PLAS
PITT LATIN AMERICAN SERIES

Authoritarianism and Corporatism in Latin America

JAMES M. MALLOY, Editor

AUTHORITARIANISM and CORPORATISM *in Latin America*

JAMES M. MALLOY, Editor

UNIVERSITY OF PITTSBURGH PRESS

Feffer and Simons, Inc., London
Manufactured in the United States of America

First printing 1977
Second printing 1979

Library of Congress Cataloging in Publication Data

Main entry under title:

Authoritarianism and corporatism in Latin America.

(Pitt Latin American series)
"Outgrowth of a conference . . . held at the University of Pittsburgh in April 1974."
Bibliography: p. 529
Includes index.
1. Latin America—Politics and government—1948— —Congresses. 2. Corporate State—Latin America—Congresses. 3. Authoritarianism—Congresses. I. Malloy, James M.
JL958.A9 1976 320.9'8'003 76-6669
ISBN 0-8229-3328-4
ISBN 0-8229-5275-0 pbk.

PITT LATIN AMERICAN SERIES

AUTHORITARIANISM AND CORPORATISM IN LATIN AMERICA

Preface

Periodically social scientists find it necessary to rethink and reevaluate the conceptual tools they use to analyze the substantive problems of the societies they observe. During the past several years such a process of reevaluation has been going on among analysts concerned with problems of political economy in the context of Latin America. This process has been spurred on in part by the appearance in the region during the 1960s of a number of "modernizing-authoritarian" regimes and the discovery by social scientists that most of our concepts and theories were inadequate tools with which to analyze these regimes. Thus, there developed a renewed interest in "authoritarianism," both as a specific type of regime and as a political approach to the problems of economic development and modernization.

In attempting to come to grips with the phenomenon of modernizing-authoritarian regimes, many analysts began to point out that the standard theoretical frameworks applied to Latin America, while useful, did not provide sufficient help to analyze a number of crucial dimensions of the contemporary political economy of the region. Specifically, they were inadequate to analyze the important role of the state in Latin America or to deal with the complex process by which the interactions between the state and organized societal groupings have been structured and restructured over time. In approaching these issues many scholars have suggested that the concept of "corporatism" provides a more useful theoretical perspective to study the relationships between state and society in Latin America.

These intellectual developments have set off a generalized debate among Latin American specialists regarding the theoretical and conceptual perspectives through which the substantive problems of the region are approached. Increasingly the debate has centered around the question of the use or abuse of the concepts of authoritarianism and corporatism. This book tries to contribute to this debate. In my view, the debate is an important attempt to deal with crucial issues and

cannot be passed off simply as reflecting the propensity of social scientists periodically to indulge themselves in intellectual faddishness.

This book is the outgrowth of a conference on authoritarianism and corporatism in Latin America held at the University of Pittsburgh in April 1974. For three days a group of twenty Latin American specialists met to present papers and to debate the issues raised by the papers. Over the next year the participants exchanged various revised drafts of their papers for further criticism and discussion. The chapters by Evelyn P. Stevens and Henry A. Dietz were solicited by the editor subsequent to the conference. While we sought to develop a coherent and integrated volume of papers, uniformity of views was neither sought nor achieved; each author assumes responsibility for the views set forth in his or her chapter.

As editor of the volume my thanks go first to the contributors, both for the excellence of their papers and for their willingness to make an editor's lot easier by meeting a very tight schedule of deadlines. I would also like to acknowledge the generous financial support of the University of Pittsburgh's Center for International Studies, which made the conference possible, and the unflagging cooperation of the center's director, Carl Beck. My thanks also go to Cole Blasier, Carmelo Mesa-Lago, and the staff of the University of Pittsburgh's Center for Latin American Studies for their invaluable help in planning the conference. I would also like to thank Alfred Stepan and Ronald Newton, who attended the conference and made numerous contributions to our discussions.

I think all the participants at the conference would agree that our meetings benefited immensely from the active participation of an outstanding group of graduate students specializing in Latin American studies at the University of Pittsburgh. Thanks and recognition are owed to Luis Abugattas, Helen Douglass, Silvio Duncan Baretta, German Garrido, Judith Ludvick, Mark B. Rosenberg, and Mitchell Seligson.

I owe special thanks to Helen Douglass and Mark Rosenberg for their tireless help in organizing the conference and the volume and for the important contributions they made to my two papers. My thanks also go to Linda Perkins, who helped in numerous ways to prepare the papers for presentation to the publisher. Finally, I would like to thank Beth Luey for the excellence with which she carried out the grueling job of copy editing the entire manuscript.

Contents

Preface *ix*

I. Introduction

1. Authoritarianism and Corporatism in Latin America: The Modal Pattern
   James M. Malloy *3*

II. Authoritarianism, Corporatism, and the State

2. The Politicized State in Latin America
   Douglas A. Chalmers *23*
3. Corporatism and the Question of the State
   Guillermo A. O'Donnell *47*
4. Back to Weber: Corporatism and Patrimonialism in the Seventies
   Simon Schwartzman *89*

III. Comparative and Case Studies

5. Corporatism, Clientelism, and Partisan Conflict: A Study of Seven Latin American Countries
   Robert R. Kaufman *109*
6. The Politics of Economic Stabilization in Postwar Latin America
   Thomas E. Skidmore *149*
7. Mexican Business and Public Policy
   John F. H. Purcell and Susan Kaufman Purcell *191*
8. Mexico's PRI: The Institutionalization of Corporatism?
   Evelyn P. Stevens *227*
9. Pluralist and Corporatist Dimensions of Interest Representation in Colombia
   John J Bailey *259*

10. Corporatist Control of the Working Class: Authoritarian Brazil Since 1964
Kenneth S. Mericle 303
11. Corporate Strategies in the Dominican Republic: The Politics of Peasant Movements
Kenneth E. Sharpe 339
12. The Politics of Authoritarianism in Spanish America
David Scott Palmer 377
13. Bureaucratic Demand-Making and Clientelistic Participation in Peru
Henry A. Dietz 413
14. Authoritarianism and Corporatism: The Case of Bolivia
James M. Malloy 459

IV. Conclusions and Implications

15. Who Does What, to Whom, and How: Toward a Comparative Analysis of Latin American Corporatism
David Collier and Ruth Berins Collier 489
16. Authoritarianism and Corporatism in Latin America: A Review Essay
Silvio Duncan Baretta and Helen E. Douglass 513

Biographical Notes 527
Selected Bibliography 529
Index 543

1

Introduction

JAMES M. MALLOY

1

Authoritarianism and Corporatism in Latin America: The Modal Pattern

For the foreseeable future at least, "modernizing authoritarian" regimes will remain a part of political life in Latin America. This fact has forced a rethinking of much of the conventional wisdom regarding the area, be it based on Marxist or liberal democratic theoretical foundations. The recent experiences of Brazil, Argentina, and Peru, and the discovery that behind the façade, Mexico is really an authoritarian system, have led many to suggest that the region is generating a "new path" to development which, if it is to be understood, demands the fashioning of new conceptual approaches to the analysis not only of these regimes but of the region as a whole.[1] Central to this rethinking is the recognition that authoritarian regimes are not historically doomed to extinction as societies modernize and develop but are potentially viable (if unpleasant) modes of organizing a society's developmental efforts. Indeed, one author has persuasively argued that authoritarian regimes of a certain type are actually a product of high levels of modernization in the Latin American context.[2] Whichever is the case, it is now generally agreed that authoritarian systems constitute a regime type which must be understood in its own terms and within which it is possible to delineate a number of subtypes.

While the significance of the concept of authoritarianism as a regime type has been largely accepted, there remains some confusion regarding the delineation of subtypes, particularly when one comes to grips with authoritarian regimes that are self-consciously oriented toward the development and modernization of their respective societies. Thus, the terms bureaucratic authoritarianism, populist authoritarianism, and military populism have all recently been offered as ways of talking about specific modernizing authoritarian regimes in the area—with Juan Perón and Getúlio Vargas representing populist authoritarianism, Peru

since 1968 military populism, and Brazil since 1964 bureaucratic authoritarianism.[3] These distinctions are undoubtedly useful in that they point out significant differences among these regimes in terms of the role of charismatic leadership, group coalitions supporting regimes, and differences in policy emphasis and developmental strategies. These, in turn, have been effectively traced to the varying levels of development achieved by the different countries when the specific regimes appeared.

Despite the important differences unearthed by this approach, others have pointed out an overarching similarity in structure and organizational principles among the regimes just mentioned and other authoritarian systems such as Mexico's. The critical point of similarity is that each of these regimes is characterized by strong and relatively autonomous governmental structures that seek to impose on the society a system of interest representation based on enforced limited pluralism. These regimes try to eliminate spontaneous interest articulation and establish a limited number of authoritatively recognized groups that interact with the governmental apparatus in defined and regularized ways. Moreover, the recognized groups in this type of regime are organized in vertical functional categories rather than horizontal class categories and are obliged to interact with the state through the designated leaders of authoritatively sanctioned interest associations. This mode of organizing state and society has aptly been termed "corporatism."[4] Viewed from this perspective, the conceptual problem in the Latin American context can be broken down to three levels of analysis: (1) a general level of regime-type authoritarianism of which there can be many variants, running from an old-fashioned caudillo such as Anastasio Somoza to a sophisticated regime such as Brazil's; (2) an overarching subtype "corporatism" which is defined in terms of structural and organizational principles; and (3) a series of subtypes within corporatism (those noted above) defined in terms of the roles of leaders, supporting coalitions, and policy strategies. Thus, corporatism can be seen as a major authoritarian theme upon which there can be different variations.

Among those who address themselves to these questions there is considerable disagreement as to the factors, both regional and country-specific, that account for the emergence of corporatist authoritarian regimes. Some authors stress a Hispanic-Catholic tradition that has long lain dormant in the region and is presently asserting itself.[5] Others go a step further and point to a persistent de facto mode of group formation and conflict always present in the region behind the façade of previous liberal democratic constitutional forms.[6] From either of these two perspectives, one might say that the emergence of an authoritarian corporate regime in a given country represents less a breakdown of

democracy into authoritarianism than a break-out from a grafted liberal democratic structure of an underlying mode of political organization. Be that as it may, others who recognize the significance of these two factors rightly point out that they alone cannot account for the emergence of authoritarian corporate regimes and particularly their orientation toward the promotion of development and modernization.[7]

For these authors, the problem must be placed in its developmental focus. To do this, one must take into account the level of development achieved by specific countries and the international context of development impinging on the region as a whole and on specific countries. Those who approach the question from this more complex and historically specific developmental context have pointed to two important processes that are closely linked to the emergence of authoritarian corporate regimes. First, they point to the crucial fact that the region as a whole and countries within it began to develop later than the advanced industrial states; therefore, the nations of Latin America confront the process from different vantage points and different perspectives. One critical aspect of this lateness is the fact that all of the nations of the region are based on economies that are to one degree or another dependent on and influenced by the more advanced industrial states. In brief, the first factor of significance is the phenomenon of "delayed dependent development."[8] The second factor is connected with the fact that throughout a large part of the region the most significant political movements that have sought to promote reform and change since the 1920s and 1930s were based, in some fashion or other, on an orientation generally called "populism."[9] The term is no doubt vague and embraces a variety of political movements. Most agree, however, that the phenomenon of populism has been critical in the region. Thus, besides the Hispanic tradition and de facto modes of group conflict, two processes rooted in the region's twentieth-century developmental experiences are closely linked to the emergence of corporatist authoritarianism. These are the phenomena of delayed dependent development and populism.

Delayed Dependent Development

The contemporary trend toward authoritarian corporatist regimes in Latin America must be viewed against the backdrop of the region's previous pattern of economic development, which is best described as delayed dependent capitalist development. In this chapter, then, authoritarian corporatist regimes are seen as responses to a general crisis of public authority brought about by the multiple effects of delayed dependent development. More specifically, the problem to which these

regimes have responded has been that of integrating a multiplicity of societal interests into a decision-making structure that guarantees a minimum of political stability and allows decision makers to launch development-oriented policies. By and large, formally democratic regimes have been unable in the Latin American context simultaneously to integrate societal actors and to sponsor development, thus leading to the predisposition in many countries to adopt authoritarian corporatist solutions.

In this chapter, we will examine in broad terms the major sequences in the region's development pattern with the aim of linking the phenomena of delayed dependent development, populism, corporatism, and authoritarianism. Particular attention will be paid to the phenomenon of populism, which from the 1930s on was the most significant type of political movement in the entire region and, in my view, is the most important direct link between delayed dependent development and corporatist authoritarianism. In brief, the argument of this chapter is that populism was a general regional response to the first crisis of delayed dependent development. In both orientation and practice, populism was at least implicitly corporatist but left open the question of whether it would establish corporatist structures within a formally democratic or authoritarian framework. Both variations were attempted at various times in different countries. By and large, however, not only did populist elites fail to resolve the underlying crisis, but because of internal contradictions within the movements, in most cases they actually exacerbated the situation. They thereby contributed to an environment which tended to give rise to the more blatant authoritarian corporatist regimes we see in the region today.

The phenomena of delayed development and external dependence in Latin America have been examined at length by numerous scholars. In brief, this pattern of development took place during the end of the nineteenth and the beginning of the twentieth century in response to stimuli emanating from the more industrialized capitalist states of Western Europe and the United States. As a result, the various nations of the region were integrated into an international capitalist market system where they functioned mainly as suppliers of raw materials and consumers of manufactured goods. For the most part, economic growth and modernization in the region were the results of an outward-oriented growth model which overemphasized development of the export sectors of the local economies.

The outward-oriented growth model had numerous secondary effects on the nations of the region. In the first instance, the local economies became increasingly dependent on an international market structure over which they had little or no control. In addition, internal develop-

ment was extremely unbalanced, which in turn led to a local situation of structural dualism: The nations of the region experienced a differentiation into a relatively modern urbanized sphere based on the export sector and a more traditionally organized and more backward agricultural sphere. The former dominated and exploited the latter, thereby recapitulating within the countries of the region the phenomenon of the dependency of a more backward periphery on a more advanced center. Thus, by the 1920s, a major characteristic of the region was an interlocking hierarchy of dependency structures descending from the advanced industrial center, through the various states of Latin America, and into the most backward regions of the various nations.

Development during this period did not eliminate previous societal patterns in the region but added onto them more modern, externally derived patterns, creating the general Latin American phenomenon that Charles Anderson has labeled the "living museum."[10] Internally, the countries of the area were cleft along myriad lines of division and potential conflict that cut along regional, racial, cultural, caste, and class lines. Internally, these powerful centrifugal tendencies were held in check by a powerful local elite of landed, export, and commercial interests—often referred to as the oligarchy—that was able to assert its hegemony through control of the state. The key to this pattern of elite control was a de facto internal structure of vertically organized patron-client networks based on an internal hierarchy of dependency and dominance that pervaded the nations of the region. These vertically ordered patron-client networks, as Julio Cotler has shown for Peru, ran from the local center to the local periphery, cutting across class, caste, and regional lines, thereby fostering highly particularistic orientations and vitiating mobilization along horizontal lines of class or caste.[11] Particularism, along with the multiple lines of cleavage, fostered a columnar social structure which has been excellently described by scholars such as Kalman Silvert and Ronald C. Newton.[12] Thus, in one sense, the various nations of the region manifested the invertebrate social structure that José Ortega y Gasset described in Spain.[13]

The tendency for this type of society to fly apart was held in check somewhat by a hegemonic elite in effective control of authority and the interlocking clientelistic nets descending from national elites down into intermediary and local subelites. Internally interconnected points of dependence created a vertically structured system of interdependence which tended to hold the parts of the system together.

A central social grouping to appear during the first stage of export-based development was a new urban middle class. As a product of delayed export-based development rather than autonomous industrial development, the Latin American middle class differed markedly from

the middle class in the industrial center. In the main, it was a class of liberal professionals and public and private white-collar employees who were dependent in the sense that they did not control hard sources of wealth but lived off wages, salaries, and fees. A large sector of the middle class depended on public employment, a phenomenon often referred to as premature bureaucratization: the tendency of the formal governmental apparatus to expand faster than underlying socio-economic structures. This pattern of premature bureaucratization fostered consumption patterns which in later years outstripped the local economies' ability to sustain them.[14] In any event, the new dependent urban middle class was destined to become a critical political actor from the 1930s on and the human base that spawned populism.

Finally, delayed dependent development significantly affected the position of formal governmental structures or "the state." By the late 1920s, most Latin American state structures vis-à-vis both internal and external actors were characterized by low levels of autonomy and relative weakness. In other words, the general situation of dependence translated into the specific dependence of the state upon a limited number of internal and external actors. The growing need for financial resources to support expanding public employment owing to the incorporation of sectors of the urban middle class into the public bureaucracy increased even further the state's dependence on a limited number of internal and external sources of revenue. Thus, governments in the region were subjected to heavy pressure from the local elite as well as from external private and public interests who were able in the main to shape local public policy to reflect their interests. Again from the 1930s on, a critical political issue was to be the power, effectiveness, and autonomy of the various central state structures of Latin America.

The Emergence of Populism

The 1930s and 1940s are an important watershed in Latin American history. The worldwide depression hit the region with particular ferocity, bowling over the props of the area's export-based economies and causing widespread internal dislocation. The disruption of international trading structures threw the bulk of the Latin American states back on their own resources; the relative economic isolation of the 1930s was reinforced in the 1940s by World War II. Economic depression, sociopolitical disruptions, and relative isolation forced a general rethinking of the region's internal structures and their links to international structures.

Central to the rethinking of Latin America's position was a gener-