

# Introduction

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This book examines democratic governance in Latin America in the post-1990 period. Constructing more effective democratic governance is the greatest challenge that faces most Latin American countries today. It entails governing both democratically and effectively. Successful democratic governance is successful governance within a democracy; it refers to the government's and state's ability to deliver goods and guarantee rights that are important for citizen well-being, within the rules and institutions of a democracy. Successful democratic governance means that governments succeed in maintaining a reasonably high quality of democratic practice, protect citizen rights, help their countries advance economically, provide citizen security, and help address the serious social problems (poverty, income inequalities, poor social services) that afflict, albeit to very different degrees, Latin American countries.

As a region, Latin America has made tremendous gains since 1978 in terms of governing democratically. However, only a few countries in the region, Chile and Costa Rica, and to a lesser degree Uruguay and Panama, have with a minimum degree of consistency met the challenge of governing both democratically and effectively since the early 1990s.

We map the variance in Latin America in how successful countries have been in democratic governance and attempt to advance understanding of why some policies and countries have been more successful in democratic governance than others in this period. We seek to understand differences in the success of democratic governance in three crucial policy areas—economic policy, social policy, and state capacity to provide

citizen security—and across different countries. We chose these three policy areas because of their profound impact on individual life opportunities and on questions such as regime legitimacy.

Successful democratic governance is different from two related issues: the quality of democracy and the quality of governance. Successful democratic governance as we understand it is not the same as the quality of democracy. Democratic governance is mostly a top down phenomenon; it refers to how well democratic governments and states are functioning. In contrast, for most scholars, the quality of democracy refers to the “democraticness” of the political regime, that is, to how democratic the regime is. Most analyses of the quality of democracy have focused exclusively on democracy’s procedural aspects (see Chapter 1 for an extended discussion). As we conceive it, good democratic governance also entails looking at policy results. It means not only governing democratically, but also governing effectively. Our project also differs from analyses of effective governance (Kaufmann, Kraay, and Mastruzzi 2006) because we focus specifically on democratic governance.

Identifying conditions that account for successful democratic governance is important for both scholars and practitioners. The literatures that address discrete pieces of this research puzzle are extensive. For example, considerable literature analyzes the factors that promote economic growth (see the chapters by De Gregorio, Rodríguez, and Foxley in this volume). The literature on social policy is also prolific (see the chapter by Huber and Stephens). Yet little has been written on successful democratic governance as a whole.<sup>1</sup> There are good reasons to focus most research on narrower and more easily specifiable dependent variables than we do in this volume. Nevertheless, it is also important on occasion to undertake broad integrative purviews. Sometimes they suggest connections that are less apparent through less panoramic lenses, and they usefully call attention to big questions that do not always come to the fore with more delimited projects.

We undertake a panoramic, interdisciplinary project because effective democratic governance involves formulating and implementing policies in a way that cuts across disciplines. Policy formulation and implementation under democracy is not a matter of technocrats devising an ideal policy. Rather, it involves complex interactions between governments’ policy ideals and political negotiations and conflicts. These interactions can best be illuminated through an interdisciplinary dialogue. The potential for a fruitful interdisciplinary dialogue seemed propitious in this case. As we note in Chapter 1, many economists have called attention to the importance of institutions in promoting economic growth. Usually, however, economists have been vague in specifying which institutions are important in fostering growth.<sup>2</sup> Because political scientists and sociologists tradi-

tionally paid more attention to institutions than economists, it seemed possible that a multidisciplinary exchange on this issue might be fruitful. Economists have been attentive in recent years to the importance of “the politics of policies,” to borrow the title of a recent publication by the Inter-American Development Bank (2005), and on this point, too, a dialogue across disciplines seemed potentially fruitful, because political scientists have devoted more attention to this issue than economists. Economists, sociologists, and political scientists grapple with the important yet difficult question of the generalizability of knowledge, and we saw potential for a meaningful exchange and mutual learning on this point. Moreover, economists can help inform the debate among the political scientists about what policies are more likely to promote success. Finally, we hoped that cutting across important policy areas and combining them with three country studies could generate synergy in understanding what policies and institutions have favored success in contemporary Latin America.

#### DEFICIENT DEMOCRACIES

Beginning with transitions to democracy in the Dominican Republic (1978), Ecuador (1979), and Peru (1980), Latin America experienced a burst of democratization from 1978 until 1992. A region that previously had always been predominantly authoritarian became predominantly democratic. Whereas in the past democratic breakdowns had been common, in the post-1978 period they have been rare.

Yet since the late 1990s, frustration with deficiencies in many of these competitive regimes has grown (Mainwaring 2006; O'Donnell 1993, 1999, 2003; UNDP 2005). Many regimes in Latin America are semi-democratic rather than full democracies because of limits to freedom, poor ability to protect human rights, or lack of civilian control of the military. The economic performance of most Latin American countries languished from the great debt crisis of the early 1980s until 2003 (De Gregorio, Chapter 2). Per capita income in much of the region fell between 1998 and 2003, leaving a majority of Latin Americans poorer than they were in 1996. Most countries experienced tepid progress in reducing poverty between 1982 and 2003.

In recent years, this frustration has culminated in the forced ousters of many democratically elected presidents and the revitalization of the left. Angry demonstrations by Bolivia's poverty-stricken indigenous population forced presidents to resign in 2003 and 2005. In this decade, two other South American presidents were forced from office by discontented, mobilized citizens (Pérez-Liñán 2007).<sup>3</sup> Venezuela remains deeply polarized between supporters and opponents of President Hugo Chávez.

The rule of law is precarious in most countries (O'Donnell 1999; Brinks 2004, 2008). An ineffective judiciary and incompetent and frequently corrupt police forces have failed to protect citizen security and citizen rights. According to the 2008 Latinobarómetro survey carried out in 18 Latin American countries, only 57% of respondents agreed that “Democracy is preferable to any other kind of government.”

In two ways, this disappointment and frustration with the low quality of democracy in many countries provide the context for this book. First, the book attempts to contribute to thinking about ways to improve democracy in Latin America. Second, sometimes lost in the disappointment and frustration with poor performance in most countries is the fact that performance has varied markedly across countries. This variance provides one of the main themes of this book.

Because the shortcomings of most democratic governments in Latin America since 1990 have been so conspicuous, most scholarship has focused on these deficiencies. This scholarship has illuminated important issues. But success is possible, and examining variance in success is important for both intellectual and political reasons. Intellectually, there has been little systematic interdisciplinary exploration of what makes for successful democratic governance. The relatively successful cases might provide valuable lessons for the rest of the region. Politically, as Navia and Walker point out in this volume, if frustration about the limited capacity of most Latin American democratic governments to deliver policy goods deepens, it is likely to pave the way for populist leaders (e.g., Presidents Hugo Chávez of Venezuela, 1999–present; Evo Morales of Bolivia, 2006–present; Rafael Correa of Ecuador, 2007–present). These populist leaders tend to implement policies detrimental to the future of their countries, frequently have tenuous commitments to democracy, and sometimes exacerbate tensions in the inter-American system. If citizens believe that democracy is not satisfying their needs, there are likely to be more electorally successful populist and nondemocratic (as well as often antimarket) politicians who offer no sustainable hope for their countries. For this reason, one message of this project is that democracy in Latin America can succeed.<sup>4</sup>

#### ORGANIZATION OF THE VOLUME

The book is structured around three sets of essays. In Chapter 1, we propose a way to measure success in democratic governance in Latin America, and we compare 20 Latin American cases according to the dimensions we outline.

Six chapters examine keys to promoting economic growth, reducing poverty, and building democracy from cross-national perspectives. José De Gregorio, Francisco Rodríguez, and Alejandro Foxley analyze economic development under democracy. What have we learned about how to effectively promote economic development under democracy? Evelyn Huber and John Stephens discuss social policy. What approaches are more likely to reduce poverty, address inequalities, and improve the public provision of education and health? Daniel Brinks examines one of Latin America's thorny problems related to democratic governance: the difficulty in establishing equal rights for citizens related specifically to police killings. How can Latin American countries simultaneously improve public security and promote equal rights for citizens? Patricio Navia and Ignacio Walker call attention to the importance of building strong institutions in creating the conditions for successful democratic governance and avoiding the perils of populism.

We complement these thematic chapters with three country cases: by Alan Angell on Chile, Fernando Henrique Cardoso on Brazil, and Mitchell Seligson and Juliana Martínez on Costa Rica. Our idea was that it could be useful to examine variance in success in democratic governance by looking at some relatively successful countries in addition to looking at thematic issues. In the indicators of successful democratic governance that we employ in Chapter 1, Chile and Costa Rica stand out as the two most successful countries in post-1990 Latin America. If any Latin American countries offer lessons for successful democratic governance, these two are the most likely contenders. We therefore asked Angell and Seligson and Martínez to explain why Chile and Costa Rica have been more successful in many respects than the rest of Latin America, and to address whether Chile and Costa Rica offer policy lessons for other countries. In his chapter, Cardoso reflects on his experience over the course of a decade as Brazil's Finance Minister (1993–1994), and subsequently as President (1995–2003). His essay offers insights into what transformed Brazil from a country that performed poorly on a wide array of critical dimensions (inflation, poverty reduction, international credibility) between 1985 and 1993 into a moderate success story since then.

Our conclusion pulls together lessons from this volume and beyond about democratic governance in Latin America, focusing primarily on the political aspects of democratic governance. The post-1990 period has generated new perspectives on a range of issues related to democratic governance. These new perspectives, however, have not often been systematized.

José Miguel Insulza closes the book with reflections based on his experience as Secretary General of the Organization of American States

and the longest serving cabinet member in Chile's history. His reflection, originally delivered as the keynote address for our conference and subsequently updated for this book, underscores some of the salient challenges and successes in democratic governance in contemporary Latin America.

The project brought together political scientists and economists from Latin America, the United States, and the UK, and six distinguished Latin American leaders who also have impeccable academic credentials (Fernando Henrique Cardoso, Alejandro Foxley, José De Gregorio, José Miguel Insulza, Francisco Rodríguez, and Ignacio Walker).<sup>5</sup> Cardoso was President of Brazil from 1995 to 2003, and he earlier served as Senator and Finance Minister. Before that, he was one of Latin America's most distinguished sociologists and the founder of a major research center, CEBRAP. Foxley has served as Finance Minister, Senator, and Minister of Foreign Affairs in Chile. He enjoyed a distinguished career as an economist before entering public service. Insulza has served as a Minister, Ambassador, Vice President, and Secretary General of the Organization of American States, and he also worked as a researcher and professor in Mexico. De Gregorio is Director of the Central Bank in Chile, and he has also worked in the academic world. Rodríguez was chief economist for the Venezuelan National Assembly; he is now Director of Research at the Human Development Report Office. Walker has served as a federal deputy, ambassador, and Minister of Foreign Affairs for Chile, with stints in the world of research and teaching. Their high level public service and their outstanding intellectual skills give these individuals a distinctive perspective for understanding and articulating the salient challenges of democratic governance in contemporary Latin America.

These individuals with leadership experience in public life enrich the variety of voices that contributed to our enterprise. More important, they ensure that we did not engage in academic work disconnected from the realities experienced by leaders who try to improve democratic governance. We aspired to produce a book that makes a scholarly contribution to understanding problems of great importance, in a manner that illuminates policy debates about these issues, and that appeals to a public beyond the academic world that both of us inhabit and cherish.

#### *Notes*

1. Domínguez and Shifter (2003) address related themes and provide a good overview of themes and countries, but without the sustained focus on successful democratic governance.

2. We do not definitively resolve which institutions are important for growth, but several authors in this volume underscore the importance of state institutions and party system institutionalization in fostering successful democratic governance.

3. Fernando de la Rúa of Argentina in 2001 and Lucio Gutiérrez of Ecuador in 2005. In addition, Peruvian President Alberto Fujimori was forced to resign in 2000 only months after his election. Popular mobilization was less important in his resignation.

4. Along related lines, see Grindle's (2004) plea for more attention to developmental successes. Grindle notes that most of the literature focuses on failures.

5. All but Insulza have PhDs from renowned universities: the University of São Paulo, Wisconsin, MIT, Harvard, and Princeton, respectively. Insulza has an MA degree and taught at one of Mexico's best universities.

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