental political actors in Chile and Uruguay, but have been less important in Argentina and Brazil. Because parties have not always been central actors in the Latin American political process, many accounts of politics in the region assumed that differences between parties and party systems were relatively unimportant. This paper argues, to the contrary, that parties and party systems are of fundamental importance in understanding the political processes of the four countries in question. The differences in the nature and function of parties help explain different patterns of authoritarian rule, as well as differences in the transitions to democracy and the dilemmas and opportunities facing the new democratic governments in Argentina, Brazil, and Uruguay.

RESUMEN

Este trabajo reseña análisis recientes de los partidos políticos en Brasil, Argentina, Chile y Uruguay, señalando que, por primera vez, ha emergido un corpus sustancial de obras importantes sobre este tema. Su tema central indica que los partidos se han relacionado con el estado y la sociedad civil de formas marcadamente diferentes en estos cuatro países. Los partidos han sido actores políticos fundamentales en Chile y Uruguay, pero han tenido menos importancia en Argentina y Brasil. Como los partidos no han sido siempre actores centrales en el proceso político latinoamericano, muchos estudios sobre éste han asumido que las diferencias entre los partidos y los sistemas de partidos son relativamente poco importantes. Este ensayo argumenta, sin embargo, que los partidos y sus sistemas son de una importancia fundamental para entender los procesos políticos de los cuatro países en cuestión. Las diferencias en la naturaleza y función de los partidos ayudan a explicar las características diferentes de los regímenes autoritarios, las diferencias en las transiciones hacia la democracia, y los dilemas y oportunidades que confrontan los nuevos gobiernos democráticos en Argentina, Brasil y Uruguay.
FOREIGN TRADE AND INCOME DISTRIBUTION: THE CASE OF BRAZIL

Benedict J. Clements and Kwan S. Kim


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ABSTRACT

This paper uses a modified input-output model simulation to examine the effects of alternative trade strategies on income distribution in Brazil. The strategies under consideration are export expansion, import substitution, and expansion of the nontradable sector. The main results show that export expansion does produce a more equal income distribution than the alternative strategies, but only slightly more so. In particular, the income generated through production of industrial goods exports—the fastest growing segment of Brazilian exports—is not much more equally distributed than that generated by other strategies.

RESUMEN

Este trabajo emplea una simulación de modelo de insumo/producto para examinar los efectos de estrategias alternativas del comercio exterior sobre la distribución de ingresos en Brasil. Las estrategias puestas a consideración son: la expansión de exportaciones, sustitución de importaciones y la expansión del sector no comercializable. Los resultados principales muestran que la expansión de exportaciones produce una distribución de ingresos más equitativa que las estrategias alternativas, pero solo ligeramente. En particular, el ingreso generado mediante la producción de productos industriales de exportación—el segmento de exportaciones brasileñas de más rápido crecimiento—no es mucho más equitativamente distribuido que aquellos generados por medio de otras estrategias.
CAPITALISTS, TECHNOCRATS, AND POLITICIANS:
ECONOMIC POLICY-MAKING AND DEMOCRACY IN THE CENTRAL
ANDES

Catherine M. Conaghan


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ABSTRACT

This paper examines the interactions among business interests groups, political parties, and government economic teams in Bolivia, Ecuador, and Peru since their return to civilian rule. The central argument is that business interest groups favored the transition to democracy in order to reestablish their influence over macroeconomic policy-making. Yet, the push for economic orthodoxy in the 1980s has resulted in a “sealing off” of government economic teams from the pressures of domestic groups, including the business community. Thus capitalist classes continue to experience a crisis of representation even under democratic regimes.

RESUMEN

Este ensayo examina las interacciones entre las asociaciones empresariales, los partidos políticos y los equipos económicos de los gobiernos de Bolivia, Perú y Ecuador desde sus respectivos retornos a regímenes democráticos. El argumento principal es que los grupos empresariales favorecieron la transición a la democracia con el fin de reestablecer su influencia sobre el diseño de la política macro-económica. Sin embargo, la tendencia a la ortodoxia económica en la década de los ochenta ha dado como resultado el que los equipos económicos de los gobiernos se cierren a las presiones de los grupos de interés, incluyendo a las asociaciones empresariales. Así los sectores capitalistas siguen sufriendo una crisis de representación, aún dentro de los regímenes democráticos.
MACROTHEORIES, MICROCONTEXTS, AND THE INFORMAL SECTOR: CASE STUDIES OF SELF-EMPLOYMENT IN THREE BRAZILIAN CITIES

Leo A. Despres


Leo A. Despres is a fellow of the Kellogg Institute and Professor of Anthropology at the University of Notre Dame. His research focuses mainly on social, economic, and political developments in Latin America and the West Indies. His major publications include Cultural Pluralism and Nationalistic Politics in British Guiana and Ethnicity and Resource Competition in Plural Societies. His most recent research involves a study of urban industrialization and working-class culture in three Brazilian cities.

The data discussed in this paper were collected in the cities of Manaus (Amazonas), Juiz de Fora (Minas Gerais), and Joinville (Santa Catarina). Fieldwork in Manaus was conducted in 1984 in association with the Instituto Universitário de Pesquisas do Rio de Janeiro and with the support of a grant provided by the National Science Foundation. Fieldwork in Juiz de Fora and Joinville was done in 1986 under the terms of a Fulbright award made to the author and to the Centro de Estudos de Cultura Contemporânea (São Paulo) by the U.S. Council for International Exchange of Scholars and the Comissão para o Intercâmbio Educacional entre Os Estados Unidos da América e O Brasil. The author would like to thank Drs. Regis S. de Castro Andrade, Paulo J. Krischke, and other colleagues at CEDEC in São Paulo as well as colleagues at the Kellogg Institute for their helpful comments on various drafts of this paper.

ABSTRACT

Economists as well as anthropologists have seriously questioned the empirical validity of the dual economy paradigm. Indeed, the evidence is overwhelming that while formal and informal sector enterprises may be differentiated in terms of their capitalization, organization, labor processes, market penetration, and the like, it is generally the case that these differentiated enterprises are structurally articulated within a centralized political economy. Accordingly, three macrotheories have been offered to explain the structural articulation of formal and informal sector developments. One theory, that of modernization, suggests that informal sector developments are a temporary by-product of migratory flows of unskilled labor that have been set in motion by rapid urban industrialization. The other two theories, both Marxist or neo-Marxist in conception, consider informal sector developments to be primarily the result of economizing production strategies. According to one of these theories, firms in the formal sector seek to depress wages by maintaining a reserve of surplus labor and, thus, they force into the informal sector large numbers of unemployed or underemployed workers. In the alternative view, firms in the formal sector seek to lower costs or free up capital by contracting out to the informal sector high risk or marginal processes. While one or more of these macrotheories may assume some degree of general validity in reference to the organization of global or national economies, none of them proved to be particularly illuminating with respect to the case studies discussed here, drawn from urban economies in three different regions of Brazil—specifically Manaus in Amazonas, Juiz de Fora in Minas Gerais, and Joinville in Santa Catarina.

RESUMEN

Economistas e antropólogos têm questionado muito seriamente a validade empírica do paradigma da economia dualista. Realmente, existem provas avassaladoras de que enquanto as empresas dos setores formais e informais podem ser diferenciadas em termos de sua capitalização, organização, processos de trabalho, penetração no mercado, lucratividade, acumulação de capital, etc., o fato é que estas empresas diferenciadas estão estruturalmente articuladas dentro de uma economia politicamente centralizada. Assim sendo, três macroteorias têm sido propostas para explicar a articulação estrutural dos desenvolvimentos dos setores formal e informal. Uma delas, a da modernização, sugere que os desenvolvimentos do setor informal são o resultado temporário de fluxos de migração de trabalho não especializado que foi posto em movimento por um rápido processo de industrialização urbana. As outras duas teorias, a marxista e a de concepção neo-marxista, consideraram os desenvolvimentos do setor informal como sendo o resultado primário de estratégias econômicas de produção. De um lado, firmas do setor formal buscam reduzir os salários pela manutenção de uma reserva de mão-de-obra e, assim, elas forçam para o setor informal um grande número de trabalhadores não-empregados ou sub-empregados. Ou, alternativamente, firmas no setor formal buscam baixar os custos ou liberar capital pela contratação no setor informal com altos riscos e processos marginais. Se uma ou mais destas macroteorias pode ter algum grau de validade em referência a organização de economias globais ou nacionais, nenhuma delas é particularmente clara no que diz respeito aos estudos de caso derivados de economias urbanas de três diferentes regiões do Brasil, especificamente: Manaus no Amazonas; Juiz de Fora em Minas Gerais; e Joinville em Santa Catarina.
WHAT ARE THE NEWLY LITERATE READING IN CUBA?
AN "INDIVIDUALIST" MÉMOIR

Anthony Kerrigan


Anthony Kerrigan has spent a total of fourteen years in Cuba and thirty-five years in Europe, mostly in Spain and Ireland, and has published widely in the last two countries as a steady contributor to journals and as an editor of Goya (Spain's leading art magazine). His work has been translated into Spanish, French, Hebrew, and Hungarian, and his translations of Borges have been re-translated into Gaelic (Irish). He has published three books of poetry and translated over fifty books, winning the National Book Award for a seven-volume edited, annotated, and translated edition of Unamuno (The Tragic Sense of Life and six other volumes, Princeton). Inter alia he has taught at SUNY (Buffalo) and the University of Illinois (Chicago). He translated, annotated, and wrote the introduction to Ortega y Gasset's The Revolt of the Masses (Foreword by Saul Bellow) for the University of Notre Dame Press. His latest book is a translation of a novel by Arrabal, with a Foreword (Viking Penguin), and he has just been awarded an unsolicited National Endowment for the Arts Senior Fellowship in Literature "for an extraordinary contribution to American letters over a lifetime of creative work." Kerrigan has been a senior guest scholar at the Kellogg Institute since 1984, and he is currently working on an Autobiography commissioned by Gale Press, and a translation of the Chilean José Donoso's El jardín de al lado.

This paper was presented in part at a special assembly of the Kellogg Institute, and variants of the report have been presented at the Universities of Chicago and Virginia, Boston and Western Michigan Universities, and Macalaster College. The author thanks Caroline Domingo, Denis Goulet, Albert LeMay, and Rafael Tarragó for their helpful suggestions.

ABSTRACT

This paper focuses on the availability of literature in present-day Cuba. The experience was gleaned in situ by the author, brought up in Cuba from the near in utero age of nine months (after conception in Panama) through adolescence, followed by later study at the University of Havana. He was soon a Communist Party member in his own right (pre-Castro). This piece was largely penned after a recent return visit to a Cuba declared (from the top down) to be Communist. The methodology (dictionary definition: "a particular procedure, or set of procedures") was based on the use of the five senses plus, perhaps, the use of a sixth sense based on having lived the life of the Left; first as a Stalinist, then as a Trotskyist (who volunteered for the POUM battalion in the Spanish Civil War), and finally with a youthful position akin to that of philosophical anarchism, doubtless based on a much berated "individualist" bent—Black rather than Red. Albeit reportage, the piece is based on lived experience, and is as "scientífico" as any evidence adduced from seen and felt facts, a checking of the senses—the point of departure for all science. It is an idiosyncratic view, necessarily, but there is no element of fiction in this novela-de-one-self facing the somewhat hallucinatory phenomena of a closed society.

RESUMEN

Este trabajo trata del acceso que tiene el ciudadano en la Cuba actual a obras literarias de calidad. La experiencia es que se basa fue recabada in situ por el autor, quien vivió y se educó en Cuba desde la edad casi in utero de nueve meses (después de su concepción en Panamá) hasta la adolescencia. El autor después siguió estudios superiores en la Universidad de Habana y muy pronto se hizo miembro del Partido Comunista por cuenta propia (en la época pre-Castro). El trabajo fue compuesto después de un reciente viaje de regreso realizado por el autor a una Cuba declarada (desde arriba) comunista. La metodología (definición en el diccionario: "un procedimiento particular, o conjunto de procedimientos") se basa en el uso de los cinco sentidos más, quizás, el uso de un sexto sentido, producto de haber vivido el autor una vida de izquierda, primero como stalinista, después como trotskista (voluntario del batallón del POUM en la guerra civil española), llegando finalmente el autor a una juvenil posición cercana a la del anarquismo filosófico, derivada sin duda de una marcada tendencia "individualista" (negro antes que rojo) reprendida y calumniada según la voga de todo "progre." Si bien se trata de un reportaje, el trabajo se basa en la experiencia vivida y es tan "científico" como cualquier evidencia aducida de lo visto y lo sentido, de un registro de los sentidos, punto de partida éste de toda ciencia. Es, necesariamente, un punto de vista idiosincrático, pero no existe elemento de ficción en esta novela-de-un-same (vease Unamuno) de un individuo que confronta los fenómenos un tanto alucinatorios de un mundo social cerrado.
THE MAGICAL STATE: HISTORY AND ILLUSION IN THE APPEARANCE OF VENEZUELAN DEMOCRACY

Fernando Coronil


Fernando Coronil earned his doctorate in Anthropology and was William Rainey Harper Instructor at the University of Chicago. He has recently been elected to the Michigan Society of Fellows and received a joint appointment as Assistant Professor in the History and Anthropology Departments at the University of Michigan. He is presently working on a book on state formation in Venezuela and is carrying out research concerning presidential politics and popular religion in Venezuela. During the fall of 1987 semester he was a residential fellow at the Kellogg Institute.

ABSTRACT

This paper offers an interpretation of the transition to democracy in Venezuela by examining the orchestration of several coups d’etat which were instrumental in the consolidation of dictatorial rule between 1948 and 1957 and in its overthrow in 1958. A critique of the application of the concept of Bonapartism to Venezuela by social scientists and local actors is used to highlight the distinctive ideological forms and social relations that characterize politics in a neocolonial rentier society. By exploring the interplay between forms of representing political power and of organizing economic activity, the author develops the argument that the democratization of Venezuelan political life was intimately related to the transformation (Gómez period onwards) of Venezuela into an oil nation.

RESUMEN

Este trabajo ofrece una interpretación de la transición hacia la democracia en Venezuela al examinar la orquestación de varios golpes de estado que fueron instrumentales en la consolidación del régimen dictatorial entre 1948 y 1957 y en su derrocamiento en 1958. Una crítica de la adaptación del concepto de Bonapartismo al caso venezolano por científicos sociales y actores locales es usada para destacar las formas ideológicas y las relaciones sociales distintivas que caracterizan la política en una sociedad neocolonial rentier. Al explorar la interacción entre las formas de representar el poder político y de organizar la actividad económica, el autor desarrolla el argumento de que la democratización de la vida política venezolana estuvo íntimamente relacionada a la transformación de Venezuela (del período de Gómez en adelante) en una nación petrolera.
ISSUES IN THE CONSOLIDATION OF DEMOCRACY IN LATIN AMERICA AND SOUTHERN EUROPE IN COMPARATIVE PERSPECTIVE
-A RAPPORTEURS' REPORT-

Timothy Power and Nancy Powers

Working Paper # 113 - October 1988

The authors (no relation) are doctoral candidates in the Department of Government and International Studies at the University of Notre Dame. Timothy Power is a 1984 graduate of the University of Massachusetts at Amherst, and received an M.A. in Latin American Studies from the University of Florida in 1986. His dissertation at Notre Dame will deal with the role of the political right in the recent transition to democracy in Brazil. Nancy Powers graduated with honors from Kenyon College in 1983. Before entering graduate school, she was a legislative aide in the Ohio General Assembly for three years. She specializes in the fields of comparative and American politics, and plans to do dissertation research in Argentina.

The authors would like to thank Guillermo O'Donnell, Caroline Domingo, and Erika Valenzuela for their valuable assistance in this project. They are also grateful to various participants in the meeting for their constructive comments and criticisms.

ABSTRACT

On April 24 and 25, 1987, the Kellogg Institute and the Social Science Research Council sponsored a working meeting at the University of Notre Dame on "Issues in the Consolidation of Democracy in Latin America and Southern Europe in Comparative Perspective." Participants explored the possibilities for comparing developments in the new Latin American democracies with trends in Greece, Portugal, Spain, and Turkey. The meeting was co-chaired by Guillermo O'Donnell of the Kellogg Institute and Philippe C. Schmitter of Stanford University; this paper synthesizes the main discussions and debates of the Notre Dame meeting.

RESUMEN

El 24 y 25 de abril de 1987, el Kellogg Institute y el Social Science Research Council auspiciaron el encuentro "Problemas de la consolidación de la democracia en Latinoamérica y en el sur de Europa: una perspectiva comparativa," que se llevó a cabo en la University of Notre Dame. Los participantes exploraron las posibilidades de comparar los desarrollos de las nuevas democracias en Latinoamérica con las tendencias en Grecia, Portugal, España y Turquía. El encuentro fue co-presidido por Guillermo O'Donnell del Kellogg Institute y por Philippe C. Schmitter de la Stanford University; este trabajo sintetiza las discusiones y los debates centrales del encuentro en Notre Dame.
THE CHURCH AND THE ABERTURA IN BRAZIL, 1974-1985

Ralph Della Cava


Ralph Della Cava is Professor of History at Queens College, the City University of New York. With Dr. Paulo Montero of the University of São Paulo, he is Co-Director of a three-year research project on “Catholicism and Society in Post-War Brazil,” sponsored by the Pontifical Catholic University of Brazil with grants from The Ford Foundation and the Tinker Foundation, Inc.

ABSTRACT

This paper examines the Catholic Church's interaction with Brazilian society from the military coup of 1964 through the years of repression and the long process of the abertura up to the inauguration of the New Republic in 1985. The author emphasizes the changing nature of the Church's role in the abertura, and outlines the history of the “People's Church” during this period, in particular the proliferation of the Comunidades Eclesiais de Base. The concluding section analyzes the turn to a conservative restoration within the Church in relation to the question of the durability of the CEBs.

RESUMO

Este trabalho examina a iteração da Igreja Católica com a sociedade brasileira desde o golpe militar, passando pelos anos de repressão e pelo longo processo de “abertura”, até a inauguração da Nova República em 1985. O autor enfatiza a natureza variável do papel da Igreja na “abertura” e traça um perfil da história da “Igreja do Povo” durante esse período e, em particular, da proliferação das Comunidades Eclesiais de Base (CEBs). Na conclusão, o autor analisa a restauração conservadora que se dá no interior da Igreja no que diz respeito à continuidade das CEBs.
TOWARD AN INSTITUTIONAL ANALYSIS OF STATE SOCIALISM

David Stark and Victor Nee

Working Paper #115 December 1988

David Stark received his Ph.D. from Harvard University and is currently Assistant Professor of Sociology at the University of Wisconsin. His research in the field of economic sociology on problems of work and organization in capitalist and socialist economies has appeared in American Sociological Review, Politics and Society, and Theory and Society, with publications abroad in Actes de la recherche en sciences sociales, Soziale Welt, and Stato e mercato. He is currently writing a book for Oxford University Press, based on his field research in several Hungarian factories.

Victor Nee received his Ph.D. from Harvard University and is Professor of Sociology at Cornell University. He has written a book on Asian immigrants in the United States, Long Time Californin’ (Stanford University Press), and several books on China, including The Politics of the Cultural Revolution (Monthly Review Press). He recently edited a book on party cadres in China, and is a frequent contributor to various journals, among them American Sociological Review. He is currently completing an analysis of rural entrepreneurship in China, based on a random sample survey.

This paper will be the lead essay in Remaking the Economic Institutions of Socialism: China and Eastern Europe, David Stark and Victor Nee, editors (Stanford University Press, forthcoming).

It is the product of the authors’ joint and equal efforts. They thank Laszlo Bruszt, Paul Dimaggio, István Gábor, Daniel Kleinman, and Martin Whyte for their careful reading and criticism of an earlier draft, and give special thanks to Monique Djokic for critical suggestions at various stages of conceptualizing the paper.

ABSTRACT

Twenty years of experience with economic reforms in Hungary and a decade of experimentation with reforms in China provide a critical mass of evidence for analyzing the problems endemic to centrally planned economies and the dilemmas faced in efforts to transform them. This paper surveys recent theories of state socialism and argues that the paradigms of totalitarianism and modernization theory are being replaced by a new perspective that changes the focus from ideology and technology to economic institutions and social groups. Whereas the earlier state-centered political sociology of socialist societies was preoccupied with party-state elites, research findings from the new perspective point to the relative autonomy of society as the activities of subordinate social groups place limits on the power of state elites. In reflecting on the Chinese and East European experiences, the paper traces a shift from conceptions of reform as a mix of planning and markets within the state sector to a mix of public and private ownership forms.

RESUMEN

Veinte años de experiencia con reformas económicas en Hungría y una década de experimentación con reformas en China proveen una masa crítica de evidencia para analizar los problemas endémicos de las economías centralizadas y los dilemas enfrentados en los esfuerzos por transformarlas. Este trabajo considera las teorías recientes del socialismo de estado y arguye que los paradigmas del totalitarismo y de la teoría de la modernización están siendo reemplazados por una nueva perspectiva que enfatiza las instituciones económicas y los grupos sociales en vez de la tecnología y la ideología. Mientras que la anterior sociología política de las sociedades socialistas estaba preocupada con las elites del partido-estado, investigaciones basadas en la nueva perspectiva indican la relativa autonomía de la sociedad ya que las actividades de grupos sociales subordinados establece los límites sobre el poder de las elites del estado. Al reflexionar sobre las experiencias de China y de Europa del Este, el trabajo traza este cambio de concepciones: ya no la reforma considerada una mezcla de planeamiento y de mercados dentro del sector del estado sino una mezcla de formas de propiedad públicas y privadas.
TORN BETWEEN AUTHORITARIANISM AND CRISIS-PRONE
DEMOCRACY:
THE DOMINICAN LABOR MOVEMENT

Rosario Espinal


Rosario Espinal is Assistant Professor of Sociology at Temple University. She has been a guest researcher at the Swedish Institute for Social Research at the University of Stockholm, a faculty fellow at the Kellogg Institute (fall semester, 1986), and a visiting fellow at St. Antony’s College, Oxford. She is co-author of Democracia y Proyecto Socialdemócrata en República Dominicana (Santo Domingo: Editora Taller, 1986) and author of Autoritarismo y Democracia en la Política Dominicana (San José: CAPEL, 1987).

The author wishes to acknowledge gratefully the hospitality of the Kellogg Institute during 1986-87 when she had the opportunity to participate in numerous discussions related to the topic of this paper. She thanks Guillermo O’Donnell, Samuel Valenzuela, Catherine Conaghan, and Frances Hagopian for their support and encouragement, and also wants to thank Sherri Grasmuck, her colleague at Temple University, for her comments and suggestions. This paper was first presented at the conference “Labor Movements in Transitions to Democracy,” sponsored by the Kellogg Institute with support from the National Endowment for the Humanities, Arthur F. O’Neil, and the International Development and Research Centre, and held at the University of Notre Dame, April 26-28, 1988.

ABSTRACT

This paper examines the role of labor in the transition to democracy in the Dominican Republic. The author begins with a brief overview of the problematic status of labor in recent transition studies. Labor has tended to play a secondary role in Latin America’s recent transitions, and several factors have been suggested to account for this: the supremacy of powerholders in engineering and directing the transition; the ephemeral nature of popular upsurges against the authoritarian regime; reliance on pacts that undermine popular involvement. The author also emphasizes the general weakness of Latin American labor movements themselves and the pressures of economic conditions adverse to labor. She argues that the weakness of the Dominican labor movement in particular and its limited impact in shaping the new democracy is related to Dominican labor’s high degree of dependence on political parties and its “victimization” by intra-party rivalries. Together with low levels of unionization and detrimental economic conditions, this subordination to parties has worked against labor’s incorporation into bargaining structures. However, the argument concludes, in the Dominican Republic as elsewhere, even when the labor movement is relatively weak, an unresolved labor question tends to produce a crisis-prone democracy.

RESUMEN

Este trabajo analiza el papel que desempeñó la clase trabajadora en la transición a la democracia en la República Dominicana. La autora comienza con una breve consideración general del estado problemático de la clase trabajadora en estudios recientes de la transición. La clase trabajadora ha tendido a jugar un rol secundario en las recientes transiciones en Latinoamérica y esto se ha atribuido a varios factores: la supremacía de los que sostienen el poder en el planeamiento y la dirección de la transición; la naturaleza efímera de las revueltas populares en contra del régimen autoritario; la dependencia en pacts que desaniman la participación popular. La autora enfatiza también la debilidad general de los movimientos laborales en Latinoamérica y las presiones de las condiciones económicas adversas a las clases populares. La autora arguye que la debilidad del movimiento laboral dominicano en particular y su limitado impacto en la formación de la nueva democracia está relacionado con el alto grado de dependencia de las clases laborales dominicanas en los partidos políticos y su “victimización” por rivalidades entre partidos. Sumado a los bajos niveles de sindicalización y a las condiciones económicas desventajosas, esta subordinación a los partidos ha dificultado la incorporación de la clase trabajadora dentro de las estructuras de negociación. Sin embargo, se concluye que en la República Dominicana como en todas partes una cuestión laboral no resuelta, aún cuando el movimiento laboral es relativamente débil, tiende a producir una democracia propensa a las crisis.
OF VICTIMS AND EXECUTIONERS:
ARGENTINE STATE TERROR, 1976-1983

David Pion-Berlin
George A. Lopez


David Pion-Berlin is Assistant Professor of Political Science at Ohio State University. His research focuses on governmental violence and repression, and the study of military elites in Latin America, with particular emphasis on military political thought and civil-military relations. His most recent book is The Ideology of State Terror: Economic Doctrine and Political Repression in Argentina and Peru (Lynne Rienner Publishers, forthcoming 1989). He has made numerous contributions to edited volumes on Latin American politics and has written articles for Comparative Political Studies, Armed Forces and Society, and the Journal of Interamerican Studies and World Affairs.

George A. Lopez is Associate Professor of Government and International Studies and Faculty Fellow at the Institute for International Peace Studies of the University of Notre Dame. His research on gross violations of human rights and government repression has appeared in a number of publications including Chitty's Law Journal and Human Rights Quarterly. In addition he has been coeditor and contributor in such volumes as Government Violence and Repression: An Agenda for Research (Greenwood, 1986) and Testing Theories of Government Violence and Repression (Westview, 1989).

ABSTRACT

Scholars have found that governments will often terrorize subdued, even compliant populations. Outside of the literature on genocide, little theorizing or empirical testing has been done as to the motivations behind unprovoked governmental violence. This study argues that governments may attack groups whose characteristics seem incongruent with their own ideological agendas. We delineate two major ideologies that guided the Argentine military to perpetrate state terror and gross violations of human rights as standard policy. In national security ideology, the junta found its rationale for the use of unbridled terror against a broad spectrum of the Argentine population. Guided by the hand of a free market ideology, the regime focused its terror on members of collectivities perceived to be irriatably obstructive to the achievement of governmental objectives. Together these ideologies provided a motivation for the use of excessive levels of state violence by the regime and the identification of the victims of such violence. A regression analysis of previously undisclosed data on the social characteristics of the Argentine "desaparecidos," coupled with an examination of sectoral legislation, finds that individuals who were affiliated with large collectivities and certain politically powerful and strategically placed unions suffered a greater probability of victimization.

RESUMEN

Estudiosos del campo han encontrado que los gobiernos terrorizarán con frecuencia a las poblaciones sometidas si no sumisas. Aparte de la literatura sobre el genocidio, poca teorización o comprobaciones empíricas se han realizado acerca de los motivos de la violencia gubernamental no provocada. Este estudio argumenta que los gobiernos pueden atacar a grupos cuyas características parecen incongruentes con sus propias agendas ideológicas. Nosotros delineamos dos ideologías principales que han guiado al ejército argentino para perpetrar como política normal el terror de estado así como graves violaciones a los derechos humanos. La junta encontró su razonamiento para el uso de terror desenfrenado contra un espectro amplio de la población argentina en la ideología de la seguridad nacional. Guiado por una ideología de mercado libre, el régimen enfocó su terror sobre miembros de colectividades percibidas como irriatablemente obstructivas para la realización de los objetivos del gobierno. Juntas, estas ideologías propusieron la motivación para el uso de niveles excesivos de violencia estatal por el régimen y para la identificación de las víctimas de tal violencia. Un análisis regresivo de información previamente no descubierto sobre las características sociales de los "desaparecidos" de Argentina, emparejado con un examen de la legislación sectorial, encuentra que los individuos que estaban afiliados con grandes colectividades y en ciertos sindicatos políticamente poderosos y estratégicamente ubicados, sufrieron una mayor probabilidad de victimización.
Robert Fishman received his Ph.D. in Sociology from Yale University, and is currently Associate Professor of Government and Social Studies at Harvard. His book on the relationship between labor and the democratic transition in Spain, Working Class Organization and Political Change: The Labor Movement and the Transition to Democracy in Spain, is forthcoming from Cornell University Press. He is currently developing a research project on the growing distance between intellectuals and working-class communities in contemporary Europe. His research also includes an examination of the aftermath of failed revolutions, focusing on Italy, Spain, and Germany during the inter-war years.

This paper was first presented at the conference “Labor Movements in Transitions to Democracy,” sponsored by the Kellogg Institute with support from the National Endowment for the Humanities, Arthur F. O’Neil, and the International Development and Research Centre, and held at the University of Notre Dame in April 1988.

ABSTRACT

During the late years of the Franco regime, the Spanish labor movement demonstrated an impressive ability to maintain a high level of industrial conflict despite considerable repression. The labor movement hoped for a transition through a ruptura imposed by popular mobilization: instead, the transition period led to the Moncloa pacts; a decline in union membership and a series of failed strikes; an eclipse of union in favor of political party leadership; and a change in union policy from mobilization to restraint. One explanation advanced for this turn of events is that the labor movement was demobilized from above. This paper contends that the close ties between unions and political parties contributed to greater union restraint, but argues that parties did not play much of a role in limiting labor demands. On the basis of a survey of plant-level labor leaders conducted in 1981, the author rejects the “demobilization-from-above” thesis. He claims that the most significant pressures for restraint came from below given the plant-level leaders’ concern for the consolidation of democracy and their acceptance of the legitimacy of the new state, and the unwillingness of most workers to undertake aggressive mobilizations in the context of a growing economic crisis, plant closings and a rapid increase in unemployment. Labor’s general organizational weakness is also not a product of a deliberate policy of demobilization. Rather, it is a legacy of the Franco regime—labor entered the democratic transition with a recent history of mobilization but little experience in building stable, strong, and autonomous organizations.

In 1987 there has been a resurgence of labor conflict and worker militancy, which also runs counter to the demobilization-from-above thesis. The author contends that plant-level leaders have retained throughout their capacity for judgments autonomous from both the national confederations and the political parties. Democracy is now perceived to be safely consolidated. The economy has stabilized with a resumption of significant growth. Thus, there is a readiness among rank and file workers and plant-level leaders to reject restraint. The Spanish labor movement remains organizationally weak and the level of formal union membership is still comparatively low, but this does not preclude large-scale worker mobilization.

RESUMEN

Durante los últimos años del régimen de Franco, el movimiento laboral español demostró una capacidad notable para sostener un alto nivel de conflicto industrial a pesar de una considerable represión. El movimiento laboral hubiera deseado una transición mediante ruptura impuesta por movilización popular: pero el período de transición condujo a los pactos de Moncloa; al descenso en la afiliación sindical y a una serie de huelgas inconclusivas; al eclipse de dirigentes sindicales por los políticos; y a un cambio en la política sindical, de la movilización a la limitación de las reivindicaciones. Se dice que el movimiento laboral fue desmovilizado desde arriba. Sin embargo, aunque los lazos estrechos entre sindicatos y partidos políticos contribuyeron a limitar las demandas sindicales, los partidos no jugaron un papel directo en dicha restricción. Basando su análisis en una encuesta de líderes laborales a nivel de fábrica realizada en 1981, el autor rechaza la tesis de la “desmovilización-desde-arriba”. Afirma que las presiones más significativas para la restricción vinieron de abajo, del interés de los líderes a nivel de fábrica por la consolidación de la democracia y su aceptación de la legitimidad del nuevo orden político, y de la renuencia de la mayoría de los trabajadores en movilizarse en torno a nuevas demandas en el contexto de una crisis económica con cierre de fábricas y un rápido aumento del desempleo. La debilidad organizacional de la clase obrera tampoco se debe a una desmovilización impuesta desde arriba, sino al legado del régimen de Franco. A pesar de sus altos niveles de movilización en los años anteriores a la transición, los obreros españoles no tuvieron la posibilidad de construir organizaciones estables, fuertes y autónomas.

En 1987 han resurgido los conflictos laborales y la militancia de los trabajadores, lo cual también contradice la tesis de la desmovilización-desde-arriba. Los líderes a nivel de fábrica han retenido su autonomía de las confederaciones nacionales y de los partidos políticos. La democracia se percibe ahora como algo consolidado. La economía se ha estabilizado con la reaparición de un crecimiento significativo. Por lo tanto, los trabajadores no quieren seguir limitando sus demandas en este nuevo contexto. El movimiento laboral continúa siendo débil organizacionalmente y el nivel de la afiliación sindical formal sigue siendo comparativamente bajo, pero esto no impediría niveles altos de movilización.
STONISMO, POST-STONISMO, AND THE PROSPECTS FOR DEMOCRATIZATION IN PARAGUAY

Diego Abente


Diego Abente is Assistant Professor of Political Science at Miami University in Oxford, Ohio. He has written extensively on the politics of Latin America in journals such as the Latin American Research Review and the Journal of Interamerican Studies, and has forthcoming articles in Comparative Politics, the Journal of Latin American Studies, and The Americas. He is currently writing a book on the prospects for democratization in Paraguay.

The author would like to thank Roberto DaMatta, Michael Francis, Louis Goodman, Michael Grow, Daniel Levine, Guillermo O'Donnell, Karen Remmer, and Samuel Valenzuela for their helpful comments and suggestions and Caroline Domingo for her excellent editing.

ABSTRACT

This paper examines the possibilities for the emergence of a situation that would favor a transition to democracy in Paraguay. The author analyzes the historical development of relevant factors, both structural—demographic changes, transformations in the social structure, and international realignments—and contingent—redefinition of space for the opposition, the decay of stronismo and the difficulty of reproducing it—and evaluates the implications of these changes. The overall conclusion is that the changes in the socioeconomic and geopolitical matrix tend to favor a democratic outcome, but it is unlikely that these alone could bring about a political transformation. Nevertheless, when contingent factors are also taken into account, particularly the nature of the last phase of stronismo and the beginning of post-stronismo, there are indications that Paraguay is entering a crucial stage that opens up a range of possibilities for liberalization and democratization.

RESUMEN

Este estudio examina las posibilidades de surgimiento de una situación susceptible de generar una transición a un sistema competitivo y participativo en el Paraguay. A fin de determinar las posibilidades de surgimiento de tal coyuntura democratizante, el trabajo analiza la evolución de una gama de factores estructurales (cambios demográficos, transformaciones en la estructura social, y realineamientos internacionales) y contingentes (la redefinición del espacio opositor, la descomposición del stronismo, y la dificultad de reproducirlo) y evalúa sus implicaciones. La conclusión general es que a pesar de que las transformaciones en la matriz socioeconómica y geopolítica favorecen una salida democrática, es improbable que ellas de por sí desencadenen un cambio político. No obstante, dichas transformaciones en conjunción con factores contingentes especialmente relacionados con la última fase del stronismo y el inicio del post-stronismo, señalan que el Paraguay comienza a vivir una etapa crucial que abre un abanico de posibilidades para la liberalización y la democratización del país.
POPULAR MOVEMENTS IN THE CONTEXT OF THE CONSOLIDATION OF DEMOCRACY
Ruth Corrêa Leite Cardoso

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ABSTRACT

This paper addresses the role of popular movements in the consolidation of democracy in Brazil in the context of traditional clientelism. The author stresses the need to change the political culture and create space for the assertion of full citizenship rights. She examines the process of negotiation among the movements, political parties, and the state apparatus, and the conflicts that arise, with the aim of reaching an understanding of how new sociopolitical identities are forged. In order to survive, community groups must both act pragmatically, making use of their most effective contacts, and at the same time adopt an ideological stance that affirms their autonomy. Moreover, while the groups all emerged from a common experience of exclusion, there is considerable diversity in both their negotiating strategies and their specific objectives. Despite these tensions, the author concludes that when space for participation opens, changes in the balance of power do occur and a degree of popular autonomy becomes possible. Without corresponding institutional changes, however, the changes occur haphazardly and the autonomy gained remains vulnerable and precarious.

RESUMO

Este trabalho discute o papel dos movimentos populares na consolidação da democracia no Brasil, no contexto do clientelismo tradicional. A autora realça a necessidade tanto de mudança da cultura política quanto de criação do espaço para a afirmação de plena cidadania. Ela examina, também, o processo de negociação entre os diversos movimentos populares, os partidos políticos, o aparato estatal, bem como os conflitos que emergem em tal negociação, com o objetivo de alcançar uma compreensão da maneira pela qual as novas identidades sócio-políticas são forjadas. A fim de sobreviverem, grupos comunitários precisam tanto agir pragmaticamente quanto adotar uma postura ideológica capaz de afirmar sua autonomia. Conquanto todos os grupos tenham emergido de uma experiência comum de exclusão, eles apresentam considerável diversidade, tanto nas estratégias de negociação quanto em seus objetivos específicos. A despeito dessas tensões, a autora conclui que quando se abre o espaço para a participação, mudanças ocorrem que alteram o equilíbrio do poder, e torna possível certo grau de autonomia popular. Face à ausência de correspondentes mudanças institucionais, contudo, as mudanças efetuadas pelos movimentos populares somente ocorrem casualmente e a autonomia alcançada permanece vulnerável e precária.
SITUACIONES: MICRO-ESCENAS DE LA PRIVATIZACION DE LO PUBLICO EN SAO PAULO

Guillermo O'Donnell

con comentarios de

Roberto DaMatta y de J. Samuel Valenzuela

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Guillermo O'Donnell, Helen Kellogg Professor of Sociology and Government and Inter-national Studies, is Academic Director of the Institute. Roberto DaMatta is an Institute Senior Fellow and holds the Edmund P. Joyce Chair in Notre Dame's Department of Anthropology. Samuel Valenzuela is also an Institute Senior Fellow and a Professor in the Department of Sociology.

ABSTRACT

In his micro-scenes, Guillermo O'Donnell recounts several incidents drawn from daily life to show that there is a generalized tendency to appropriate public spaces for private use in Brazil. This obviously leads to a collective loss. In the final analysis, O'Donnell argues that Brazil faces a "gigantic prisoner's dilemma." In his commentary, Roberto DaMatta indicates that the phenomenon is reversed according to positions in the social hierarchy. Thus, the private appropriation of public spaces is greater the higher an individual or group's social position, while those situated on the bottom rungs of the hierarchy suffer the appropriation of their private spaces by state officials. Samuel Valenzuela adds that the micro-scenes show the lack of a clear separation between public and private that results from the weakness of individual and collective rights in the Latin American social fabric. O'Donnell thinks that there may be some relationship—although he is not sure how to establish it—between the problems revealed by his micro-scenes and the difficulties of creating and sustaining a democratic regime. DaMatta and Valenzuela agree.

RESUMEN

En sus micro-escenas, Guillermo O'Donnell relata incidentes de la vida diaria en Brasil que muestran que existe en ese país una generalizada tendencia a apropiar lo público para usos privados, con lo cual la colectividad obviamente pierde. En el fondo, Brasil enfrenta "un gigantesco dilema del prisionero". En su comentario, Roberto DaMatta acota que el fenómeno se invierte según sea el lugar en que se ocupe en la jerarquía social: la apropiación de lo público para fines privados es mayor mientras más alto se esté, en tanto que quienes ocupan los escalafones más bajos sufren la apropiación de su espacio privado por agentes del Estado. Y en el suyo, Samuel Valenzuela señala que las micro-escenas muestran que la falta de una separación clara entre lo público y lo privado deriva de la escasa implantación de la noción de derechos individuales y colectivos en el tejido social latinoamericano. O'Donnell piensa que alguna relación hay—aunque no está seguro de cómo establecerla—entre los problemas revelados por sus micro-escenas y las dificultades en crear y sostener un régimen democrático. DaMatta y Valenzuela concuerdan.
CAPITALIST DEVELOPMENT AND DEMOCRACY IN SOUTH AMERICA

Evelyne Huber Stephens


Evelyne Huber Stephens, former residential fellow of the Kellogg Institute (fall 1987), is Associate Professor of Political Science at Northwestern University. She is the author of The Politics of Workers' Participation: The Peruvian Approach in Comparative Perspective (Academic Press, 1980) and coauthor of Democratic Socialism in Jamaica: The Political Movement and Social Transformation in Dependent Capitalism. She has published numerous articles on the politics of socioeconomic reform in Latin America and the Caribbean.

The author would like to thank the Kellogg Institute, where much of the work on this paper was done, as well as Peter Evans, Manuel Antonio Garretón, Jane Mansbridge, Guillermo O'Donnell, Dietrich Rueschemeyer, Frank Safford, John D. Stephens, and J. Samuel Valenzuela for comments on earlier drafts. A revised version will be published in Politics and Society, Vol. 17, No. 9, 1989.

ABSTRACT

This study analyzes the emergence and decline of democracy in all ten major South American countries over the full course of the period since independence. It uses the comparative historical method and a theoretical framework that integrates structural variables with political institutions, looking at the interaction in their effects rather than assigning primacy to one or the other. It distinguishes between restricted and full democracies, the latter being characterized by fully institutionalized contestation and universal inclusion. The central substantive suggestions are that without structural conditions that allowed the organization of effective mass pressure, full democracy was unlikely to emerge, and without effective institutional protection of elite interests in the context of institutionalized contestation and inclusion of non-elite sectors, democracy did not survive. The variables that shaped the trajectory of democracy are the process of consolidation of state power, the nature of a country's integration into the world market (foreign controlled mineral versus nationally controlled agrarian export sectors), the labor requirements of agriculture, the degree of subsidiary industrialization generated by the export sector, the class alliances to which these economic and social structures give rise, the role of the state in shaping civil society, and the nature of political party systems.

RESUMEN

Este trabajo analiza el surgimiento y el declive de la democracia en los diez países principales de Sudamérica desde la época de la Independencia. Se emplea una metodología histórica comparativa y un armazón teórico que integra las variables estructurales y las instituciones políticas, viendo la interacción en sus efectos en vez de asignar primacía a uno u otro. El estudio distingue entre democracias restringidas y democracias en pleno, siendo estas últimas caracterizadas por la contestación total y institucionalizada y por la inclusión universal. Las sugerencias centrales de sustancia son que sin las condiciones estructurales que permiten la organización de una presión de masas efectiva, era difícil que surgiera la democracia plena, y que sin la protección institucional efectiva de los intereses de las élites en el contexto de la contestación institucionalizada y la inclusión de sectores no elitistas, la democracia no sobrevivió. Las variables que dieron forma a la trayectoria de la democracia son el proceso de consolidación del poder estatal, la naturaleza de la integración de un país dentro del mercado mundial (exportaciones de minerales por extranjeros versus exportaciones agrícolas nacionales), los requerimientos de mano de obra en la agricultura, el grado de industrialización subsidiaria generada por el sector de exportación, las alianzas de clase producidas por estas estructuras económicas y sociales, el papel del estado en la formación de la sociedad civil, y el carácter de los sistemas de partidos políticos.
¿POBREZA = FRUSTRACION = VIOLENCIA?
Critica empirica a un mito recurrente

Eugenio Tironi

Working Paper #123 May 1989

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This paper is based on the results of a survey carried out by the author and E. Weinstein at the Centre de Estudios Y Educación SUR in Santiago, Chile, with support from the Ford Foundation. The author wishes to thank Roberto DaMattà, Manuel Antonio Garretón, Scott Mainwaring, and J. Samuel Valenzuela for their comments on his presentation of the paper at the Kellogg Institute in February 1989.

ABSTRACT

This paper examines the hypothesis that there is a positive association between poverty and the predisposition towards collective violence. The author presents the results of a survey carried out in 1988 among marginal and middle-class sectors in Santiago, Chile, with indices of “orientation towards violence,” “frustration,” “adaptation/resignation,” and “coercion.” The survey results tend to contradict the hypothesis. The urban poor of Santiago do not show a greater orientation towards violence than the middle class; on the contrary, they show a marked predisposition towards resignation, with the exception of a small group that shares a particular political socialization. Moreover, the results show that the marginal urban sectors are more affected by state coercion than by socioeconomic frustration, which also contradicts the hypothesis that poverty produces attitudes and demands directed towards purely economic ends. This leads to the conclusion that it is wrong to think of urban marginal sectors as a group with explosive demands, capable of destabilizing the transition to democracy in Chile, since they have a much greater interest in democracy than is often supposed.

RESUMEN

El propósito de este paper es someter a prueba la hipótesis según la cual hay una asociación positiva entre la condición de pobreza y la predisposición hacia la violencia colectiva. Para esto se presentan los resultados de un survey efectuado en 1988 en sectores marginales y en sectores medios de Santiago (Chile), con índices de “orientación a la violencia,” “frustración,” “adaptación/resignación” y “coerción.” Esta información contradice la hipótesis mencionada, pues los pobres urbanos de Santiago no muestran una orientación a la violencia superior a la de los grupos medios; en cambio, manifiestan una marcada predisposición a la resignación, a excepción de un pequeño núcleo que comparte una particular socialización política. Al mismo tiempo la información indica que los marginales urbanos son más sensibles a los efectos de la coerción estatal que a los efectos de la frustración socio-económica, lo que contradice también la hipótesis según la cual la pobreza produciría actitudes y demandas orientadas por fines puramente económicos. Esto lleva a concluir que no hay razones para imaginar a los marginales urbanos como un grupo con demandas explosivas, capaces de desestabilizar la transición a la democracia en Chile, pues están mucho más interesados en ella de lo que muchas veces se supone.
FOREIGN TRADE AND THE DISTRIBUTION
OF INCOME IN THAILAND

Kwan S. Kim and Pornpen Vorasopontaviporn


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An earlier version of this paper was presented at a World Academy of Development and Cooperation seminar, University of Maryland, 1987.

ABSTRACT

This paper makes an empirical investigation of the structures of employment and earnings associated with possible alternative trade strategies for Thailand. The authors focus on ascertaining who owns the factors of production that would be rewarded by the changes in trade structure under consideration. Their simulation is based on an extended input-output analysis, using Thailand's recent social accounting matrices and household budget surveys, from which they conclude that the employment and income effects of export promotion are about twice as great as those of import substitution and that an outward-looking strategy, moreover, ensures a better utilization of capital. However, export activities lead to the creation of largely low productivity employment; thus, expanding export activities alone is unlikely to raise the average living standard of the poor.

RESUMEN

Este trabajo hace una investigación empírica de las estructuras de empleo e ingresos asociadas con posibles estrategias alternativas de comercio para Tailandia. Los autores enfocan su atención en averiguar quién es dueño de los factores de producción que se recompensarían con los cambios estructurales considerados. La simulación de los autores está basada en un análisis extensivo de insumo-producto, usando recientes encuestas de las matrices de contabilidad social y de presupuesto familiar en Tailandia, de las cuales se concluye que el empleo y los bienes de ingreso de la promoción de exportación son el doble de los de substitución de importación y que, más aún, una estrategia con vistas al exterior, asegura una mejor utilización del capital. Sin embargo, las actividades de exportación llevan generalmente a la creación de empleo de baja productividad, de modo que el hecho de expandir las actividades de exportación por sí solo, no es probable que aumente las condiciones medianas de vida de los pobres.
José Anadón


José Anadón is Associate Professor in the Department of Romance Languages and Literature at the University of Notre Dame. His research focuses primarily on the Latin American colonial period and also includes some aspects of contemporary literature. The following books are among his publications: *Pineda y Bascunán, defensor del araucano* (1977), *Prostistas coloniales del siglo XVII* (1978), *La novela colonial de Barrenechea y Albas* (1983), *La Suma y Epílogo de Pineda y Bascunán* (1984), *Historiografía literaria de América Colonial* (1988), and *Gabriela Mistral: Historia de una Amistad* (1989).

A The idea of this paper was suggested to the author by his participation in Notre Dame’s CORE program during the 1988-1989 school year. He extends his thanks to all of those who read this manuscript and offered their valuable comments: to his departmental colleagues, Steven Bell and María Rosa Olivera-Williams, who have studied or are studying different aspects of the literature of the fantastic, and also to Roberto DaMattá, Randolph Klawitter, Al Nieman, James Powell, and Samuel Valenzuela.

B The author dedicates this article to his colleagues in the CORE course. He extends his thanks to all of those who read this manuscript and offered their valuable comments: to his departmental colleagues, Steven Bell and María Rosa Olivera-Williams, who have studied or are studying different aspects of the literature of the fantastic, and also to Roberto DaMattá, Randolph Klawitter, Al Nieman, James Powell, and Samuel Valenzuela.

ABSTRACT

This study explores some rhetorical and socio-political implications of “power” in *The Autumn of the Patriarch* by Gabriel García Márquez. These implications are approached through the figure of the “double”, which is one of the modalities ascribed to the literature of the fantastic. García Márquez’s novel is viewed as an original reflection on the use and abuse of power. Although the author treats these issues comprehensively through the character of the tyrant and his double, he makes surprising allusions to himself, to writing, and to all people. García Márquez’s work suggests an alternative view of the concept of power, one not contemplated in the classic theoretical study on this subject by Michel Foucault.

RESUMEN

En este estudio se exploran las posibilidades socio-políticas en el *Otoño del Patriarca*, por Gabriel García Márquez, a través del tema del doble, una modalidad frecuente dentro del género de la literatura fantástica. Se entiende la novela como un examen, desde una perspectiva muy original, sobre los efectos que produce el poder en los individuos. La alusión se amplía sorpresivamente y toca al propio autor, a su fama literaria, y también se aplica de alguna manera a todos los individuos. Estas ideas de García Márquez sobre el concepto del poder no se contemplan en las teorías que sobre el mismo tema ha expuesto Michel Foucault.
THE TRADE UNIONS IN THE URUGUAYAN TRANSITION
MARCHES AND COUNTERMARCHES OF A PROCESS OF
“NEGATIVE INTEGRATION”

Juan Rial


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sindicatos y el proceso de redemocratización (forthcoming).

This paper was first presented at the conference “Labor Movements in Transitions to
Democracy,” sponsored by the Kellogg Institute with support from the National
Endowment for the Humanities, Arthur F. O’Neil, and the International Development and
Research Centre, and held at the University of Notre Dame, April 26-28, 1988.

ABSTRACT

In 1973 a coup d'état interrupted the institutional continuity of Uruguay. As perceived by
many industrialists, the real threat at that juncture was not the urban guerrillas, the
tupamaros, but the union movement. For these businessmen the threat posed by the
unions was labor indiscipline. For the military it was the Marxist-Leninist ideology that
predominated in the union leadership, an ideology that the military were doing their best
to suppress. The dictatorship, in fact, caused the union movement to disappear
temporarily. It re-emerged during the transition as a result of negotiations between the
armed forces and the political opposition. The new union movement, created in 1983,
was first a substitute political actor and later a corporate actor. After the restoration of
democracy the union leadership elite, mostly communist, gradually adopted a strategy of
accommodation, of “negative integration.” It maintained a rhetoric of radical change but
practiced negotiation to promote the stability of the political regime, thus providing itself
with a space in which to act.

RESUMEN

En 1973 un golpe de estado interrumpió la continuidad institucional del Uruguay. Para
muchos de los empresarios industriales la amenaza real, en el momento, no eran los
guerrilleros urbanos, los tupamaros, sino el movimiento sindical. La indisciplina laboral era
“su” amenaza. Para los militares lo era la ideología que predominaba en la dirigencia
sindical: el marxismo-leninismo, ideología a la que trataron de suprimir. La dictadura, de
hecho, provocó la desaparición del movimiento sindical. Su resurgimiento fue el
producto de las negociaciones de salida entre las Fuerzas Armadas y la oposición política.
El nuevo movimiento sindical creado en 1983 fue, primero, un actor político sustituto y
luego un actor corporativo. A partir de la restauración de la democracia la élite dirigente
sindical, mayoritariamente comunista, poco a poco, adoptó una estrategia de
acomodación, de “integración negativa”. Mantuvo una retórica de cambio radical, pero
practicó la negociación en busca de la estabilidad del régimen político que le permite un
espacio para actuar.
POPUTAR GROUPS, POPULAR CULTURE, AND POPULAR RELIGION

Daniel H. Levine


Daniel H. Levine is Professor of Political Science at the University of Michigan. He is author of Conflict and Political Change in Venezuela (Princeton University Press 1973) and Religion and Politics in Latin America: The Catholic Church in Venezuela and Colombia (Princeton University Press, 1981), as well as editor of Churches and Politics in Latin America (SAGE, 1980) and Religion and Political Conflict in Latin America (University of North Carolina Press, 1986). He is currently finishing a book entitled Popular Voices in Latin American Catholicism. In spring 1988 he was a residential fellow at the Kellogg Institute.

The field research on which this paper is based was supported by grants from the Horace H. Rackham School of Graduate Studies of the University of Michigan and by the National Endowment for the Humanities Basic Research Grant RO-20172-82. Earlier versions were presented at the Kellogg Institute and at the annual meeting of the Society for the Scientific Study of Religion, November 1988, Chicago. The author wishes to thank Phillip Berryman, Thomas Bruneau, Raymond Grew, Thomas Kselman, Phyllis Levine, Scott Mainwaring, Cecilia Mariz, and Ric Northrup for helpful comments and criticisms.

ABSTRACT

Much of the concern about changes in the character and status of popular religious groups in Latin America stems from their potential role in creating a popular subject: a set of confident, articulate and capable men and women from hitherto silent, unorganized, and dispirited populations. In practice, not all groups fit this model. Instead, they range in emphasis from highly pietistic and devotional to socially activist, in structure from authoritarian to democratic, and in status from autonomous to utterly reliant on guidance from external elites and dominant institutions. This paper explores variations in the origins, character, and evolution of CEBS (comunidades eclesiales de base) as a means to understand the conditions under which new forms of participation, associational life, and community solidarity emerge and endure. Comparison of peasant and urban groups in Venezuela and Colombia points up the complex relations among institutional programs, popular needs, and Bible study and changes in popular religiosity—including attitudes to church and clergy, prayer, and pilgrimages, and attitudes to the saints, to Jesus, and to life after death. At issue is not the abandonment of religion for social or political activism, but rather a reunderstanding of religion's content and ordinary practice, and of the ties that bind popular groups to institutions like the churches. Democratization and participation within groups undergirds the changes in popular culture that make for greater personal confidence and sustained capacity for collective action.

RESUMEN

Gran parte de la preocupación sobre los cambios en el carácter y la importancia de los grupos religiosos populares en Latinoamérica se deriva de su posible papel en la creación de un actor popular: un grupo de hombres y mujeres seguros de sí, elocuentes y capaces, de entre poblaciones antes desalentadas, desorganizadas y silenciosas. En materia práctica, no todos los grupos encajan en este modelo. Los grupos abarcan en su actitud, desde los altamente pietistas y devotos hasta los socialmente activistas, en su estructura desde los autoritarios hasta los democráticos y en su estatus desde los autónomos hasta los que dependen totalmente para orientarse de elites externas e instituciones dominantes. Este trabajo explora las variaciones en los orígenes, el carácter y la evolución de las comunidades eclesiales de base (CEB) para entender las condiciones bajo las cuales nuevas formas de participación, de acción social, y de solidaridad de comunidad emergen y perduran. Una comparación de grupos urbanos y campesinos en Venezuela y Colombia señala la compleja relación entre los programas institucionales, las necesidades populares, el estudio de la Biblia y los cambios en la religiosidad popular, incluyendo las actitudes hacia los Santos, hacia Jesús y hacia la vida después de la muerte. Lo que se pone a discusión no es el abandono de la religión por el activismo social o político, sino más bien el reentendimiento del contenido y la práctica de la religión y de los lazos que unen a los grupos populares a instituciones como las iglesias. La democratización y la participación dentro de estos grupos fortalece los cambios en la cultura popular que contribuyen a una mayor confianza y seguridad personal y a una capacidad para sostener la acción colectiva.
ON INERTIA, SOCIAL CONFLICT, AND THE STRUCTURALIST ANALYSIS OF INFLATION

Jaime Ros


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This paper is a part of a larger ongoing project at the World Institute for Development Economics Research (WIDER), Helsinki. An earlier version of the paper was written at WIDER, and was subsequently revised and extended during a stay at the Kellogg Institute. The author gratefully acknowledges the support and hospitality from both institutions. He is indebted for comments to Amit Bhaduri, Edward Lorenz, Juan Carlos Moreno, Jim Rakowski and Lance Taylor, as well as to participants in seminars at the Kellogg Institute and ILET, Mexico City. He has also had the benefit of conversations with Edward Amadeo, Tariq Banuri, José Camargo, Alain Lipietz and Stephen Marglin. The remaining errors are entirely his own responsibility.

ABSTRACT

This paper discusses some issues in the interpretation of inflation within recent structuralist models, giving special attention to the different views of the precise role of conflict in inflation that, in turn, can be found among them. The first section of the paper is devoted to a presentation of the common features shared by most recent structuralist views, essentially those that follow from a model of lagged wage indexation, while leaving the precise role of social conflict in inflation unspecified. The author then addresses the role of social conflict and its implications in sections II and III. The discussion there centers mainly on two views of social conflict and inertial elements. We argue that, in their pure versions, these two views can be seen as limiting cases of a whole family of inflation models and that the differences between them—which can have remarkable policy implications—turn out to depend on the presence, and speed, of adaptation processes in the determination of economic agents' targets. A final section sets the previous discussion in a broader context by comparing structuralist views with other inflation theories.

RESUMEN

Este trabajo discute algunos aspectos en la interpretación de la inflación según los modelos estructuralistas recientes, dando especial atención a los diferentes enfoques que se encuentran en estos modelos, en torno al papel específico del conflicto en la inflación. La primera sección del trabajo se dedica a la presentación de los aspectos comunes compartidos por la mayoría de los enfoques estructuralistas recientes, sobre todo aquellos que siguen el modelo de indexación salarial retardada, sin especificar el papel preciso del conflicto en la inflación. Este aspecto es retomado y sus implicaciones son discutidas en las secciones II y III. Allí la discusión se centra principalmente en dos puntos de vista sobre el papel del conflicto social y los elementos inerciales de la inflación. Se sostiene que en sus versiones puras, estos puntos de vista pueden ser vistos como casos extremos de una familia completa de modelos de inflación y que las diferencias entre ellos—las cuales pueden tener implicaciones políticas importantes—dependen de la presencia y velocidad de los procesos de adaptación en la determinación de las metas de los agentes económicos. Una sección final amplía la discusión anterior al comparar los enfoques estructuralistas con otras teorías de la inflación.
ARGENTINE UNIONS SINCE 1955: POWER AND POLITICIZATION IN A WEAK PARTY SYSTEM

James W. McGuire


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ABSTRACT

This paper argues that a strong causal relationship exists between factional struggles in the Peronist union leadership, the absence of a strong Peronist party, and Argentina's post-1955 problems in consolidating democracy. During Argentina's three most recent civilian governments—those of Illia, Juan and Isabel Perón, and Alfonsín—conflict among Peronist union leaders played a major role in subverting incipient efforts at Peronist party institutionalization. Deprived in part by their own factional struggles of an effective Peronist party organization, the powerful Peronist union leaders have expressed their broad political demands primarily through large-scale strikes and demonstrations. This mode of political expression has created a climate of instability poorly suited for economic development and propitious for military coups. Lacking a strong stake in the party system, moreover, many Peronist union leaders have supported (1966) or resigned themselves to (1976) military intervention.

RESUMEN

Este trabajo arguye que existe una fuerte relación causal entre las luchas facciosas de los jefes sindicales peronistas, la ausencia de un partido peronista fuerte, y los problemas que ha tenido la Argentina después de 1955 en consolidar la democracia. Durante los tres gobiernos civiles más recientes en la Argentina—los de Illia, de Juan e Isabel Perón, y de Alfonsín—los conflictos entre los líderes sindicales peronistas subvieron los esfuerzos incipientes de institucionalizar el partido peronista. Privados en parte por sus propias luchas facciosas de un partido peronista bien organizado, los poderosos líderes de los sindicatos peronistas han expresado sus demandas políticas principalmente a través de huelgas y grandes manifestaciones. Este modo de hacer política ha creado una inestabilidad poco adecuada para el desarrollo económico y propicio para golpes militares. Más aún, ya que su interés en el sistema del partido es mínimo, muchos líderes sindicales peronistas han apoyado (1966) o se han resignado (1976) a la intervención militar.
Scott Mainwaring is Associate Professor of Government and Senior Fellow of the Kellogg Institute at the University of Notre Dame. He is the author of The Catholic Church and Politics in Brazil, 1916-1985 (Stanford University Press, 1986), and coeditor of and contributor to The Progressive Church in Latin America (Kellogg Institute/University of Notre Dame Press, 1989). He has published articles on political parties, social movements, and transitions to democracy in Latin America. The author wishes to thank Caroline Domingo, Jonathan Hartlyn, Daniel Levine, Juan Linz, Guillermo O'Donnell, Timothy Power, William C. Smith, and J. Samuel Valenzuela for helpful comments.

ABSTRACT

In the 1980s, an extensive literature has emerged on transitions to democracy and democratic processes in Latin America. Latin Americans and Latin Americanists have produced groundbreaking works that have enhanced understanding of these subjects. A number of differences of opinion, usually implicit and not articulated, have arisen. Considering the abundance and quality of the literature, a review of some major themes, debates, and disagreements is overdue. In response, this paper analyzes some of the key comparative and theoretical issues in the literature, in several cases challenging influential arguments.

RESUMEN

En los años 80', se ha producido una extensa literatura sobre transiciones a la democracia y procesos democráticos en América Latina. Latinoamericanos y latinoamericanistas han producido trabajos pioneros, mejorando el entendimiento de estos temas. Varias diferencias de opinión sobre problemas teóricos, generalmente implícitas y no articuladas, han surgido en esta literatura. Considerando la abundancia y calidad de esta literatura, resulta importante realizar una revisión de los temas, debates y desacuerdos más relevantes. Este documento analiza algunos aspectos comparativos y teóricos que son claves en la producción literaria reciente, en varios casos examinando críticamente algunos de los argumentos más influyentes.
INDUSTRIALIZATION PROCESS, EMPLOYMENT, AND INCOME DISTRIBUTION IN MEXICO: ISSUES AND STRATEGIES

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An earlier version of this paper was presented at a symposium sponsored by La Academia de Economía de la SECOFI in Mexico and at a seminar in Argentina organized by the Raúl Prebisch Foundation and the Harvard Institute for International Development. This paper benefited from many valuable comments and suggestions raised during the seminars, and in particular from the comments of Felipe Jiménez and Pilar Romaguera.

ABSTRACT

This paper evaluates Mexico’s past and present development strategies in terms of their equity and employment implications. It concludes that the current neoliberal stabilization efforts are likely to result in increased income concentration, also leading to the dampening of aggregate demand and economic activities. Given the gravity of the current crisis in Mexico, the paper argues for the urgency of an alternative revitalization strategy with a human face. Such a strategy should include three elements as the cornerstones of future development: the structural shift within the modern sector toward more competitive, higher-value added, more labor-intensive, and diversified activities; the development of the lagging sectors based on the principle of collective self-reliance; and the articulation of linkages in productive and marketing structures between the leading and lagging sectors.

RESUMEN

Este artículo evalúa las estrategias mexicanas de desarrollo, tanto pasadas como presentes, considerando sus implicaciones en términos de equidad y empleo. Se concluye que los esfuerzos de estabilización neoliberales actuales tienden a provocar una creciente concentración del ingreso, causando también el desaliento en la demanda agregada y en el nivel de actividades económicas. Dada la relevancia de la crisis presente en México, el artículo plantea la urgencia de una estrategia de revitalización alternativa más humanitaria. Tal estrategia debería incluir tres elementos como claves para el desarrollo futuro: el cambio estructural dentro del sector moderno hacia actividades más competitivas, de mayor valor agregado, trabajo intenso y actividades diversificadas; el desarrollo de los sectores rezagados de la economía bajo el principio de autonomía colectiva; y la articulación de lazos en las estructuras productivas y de comercialización entre los sectores más adelantados y los más rezagados.
LABOR SUPPLY AND THE EMPLOYMENT STRATEGIES
OF FRENCH AND BRITISH SHIPBUILDERS
1890 TO 1970
Edward H. Lorenz


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This essay is a revised version of a paper presented at the Sixth Conference of the International Working Party on Labor Market Segmentation, Karl Marx University of Economics, Budapest, Hungary. The author is grateful to Jill Rubery and Paul Ryan who made some useful suggestions for revising the original draft. He would also like to thank Paolla Villa, Frank Wilkinson, and Jonathan Zeitlin for their comments on directly related research. A French version was published in Le Mouvement Sociale, no. 138, January - March 1987.

ABSTRACT

The employment strategies of French and British shipbuilding employers are contrasted for the period 1890 to 1970. The focus is on the differences in their recruitment, training, and job tenure policies. The paper begins by considering the political determinants of labor supply conditions in each country. The aim is to show how differences in the balance of power among peasants, workers, and industrialists in each country and differences in the relations of these groups to the state structured the labor markets in nationally specific ways. This discussion is followed by an analysis of the impact of these labor supply conditions on the yards' employment policies and consideration is given to the influence of collective bargaining institutions in each country. The study shows that strikingly different employment practices were established in the French and British shipbuilding industries despite the firms sharing a common technology and often competing in the same international markets.

RESUMEN

Este artículo compara las estrategias de empleo implementadas por los empleadores de la construcción naval en Francia y Gran Bretaña durante el periodo 1890-1970, analizando las diferencias en materia de políticas de selección, entrenamiento y estabilidad en el empleo. En primer lugar, se consideran los determinantes políticos que condicionan la oferta de mano de obra en cada país. El objetivo es mostrar cómo diferencias en el balance del poder entre campesinos, obreros e industriales, y diferencias en la relación de estos sectores con el Estado estructuraron el mercado laboral de diversas formas en cada país. Luego, se discute el impacto de las condiciones de la oferta de trabajo sobre las políticas de empleo a nivel de planta, considerándose también la influencia de la acción sindical. El estudio muestra que si bien las firmas comparten tecnologías similares y a veces compiten en los mismos mercados internacionales, las políticas de empleo han sido substancialmente diferentes.
WOMEN, INDUSTRIALIZATION AND STATE POLICY IN CUBA

Helen Icken Safa with the Federation of Cuban Women


Helen I. Safa is the author of *The Urban Poor of Puerto Rico* and the editor of *Migration and Development, Women and Change in Latin America, Towards a Political Economy of Urbanization in Third World Countries*, and other books. Her articles and reviews on migration, housing, race, ethnicity, education, and women and national development have appeared in a variety of scholarly journals and periodicals. She has served as a consultant in the United States and abroad, particularly Latin America, on immigration and urban planning and women and development. She has taught at Syracuse and Rutgers Universities and was former Director of the Center for Latin American Studies at the University of Florida, where she is currently Professor of Anthropology and Latin American Studies. She is past President of the Latin American Studies Association. During the fall semester 1989 she was a residential fellow at the Kellogg Institute.

This study was prepared in collaboration with the Federation of Cuban Women, and in particular with the assistance of Marta Nuñez, Rosa María Cartaya, Margarita Flores, Rita Maria Pereira, and Raul Ramos. The author wishes to thank the Federation of Cuban Women for their initiative in undertaking, for the first time, a study in collaboration with a North American researcher, and for their enormous investment of time and resources in data collection and analysis. However, this paper represents her own interpretation. The funding for her expenses in conjunction with this research was provided by the Wenner-Gren Foundation for Anthropological Research and the author is particularly grateful to Lita Osmundsen, its former director, for her support and encouragement.

**ABSTRACT**

This paper evaluates the impact of paid employment on Cuban women in the post-revolutionary period. The increase in women's labor force participation during this period has been substantial, and is considered a key element of Cuba's revolutionary policy. The study was conducted on a small sample of women textile workers in 1986 in collaboration with the Federation of Cuban Women, and examined changes at the level of the household, the workplace, and participation in mass organizations. The study concludes that, while there have been important gains for Cuban women at all three levels as a result of paid employment, they still face ideological and material obstacles to full equality. These obstacles stem from women's strong identification with their domestic role, which is reinforced by policies at the workplace and at the state level that do not respond adequately to the needs of women workers and continue to treat them as secondary workers in comparison to men.

**RESUMEN**

Este artículo evalúa el impacto del trabajo asalariado sobre las mujeres cubanas durante el período post-revolucionario. La participación femenina en la fuerza de trabajo se ha incrementado en gran medida; tal incremento ha sido un elemento clave de la política revolucionaria cubana. La presente investigación se llevó a cabo sobre una muestra reducida de trabajadores textiles durante 1986 en colaboración con la Federación de mujeres cubanas, examinándose los cambios ocurridos a nivel doméstico, en el lugar de trabajo, y con respecto a la participación en organizaciones de masa. La investigación arroja como conclusión que si bien han habido logros importantes para las mujeres cubanas en los tres niveles mencionados, como consecuencia del trabajo asalariado, todavía enfrentan obstáculos ideológicos y estructurales para lograr una igualdad más plena. Estos obstáculos surgen de la fuerte identificación que las mujeres tienen con su rol doméstico, el cual es reforzado por políticas en las fábricas y políticas del estado que no responden adecuadamente a las necesidades de las mujeres trabajadoras, y que continúan tratándolas como trabajadores secundarios en comparación a la mano de obra masculina.
BRAZILIAN PARTY UNDERDEVELOPMENT
IN COMPARATIVE PERSPECTIVE
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An earlier version of this paper was given at the XIV World Congress of the International
Political Science Association, August 28 to September 1, 1988. The author presented
some of the ideas at seminars at CEDEC, the Federal University of Minas Gerais, IDESP,
and IUPERJ. He is grateful to his colleagues at these institutions for their stimulating
comments. He is also grateful to Datalolha, IBOPE, and IDESP for providing information
from surveys; and to Caroline Domingo, Margaret Keck, Guillermo O'Donnell, Timothy
Power, Timothy Scully, J. Samuel Valenzuela, and an anonymous reader of Political
Science Quarterly for helpful criticisms. This paper will be published in Political Science
Quarterly.

ABSTRACT
The first half of this paper argues that Brazilian political parties are uniquely
underdeveloped. In contrast to the situation in the other more developed countries of
Latin America, Brazilian parties have appeared and disappeared with remarkable
frequency. The catch-all parties have limited autonomy with respect to the state, and
parties have comparatively weak penetration in civil society. In these parties, the
attachment of politicians to their parties is exceptionally weak. Politicians often change
parties, and party discipline and cohesion in congress are very low. The second half of
the paper examines some systemic causes of party underdevelopment. Because of the
country's extreme social and economic inequalities, the masses do not participate
effectively in the political system, and most of the electorate is relatively indifferent to
issues and parties. The state bureaucracy, rather than parties and the legislature, has
been the major focal point of Brazilian politics; this situation is inimical to party
development. In response to the complex demands created by the combination of a
presidential system, a fragmented multiparty system, and federalism, presidents have
consistently attempted to undermine parties. Finally, Brazilian politicians have attempted
to prevent more effective parties from emerging, believing that party loyalty and more
disciplined parties would limit their ability to attend to their clientelas.

RESUMEN
La primera parte de este artículo argumenta que los partidos políticos brasileños son
singularmente subdesarrollados. A diferencia de la situación en otros países más
desarrollados de América Latina, los partidos brasileños han surgido y desaparecido con
notable frecuencia. Los partidos "catch-all" poseen autonomía limitada con respecto al
Estado, y tienen débil penetración en la sociedad civil. Los lazos de lealtad de los
políticos a sus partidos son excepcionalmente débiles. Los políticos cambian con
frecuencia de partido, siendo la disciplina partidaria y la cohesión en el Congreso bastante
bajas. La segunda parte del artículo examina algunas de las causas sistémicas del
subdesarrollo partidario. Debido a las extremas desigualdades económicas y sociales del
país, las masas no participan efectivamente en el sistema político, en tanto que la mayoría
del electorado permanece relativamente indiferente a los debates políticos y los partidos.
La burocracia estatal, más que los partidos y la legislatura, ha sido el eje central de la
política brasileña; esta situación inhibe el desarrollo partidario. En respuesta a las
exigencias complejas creadas por la combinación de un sistema presidencial, de un
sistema de partidos fragmentado, y del federalismo, los presidentes han tratado
consistentemente de socavar los partidos. Finalmente, los políticos brasileños han
intentado prevenir el surgimiento de partidos políticos más efectivos, ya que partidos más
disciplinados y la lealtad partidaria podrían limitar su capacidad para atender a las
clientejas.
EL FONDO DE LA FORMA: ACTOS PUBLICOS
DE LA CAMPAÑA PRESIDENCIAL DEL PARTIDO
REVOLUCIONARIO INSTITUCIONAL, MEXICO, 1988

Larissa Adler Lomnitz
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Claudio Lomnitz-Adler teaches in the Department of Anthropology at New York University. He is the author of Evolución de una sociedad rural (SEP/Fondo de Cultura Económica) and various articles on Mexican culture, politics, and anthropology. His most recent work on regional and national culture has just been completed for publication.

Illya Adler teaches communications at the University of Illinois in Chicago. He wrote his thesis on the relation between the government and the press in Mexico and has published a number of articles on this subject.

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ABSTRACT

The Mexican political system seeks to confine political change within a continuing one-party framework through the principle of not re-electing its presidents. Every six years the party divides over the selection of a new presidential candidate and regroups and reorganizes itself around the presidential campaign. This paper describes the public events of the PRI’s 1988 presidential campaign, offering an overview of these events as political rituals. Starting with a description of the general structure of the campaign, the authors discuss the significance of ambiguity, interpretation, negotiation, and the campaign’s vertical orientation. They go on to analyze the conflicting roles of the “president’s people” and state bureaucrats, the contradictions between the legal principles of democracy and the hierarchical culture of the politicians, and the relation between the campaign and Mexican nationalism.

RESUMEN

El sistema político mexicano busca canalizar el cambio político dentro de la continuidad del unipartidismo a través del principio de la no-reelección de sus presidentes. Cada seis años, el partido se divide en torno a la selección de un nuevo candidato presidencial y se reordena y recompone a través de la campaña presidencial. En este estudio describimos los actos públicos de la campaña presidencial del PRI de 1988, y los analizamos como rituales políticos. El artículo ofrece una visión global de lo que ocurre en esos rituales; a partir de una descripción de la estructura general de la campaña, se analiza el papel y la importancia de la ambigüedad, la interpretación y la negociación, así como la orientación vertical de la campaña, la contradicción entre los hombres del presidente y los hombres del sistema, la contradicción entre los principios legales de la democracia y la cultura jerárquica de los políticos, y la relación entre la campaña y el nacionalismo mexicano.
"USEFUL FOOLS" AS DIPLOMATIC TOOLS: ORGANIZED LABOR AS AN INSTRUMENT OF US FOREIGN POLICY IN LATIN AMERICA

Paul G. Buchanan

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This is a revised version of a paper prepared for presentation at the conference on "The United States and Latin American Democracy," University of Southern California, April 6-9, 1989. The author is indebted to William Bollinger and other conference participants for their comments. Additional logistical assistance was provided by Paul Chase, whose support is gratefully acknowledged.

ABSTRACT

This paper analyzes the role played by organized labor in the formulation and conduct of US foreign policy in Latin America, with particular reference to the field of labor relations and the promotion of democracy in the region. It first traces the historical presence of US labor in Latin America, then moves to a disaggregated analysis of the ideological and economic bases of its foreign policy approach towards the region, an examination of the primary vehicles and instruments used in pursuit of its regional objectives, and brief case summaries as illustrative examples. The paper argues that for both ideological and economic reasons US labor has historically played a negative role in promoting democracy in the region, and in fact has actively engaged in subverting democratic regimes when these did not adhere to the type of economic and ideological guidelines advocated by the US government or the AFL-CIO. However, as a result of the adverse consequences of this traditional stance and of a changing international economic and political climate since the mid-1970s, organized labor has shifted towards a more consistent support for democracy for pragmatic rather than activist reasons. Consequently it now has the potential to be a major promoter of open government and democratic labor relations in Latin America.

RESUMEN

Este artículo analiza el rol desempeñado por los sindicatos norteamericanos en la formulación e implementación de la política exterior de los Estados Unidos hacia América Latina, haciendo especial referencia al ámbito de las relaciones laborales y la promoción de la democracia en la región. El análisis delinea primero la presencia histórica de los sindicatos norteamericanos en América Latina. Luego, se analizan las bases económicas y sociales de su política exterior hacia la región, examinando los principales vehículos e instrumentos usados para la obtención de sus objetivos, ilustrados a través de breves estudios de casos. El artículo concluye que, debido a razones económicas y sociales, los sindicatos norteamericanos han jugado históricamente un papel negativo en la promoción de la democracia en la región, habiéndose empeñado activamente en subvertir regímenes democráticos cuando éstos no se adherían a la línea ideológica y política definida por el gobierno norteamericano o la AFL-CIO. Sin embargo, como consecuencia de los resultados adversos de esta postura tradicional y del cambio del clima político-económico internacional, desde mediados de los años setenta, los sindicatos han apoyado consistentemente la democracia, aunque por razones más bien pragmáticas que activistas. El autor concluye que este cambio de actitud hace del sindicalismo norteamericano promotor potencial de un gobierno abierto y de relaciones laborales democráticas en América Latina.
THE STATE OF INDUSTRY IN THE THIRD WORLD
IN THE 1980s:
ANALYTICAL AND POLICY ISSUES

Ajit Singh

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ABSTRACT
This paper examines the state of industry in the Third World during the 1980s in a longer term perspective and comments on a range of analytical and policy issues connected with its future development. Two main questions are addressed: In what ways and to what extent has Third World industrialization been affected by the post-1979 world economic crisis? What factors account for the widely divergent industrial performances in the developing countries in the 1980s? Specifically, why has Asian industry done so much better than industry in either Latin America or Sub-Saharan Africa? It is argued here that the industrial crisis in the Third World has been overwhelmingly caused by international market forces. The superior performance of the Asian countries in the 1980s is not due to their greater openness; it was made possible because they were less subject to interest rate, demand, and capital supply shocks. The paper points to serious flaws in the industrial policy proposals of the IMF and the World Bank—privatization, deregulation, liberalization, and closer integration with the world economy. In place of these the author gives an alternative perspective on industrial policy for the developing countries in the 1990s.

RESUMEN
Este artículo examina la situación de la industria en los países del Tercer Mundo durante los años ochenta desde una perspectiva de largo plazo y discute una serie de cuestiones analíticas y políticas relacionadas con su desarrollo futuro. Dos problemas centrales son tratados: ¿De qué manera y en qué medida la industrialización del Tercer Mundo ha sido afectada por la crisis económica mundial posterior a 1979? ¿Cuáles son los factores que explican la gran divergencia de los desempeños industriales en los países en vías de desarrollo durante los años ochenta? Específicamente, por qué la industria asiática se ha desempeñado mejor que la industria en América Latina o en la región Sub-Saharan de África? Se argumenta que la crisis industrial del Tercer Mundo ha sido preponderantemente causada por las fuerzas del mercado internacional. El desempeño superior de los países asiáticos en los años ochenta no se debe a su mayor apertura, sino a su menor exposición a shocks en las tasas de interés, y en la demanda y la oferta del capital. El artículo señala serios defectos en las políticas de industrialización propuestas por el Fondo Monetario Internacional y el Banco Mundial—privatización, desregulación, liberalización y estrecha integración con la economía mundial. En su lugar, el autor propone una perspectiva alternativa de políticas de industrialización para los países en vías de desarrollo en la década de los noventa.
Los Partidos Políticos Chilenos en la Perspectiva de la Transición y Consolidación Democráticas

Manuel Antonio Garretón M.


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This paper is a revised and expanded version of part of the article “La oposición política y el sistema partidario en el régimen militar chileno. Un proceso de aprendizaje para la transición,” which originally appeared in *Muerte y Resurrección. Los partidos políticos en el autoritarismo y democratización del Cono Sur*, M. Cavarozzi and M.A. Garretón, eds. (Santiago: FLACSO, 1989).

**ABSTRACT**

This paper examines the changes that occurred in the Chilean party system under the military regime and their prospects for the process of political democratization. The paper begins by noting changes at different points on the political spectrum—the Right, the Center, and the Left. It then discusses the process of legalization of Chilean parties, which has led to the creation of “legal” parties that do not always coincide with the original “real” ones. The next section shows how party alliances became more flexible as the opposition coalition turned into a democratic governing coalition of the Center and the Left. The final section discusses the transformation of relations between parties and society. There is a certain distrust of parties among sectors of society that, having developed greater autonomy from them, seek new channels of expression and participation. Yet at the same time, social groups show respect for the parties as agents of political representation.

**RESUMEN**

Este artículo examina los cambios ocurridos en el sistema partidario chileno bajo el régimen militar y sus perspectivas para el proceso de democratización política. Los aspectos más significativos a este respecto son: a) Los cambios en los diversos puntos del espectro político: Derecha, Centro e Izquierda. b) El surgimiento de una institucionalidad de los partidos que ha llevado a la creación de partidos “legales” que no siempre coinciden con los partidos “de origen” o “legales”. c) La flexibilización del sistema de alianzas a través de la constitución de la coalición de oposición como coalición de gobierno democrático de Centro e Izquierda. d) La transformación de las relaciones entre partido y sociedad, donde se combinan la desconfianza hacia los partidos y la búsqueda de nuevos canales de expresión y participación, con el respeto al papel específico de los partidos como agentes de representación política, y con una mayor autonomía de los sectores sociales respecto de los partidos.
UNLIKELY TRANSITIONS TO UNCERTAIN REGIMES?
DEMOCRACY WITHOUT COMPROMISE IN THE
DOMINICAN REPUBLIC AND ECUADOR

Catherine M. Conaghan
and
Rosario Espinal

Working Paper #139 - May 1990

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The authors wish to thank the Institute for the support that led to this work and especially Guillermo O’Donnell who fueled their original discussions.

ABSTRACT

In this paper, the authors undertake a comparative analysis of democratic development in the Dominican Republic and Ecuador. They argue that the socioeconomic structures and the political legacy of the previous authoritarian period have produced hybrid “democratic-authoritarian” regimes in both countries. Electoral rotation and open political competition are combined with episodic breaches in democratic procedures and only limited commitment to democratic norms among economic and political elites. In neither case has socioeconomic development in the twentieth century created any basis for cross-class consensus on democracy and capitalism. The normalization of democratic practices is vulnerable to economic crisis and there is a political and economic gulf between capital and labor. Lack of accountability is widespread and political parties suffer extremes of clientelism and personalism. Nonetheless, though breakdown of democracy remains a real possibility, both regimes have shown surprising durability for over a decade. The authors suggest that we may be witnessing a new regime variant, “crisis-prone democracy.”

RESUMEN

En este trabajo, las autoras emprenden un análisis comparativo del desarrollo democrático en la República Dominicana y en Ecuador. Ellas arguyen que las estructuras socio-económicas y el legado político del periodo autoritario anterior han producido regímenes híbridos, “democrático-autoritarios”, en ambos países. La rotación electoral y la abierta rivalidad política se combinan con rupturas episódicas de las prácticas democráticas y un apego limitado a las normas democráticas de parte de las élites económicas y políticas. En los dos casos el desarrollo socio-económico del siglo XX no ha creado bases para un consenso intraclasista sobre la democracia y el capitalismo. La normalización de las prácticas democráticas es vulnerable a la crisis económica y existe un abismo político y económico entre el capital y la mano de obra. La falta de accountability es general y los partidos políticos sufren en grado extremo de clientelismo y personalismo. Sin embargo, aunque el rompimiento con la democracia sigue siendo una posibilidad real, ambos regímenes han mostrado una durabilidad sorprendente por más de una década. Las autoras sugieren que podríamos estar presenciando una nueva variante del régimen, “democracia propensa a la crisis.”
THE TRANSITION FROM TRADITIONAL TO BROKER CLIENTELISM IN COLOMBIA:
POLITICAL STABILITY AND SOCIAL UNREST

Ronald P. Archer

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The author would like to give special thanks to Scott Mainwaring, Timothy Scully, Roberto DaMatta, Julio Cotier, and Guillermo O’Donnell for their fruitful suggestions and comments on this paper.

ABSTRACT

The principal argument of this paper is that the transition from traditional to broker styles of clientelism in Colombia has weakened the capacity of Colombian political elites to deal with increasingly serious problems of social conflict and political violence. The paper describes traditional clientelism as it operated in early twentieth-century Colombia and explains the transition from traditional to broker clientelism. The author also analyzes current broker clientele networks in Colombia and compares the features of the two types of clientelism. The paper concludes that the erosion of traditional sources of authority and legitimacy and their replacement by a broker clientelism based on personal influence led to political immobilism and placed severe constraints on the actions of potential reformers and institution builders.

RESUMEN

El principal argumento de este trabajo es que la transición en el tipo de clientelismo en Colombia, de uno tradicional a uno de intermediarios, ha tenido un profundo impacto sobre la capacidad de las elites políticas colombianas para enfrentar problemas cada vez más serios de conflicto social y de violencia política. El trabajo describe el clientelismo tradicional según operaba al principio del siglo XX en Colombia, y explica la transición del clientelismo tradicional al de intermediarios. Proporciona también un análisis de los nexos actuales entre clientelas e intermediarios en Colombia, y compara las características de los dos tipos de clientelismo. El trabajo concluye que el desgaste de las fuentes tradicionales de autoridad y legitimidad y su substitución por un clientelismo de intermediarios basado en la influencia personal, han llevado a un inmovilismo político y han constreñido las acciones de quienes podrían hacer reformas y crear nuevas instituciones.
POLITICIANS, PARTIES AND ELECTORAL SYSTEMS:
BRAZIL IN COMPARATIVE PERSPECTIVE

Scott Mainwaring

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Scott Mainwaring is Associate Professor of Government and Senior Fellow of the Kellogg Institute at the University of Notre Dame. He is the author of The Catholic Church and Politics in Brazil, 1916-1985 (Stanford University Press, 1986) and coeditor of and contributor to The Progressive Church in Latin America (Kellogg Institute/University of Notre Dame Press, 1989). He has published numerous articles on political parties, social movements, and transitions to democracy in Latin America.

The author acknowledges the helpful comments and criticisms of Ron Archer, Tom Bruneau, Michael Coppedge, Caroline Domingo, Ken Erickson, Richard Katz, Arend Lijphart, Guillermo O'Donnell, Matthew Shugart, and Samuel Valenzuela. This paper will also appear in Comparative Politics.

ABSTRACT

This paper looks at the political consequences and the political origins of the Brazilian electoral system. This system has several unusual features that grant politicians nonpareil autonomy with respect to their parties. These features include a system of proportional representation that uses an open list and a mechanism known as the candidato nato, which allows politicians to get on the ticket despite the opposition of the party leadership. As a result, the electoral system reinforces the individualistic behavior of politicians and has contributed to undermining efforts to build more effective parties. Notwithstanding their frequent laments about the weakness of parties, Brazilian politicians have consistently opted for electoral systems that undermine parties. They have done so because they perceived measures that could strengthen parties as authoritarian, and also in response to their fears that executives would otherwise be able to control them ruthlessly. The extreme party weakness and individualistic patterns of representation that are reinforced by this electoral system have sustained an elitist politics.

RESUMEN

Este trabajo examina las consecuencias políticas y los orígenes políticos del sistema electoral brasileño. Este sistema posee varias características singulares que otorgan a los políticos muchísima autonomía con respecto a sus partidos. Entre estas características se incluye un sistema de representación proporcional que usa una lista abierta y un mecanismo conocido como “candidato nato” que permite a los políticos lanzarse a la candidatura a pesar de la oposición de la dirección del partido. Como resultado, el sistema electoral refuerza el comportamiento individualista de los políticos y ha contribuido a minar los esfuerzos para construir partidos más efectivos. A pesar de sus frecuentes lamentos acerca de la debilidad de los partidos, los políticos brasileños han optado consistentemente por sistemas electorales que los debilitan. Perciben como autoritarias las medidas que pudieran fortalecer a los partidos, y también temen que el ejecutivo de otra manera podría controlarlos despiadadamente. La extrema debilidad de los partidos y los patrones individualistas de representación reforzados por las leyes electorales han sostenido un sistema político elitista.
LAS CONDICIONES SOCIO-POLITICAS DE LA
INAUGURACION DEMOCRATICA EN CHILE

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The author is grateful for comments from Samuel Valenzuela, Scott Mainwaring, Tim Scully, and Kathryn Sikkink.

ABSTRACT

This paper looks at the sociopolitical conditions surrounding the March 1990 inauguration of Chile's first democratic government after sixteen years of dictatorship. The first section puts the Chilean situation in the conceptual framework of recent debates about democratization and political transitions. The author describes the principal stages of the Chilean transition, and goes on to analyze the following conditions affecting Chile's democratic prospects: the "authoritarian enclaves" left behind by the dictatorship; the links between the problem of democratic consolidation and the need for social democratization; and the particular nature of this first democratic government, which is a Center-Left coalition formed by the groups that joined together in opposition to the military regime.

RESUMEN

Este artículo examina las condiciones socio-políticas en las que se inaugurará el primer gobierno democrático en Chile, después de dieciséis años de dictadura militar, en marzo de 1990. En la primera parte se expone un marco conceptual para ubicar la transición chilena en el debate de los últimos años sobre democratizaciones y transiciones políticas. Luego se examinan los principales pasos de la transición en Chile. Las condiciones de inauguración son estudiadas desde la perspectiva de los "enclaves autoritarios" dejados por el régimen militar, de los requerimientos de consolidación ligados a procesos de democratización social y de la naturaleza del primer gobierno democrático que presenta la particularidad de ser una coalición de Centro e Izquierda, uniendo el conjunto de la Oposición al régimen militar.
REAPPRAISING THE ROLE OF THE CENTER:
THE CASE OF THE CHILEAN PARTY SYSTEM

Timothy R. Scully

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The author wishes to acknowledge the helpful comments and criticisms of Scott Mainwaring, Ronald P. Archer, and David Collier, and other colleagues at the Kellogg Institute.

ABSTRACT

With the return of competitive party politics in Chile, and the reemergence of its characteristic tripartite party system, the problematic of the role played by the center in a multiparty system takes on added importance. First, the paper provides a critical review of previous interpretations of the role of center parties. Next, it briefly explores efforts to constitute and reconstitute the center over a period of twelve decades of party competition. After examining the emergence and behavior of the Liberals in the 19th century, the Radicals in the first-half of the 20th century, and later the Christian Democrats, the analysis returns to theoretical considerations and proposes an alternative understanding of the center, based on the Chilean experience. The paper concludes with a broad overview of the post-Pinochet party system and, again focusing on the role of the center, points out major elements of continuity and change within the party system.

RESUMEN

Con la vuelta de la competencia política en Chile, y la reaparición de sus características tripartitas, el problema del papel del centro político dentro del sistema multipartidista cobra renovada importancia. Este ensayo examina, primero, previas interpretaciones sobre el tema. Enseguida, se exploran los múltiples esfuerzos para constituir, y reconstituir, el centro político durante un periodo de doce décadas de competencia política. Después de haber examinado la emergencia y comportamiento de los Liberales en el siglo 19, de los Radicales en la primera mitad del siglo 20, y de los Demócratas Cristianos más recientemente, el análisis vuelve a algunas consideraciones teóricas y propone una perspectiva alternativa sobre el centro político, basada en la experiencia de Chile. El ensayo concluye con una visión más generalizada del sistema de partidos post-Pinochet y, de nuevo enfocado en el centro político, señala los elementos principales de continuidad y cambio dentro del sistema de partidos.
PRESIDENTIALISM, MULTIPARTY SYSTEMS, AND DEMOCRACY: THE DIFFICULT EQUATION

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The author is grateful to Ron Archer, Caroline Domingo, Manuel Antonio Garretón, Arend Lijphart, and Matthew Shugart for helpful comments on earlier drafts of this paper. He is also grateful to several colleagues for providing electoral data without which he could not have written the paper: Ron Archer for Colombia; Charlie Gillespie for Uruguay; John Roos for the United States; Tim Scully for Chile; and Daniel Levine and Matthew Shugart for Venezuela.

ABSTRACT

This paper argues that the combination of a multiparty system and a presidential system is inimical to stable democracy. The paper presents empirical evidence that shows that few (4 of 25) stable democracies have presidential systems. Several features of presidential systems contribute to explaining why so few have become stable democracies; this paper focuses particularly on the possibility that presidential systems are more prone to immobilism, weak executive power, and destabilizing executive/legislative conflict than parliamentary systems. The paper then shows that among all of the cases (past or present) of stable presidential democracy, only one—the Chilean—had a multiparty system. In presidential democracies, two-party systems are more capable of avoiding immobilism and intense legislative/executive conflict because they facilitate the formation of a government with a majority (or close to it) in congress, and also because ideological polarization is less likely with only two parties.

RESUMEN

Este trabajo argumenta que la combinación de un sistema de partidos multipartidario y un sistema presidencialista es adversa a la democracia estable. El trabajo presenta evidencia empírica que muestra que pocas democracias estables (4 de 25) tienen sistemas presidencialistas. Varias características del presidencialismo contribuyen a explicar por qué tales democracias no suelen ser estables; este trabajo se concentra particularmente en la posibilidad de que los sistemas presidencialistas están más propensos al inmovilismo, a un poder ejecutivo débil, y a un conflicto desestabilizador entre los poderes ejecutivo y legislativo que los sistemas parlamentaristas. Entre todos los casos (pasados o presentes) de democracias presidencialistas estables, solamente uno—el de Chile—tuvo un sistema multipartidario. En las democracias presidencialistas, los sistemas de dos partidos tienen más capacidad para evitar el inmovilismo y el intenso conflicto entre los poderes legislativo y ejecutivo porque ellos facilitan la formación de un gobierno con una mayoría (o casi una mayoría) en el congreso, y también porque la polarización ideológica es menos probable con sólo dos partidos.
LOS PARTIDOS POLITICOS URUGUAYOS
EN EL PROCESO DE TRANSICION
HACIA LA DEMOCRACIA

Juan Rial


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ABSTRACT

During the military rule in Uruguay 1973-84, the political parties of the Marxist left were
disbanded. The others were frozen. The military regime failed the test of legitimacy that it
set for itself in 1980 by trying to establish a new constitution. The plebiscite was won by
the opposition and this was a turning point in the political process. A very negotiated
transition of regime followed and the principal actors of the transition were the traditional
parties, the Colorado and the National. The left was represented by social movements
that operated as political actors. The pact between the armed forces and the political
parties ended with the de facto legalization of the parties of the left and an election with a
"safe result" for the military. The result was a restoration of the liberal regimen that

RESUMEN

Durante el régimen militar en Uruguay en 1973-84 los partidos políticos de la izquierda
marxista fueron desbancados. Los demás quedaron congelados. El régimen militar
fracasó ante la prueba de legitimación que se había propuesto a sí mismo en 1980,
tratando de establecer una nueva constitución. La oposición ganó el plebiscito y éste fue
un punto decisivo en el proceso político. Continuó una transición muy negociada por el
régimen y los principales actores de la transición fueron los partidos tradicionales, el
Colorado y el Nacional. La izquierda estaba representada por movimientos sociales que
operaban como actores políticos. El pacto entre las fuerzas armadas y los partidos
políticos concluyó con la de facto legalización de los partidos de izquierda y las
elecciones con un "resultado seguro" para los militares. El resultado fue la restauración
del régimen liberal que existió en Uruguay desde 1973.
MONOPOLY PROFITS AND THE LAW OF ONE PRICE:
THE COST OF MISAPPLIED THEORY

Jaime Mezzera

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ABSTRACT

This paper discusses why the neoliberal policy package used in Uruguay during the period 1978-82 was doomed to failure, the main reason being that the underlying theoretical model assumes perfectly competitive markets whereas the crucial markets remained oligopolistic or even monopolistic during a significantly long period. The paper contends that this led to incumbent firms being able to price imported goods at prices higher than those of the domestic imperfect substitutes; in other words, the law of one price failed. The argument is modeled on the basis of assuming imperfect markets and the model is shown to correctly “predict the past.”

RESUMEN

Este trabajo analiza las causas por las cuales el paquete de las políticas neoliberales no tuvieron éxito en Uruguay durante el periodo 1978-82, principalmente debido a que el modelo teórico tratado presupone mercados competitivos perfectos, mientras que los mercados cruciales se caracterizaron por ser oligopólicos e incluso monopolios durante un periodo significante. El trabajo afirma que esto indujo a las respectivas compañías a fijar precios de bienes importados más altos que los precios de los sustitutos imperfectos domésticos, es decir, la ley de un precio fracasó. El argumento es desarrollado mediante un modelo basado en el supuesto de mercados imperfectos que trata de “predecir el pasado” correctamente.
TELEVISION AND THE ELITES IN POSTAUTHORITARIAN BRAZIL
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Working Paper #147 - November 1990

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ABSTRACT
Brazil has never before had political democracy along with mass television. This study deals with two ongoing processes related to this unprecedented combination: television's adjustment to competitive politics and the incorporation of television into the new political order by the power elites. On the one hand, television has immensely expanded its coverage of domestic politics, conquering publics (such as prestige press professionals) who used to despise it as a third-class news-maker. On the other hand, the power elites have come to perceive and employ television as a decisive political resource. The author has reconstructed the recent history (1979-88) of late-night interview and debate ("forum politics") programs, which have consolidated a sizeable space in commercial networks despite their numerically minuscule audience ratings (below one percent). The hypothesis that they are motivated by political interests, rather than commercial calculation, was fully verified. The findings also showed that a) the "forum politics" programs constitute an extension of the political arena and are at the intersection between the interests of the networks, the power elites, and major political journalists in using television as a political resource, and that b) these programs entirely violate the logic of regular television programming. In addition, the research revealed unexplored dimensions of political journalism, the new influence of television in the political agenda, the businesses of television programming and of audience measurements. Finally, this study found that none of the segments involved in maintaining "forum politics" programs (from producers to guests and sponsors) is interested in reaching a larger public. Indications are that these programs do have a wider audience than is assumed but it has been discouraged by the specialized language they employ.

RESUMO
Esse estudo trata de dois processos: a de ajustamento da televisão brasileira à democratização do país e o de incorporação da televisão, pelas elites dirigentes, à nova ordem política. De um lado, a televisão expandiu tremendamente sua cobertura sobre política interna, conquistando públicos e setores (como profissionais da grande imprensa escrita) que a discriminavam como fonte de informação de terceira categoria. De outro lado, a televisão passou a ser percebida e utilizada como recurso político decisivo pelas elites dirigentes. Essa pesquisa reconstitui a história recente (1979-88) de programas de debate e entrevistas ("fóros") que se consolidaram no horário noturno e em redes comerciais, apesar de não terem um volume de audiência que os justifique. A hipótese de que eles possuem uma lógica política, e não comercial, se verificou plenamente. Os resultados demonstram que os programas "fóros" a) constituem uma interseção significativa entre os interesses das emissoras, das elites dirigentes e de grandes nomes da imprensa escrita, em se utilizar do veículo como recurso político e, b) logem inteiramente à lógica da programação da televisão brasileira. Além disso, a pesquisa revelou dimensões inexploradas do jornalismo político, da pesquisa de audiências, da comercialização da programação de tarde da noite e da participação da televisão na formação da agenda política. Revelou, por fim, o desinteresse dos agentes envolvidos nos "fóros" (de produtores a convidados e anunciantes) em atender ao público real desses programas: um público maior do que o pretendido e ávido de informação, mas que se vê discriminado pela linguagem qualificada adotam.
TOWARDS A THEORY OF BRITISH ECONOMIC DECLINE: THE CASE OF SHIPBUILDING, 1890-1970

Edward H. Lorenz


Edward H. Lorenz is Assistant Professor of Economics and a Fellow of the Kellogg Institute at the University of Notre Dame. He is the author of a number of articles on managerial strategies and industrial relations, including "Neither Friends nor Strangers: Informal Networks of Subcontracting in French Industry" in Trust: Making and Breaking Cooperative Relations, Diego Gambetta, ed. (1988). His book The Logic of Competitive Decline: The British Shipbuilding Industry 1890-1970 is scheduled to be published in 1991 by Oxford University Press.

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ABSTRACT

A basic aim of this essay is to provide a persuasive explanation for the competitive decline of the British shipbuilding industry. Starting from a position of undisputed international preeminence at the turn of the century, Britain was reduced to a comparatively insignificant producer of ships by 1970. What accounts for the remarkable competitive reversal of this once great industry? In addition to providing an answer to this question, the author aims to indicate the directions of a theory of British economic decline. (The words "towards a theory" in the title are used advisedly: while the theoretical argument is presented in general terms, its relevance is only demonstrated with reference to the case of the shipbuilding industry.) The first section of the paper presents the basic facts concerning the decline of the British shipbuilding industry. The second section contrasts the assumptions and conditions of the argument developed here with those of the principal explanations in the literature for Britain's economic decline. The third section offers some reasons for the competitive success of British shipbuilding prior to the Second World War, and the penultimate section develops an explanation for the subsequent decline of the industry. The concluding section presents the more general argument about British economic decline.

RESUMEN

Uno de los principales objetivos de este artículo es el de proporcionar una explicación persuasiva sobre la decreciente competitividad de la industria constructora de buques británica. Partiendo desde la incontestable preeminencia en el nivel internacional hacia principios de este siglo, Gran Bretaña llegó a ser un productor de barcos relativamente insignificante en 1970. ¿A qué se debió este impresionante revés de esta antigua gran industria? Además de contestar esta pregunta, el autor intenta presentar una teoría sobre la declinación de la industria británica (las palabras del título, "hacia una teoría," son usadas con la intención de presentar el argumento teórico en términos generales, mientras que su importancia sólo se demuestra en el contexto de la industria constructora de buques). La primera sección de este trabajo presenta los hechos básicos referentes a la declinación de la industria constructora de buques británica. La segunda parte discute los presupuestos y las condiciones sobre el argumento desarrollado aquí con las principales explicaciones de la literatura actual. La tercera sección plantea algunas de las causas del éxito competitivo de la industria constructora de buques británica anterior a la Segunda Guerra Mundial, mientras que la penúltima sección estudia su posterior declinación. La última sección presenta argumentos más generales sobre la declinación de la economía británica.
TRUST, COOPERATION, AND FLEXIBILITY: INTERNATIONAL COMPARISONS
Edward H. Lorenz
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ABSTRACT
This paper develops a hypothesis concerning the success of manufacturers in West Germany and Japan, in comparison with their counterparts in Britain and France, in achieving organizational flexibility at the level of the firm. The key dimensions of organizational flexibility are the use of workers with wider skills to achieve more flexible divisions of labor and the involvement of employees in task-related decisions to improve product quality and to increase the firm's capacity for process innovation. The paper argues that in the case of the European nations under consideration, perceptions of mutual dependency between labor and management stem from labor's organizational strength at the plant level encouraging management to involve workers in the determination of working conditions. Owing to labor's organizational strength, management recognizes that the condition for the exercise of its authority is workers' consent. In the case of Japan, the rational argument based on power is supplemented by reference to the way the widely espoused social norm of exercising power with benevolence encourages management to consult the work force. The purpose of the paper, however, is not to suggest that all the actions of management and labor in Japan are blindly motivated by social norms while those of their passionless counterparts in Europe are strictly instrumental in achieving egoistic aims. The paper proposes an eclectic explanation. Japanese managements consult their work force in part because they believe it to be in their best interest, but also because they believe it to be the right thing to do. Normative and rational motivations combine and reinforce each other. In Europe, where comparable norms are lacking, the rational argument concerning labor's strength and perceptions of mutual dependency carries the entire burden of explanation.

RESUMEN
Este trabajo analiza la hipótesis sobre el éxito de los productores de manufacturas para alcanzar flexibilidad organizativa a nivel de las empresas, comparando los casos de la República Federal Alemana y el Japón con Gran Bretaña y Francia. Las dimensiones claves de la flexibilidad organizativa son el uso de trabajadores con un alto grado de especialización para alcanzar una flexibilidad mayor en la división del trabajo y la participación de éstos en decisiones relacionadas con el mejoramiento de la calidad de los productos y así aumentar la capacidad de los procesos innovadores de las empresas. En el caso de las naciones europeas consideradas el trabajo sostiene que el enfoque de dependencia mutua entre trabajadores y empresas, debido a la fuerza organizativa de los trabajadores a nivel de planta, alienta a las empresas a la participación de los trabajadores en la determinación de las condiciones de trabajo. Las empresas reconocen que, ante la fuerza organizativa de los trabajadores, la condición para ejercitar su autoridad es el consenso con los trabajadores. En el caso de Japón, el argumento racional basado en esta relación de poder se complementa haciendo referencia a la forma en que las extensas interrelaciones de las normas sociales de ejercer poder con benevolencia alienta a las empresas a consultar a la fuerza laboral. Sin embargo, la intención del trabajo no es la de sugerir que en Japón todas las acciones de las empresas y los trabajadores están ciegamente motivadas por normas sociales, mientras que las de su insensible contraparte en Europa son estrictamente instrumentales para alcanzar propósitos egoístas. El trabajo propone una explicación eclectica. Las empresas japonesas consultan su fuerza laboral en parte debido a que creen que ésto las beneficiará, pero también porque creen que es lo correcto. Las motivaciones normativas y racionales se combinan y refuerzan entre sí. En Europa, a falta de normas comparables, la explicación se basa en el argumento racional sobre la fuerza de los trabajadores y el enfoque de mutua dependencia.
DEMOCRATIC CONSOLIDATION
IN POST-TRANSITIONAL SETTINGS:
NOTION, PROCESS, AND FACILITATING CONDITIONS

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This paper began as a “think piece” entitled “Some Thoughts on the Consolidation of Democracies” written for a workshop on processes of democratic consolidation in Western Europe and Latin America, organized by Guillermo O’Donnell and Philippe Schmitter and held at the Kellogg Institute in April 1987. The author wishes to thank both organizers of that workshop for their reactions, and Guillermo O’Donnell for the many conversations held over the course of two years that have helped to clarify his thinking on the topic. The paper also benefitted from comments on a second version by David Collier, Arend Lijphart, Guillermo O’Donnell, Philippe Schmitter, Alfred Stepan, and Carlos Waisman. The author’s appreciation as well to Guillermo O’Donnell, Scott Mainwaring, and Timothy Scully for their encouragement and observations on this version, while he takes responsibility for the deficiencies that remain. The paper will appear in Scott Mainwaring, Guillermo O’Donnell, and J. Samuel Valenzuela, eds., Issues and Prospects of Democratic Consolidation: The New South American Democracies in Comparative Perspective [Kellogg Institute series with University of Notre Dame Press].

ABSTRACT

While a growing literature addresses the difficulties of achieving democratic consolidation, there has often been little clarity over the meaning of this notion, and over the process by which it is achieved. Therefore, building on a minimal formal definition of democracy, this paper presents a delimited conception of democratic consolidation and of the process for reaching it. It also discusses five broad conditions that facilitate (or hinder) consolidation. These have to do with the modalities through which the transitions to democratic governments took place, the influence of historical memories of alternative regimes, the moderation of political conflict, the management of social conflict, and the subordination of the military to the democratic government.

RESUMEN

Aunque un creciente número de escritos se refieren a las dificultades de lograr la consolidación de la democracia, a menudo ha faltado claridad respecto tanto a lo que ello significa como al proceso mediante el cual se alcanzaría. Por esto, partiendo de una definición mínima y formal de la democracia, se presenta aquí una concepción delimitada de la consolidación y del proceso que conduce a ella. Se discuten además cinco grandes condicionantes que la facilitarían (o impedirían). Estas se refieren a las modalidades de la transición hacia gobiernos democráticos, al impacto de la memoria histórica de regímenes alternativos, a la moderación de conflicto político, al encauzamiento del conflicto social, y a la subordinación militar al gobierno democrático.
PRIVATE GOODS, PUBLIC GOODS AND THE COMMON GOOD: ANOTHER LOOK AT ECONOMICS AND ETHICS IN CATHOLIC SOCIAL TEACHING

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ABSTRACT

There has been an evolution in the methodology of Catholic social thought over the past century that needs to be taken into account when the ethical concept of the common good in Catholic social teaching is applied to contemporary economic, social and political issues. While the early papal social documents relied primarily upon deductive analysis within a scholastic natural law tradition, recent documents, including those emanating from regional conferences of bishops in the United States and Latin America, attempt to incorporate both biblical theology and positive analysis from the social sciences into moral and ethical discourse. During the same period some positive analysis within the social sciences has moved more closely into ethical discourse, especially with the extension of the normative criteria of market economics into theories of rational choice as applied to concepts of social justice and welfare in political science and social analysis. It is tempting then to perceive a convergence in the two approaches to ethical discourse. A closer look, however, suggests that they may still be separated by basic differences in value premises about the relation of the individual person to society.

RESUMEN

Ha habido una evolución en la metodología del pensamiento social católico en el último siglo que necesita ser tomado en cuenta cuando se aplica el concepto ético del bien común en la enseñanza social católica a cuestiones económicas, sociales y políticas contemporáneas. Mientras que los primeros documentos sociales papales se basaban principalmente en análisis deductivos dentro de una tradición escolástica de derecho natural, recientes documentos, incluyendo aquellos surgidos en conferencias regionales de obispos en los Estados Unidos y Latinoamérica, intentan incorporar tanto la teología bíblica como el análisis positivo de las ciencias sociales, en el discurso moral y ético. Durante el mismo período algunos análisis positivos dentro de las ciencias sociales se han acercado más al discurso ético, especialmente con la extensión del criterio normativo de economías de mercado a teorías de selección racional tal como se aplica a conceptos de la justicia social y el bienestar en las ciencias políticas y el análisis social. Es tentador entonces percibir una convergencia en los dos acercamientos al discurso ético. Una evaluación cuidadosa sin embargo, indica que los dos pueden estar separados todavía por diferencias básicas en sus premisas valorativas acerca de la relación entre el individuo y la sociedad.
Economics in Church Social Teaching Before Vatican II

The common good as a normative criterion for the evaluation of economic institutions, policies and systems in the major documents of Catholic social teaching dates back to Pope Leo XIII in the nineteenth century and maintains a resiliency that endures, with greater or lesser emphasis, through documents as recent as the second draft of the U.S. bishops' Pastoral Letter on the U.S. economy. Nevertheless, the context in which the concept is used in papal social teaching and other ecclesiastical documents has evolved in ways that alter the relationship of social sciences to the social teaching of the Church. What follows is a sketch of some of the changes in the evolution of Catholic social teaching that affect the relationship of that teaching to various analytic constructs and fields within the discipline of economics. An attempt will also be made to suggest ways in which the usefulness of economics for an appreciation of Catholic social teaching is both strengthened and weakened by these changes.

Early papal social encyclicals, such as Pope Leo XIII's major document on labor, Rerum Novarum, were grounded very strongly and uncritically in the natural law tradition of Catholic theology. This tradition stressed very heavily the role of human reason in arriving at eternal truths or philosophical absolutes as well as ethical knowledge and understanding. Although the giants of that tradition fully understood the limitations of human reason in grasping the totality of the mysteries of the Christian faith, the tradition that was handed down tended to divide into separate tracks what could be learned from the revealed sources of the faith and what could be learned by human reasoning.

The emphasis on deductive logic in much of the natural law reasoning about human affairs contributed to a somewhat abstract product that offered the security of immutable truths. At the same time, however, a deductive scholastic methodology applied to ethical problems was perhaps especially vulnerable to oversimplified assumptions about the ahistorical and static character of human institutions as understood or experienced by the practitioners. Thus, some
contemporary ethicists find in the writings of Pope Leo XIII in the late 19th century an implicit acceptance of paternalistic authoritarian social systems common in western European tradition as a preferred ethical norm for the preservation of order in society. Concepts of freedom, equality and participation are not prominent in the writings of Leo XIII, but there is no lack of emphasis on the inevitability of suffering and misery of the poor.

Moreover, the clear logical connections between the social nature of the human person as defined in the natural law tradition and the ethical and social prescriptions flowing therefrom tended to place a high premium on the harmoniously rational and organic ordering of interests and functions as a priority in reasoning about society. Leo XIII is quite forceful in denying that nature has created an adversarial relationship between rich and poor. Rather, "the exact opposite is true...nature has commanded that the two classes mentioned [the rich and the poor] should agree harmoniously and should properly form equally balanced counterparts to each other."4

The frequently cited principle of subsidiarity flows neatly from this deductive analysis in the natural law tradition. Moreover, the combined tilt towards paternalism and a hierarchical ordering of functions is consistent with organic models of society, so it is not surprising that models for the reordering of economic life suggested by economists working from an analysis of early Catholic social teaching often embodied a corporatist rationale that never received much support within the democratic political culture of the United States, even among Catholics.5

In this intellectual environment the common good is easily defined as the ultimate goal of an organic, generally hierarchical, society with functionally well ordered institutions and actors. In this context the common good implies a coherent, organic whole that can in principle be discovered and understood, if not by the less educated majority, at least by wise and paternal leaders and rulers at various levels of society. It appears that for Leo XIII the meaning of the common good was more political than economic. In Rerum Novarum the concept is associated most closely with the responsibilities of the state as the central and most all
encompassing institutional actor: "For the state is bound by the very law of its office to serve the common interest...the state has one basic purpose for existence, which embraces in common the highest and the lowest of its members."\textsuperscript{7} Those "who dedicate themselves to the state...are to be regarded as occupying first place, because they work for the common good most directly and preeminently."\textsuperscript{8} Those engaged in other callings, such as workers, also "serve the public weal," but they do so "less directly."\textsuperscript{9}

For Leo XIII the normative criteria operative in economic life appear to be drawn more directly from concepts of justice than from the notion of the common good. Although the worker receives for his own use a share of "what he contributes to the common good," his entitlement, which is to be the legitimate concern of public authorities proceeds from "equity", that is, from a norm of justice.\textsuperscript{10} Thus, early on in papal social documents a distinction is acknowledged between the justice that governs economic distribution and the more comprehensive and organic common good to which is directed the authority of the state. Obviously, in the logic of a natural law tradition these norms are neither inconsistent with one another nor do they imply competing claims on resources for the attainment of social order.

The normative character of the common good is more explicit in the writings of Pius XI and Pius XII, where the relationship of the economic order to broad social goals of peace, stability and security is more fully developed.\textsuperscript{11} In the labor encyclical of Pius XI, \textit{Quadragesimo Anno}, there is a clear relationship between the common good, which is made synonymous with social justice, and the just distribution of economic income:

Therefore, the riches that economic-social developments constantly increase ought to be so distributed among individual persons and classes that the common advantage of all, which Leo XIII had praised, will be safeguarded; in other words, that the common good of all society will be kept inviolate...To each, therefore, must be given his own share of goods, and the distribution of created goods...must be effectively called back to and brought into conformity with the norms of the common good, that is, social justice.\textsuperscript{12}

Like Leo XIII, Pius XII makes the common good the special responsibility of the state in its political and economic activities.\textsuperscript{13} Like Pius XI, Pius XII places a high moral profile on the common good, giving it a "pre-eminence and a dignity proper to itself."\textsuperscript{14} Moreover, Pius XII, as
early as 1941, adds an international economic dimension to the common good which emphasizes relations between the powerful and the weaker nations:

It is inevitable that the powerful states should...play leading roles in the formation of economic groups comprising not only themselves but also that in the interests of the common good they...respect the rights of those smaller states to political freedom, to economic development.  

Both Pius XI and Pius XII speak of the social doctrine of the Church by which they refer to a body of Church teaching that contains principles of economic order deduced from natural law and a plan for a social order that is consistent with those principles. Not only is a distinction preserved between moral science and the positive social sciences, such as economics, but some indication of the proper relationship between them is articulated. While acknowledging that economics has its own principles, Pius XI makes it clear that economics depends upon moral science. The moral law deduced from natural law determines independently where the "proper place" for economic objectives is in the universal order of purposes, while economics helps only to "determine the limits of what productive human effort cannot, and of what it can attain in the economic field and by what means." Pius XII is more generous to economics and economic life and anticipates later social teaching of the Church by stressing the possibilities for creativity in economic activity and by identifying a functional economic dependence with a violation of human rights. 

The assumption of a coherent body of natural law from which can be deduced a properly ordered society implies that the common good has a meaning which can be discovered and understood apart from the knowledge of social reality. The positive "science" of economics helps to determine only what is feasible in a specific social situation. This approach made possible nearly absolute judgments of specific social and economic systems as embodiments of models that could be morally evaluated a priori. It also supported calls for radical transformations of existing social orders and led to ambitious searches for alternative models of entire socioeconomic systems, the so-called Third Way between the models of capitalism and socialism that were morally denounced in papal social teaching. The emphasis on order in the
natural law tradition of the early social encyclicals and the heavy use of the principle of subsidiarity in *Quadragesimo Anno* and in the social teaching of Pius XII probably contributed to the interest in corporatist models of economic life among Catholic economists in the 1930's and 1940's.

Even in the period between the papacy of Leo XIII and that of Pius XII there was some evolution of economic thought in Catholic social teaching, suggesting at least the possibility that there might be more flexibility in the actual attainment of a common good grounded in an immutable natural law. Leo XIII has been criticized for making the right to private property so nearly absolute as to imitate John Locke. Pius XI corrected that interpretation by stressing the social nature of private property in a manner much more consistent with the teaching of St. Thomas Aquinas, and the teaching of Pius XII preserved that shift. Without diluting the right to private property, the social character of ownership requires that property owners consider "not only their own advantage but also the common good," and public authorities are assigned the responsibilities of defining the duties of ownership when "the natural law has not done so" and of determining "upon consideration of the true requirements of the common good, what is permitted and what is not permitted to owners in the use of their property."

There was also movement, though less, in the appraisals of models of economic systems in the pre-World War II social encyclicals. Unbridled capitalism is severely condemned by all, and socialism is never deemed acceptable. Nevertheless, whereas Leo XIII condemned all models and elements of socialism, Pius XI acknowledged the legitimacy of some elements and aspirations of some socialist models without accepting the materialistic and atheistic premises upon which they were based. In so doing he implicitly acknowledges the complexity and diversity of relationships between economic systems and abstract goals like the common good. It may also be argued that he implicitly leaves an opening for the greater appreciation by his successor of economic analysis in understanding the common good.
The diversity and complexity of economic institutions, policies and systems and their relation to the common good achieves still broader significance in the social encyclicals of Pope John XXIII, *Mater et Magistra* and *Pacem in Terris*, in which the economic dimensions of the common good are internationalized with a twofold emphasis--on the development of underdeveloped countries in an economically interdependent world and on the preservation of moral, ethnic and political pluralism in that process of development:

Because all men are joined together...we appealed in the encyclical *Mater et Magistra* to economically developed nations to come to the aid of those which were in the process of development...It is vitally important, therefore, that the wealthier states, in providing varied forms of assistance to the poorer, should respect the moral values and ethnic characteristics peculiar to each, and also that they should avoid any intention of political domination. "If this is done, "a precious contribution will be made towards the formation of a world community, a community in which each member, whilst conscious of its own individual rights and duties, will work in a relationship of equality towards the attainment of the universal common good."

The greater recognition of economic pluralism in the social encyclicals of John XXIII is further evident in the less dogmatic and rigid approach to models of economic systems. For John XXIII there is structural sin as well as personal sin, and structural evils as well as their remedies may be found in a variety of economic institutional settings. Thus there is no repetition of the blanket condemnations of the twin evils of capitalism and socialism as defined and judged by his predecessors. Rather, there is at least an implicit acceptance of some diversity of economic systems in the achievement of economic objectives: "This implies that whatever be the economic system, it allow and facilitate for every individual the opportunity to engage in productive activity."

Moreover, with due respect for protection of the rights of the individual John XXIII acknowledges a wide variety of legitimate interventions of public authorities in economic life as expressions of their responsibility for the common good. Without abandoning the principle of subsidiarity John XXIII recognizes the need for government intervention, especially in relation to the distribution of wealth and income, which is an important economic element of the common good for him. Thus he affirms:
...it is within the power of public authorities to reduce [economic] imbalances...Consequently, it is requested again and again of public authorities responsible for the common good, that they intervene in a wide variety of economic affairs...25

John XXIII goes beyond the general statements of his predecessors about the responsibility of the state for equitable distribution of income and wealth in accordance with the common good to make some rather specific economic policy recommendations. For example, to counter the deleterious distributional effects on rural populations of the worldwide slumps in agriculture in the postwar period John XXIII recommends government intervention on behalf of the rural sector in highway construction, transport services, marketing facilities, pure drinking water, housing, medical services, elementary, trade and professional schools, "things" requisite for religion and for recreation, furnishings and equipment, tax policy, subsidized credit availability, price supports, insurance and the provision of capital equipment for rural enterprises.26 He even uses the principle of subsidiarity as justification for cooperation between public and private sectors, even to the extent of government intervention on behalf of the development of private enterprise.27

John XXIII remains solidly within the natural law tradition, especially in Pacem in Terris. Nevertheless, his acknowledgment of national and international diversity of economic institutions, policies and systems suggests more openness to the contributions of the empirical observations of economics, not only in applying immutable ethical principles to real world situations, but in the analysis of the effects of economic activity on human welfare. Indeed, it is Pacem in Terris that first uses the expression, "signs of the times,"28 which will later become an important foundation of Catholic social teaching, especially in the Medellin and Puebla documents of the Latin American bishops. Moreover, John XXIII in Pacem in Terris uses natural law arguments about human rights to establish economic rights, which like other classes of rights are based upon the inherent dignity of the human individual.29

Although the interrelationships between economic development and social and political progress are at least implicitly present in earlier papal social teaching, they are explicitly
linked to the common good in *Pacem in Terris*. Moreover, in this integrated context economic inequality is linked with political and cultural inequality as destructive of human rights and of the ability to fulfill the duties that accompany those rights. John XXIII is faithful to the teaching of Leo XIII in articulating the role of the state almost exclusively in terms of the common good: "Indeed...the whole reason for the existence of civil authorities is the realization of the common good." That common good is "chiefly guaranteed when personal rights and duties are maintained." Despite the use by John XXIII of natural law to ground his teaching on economic rights and private property, there is in his writings greater emphasis on diversity and pluralism and less emphasis on the notion of a rigid and self-contained body of social doctrine deduced from natural law reasoning than in the writings of his predecessors.

**Economics in Church Social Teaching Since Vatican II**

Moreover, only two years after the appearance of *Pacem in Terris* the Second Vatican Council with the authorization of Paul VI issued *Gaudium et Spes: Pastoral Constitution on the Church in the Modern World*, which nowhere refers to *the* social doctrine of the Church. This document carefully avoids any implication of a single preferred model of an economic system, especially one implying corporatist principles of hierarchical and organic structures of the sort derived decades earlier from application of early papal social teaching, especially *Rerum Novarum*.

Likewise, in *Gaudium et Spes* the right to private property, even with its social dimension, is no longer derived from natural law. Private property is justified instead by the observable beneficial effects it affords persons, e.g., in the expression of personality and the exercise of duties, and in its contribution to the maintenance of personal freedom. Even the social dimension of private property is explained pragmatically, rather than philosophically, by
reference to the need to curb "a passionate desire for wealth and serious disturbances" that can create a pretext for calling into question the right of private property itself.\textsuperscript{35}

Moreover, for the first time in a major social document bearing a papal name the right of public ownership is explicitly affirmed in the name of the common good along with the right of public authority to intervene against the use of private property that is detrimental to the common good.\textsuperscript{36} Thus, the space for diversity and pluralism of economic models is extended still further to include systems with at least some characteristics of socialist models.

The concern of John XXIII for a universalized common good that acknowledges international economic interdependence is carried over into \textit{Gaudium et Spes} with a call for international economic cooperation based upon the "solidarity of mankind."\textsuperscript{37} \textit{Gaudium et Spes} also calls for international application of the principle of subsidiarity "to regulate economic relations throughout the world"\textsuperscript{38} according to the norms of justice. However, subsidiarity is not the only principle invoked for international economic cooperation. In addition, along with the traditional concern for equity in distribution there appears for the first time in a major social document of the Church an acknowledgment of the normative criterion drawn from positive economics, specifically the criterion of economic efficiency, when the Council calls for the coordination and promotion of international economic development "in such a way that the resources earmarked for this purpose will be allocated as effectively as possible, and with complete equity."\textsuperscript{39} In a manner quite familiar to economic discourse, the norms of efficiency and equity are now joined in Church social teaching.

Thus, the methodological shift from the more rigid deductive logic of earlier natural law argumentation to a more positivist analysis of observable effects in \textit{Gaudium et Spes} creates further opportunity for the use of economic analysis in evaluating economic institutions, policies and systems. Indeed, the evaluation of private property and of public ownership in \textit{Gaudium et Spes} contains the rudiments of a pragmatic social cost-benefit analysis. Limits on public intervention in the use of private property are implicitly set in economic terms by the optimization
of the benefits of private ownership relative to the ethical and social costs of private
acquisitiveness.

It must also be noted, however, that the decrease in reliance upon natural law
argumentation is accompanied in *Gaudium et Spes* by an increase in reliance upon the beliefs
of the Catholic faith as revealed in Sacred Scripture to ground the social teaching of the Church.
This shift from philosophic argumentation to Scriptural analysis implies that the common good is
not necessarily a logical, organic synthesizing principle in a coherent body of social doctrine, but
a concept whose meaning must be discovered inductively. That may help account for the fact
that *Gaudium et Spes* is unique among major Church social documents to that time by defining
the common good, rather than assuming it as a premise of argumentation. While preserving a
traditional emphasis on the human person, the definition of the common good is couched in
language consistent with an inductive approach to social teaching: “the sum of those
conditions of social life which allow social groups and their individual members relatively
thorough and ready access to their own fulfillment.”40

Certainly *Gaudium et Spes* does not go so far as to ground the principles of Catholic
social teaching in economics or any of the positive social sciences. However, the greater
incorporation of economic principles as well as the shift of emphasis in that document away from
philosophic argumentation based on natural law premises to positive inquiry into the sources of
revelation does indicate an evolutionary trend that continues in subsequent social documents
of the Church. Thus, in opening a long discussion on human society and the social nature of
man, *Gaudium et Spes* calls attention to “Christian doctrine about human society” in recent
social documents of the Church, but then states that “this council is merely going to call to mind
some of the more basic truths, *treating their foundations under the light of revelation.*”41 The
trend towards greater reliance upon the Gospels has continued in subsequent documents of
Church social teaching, especially those issued by the General Conference of Latin American
Bishops at Medellín, Colombia in 1968 and at Puebla, Mexico in 1979 and even the current drafts of the Pastoral Letter on the U.S. economy.

This change of emphasis also shifts the methodological issue facing the use of economics in Catholic social teaching from an emphasis on establishing logical relationships with a scholastic philosophical tradition to the challenge of interpreting the place of economics in the revealed mysteries of the Catholic faith. On the one hand by the time of *Gaudium et Spes* economics in its diverse dimensions had become much more fully integrated in Catholic social teaching than it was in the days of Leo XIII and even Pius XI. On the other hand little attention had yet been given to the rules for the appropriate use of economics as a set of tools to understand and apply the social message of the Gospels. This lack of clarity has continued to disturb the development and understanding of Catholic social teaching through the debates about liberation theology after *Medellín* and *Puebla* into the current discussion of the U.S. bishops' Pastoral Letter on the U.S. economy.

In retrospect the hand of Paul VI is evident in the social teaching of the Second Vatican Council, which began during the term of his predecessor and finished during his term. The more vigorous incorporation of economics into Catholic social teaching, along with a more openly inductive methodology, observed in *Gaudium et Spes* brings an increase in the specificity of policy recommendations to the first two social encyclicals of Paul VI, *Populorum Progressio* and *Octogesima Adveniens*. In *Populorum Progressio* Paul VI discusses economics rather directly, distinguishing between analysis of economic structures, e.g., markets, public agencies, corporations, and analysis of economic ideologies. He is forcefully harsh in his judgment of economic structures which permit the economic "domination" of some peoples by others and bases some of his criticisms upon the empirically observable "gap...widening between the development of some and the stagnating, even deteriorating condition of others."42
Paul VI develops still further the concern of John XXIII for economic equity in the international economy with expanded attention to the measurable inequalities growing between developed and underdeveloped countries. He explicitly speaks of quantitative economic growth, endorses industrialization of poor countries and especially incorporates several criticisms of the inequitable distributional effects of the working of international markets. In *Populorum Progressio* he appears to incorporate the economic analysis developed by the United Nations Economic Commission for Latin America during the 1950's and 1960's to argue for a bias against developing countries in the terms of trade of international markets along with some elements of dependency theory that followed in economics literature. He extends to the international economy some of the same natural law principles of economic equity that Leo XIII used for domestic economies. His call for greater equality in bargaining strength between poor nations and their trading partners, e.g. rich nations or multinational corporations, in international markets resembles the call for equity in domestic labor markets, and he is vigorous in his denial of the justice of international free trade when the trading partners are in "very unequal situations."

In the documents of Paul VI there is repeated reference to the diversity of economic situations, functions, institutions and organizations as well as to the pluralism of options for action by Christians in society. It is not surprising then when he affirms that the Church "does not intervene to authenticate a given structure or to propose a ready-made model." At the same time, he makes it clear that the Church is not content to limit its intervention "to recalling general principles."

Nevertheless, Paul VI continues to use the concept of the common good, especially in various human rights settings, e.g. before the law and in the media. However, it is when the discourse shifts beyond the dictates of law to the instruction of the Gospel that Paul first introduces the concept of the preferential option for the poor that was to be developed as a principal moral and social norm in the *Puebla* documents and used in the letters of the Canadian
and U.S. bishops on their respective national economies, as well as in the final report of the 1985 extraordinary Synod of Bishops. It is worth noting that the norms of economic equity which Paul frequently espouses, especially with appeals to the Gospel, do not imply specific measures of quantitative equality. Rather, the inequalities he condemns are those which are "excessive" or deprive others of "the necessities of life."

At the same time, Octogesima Adveniens explicitly elaborates a double-edged quality of positive sciences that is quite different from that contained in the teaching of Leo XIII. He acknowledges the "significant flowering" of the "human sciences" and their role in "subjecting to critical and radical examination the hitherto accepted knowledge about man." However, he also worries about scientific change that "threatens to drag [the world] towards a new positivism," and about the "methodological necessity and ideological presuppositions" that "make it impossible to understand man in his totality" because they too often lead the human sciences to isolate, in the various situations, certain aspects of man, and yet to give these an explanation which claims to be complete or at least an interpretation which is meant to be all-embracing from a purely quantitative or phenomological point of view.

Populorum Progressio contains what is perhaps the strongest statement in the evolution of social teaching on property in papal documents to support public intervention in the use of private property, and the rationale in that statement is clearly an appeal to the common good: "The common good, therefore, at times demands the expropriation of an estate if it happens that some estates impede the common prosperity..." This statement is followed by authorization of confiscation of property revenues, which "are not to be left to men's good pleasure," and by authorization to prohibit both "plans for excessive profit made only for one's own advantage" and efforts by the rich to transfer income abroad in search of higher returns.

Unlike earlier papal social encyclicals Populorum Progressio lacks the even-handed condemnation of extreme models of economic systems of the right and left. There is no overt critical analysis of socialism, but there is severe condemnation of an "unbridled liberalism" which makes "profit the chief incentive to foster economic development, competition the supreme law
of economics, private ownership of the means of production an absolute right.\textsuperscript{53} Moreover, the criticisms of market capitalism, as suggested by the treatment of the international economy described above, are based upon functional analysis of the operation of market economies, rather than upon philosophical or ideological criticism of models of economic systems.

In the absence of comparable treatment of socialist economies and given the functional treatment of private property in the document, it is not surprising that many readers found in \textit{Progressio Populorum} an opening for socialist institutions in Catholic social teaching. Perhaps in response to this reaction \textit{Octogesima Adveniens}, issued four years later, contains an evenhanded condemnation of both Marxist and liberal capitalist ideologies.\textsuperscript{54}

However, Paul VI stops short of absolute condemnation of all socialist experiments. Instead he acknowledges the attraction of contemporary socialist developments to some Christians and distinguishes among three levels of expression of socialism: "a generous aspiration and a seeking for a more just society, historical movements with a political organization and aim, and an ideology which claims to give a complete and self-sufficient picture of man."\textsuperscript{55}

Paul VI expresses his doubts about the ability to turn these distinctions into an operational reality. Nevertheless, these distinctions, as well as references to the yearning for "liberation...from need and dependence"\textsuperscript{56} were subsequently interpreted to allow for the introduction of Marxist analysis, presumably without the objectionable features of the ideology, in the interpretation of economic history by Catholic theologians, economists and other social scientists, most notably among Latin Americans, who were able to find further support for objectives of economic liberation in the \textit{Medellin} and \textit{Puebla} documents.

In \textit{Evangelii Nuntiandi}, Paul VI relates an economic interpretation of human history still more closely to the Gospels by linking economic liberation to the Church's spiritual mission of evangelization:

Peoples, as we know, engaged with all their energy in the effort and struggle to overcome everything which condemns them to remain on the margin of life: famine, chronic disease, illiteracy, poverty, injustices in international relations and especially in commercial exchanges, situations of economic and cultural
neocolonialism...The Church has the duty to proclaim the liberation of millions of human beings...This is not foreign to evangelization.57

Both the Medellin and Puebla documents are marked by the distinctive characteristics of contemporary papal social teaching: an emphasis on Gospel foundations rather than upon natural law, increased integration and specificity of economic analysis, a sense of institutional as well as personal sin along with a clear link between economic liberation of poor peoples and nations with the transcendent evangical message of the Church. Nevertheless, the Medellin document on justice retains from earlier papal social teaching a focus on personal virtue, reference to the common good and balanced criticism of the extremes of liberal capitalism and Marxist systems, both of which are criticized for their ideologically determined social priorities.58

The Puebla document is outspoken in its affirmation by the General Conference of Latin American Bishops of "a clear and prophetic option expressing preference for, and solidarity with, the poor."59 The Latin American bishops develop the biblical basis of this priority extensively and acknowledge the tensions, conflicts and accusations, including that "of propounding a dangerous and erroneous Marxist ideology."60 There is reference to the importance of personal conversion but, extending the thought of John XXIII, also a strong emphasis on injustices perpetrated by economic structures, the "mechanisms of oppression."61

Among the specific actions pledged by the bishops is one with significance for economic analysis: "We will make every effort to understand...the mechanisms that generate this poverty."62 However, elsewhere in the document there are criticisms of the views of the human person inherent in "classical" economic liberalism and Marxism, in which economic efficiency and individual freedom are explicitly rejected as the bases of human dignity when they result in a religious notion of individual salvation which is blind to the demands of social justice.63

The Puebla document goes beyond criticism of the two familiar ideological extremes, however, to criticize a third view of the human person, one based upon consumerism, which is
embodied in any system of "production and selling...done in the name of such values as ownership, power and pleasure, which are regarded as synonymous with human happiness." By thus "blocking off access to spiritual values, in the name of profit people promote an unreal and very burdensome 'participation' in the common good." For the authors of the Pueblo document this threat of consumerism to the proper ends and goals of the human person is considered the "most pervasive" of the three dangers.

Laborem Exercens, the major economic encyclical of John Paul II, was issued, like Quadragesimo Anno and Octogesimo Adveniens, as an anniversary sequel to the labor encyclical, Rerum Novarum. Nevertheless, it embodies many of the major shifts in method and focus of later social teaching, including a much stronger grounding of social teaching in Scripture, which is the basis for the encyclical's major contribution to the theology of work, namely, that through work the human person shares in divine creation. Although retaining a traditional concern for the individual human person, the analysis in the encyclical is also based heavily on social observation rather than on the natural law reasoning of early labor encyclicals and contains considerable specificity, including endorsement of analyses made by two United Nations organizations and of specific labor policies like co-management. As a result there is less explicit recourse to the common good as a moral norm.

Although interpreted in the United States alternately as "socialist economics" and as deserving of the cheers of John Locke and Adam Smith, it contains a brief, but strong geographic universalism with some emphasis on distributional inequities imposed on developing nations by public and private institutions acting in international markets. Of interest to the economist is the fact that the criticisms of capitalism and socialism are based much more on empirical observations of the practical effects of particular systems on persons and on the production and distribution of goods and services than upon the specific theoretical premises of the models upon which they are based. Specific effects of historical experience with both capitalism and socialism are criticized, while at the level of principle the emphasis is on
criticism of a materialism which cuts across ideological lines and which gives priority to economic
targets over broader human goals.69

The recent Pastoral Letter of the U.S. Catholic bishops, Catholic Social Teaching and
the U.S. Economy, while solidly grounded in traditional Catholic social teaching, clearly reflects
and extends recent characteristics and trends in that teaching. The moral teaching of the letter
is based very heavily upon interpretation of Scripture, and explicitly acknowledges sources
outside those of revelation, ranging from pre-Christian Greek and Roman philosophy to the U.N.
Universal Declaration of Human Rights and Duties.70 The letter is also explicit, however, in its
dependence, not only upon Scripture and philosophy, but upon "empirical analysis" for its
discussion of the economic "signs of the times."71 The Pastoral Letter explicitly affirms the
ability of empirical evidence to help set an agenda for economic reform, and it even goes so far
as to call upon Catholic universities to engage in the necessary research.72 After nearly a
century of Catholic social teaching such an affirmation highlights the extent of methodological
evolution in Catholic social thought. From a relatively self-contained body of philosophic
reasoning embellished by Scriptural citations and offered to social sciences like economics for
application in the design of economic systems, Catholic social thought now presents itself as a
framework for ethical and moral policy analysis based upon an interactive body of Scriptural,
philosophical and empirical analysis.

The Pastoral Letter continues to invoke traditional principles and appeals to the
common good as the basis for universal justice and human rights, but immediately includes
"economic freedom, power and security" in those goals, thereby acknowledging the economic
rights first articulated by John XXIII in Pacem in Terris.73 Moreover, the Letter explicitly links the
preferential option for the poor to the common good: "Dedication to the common good,
therefore implies special duties toward those who are economically vulnerable or needy."74
After acknowledging the importance of meeting the economic needs of the lower middle class,
"if the common good is to be truly common," the document explicitly endorses the preferential
option for the poor as developed by the Latin American bishops in the Puebla document. As interpreted by the U.S. bishops there is created an "obligation to evaluate social and economic activity from the viewpoint of the poor and the powerless...Those who are marginalized and whose rights are denied have privileged claims if society is to provide justice for all." Following another precedent of recent Church social teaching the Pastoral Letter moves boldly into specific recommendations for public economic policy, which occupy almost 40 percent of the total document. Again following recent precedents in Catholic social teaching there is considerable analysis of the impact of the international economy upon the poorest nations of the world with explicit reference to the international common good, and over 25 percent of the chapter on specific economic policy issues is devoted to that subject. While acknowledging the claims of dependency theory, the analysis in the Pastoral Letter reflects the debates about and evolution of thought on economic dependency in economic literature since John XXIII first raised the subject in a major Catholic social document. Thus the Pastoral Letter emphasizes the interdependence of international markets and focusses on specific issues that complicate the participation of the poor countries in international markets for goods, finance and investment capital.

Some Implications for the Usefulness of Economics

The evolution of the meaning of the common good as well as the shifts in methodological underpinnings for Catholic social teaching over a century of major papal and regional documents suggests change in the usefulness of economics within Catholic social thought. The change is not, however, simple and direct. On the one hand there is evidence for increased incorporation of economic analysis in identifying the priorities and agenda for economic reform as well as for policy evaluation because of greater openness to positive and historical analysis. On the other hand there is less clarity than before in the appropriate analytical
relationships between economics and the multifaceted sources of Catholic social thought, which increasingly include Scriptural interpretations, whose operational applicability to contemporary economic decisionmaking is not immediately evident.

There is more opportunity for using the tools of economic analysis, not simply in applying Catholic social thought to institutional reform, but in developing the analysis of Catholic social teaching itself. At the most obvious level economic analysis can help in both the creation and the evaluation of policy options in areas where reform is warranted by social teaching. The economic status of farmers has been an explicit concern of Catholic social documents at least from John XXIII’s Mater et Magistra to the Pastoral Letter of the U.S. bishops. Today university supercomputers have the capacity to predict the effects of various federal agricultural policies upon output, income and regional income differentials with considerable specificity. In principle this use of economics is akin to the use of economics envisioned by Rerum Novarum, that is, as a tool to put into practice the principles of Catholic social thought.

However, the strength of the tools of modern positive economics lies more in providing consistent bases for practical evaluation of specific policies rather than for constructing broad generalized models of alternative economic systems. Modern technical developments in economics can support the desire for specificity of practical reform in contemporary Catholic social teaching, but has little to add to traditional searches for "Third Ways" between opposing ideological models of capitalism and socialism.

Two substantive economic components of the common good that are consistently affirmed in recent Catholic social teaching regardless of methodological differences among documents are the continued emphasis on the distribution of economic income, wealth and opportunity and the regular inclusion of an international perspective, even in documents for national consumption, like the Pastoral Letters of the U.S. and Canadian bishops on their respective economies. These two emphases taken together create opportunities as well as challenges for the helpful use of economic policy analysis for contemporary ethical concerns.
Economics can help by predicting measurable effects of policy on economic variables. At the same time any student of elementary economics is made aware of the definitional and statistical difficulties of simply measuring poverty, which for many people is a bit like pornography—easy to recognize, but hard to define. The U.S. bishops explicitly acknowledge the problem, suggesting an opportunity for more thorough analysis. The application of economics in the U.S. for understanding distributional implications of alternative policy changes is often not so carefully developed as are the allocative effects of those changes. This is especially true at the international level.

Recent public discussion, for example, of the high cost to consumers of the "voluntary" quota imposed on the import of Japanese autos tends to ignore the distributional effects of the presence or absence of those quotas on incomes and expenditures of the poor. Thus, if the poor tend not to be buyers of new cars, and if some of their incomes can be shown to be adversely affected by removal of quotas, then the ethical criticism of quotas is apt to be less harsh than conventional trade analysis with its macro-aggregation of domestic consumer and producer effects would suggest. (Of course, the adverse impact could be offset by other appropriate measures for income redistribution.) Such omissions and deficiencies are serious for ethical analysis if the preferential option for the poor requires, as the American bishops affirm, that economic policy decisions "must be judged in light of what they do for the poor, what they do to the poor and what they enable the poor to do for themselves."

The use of economics in matters with ethical or normative content obviously extends beyond simple examples such as this. In fact theoretical analyses within public finance and welfare economics extend conventional microeconomic theories of choice to include not simply material goods traded in the marketplace for private purposes, but also those which are intended for public purposes and which may not be suitable for private exchange, e.g., national defense. Even one who believes in the ethical neutrality of the analytic methods of positive economics wherever it is applied will acknowledge that positive economics brings at least one
norm or class of norms of its own to these discussions, and that is one based upon a rigorously
derived principle of optimization, which intuitively means to affirm the rationality of choosing
more rather than less of any desired object of choice under certain assumptions about the
relationship of those choices to the rest of reality.

A bureaucrat in a socialist economy can use the principle to ration raw materials among
various enterprises in such a way as to maximize total output of the economy in conformity with
socialist values. Defenders of free enterprise as an economic system can defend this system by
demonstrating that, under certain behavioral assumptions, the competition of firms trying to
maximize their own profits will results in the maximum total value of output expressed in market
prices. In welfare economics it is common to speak of maximizing a hypothetical objective
function that includes the private and social goals of an entire society. The concepts of social
opportunity costs and social tradeoffs are drawn from such extensions of microeconomic
principles of rational choice.

Furthermore, the economic theories of rational choice, including those that incorporate
probability and uncertainty, e.g. game theory, have been extended to non-economic areas,
especially to political decisionmaking. A. John Rawls believes that a theory of justice "is a
part, perhaps the most significant part, of the theory of rational choice." It is tempting to
conclude that such theories can offer the rigor of positive analysis to the normative concepts of
Catholic social teaching. However, in all such applications, from the social welfare functions of
welfare economics to "maximin" game theoretical analyses of political decisions, there are
assumptions about the autonomy of the individual person that do not appear to be fully
consistent with those principles of Catholic social teaching about the human person that are
central to the definition of the common good in that teaching. The rational decision maker in all
these applications of microeconomics is an autonomous individual who maximizes a set of self-
interests according to rigorously determined conditions, such as the efficiency conditions of
economic cost-benefit analysis.
Typically the actor is assumed to be egoistic in the determination of self-interest. It is true, however, that there is nothing in the logic to prevent the individual from including social goods in a personal definition of self-interest, thereby leading to voluntary tradeoffs between competing objectives, e.g., the accumulation of income and the desire to support certain social objectives. Nevertheless, there is no place in this calculus of rationality for acts of commitment, generosity or sacrifice unless there is a tradeoff with some other perceived and theoretically measurable good, e.g., the satisfaction or utility of feeling good or even the "gamble" of salvation or sainthood. Any elements which are not susceptible to such tradeoffs do not enter into the calculus of choice except as limits to the individual's willingness to engage in such tradeoffs and hence to the usefulness of the calculus. To say "give me liberty or give me death" excludes quite a number of "rational choice" solutions.

Based upon this calculus of rationality the social welfare function of an entire society as defined in welfare economics becomes the aggregation of the individual welfare functions of the members of that society, each acting autonomously and rationally to maximize individual sets of self-interests in consumption and social goods. The social welfare function defined in this way falls short of the common good of Catholic social teaching on several counts. The common good of traditional Catholic social teaching was derived heavily from a natural law that is presumed to exist independently of the perceptions of individuals acting autonomously and even independent of aggregations of those individuals. Even fifty million Frenchmen can be wrong in the face of an "objective" moral law. In the natural law of the Catholic tradition the dignity of the human person, including women and racial minorities, is derived independently of the perceptions of sexist or racist societies. The rights that flow therefrom, including the economic rights identified explicitly as such in Catholic social teaching since the documents of John XXIII, are derived independently of pay scales determined in the marketplace or even in the voting booth.
Moreover, the social nature of the human person as derived from natural law creates economic responsibilities that may or may not be acknowledged in the welfare functions of individuals acting autonomously. The extent of those responsibilities may independently impose ethical limits on the possibilities of some individuals for rational maximization, especially of incomes and wealth, that they would not autonomously choose. As indicated by the earlier review of documents, the importance of those limits in Catholic social teaching has grown along with the awareness of economic interdependence. As a result there is also growing emphasis in Catholic social teaching on economic distribution, state intervention and especially on the limits of the marketplace, the playing field of autonomous economic decisions, as a normative determinant of the social goals inherent in human nature.

The shift in emphasis from natural law reasoning to theological interpretation of Scriptural sources of Catholic faith for the moral grounding of Catholic social teaching in recent documents like the *Puebla* document and in the Pastoral Letter of the U.S. bishops on the U.S. economy has reinforced these tendencies with the elaboration of concepts of human solidarity and the preferential option for the poor. This development further separates the premises about the human person in Catholic social teaching from those inherent in the theories of rational decisionmaking grounded in an economic theory whose definition of the human person is implicitly determined by the aggregate behavior of autonomous maximizers.

If there happens to be consensus among the members of society about ethical priorities based on Church teachings about the human person there may obviously be some logical convergence between the use of the optimization criteria in economic welfare analysis and the common good. In such cases economic analysis can help to identify and empirically clarify explicit tradeoffs and opportunity costs (i.e., the value of foregone alternatives) of specific economic policies aimed at broad goals embodied in the common good. The link between peace and economic justice, for example, has been made in Catholic social teaching at least since *Populorum Progressio* of Paul VI, and the U.S. bishops specifically refer to the political,
economic, social and moral opportunity costs of U.S. defense expenditures. Clearly the bishops find the principles of normative economics useful, though there are obviously opportunities for much more detailed analysis than they offer themselves in these complex areas.

At the same time the methodology of economics can help to identify and clarify tradeoffs of economic targets that are only implicit within the broad scope of policies affecting the international common good and thus not always immediately apparent. This can be especially useful in analyzing policies that have effects on the distribution of wealth and income, which are a central concern in Catholic teaching about the common good. Failure to analyze these adequately can lead to inconsistent, even incompatible, policy recommendations.

In their Pastoral Letter on the Canadian economy, for example, the Canadian bishops deplore the vulnerability and marginalization of the world's poor in the international economy. Yet they propose for Canadian labor greater emphasis on "socially-useful forms of production" in which they include more labor intensive industries and more national economic self-sufficiency. They fail to note that the measures necessary to achieve these objectives would presumably entail either import restrictions against the labor intensive products of the poor of the rest of the world or a decline in wage levels of Canadian workers to levels of their poorer competitors abroad. The U.S. bishops are consciously aware of the conflicting priorities that economic interdependence generates, especially of those that arise between domestic needs and those of the Third World poor. They explicitly ask the questions of who benefits from specific policies and how can costs and benefits be shared, while they refer explicitly to the problems of job displacement in the U.S. created by free trade with low-income countries. In so doing they acknowledge the fundamental principle of economic scarcity and implicitly suggest opportunities for further application of economic analysis.

It is when there is no consensus that a divergence becomes apparent between behavior prescribed by the ethical teaching about the human person in Catholic social teaching
and the aggregate behavior of "rational" maximizers. For a subscriber to Catholic social teaching this divergence reveals the inadequacy of welfare analysis based on the optimization of existing aggregate behavior as a measure of the common good. It is not surprising then that the U.S. bishops decry the lack of a "common moral ground" and the "decline in the nation's sense of a common social purpose" as an obstacle to social justice in the United States.83

It may be objected that the assumptions of autonomous individualistic behavior in economic welfare analysis more closely represent the variety of liberal pluralism that characterizes contemporary American democracy than does a common good defined independently of the evaluations of the members of the society. Some economists have noted the divergence and have reduced the latter approach to "an authoritarian system of preference determination" that is "incompatible with a normative theory of public finances in a democratic setting."84 The U.S. bishops themselves have recourse to something akin to democratic principles in defending the rights of the poor to participate in the economic decisions that affect their lives.

In mainstream economic analysis of the optimal provision for public and private goods the premise, as expressed by Richard Musgrave, is that, while the provision of public goods cannot be based simply on the "idea of voluntary exchange," nevertheless, "the satisfaction of social wants must be based on the preferences of individual consumers or voters," and not on a source independent of the preferences of the individuals in the group.85 Normative economics extends the rationality of economic maximization beyond the marketplace to the provision of public goods, even to the socially optimal provision of marketable goods like food and housing that may be inadequately provided to some members of society through private markets.86 However, its analytic basis for doing so requires acceptance of a given aggregation of individual preferences, e.g. about income distribution, as the basis for analysis. If that aggregation is not ethically acceptable according to a reading of the common good in Catholic social teaching, the usefulness of economic analysis is limited. Even then the dismal science
can at least help clarify the gap between the ideal and the actual and perhaps the directions where individual conversion is most needed.

Classically oriented economists, since Adam Smith first compared the loss of one’s little finger to a disastrous destruction of China, have tried to apply principles of rational choice derived from market criteria to the provision of social goods without reference to moral criteria other than self-interest. Following Adam Smith’s allusion to the impact of interpersonal relationships on personal decisions some economists defend a “robust zone of indifference” in human behavior “where one has no cause to be concerned over the effects of one’s acts on others.”87 The robust zone of indifference, however, applies only to strangers and not to communities of persons, i.e. not to “family, neighborhood,...club,...tribe, racial or religious group or...nation,” all of which are communities in which other mechanisms of distribution are called into play.88 Given these definitions Catholic social teaching about the universal common good of an increasingly interdependent human community and about a deliberate option for the poor would appear to sanction something less than a robust zone of indifference for economic behavior based on market criteria.

Nevertheless, some economists have ingeniously tried to extend the theory of rational choice to the ethical order by using it, for example, to define an ethical norm for income distribution based upon maximization of self-interest under certain premises assumed to be ethically neutral. Mancur Olson, for example, has interpreted the Rawlsian analysis of economic justice under the “veil of ignorance” as a special application of “maximin” analysis when applied to the distribution of income in which the members of society maximize their self-interest when they agree to maximize the income of the worst off member. Olson adds an assumption of the diminishing marginal utility of income, as validated in the probability reasoning of game theory, to the Rawlsian assumption of ignorance of all information that could create an incentive for self-interested behavior and concludes that the members of society act rationally when they opt for equality of income distribution.89
Such analyses are technically impressive and suggest normative criteria for decisionmaking under certain conditions of ignorance, e.g. in the provision of insurance for an uncertain future. They do not, however, resolve ethically loaded tradeoffs relevant to the common good, e.g. between personal liberty and the social consequences of maximizing behavior in economic matters that influence the meaning or content of that liberty. Nor do such analyses resolve the conflict between the priority given to autonomous personal preferences in microeconomic analysis and the priority given to independent criteria such as the social nature of the human person and human solidarity derived from natural law reasoning and Scriptural interpretation in Catholic social teaching. Rawls acknowledges that personal beliefs are given from outside the theory of rational choice, but in so doing creates a marketplace of competing beliefs in his theory of justice when he assumes that the parties involved, e.g. members of society, "are conceived as not taking an interest in one another's interests. They are to presume that even their spiritual aims may be opposed, in the way that the aims of those of different religions may be opposed."\textsuperscript{90}

Nevertheless, creative extensions of rational choice analysis into value-laden areas of investigation help the economist to clarify the points at which value premises shape the analysis. The use of positive economic analysis to interpret Catholic social teaching in the American context, for example, helps to identify the points in public discourse about the Pastoral Letter of the U.S. bishops at which debate turns from ethics and economics to political ideology and to polemical defense of personal or group self-interest.

The methodological challenges of relating economics and Catholic social teaching are lightened somewhat by the evolution in that teaching away from the importance given to an authoritative self-contained body of doctrine in earlier documents to the acknowledgment of individual conscience in later documents, especially in those of the U.S. bishops. This acknowledgment, coupled with openness to the role that empirical observation, the "signs of
the times" and positive analysis can play in the formation of individual conscience, goes a long way towards acceptance of a pluralism of perceptions and behavior in the quest for social policy.

The U.S. bishops explicitly acknowledge the possibility of different conclusions among those who share the same moral objectives and "welcome debate" from Catholics and others. Indeed, the prospect of openness of Catholic social thought to historical economic analysis, including Marxist variations, as well as empirical positive analysis since the time of Paul VI has given a new slant to old American criticisms of ecclesiastical authority. The Church, however, does not appear ready to maximize individual conscience at the cost of relinquishing its authority to supply the moral and ethical premises lacking in positive analysis and to demonstrate their applicability in policy analysis.

Hence, if the common good is to have operational meaning for economic applications of Catholic social teaching, the methodological challenges that have arisen with the evolution of that teaching and with the extension of principles of economic analysis to larger areas will need to be addressed. If individual consciences are to be formed in ways that are convergent with an authoritative and transcendent social message and mission of the Church, more attention will need to be paid to the ways in which natural law, Scripture, historical and positive analysis can be linked to provide a moral base for economic policy that can be persuasive. At issue for the economist are nothing less than the still elusive links between measurable inequalities and economic justice as well as the bridge between the increasingly pervasive use of economicistic norms of rational behavior and a social order ultimately based on transcendent values of truth and love.
NOTES


2 Ibid.

3 "to suffer and endure is human...if [some] promise the poor in their misery a life free from all sorrow and vexation...they actually impose upon these people and perpetuate a fraud...The best course is to view human affairs as they are...and to seek appropriate relief for these troubles elsewhere," Leo XIII, Rerum Novarum, Par. 27 as reproduced in Justice in the Marketplace: Collected Statements of the Vatican and the U.S. Catholic Bishops on Economic Policy, 1891-1984 (Washington: United States Catholic Conference, 1985), p. 20.

4 Ibid. Par. 28, p. 20.


7 Rerum Novarum. op. cit., Par. 48-49, p. 27.

8 Ibid. Par. 50, p. 28.

9 Ibid.

10 Ibid. Par. 51, p. 28.


14 Message to Catholic Physicians, Sept. 11, 1956, cit. in Calvez and Perrin, op. cit., p. 117.

15 Christmas Message, December, 1941, as reproduced in Justice in the Marketplace, op. cit., p. 98.


17 Quadragesimo Anno, loc. cit., Pars 42-43, p. 56.

18 Christmas Message, December, 1942, loc. cit., pp. 103-104.


21 *Quadragesimo Anno, loc. cit.*, Par. 49, p. 58.


24 *Mater et Magistra* as reproduced in *Justice in the Marketplace, op. cit.*, Par. 55, p. 115.


28 *Pacem in Terris, loc. cit.*, Par 126, p. 169.


34 *Gaudium et Spes: Pastoral Constitution on the Church in the Modern World* as reproduced in *Justice in the Marketplace, op. cit.*, Par. 71, p. 192.


43 Ibid., Pars. 57-61, pp. 215-217.

44 Ibid., Par. 58, p. 216.


46 Ibid.

47 Ibid., Par. 23, p. 235.

48 Populorum Progressio, loc. cit., Pars. 23, 76.

49 Ibid., Par. 38, p. 240.

50 Ibid.

51 Ibid., Par. 24, p. 207.

52 Ibid.

53 Ibid., Par. 26, p. 208.

54 Octogesima Adveniens as reproduced in Justice in the Marketplace, op. cit., Par. 26, p. 236.

55 Ibid., Par. 31, p. 237.

56 Ibid., Par. 45, p. 243.

57 Evangelii Nuntiandi as reproduced in Justice in the Marketplace, op. cit., Par. 30, p. 271.


60 Ibid., Par. 1139, p. 178.

61 Ibid., Pars. 1136 and 1155, pp. 178, 180.

62 Ibid., Par. 1160, p. 181.

64 *Ibid.*, Par. 311, p. 80.


85 Ibid., pp. 86-87.


88 Ibid.


90 Rawls, loc. cit., p. 111.

91 Catholic Social Teaching and the U.S. Economy, loc. cit., Par. 32, p. 261.