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Notes and explanation of symbols

The following symbols are used in tables in the *Review*:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A blank space in a table means that the item in question is not applicable.

A minus sign (-) indicates a deficit or decrease, unless otherwise specified.

A point (.) is used to indicate decimals.

A slash (/) indicates a crop year or fiscal year, e.g., 1970/1971.

Use of a hyphen (-) between years, e.g., 1971-1973, indicates reference to the complete number of calendar years involved, including the beginning and end years.

Reference to "tons" mean metric tons, and to "dollars", United States dollars, unless otherwise stated.

Unless otherwise stated, references to annual rates of growth or variation signify compound annual rates.

Individual figures and percentages in tables do not necessarily add up to corresponding totals, because of rounding.

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The specificity of the Latin American State

*Enzo Faletto**

The events of the last few years in Latin America have made it necessary to resume the discussion on the role of the State in the development of the region.

With a view to contributing to this debate, the author presents in five sections a synthesis of the ideas put forward on the subject of the authors consulted. The first section deals with the influence of external links on the character of the Latin American State, the special features of that influence being closely related to the past and present links between the economies of the region and the international economic system. The relationship between the State and the national economy is the central theme of the second section. In it, the State's role in the formation of a national form of capitalism is pointed out, and this entails considering the relationship between State administration and management in private enterprise, the intervention of the State in social conflict, the problems to be faced in making the economic logic of the private sector compatible with the political and economic logic of the State, and the question of planning in mixed economies. The third section refers to the State and the system of social relations. It emphasizes the processes of social articulation and disarticulation that affect the countries of the region and the role the State plays, against this background, in establishing a social order. The central point in this analysis is the relationship between the State and civil society, taking into account the greater complexity of the latter in today's world. The fourth section deals with the State and the political system. It discusses the thesis of the ungovernability of democracy and proposes as an alternative greater democratization and receptiveness to social demands on the part of the State. The section also contains an analysis of the system of political institutions and of the expectations about the relationship between modernization and democracy. Finally, in the fifth section the State apparatus proper is analysed, with emphasis on its historical character and the elements that influence the orientations of the bureaucracy, especially the pressures exerted by society on the State.

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Introducción

The economic, social and political problems affecting Latin America have made it necessary to return to the question of the role of the State in development. Indeed, this is a matter of growing urgency in the context of world and local change in which these problems arise.

Given the persistent ideological debates of the last few years, the magnitude of the coming changes is obvious. Deeper consideration therefore needs to be given to the virtues or vices of State administration and, even more importantly, certain judgements of reality that condition the purely ideological options need to be taken into account in the proposals that may be made.

There is a relatively extensive literature in Latin America dealing directly or indirectly with the concrete forms of State action in the countries of the region. This article is a first attempt to put some order into the subject. It is not exhaustive, however, either with respect to bibliographical sources (a number of important works were not included) or to the questions that could be treated.

The article limits itself to what the consulted authors have to say, although without quoting them directly, so that much of the text is a synthesis of what has been said by the authors that appear in the bibliography.

It is worth repeating that this essay aims only to be a preliminary contribution to the discussion in question.

I

The State and the external relations of Latin America

The State always reflects the complex set of economic, social and, especially, power relations that are found in a society. Neither the history of the State nor its present form can be understood by considering only the forms in which the economic relations between classes and social groups are organized. Considering the State as a

superstructure which reflects a given economic relation does not come anywhere near exhausting the different possibilities of analysis and interpretation. Neither is the State a phenomenon that takes place outside the bounds of social relationships.

With respect to its specific characteristics, the particular nature of the State in the Latin American countries is linked in large measure with the way in which capitalism, as an economic and social formation, is established in each country. This means taking into account both the way in which it was implanted as a "mode of production" and also the type of social relations it gives rise to in society as a whole. The manner of implantation of capitalism, especially in the case of Latin America, however, cannot ignore the relations established with international capitalism, which must be considered hegemonic.

Latin American authors frequently point to a flagrant contradiction in the formation and development of the States of the region—a contradiction characterized by the coexistence of a modern State, possessing a constitutional, juridical and institutional order, side by side with a mode of social relations readily characterized as traditional because of its oligarchical character. This contradiction, it is held, derived from a dual reality: on the one hand, the need to be linked with the "modern" world of international capitalism, and on the other, the need to ensure a form of internal control based on social relations that are not capitalist in the strict sense of the term. That duality involved alliances between social strata whose interests were different because their power bases were capitalist to different degrees, leading to the "contradictory" character of the State.

Thus, for these different sectors with diverse interests and linkages, the political problem was not simply to acquire control of the State apparatus, but to be able to define the State and, through it, a mode of relations. However, just as the forms of internal relations between the different groups characterized the State, the external relations and the ways of establishing them became another almost essential dimension of building the State in Latin America.

The dependent character of the Latin American countries' insertion into the world market has led to backwardness. The centre-periphery relationship that arose faced the "peripheral" countries with the challenge of securing a form of development that implied setting national objectives, the achievement of which, in one way or another, was considered to be the task of the State. The peripheral status of these countries was compounded by their dependence and late development—a situation in which the State found itself practically obliged to carry out the greater part of the development effort.

The particular situation in which the centre-periphery dependent relationship places the Latin American countries also influences the role that the State has to play. Because of the ongoing process of evolution of world capitalism, the latter is subject to reorganizations which very often lead to crises in the Latin American countries. This is because—as many analysts have pointed out—the economic transformation of a dependent country generally lacks an internal driving force, so that the reorganization of the central economies means drastic adjustments in the way peripheral and dependent countries are inserted in the world economy. In almost all circumstances, the State has had to play an important role in overcoming this kind of crisis and in reinserting the country into the world economy.

In the context of the external relationship already referred to, the State plays an important role in regulating the pace and volume as well as the orientation of economic activity. In many cases, the State has adopted policies designed to regulate the quantity of exportable goods, specially minerals and agricultural products, in order to gain better conditions of access to the world market. More often than not, the cost of these operations is covered by the State.

In late-developing countries, the State plays a key role in the accumulation of public or private capital, and in dependent economies, it often organizes accumulation "administratively", generally using mechanisms for regulating foreign trade, the whole range of mechanisms for transferring income from one sector to another, and the control of exchange rates.

In short, the State fulfills a prime function with regard to relations with the economic centre, but also through legislation, it establishes the way foreign producers incorporated in local production must operate and, in this sense, acts as a mediator.

It is important to emphasize that the above gives the State the power to intervene, especially through the State bureaucracy, which, as will be seen later on, can use this power to its own benefit.

Even though the State in dependent countries must fulfill the important tasks mentioned, this does not necessarily mean that it is a strong State. In the majority of cases it faces these challenges from a position of weakness, due to the peculiar relation between political and economic matters which exists in those countries.

In contemporary capitalist societies the economic sphere is undoubtedly shaped by the world market, and in that context the dependent countries are "subordinate". They generally have relatively little power to take certain basic economic decisions, especially those concerning the production and marketing of goods. On the other hand, the "political sphere" still has the nation-State as its principal referent. This does not mean that "international politics" does not exist, but rather that it is carried out as a function of the nation-State. The result is that while the economic logic imposed by the power of the world market can in some cases agree with political logic, it can also frequently oppose it.

In the "central countries", in contrast, there tends to be a greater correspondence between the political logic —purposes, objectives and orientations of the nation-State— and the economic logic linked to the world market. This is simply due to the power those countries have in that market.

The logic of the world market tends to weaken the nation-State when it is imposed in the dependent countries. The State apparatus can nevertheless grow in spite of that, even if it has less power. This apparent contradiction is due to the fact that the "State apparatus" ensures the form of dependence.

When the peripheral countries' economic forces are compared with those of the central countries, the contrast between the weakness of

the local socioeconomic agents and the power of their foreign counterparts becomes immediately apparent. The awareness of this weakness of the local agents has led in various circumstances to attempts to use the State apparatus to favour the development of the national private sector.

In addition to policies designed to create ways of associating with foreign capital through the State suitable conditions for strengthening the local economic agents, have frequently been sought. Most of the "developmentalist" policies have been aimed at consolidating and favouring a national bourgeoisie, with the supposed goal of contributing to national political autonomy. Those sectors, however, frequently prefer to seek a formula of association with international capitalist development rather than being independent. In that sense, a contradiction is produced in the very heart of the State between policies that favour the development of the bourgeoisie and the intention to promote national political autonomy.

On the other hand, it is always interesting to observe how foreign capital, when it has participated in the national market, has taken advantage of the same protectionist measures designed to promote the development of national capital.

Students of present trends in the world economy point out that the State —which in spite of its difficulties is still a key factor in defining external economic relations— now has much less room for action in this sphere because of the transnationalization of the international economy. When they consider the relation between the State and the international economy, many authors characterize the present phase of capitalism as post-national capitalism, a term intended to emphasize the degree of inoperativeness of the State in the local economy. This phenomenon has been observed even in the central economies, and it is asserted that the policies of large corporations are often in contradiction with governmental orientations. These authors stress the fact that national economic policies are no longer fully effective. This obviously affects the foundations of political systems, such as autonomy and sovereignty.

The history of the ways in which transnationalization has influenced the State in Latin America is relatively well-known. In many coun-

tries, the decisive presence of transnational enterprises in key sectors of the economy has meant that even the dynamics of domestic development are highly influenced by the policies of those enterprises, and that the importance of the State's action in those dynamics has diminished. In fact, in many cases the State has had no option but to go along with the dynamics imposed by the transnationals. In order to tackle the phenomenon of transnationalization, some Latin American States have sought to apply policies based on the new situations this has been generating.

The development of transnationalization meant that distinct poles were formed in the world capitalist system. The most important are the economies of Japan and West Germany; but also important—in addition to other economies—are the European Economic Community as a whole and some countries belonging to other regions, which allows for a wider gamut.

Some Latin American States have attempted to develop a policy of avoiding dependence on U.S. capital. To that end they have sought to create competition between foreign investments, with a view to giving national capital different ways of participating and also allowing for distinct forms of regulation and technological relations, for example, by breaking down "technological packages", developing intermediate technologies, and other options.

Looking back on the overall situation, the analysts agree that policies of associating with foreign capital have not succeeded to the degree that was hoped for. For this reason, the thesis is once again being put forward that the creation of development opportunities for local capital, be it private or of the State, still depends in large part on the existence of some protectionist guidelines, determined public policies and State support.

Finally, let us turn to one of the most interesting facts of the present moment. It is well known that for part of the 1970s the expansion of national economies (public or private) in Latin America was principally due to additional financing from international banks. In many cases, through such credit, foreign enterprises participated in areas usually reserved for the State. The most common instruments for

securing this participation were co-production contracts, technological services, marketing services and the provision of machinery and inputs. That kind of foreign participation naturally affected the autonomy of the economic activities undertaken.

In this connection, it should be emphasized that not only does a certain manner of functioning of transnationalized capitalism endanger or diminish the autonomy and power of the State, thus increasing dependency, but also that some domestic groups, especially those that promote export strategies to the extreme, reinforce this tendency by opposing what they consider to be harmful State intervention. The most serious areas of intervention for these groups are: first, those that refer to international trade, since in their view, intervention leads to restrictions that tend to isolate the national economy from the rest of the world; second, internal price and wage fixing, because they consider that these produce rigidities in factor and product markets and lead to a general disorganization of relative prices, the result being high inflation, maintained in turn by incoherent fiscal, monetary and wage policies; and lastly, direct production by State enterprises, which they consider harmful because they claim that State production is inefficient and subsidized, with artificially low prices that will necessarily produce a budget deficit. In general, their opinion is that State intervention is inefficient and detrimental to "true development". The strategy proposed by these groups stresses the need for the State to withdraw from the market, to do away with restrictions on foreign trade and eliminate the so-called internal "rigidities", to use policy instruments (both general and indirect) to curb inflation, and to promote an export-oriented outlook. The application of this strategy naturally also implies, a "State policy", so that the real problem is who determines the actions and omissions of the State and how these are determined. The question, then, is not that of taking it for granted on the analytical level that the State should withdraw from the arena, but rather of determining who should orient the State and through which policies.

Thus, for example, the present form of relation with the exterior has led to strong

pressures that have obliged some States to implement a policy of recessionary adjustments, combining restrictions on demand and reorientations of growth strategies, in order to promote domestic savings and investments and expand investments. In fact, restrictions have been placed on net international reserves, the maximum deficit on current account, exchange and tariff policies, the maximum deficit of the

non-financial public sector, the scales of charges of public enterprises, and maximum inflation rates, while wage increases have been controlled by making wages non-adjustable. This list of conditions for external negotiations, which is applicable to a considerable number of countries, shows the degree of dependence to which State policies can be reduced.

II

The State and the national economy

The present discussion about the State's role in the economy centres on aspects different from those around which the debate of the first half of the 1980s revolved. This is due to the clearer perception of the current world changes brought on by the inevitable technological transformations and by the reordering of overall national and international economic relations. Furthermore, the region also appears to be changing politically in the direction of democratization, which above and beyond its positive aspects, also presents difficulties and conflicts inherent in that kind of process.

The crisis of the 1980s and the greater awareness of the challenges faced seems to have given rise now to a certain consensus that governments should promote policies to renew the accumulation process and restore growth capacity in order to attain real development.

The central topic of the debate is the magnitude of the efforts needed to accomplish those objectives and less explicitly the question of who, or what social force, is capable of accomplishing them.

Furthermore, in the light of the process of democratization referred to above, the goal of development which is being pursued must also involve dimensions of equity, so that issues such as income distribution and the consumption levels of the popular sectors continue to be relevant. Moreover, equity is not only a requirement for the goal of democratization but also a key element for the performance of the economy itself, since the social cohesion that

equity makes possible is a crucial factor in economic development.

The level of consensus referred to is nonetheless not without areas of disagreement and even conflict regarding the way to accomplish these objectives. There is considerable external and internal pressure regarding fundamental points related to the possibilities of accomplishing the goals with the discussion centering particularly on the level and composition of public expenditure, the size of the fiscal deficit, and the type and possibilities of indebtedness.

However, because of the experience acquired in the last few years, it is now once again agreed that a necessary function of the State is to modify some of the negative results (both economic and social) springing from a market economy, taking into account the real conditions in which that economy is now operating.

Indeed, given the challenges of the crisis and imminent technological and economic change, it is almost inevitable that the State should participate in the formulation of criteria for allocating resources. For a democratic system to function, the demands of the different sectors have to be heeded and furthermore the performance of governments must be periodically sanctioned by means of political votes. This obliges the State to explicitly formulate a development policy that takes into account the interests of the different social groups and develops a real capacity to satisfy them, and in addition, especially under present

conditions, governments will have to reformulate the question of income distribution and specify the kind of policies they propose to achieve it.

Despite this obvious need for State action, however, criteria are constantly put forward which stress the desirability of the predominance of the market laws. As a counterpart, it should be pointed out that decisive State action presupposes accepting that it is the State's responsibility to formulate the criteria for the allocation of resources, and moreover, if it is really intended to take care of the demands of less favoured sectors, policies expressly designed to improve income distribution must be put into effect.

It must be emphasized that the functioning of the market reproduces the dominant form of social power, and therefore, if the allocation of resources is left to the market, these will flow to the sectors with power or to the activities that they are interested in. It is a fact that the market, as a social relation, constantly reproduces social differentiation, so that, without deliberate action to, for example, redistribute income through direct or indirect mechanisms, the situation of the less favoured sectors cannot be positively expressed in the market.

A policy of State action presupposes, then, an intentional policy of both economic and social development, which implies, according to the terminology in vogue, an "image-objective" of society. It consequently presupposes or calls for a type of economic action whose rationale seeks to adapt the means — policies in the broad sense in this case — to achieve the desired ends.

The opposite point of view holds that the most efficient allocation of resources is achieved through the functioning of the market itself, and that society as a whole can benefit from this.

Along with the "rationality of the market" (which, it should be remembered, is only rational in theory) the supporters of this approach also tend to affirm that the leading agent of economic dynamism is the entrepreneur, who, moreover, is often seen in his typical, ideal Schumpeterian form.

This theoretical position advocates a model of high-productivity, more dynamic enterprises. The option put forward is to attempt to come as close as possible to a rationality based on the

economic calculation of those enterprises. It should be noted, however, that there are no serious studies identifying what the "economic calculation" of that type of enterprise in Latin America really is; and perhaps if such studies were carried out they would produce a number of surprises.

In the formula outlined, the State's primary task is to ensure the functioning of the market, although it is not clear if it should do so in the light of the power structure that the real market signifies or if it should seek to adapt that power structure to the conditions that the theory presupposes.

The less extreme positions about who should have pre-eminence in determining economic orientations have tried to seek a balance between the public and the private sectors, that is, between the role of the State and that of the market. This position is based on the assumption or perhaps more the underlying intention that it may be possible to take advantage of the positive aspects of both of them. If this were done, the theory holds, this would facilitate the complementarity of the two sectors and, even more, avoid the negative consequences that might be supposed to come from an excessive predominance of either of them.

This proposed reconciliation would seem to be eminently sensible and rational, but it is very difficult in practice to reconcile the power of the *market* with the *power* of the *State*, or rather the social relations that take place in the marketplace and those that relate to the State. The concrete fact is that the conflictive relations between these two forms of power have always been more important than proposals of a strictly technical, neutral character.

From a socio-political viewpoint, what is paradoxical in Latin America is that often the proposals stressing the need for State action were based on the idea that the State could contribute to the development of a "national capitalism" and, consequently, to a vigorous private-enterprise group.

The challenges that arose involved making social relations fully capitalist. In general, the following were considered key problems for development policies: a) the transformation of external relations to make possible a more

autonomous form of development; b) the transformation of internal relations and especially of the agrarian structure; it is not by chance that this structure is constantly branded as feudal, semifeudal, precapitalist, or something similar; and c) it was taken for granted that the State should promote the transformations that had been brought about in other places by the capitalist bourgeoisie, but at the same time it should try to form a sector of "local capitalist entrepreneurs".

The apparent consensus nevertheless began to break down when it was hinted that it was necessary to establish the "set of capitalist relations" characteristic of modern societies, that is to say, when it was recommended that the capacity to form trade unions should be strengthened and that a system of non-traditional—neither authoritarian nor paternalistic—labour relations and other features of modern society should be put into effect. Promoting such transformations presupposes conflicts, and frequently the demands of the new sectors are contradictory to the objectives and interests of the would-be "capitalist entrepreneurs".

The State-versus-market controversy may tend to obscure the undeniable fact that the State, independently of the degree to which society is capitalist or "free-enterprise", always has the function of establishing the institutional framework in which capitalism operates. The concrete fact is that in a capitalist society the State legitimates social relations. It can certainly make reforms and corrections, but basically its purpose is to ensure the functioning of the system.

To a certain extent the State has had the function of "installing capitalism", and this has interesting implications. The fact that the State proposed a capitalist society meant that the whole of society had to be capitalist, and this called for an explicit development plan. Consequently, what was involved was a capitalist society which nevertheless incorporated the idea of a planning State. The State used mainly monetary and fiscal instruments, exchange rates and tariffs to accomplish this task.

However, the main presupposition—and a logical one if it was aimed to construct a capitalist society—was that the direct execution

of economic activity should remain preferably and principally in private hands. In the original proposals as already pointed out, State activity was complementary and applicable only when strictly necessary.

The problem continues to be, however, how to make the "general objectives" (that is to say, those that are valid for the whole of society) coincide with the particular objectives of the entrepreneurs. The exact coincidence between general interest and particular interest can only be affirmed in theory, since at that level the correspondence between the two is formulated on a highly abstract level, far removed from the day-to-day clash of immediate interests.

A review of Latin American history shows that generally speaking every transformation promoted by the State has created situations of conflict. The goal of converting Latin American society into a modern industrial society necessarily implied transforming the traditional structure, and consequently a struggle with the interests connected with the latter was almost inevitable. The very idea of preparing a plan valid for the whole of society naturally presupposed—above and beyond the difficult task of reconciling opposing interests—the redistribution of economic and social power: a change that could hardly be peacefully accepted.

The development tasks proposed involved efforts in such areas as capital accumulation, the protection and promotion of industrialization, reduction of external vulnerability, creation of infrastructure, and the stimulation and guidance of technological change. None of these options was or is socially neutral, and the form these processes take has a strong impact on the established economic and social powers, and, hence on the social situation itself.

In short, the economic action of the State—to the extent that it intends to introduce structural change—necessarily involves the need to solve or intervene in the conflicts that such change provokes. The important point is that since the State, is itself the agent of change, it must resolve within itself the conflicts of interest produced in society.

Looking back at recent history, it is very noteworthy that problems have got worse in proportion as the process of development and economic growth has gathered momentum. The

problem no longer consisted only in confronting "traditional" society and the interests it represented. Instead, given the prevailing development style in Latin America, what came to the fore were the well-known tendencies towards social and regional concentration of power, wealth and income, with their corollary of the exclusion of vast social groups from the benefits of growth. It was no surprise, therefore, that in these circumstances a few factors were sufficient to exacerbate social conflicts. Doubts always arise in such a situation about the possibilities of planning and arriving at economic and social pacts in a context like that.

In short, in a capitalist system like that prevailing in Latin America, which seeks to operate in a democratic context, the State's capacity for economic action is closely linked to its political capacity, understood fundamentally as its capacity to achieve some kind of agreement and social support which will make it possible to reach collective economic goals.

The special features of the economic and social structure of Latin America and the context in which it is situated render it difficult to make social relations harmonious. The State has often tried to counteract what can be considered as the individually-oriented attitude of the private sector: an attitude which—in view of the present conditions— can be resolved in favour of the general interest only with great difficulty. The mechanisms promoted by the State with this aim have often been direct investment in production, public finance mechanisms, and some degree of control over the private financial system.

In this sense, economic policy instruments are of key importance for giving the overall economy, through State action, an orientation serving the general interest. There are also other functions of the State, however—particularly social policies—which contribute to the running of the economic system. Satisfying the demands of middle- and working-class, rural and urban groups, apart from the immediate benefit involved, helps to maintain a certain degree of social harmony while at the same time legitimizing the State and the economic and social system as a whole. Social policies clearly do more than just legitimize the system: many of them, for example, help to increase the productivity of labour. It could even be argued

that many projects and services connected with social policies actually give the capitalist sector the possibility of lowering the costs of reproducing the labour force.

Nevertheless, State action in the economic sphere in Latin America takes on different forms in each country. The mode of production is common, that is, it is the capitalist mode, but it has diversified into different and particular forms of development which constitute specific capitalist situations. Historically distinct patterns of formation of the productive system, different models of accumulation and different structures of dominant classes and organization of power can therefore be noted. Consequently, this diversity leads to different forms of constitution of the State, different forms of the State's economic role, and differing kinds of articulations of the State with the class structure and society.

The fact that the economic activity of the State is carried on in a capitalist system does not preclude taking account of the differences between the private and the State economies. If we adhere strictly to theory, the market economy should satisfy the demands of individuals, although in fact actions of different kinds of "groups" which superimpose themselves on the "individual" are by no means unknown in this type of economy. On the other hand, the market also expresses a system of social relations of production, and particularly important among these is the relation that is established between the owners and the non-owners of the means of production. In theory, too, the demands in the State economy are not from individuals; they are social demands. Moreover, the relationship between those who participate in the State economy is not supposedly a relationship between owners and non-owners of the means of production, since, at least theoretically, the property is socialized through the State. In short, different forms of social and power relations are constituted both through the market and through the State, each one with its own modalities and specificities. The problem in Latin America—and in any mixed economy—is to make these forms of power compatible and establish relations among them.

State enterprises in Latin America have often expanded to the point of having their own accumulation base. That meant more economic

power for the State, and, consequently, for the bureaucracy, which in extreme situations began to manage the public sector in its own self-interest.

Some attempts would seem to have been made to overcome the above-mentioned difficulty of rendering different forms of power compatible—at least recently in some countries—by running State enterprises according to criteria very similar to those of private enterprise.

The private-enterprise sector, for its part, maintains an ongoing interest in the economic action of the State. During slumps it frequently attempts to pass on investment costs—reproductive or otherwise—to the State. Also during slumps this sector tries to ensure that State investment is maintained in a form which is as favourable as possible to it, and it therefore tries to define investment "priorities". It likewise exerts pressure on the State to shoulder the social cost of the contraction and to formulate policies that will keep the social costs low. At times of expansion, as is to be expected, capitalist interest in investment flares up once again, and the biggest concern of the private sector is that the State "should not invade its areas of investment".

Examples like those above—and many more could be added—prove that there is a relation between the private sector and the State, but the principal problem remains—in spite of everything—how to make the interests of the two sectors compatible. This is why it is important that the State should establish a formal framework within which economic activities are to be carried on. It is a question of achieving an agreement that cannot be merely political, in the parliamentary sense of the word. If it were a purely "parliamentary" agreement, then it would be decisively influenced by competition between political parties, the electoral calendar, regional criteria and many other things. Nor would it be unusual for specific interests and short-term views to tend to predominate in this type of agreement.

One solution sometimes proposed for making interests compatible is to try to combine parliamentary representation with corporatist representation. As many authors point out, however, corporatist representation in Latin

America has little or no transparency, and often takes the form of direct lobbying of the appropriate ministry.

By way of clarification, it should be pointed out that an important feature of the Latin American State is that, unlike the "pure capitalist State" (as an "ideal type"), it possesses its own productive sector. When the basis for accumulation is solely private, the State is dependant on that basis, since it obtains its resources through taxes or some other similar method. When that happens, those who exercise the State power are basically interested in promoting more favourable conditions for private accumulation, on which a good part of the State power depends, and in such a case, the analysts point out, State action aimed at expanding private accumulation does not necessarily derive directly from control that the capitalist class exercises on the State apparatus.

Mixed economies—which cover the majority of those in Latin America—are characterized by the existence of two logics. One of these, which is of a strictly economic nature, applies within the context of the market and is the expression of the private sector; the other is a political logic which applies within the context of the State. In the first context, the conduct of the actors will be guided by the profit motive; in the second (that of the State), it will be the political objective which predominates.

One of the attempts to articulate these two logics has taken the form of planning. Planning, over and above the "written Plan", should have been a context where economic conflicts could be resolved and economic considerations could be made compatible with political objectives. However, for planning to work it was important—among other requisites—for the bureaucratic structure to be changed and especially for the technocracy to be reoriented. However, the bureaucracy was often not even integrated with the technocracy. The form of lobbying practiced by the corporatist organizations (a phenomenon already alluded to) also contributed to the inefficiency of planning. Another factor was the political system, and especially the predominant structure of the political parties, which failed to overcome their characteristic favour-granting, caudillismo and other vices, thus making it very difficult to reach

political agreement and attain the framework of relative stability which every planning exercise requires. In the Latin American experience, even on the level of "government", a logic based on the needs of the moment predominated, with the result that the logic of planning acquired different and changing contents according to the situation.

These considerations support the view of specialists that the problem of the "economic action of the State" is not only a problem of technical and bureaucratic efficiency but also involves intricate power relations. In these circumstances, the analysts, consider that the challenges of today mean that a) backing forms of growth different from the present one entails changes in social relations and decisive action on the part of the State to promote these new forms and make them possible; b) the tendency towards concentration and marginalization observed in Latin America excludes a whole group of people from the "market", thus giving rise to the division of labour into "formal" and "informal" categories, so that the political and economic problem of the State is not only to

ensure the functioning of the "formal market", but also to resolve the conflicts between the two forms of the social division of labour, with all their consequences; c) a key problem where there is a mixed economy is that of defining the form that the State economy should take, which involves the definition by society of the kind of social relation that should correspond to the "State mode of production" raising the question of whether this is similar to the mode of production of capitalist enterprises, or whether it is different, and, if so, how?; d) if the State economy is considered as the socialized sector of the economy, should it be assumed that the institution which expresses this is the plan, just as, in the private economy, the corresponding institution is the enterprise, and the fundamental element is the management decisions of the entrepreneur. The following questions arise at this point: how is the plan drawn up in the socialized sector?; how does it function?; how is it managed?; and what forms of participation are there in defining goals or in managing it?

III

The State and the system of social relations

It is not easy to make a case for attributing the driving force of social relations, and hence of social change, exclusively to the system of economic relations. No one disputes, for example, the importance assumed in many countries of the region by systems of differentiation based on ethnic background, by levels and types of culture, and by the conflicts that arise between the people incorporated into the predominant socioeconomic system and those marginalized from it. In addition, as many authors point out, the driving force of economic change is usually of an external rather than an internal nature because of the dependent character of the Latin American economy.

According to some analysts, this situation has led to a certain kind of "social disarticulation". This expression means that the

problems linked to the relations of production are different from those that stem from the maintenance and change of the social order.

If a non-dependent capitalist system is taken as a point of comparison, it will be noted that in such a system the State intervenes in order to ensure the social order, that is to say, the reproduction of society as such. This is closely connected with the relations of production, which, in the case of the capitalist system, are essentially "private". In Latin America, on the other hand, the State intervenes in both spheres: in the economic sphere, since it acts to adjust the internal situation to the dynamics of change which, it may be recalled, is principally external and in the "social" sphere, since that is the one that legitimates and regulates the socio-political order. Consequently, a large bureaucracy has

developed, as well as something which is simultaneously image and ideology but which also has concrete dimensions of reality —something which one author called the "function of the State". This expression is an apt one because most often the State or people connected with the State are the ones who carry out the great processes of change.

This does not mean there is no relation between the State and the dominant classes or groups. According to some analysts, in Latin America the action of the State "covers" the action of these classes or groups and thus appears in fact as the historical agent of social change.

In these circumstances, analysing the importance of the role of the State for the whole set of social relations means getting away from the oversimplified view that the State is the mere instrument for executing the policy of a given power coalition. According to studies made in Latin America, the State is often itself another social actor. It has often been stressed that the State has a fundamental role in maintaining the social order, but it also plays a fundamental part in the transition from one type of growth and development to another, even in the framework of the capitalist system.

Some authors hold that in Latin America the State and its bureaucracy play a very special role in managing the economy as well as in the accumulation process which could be characterized, with perhaps some degree of exaggeration, as acting as a substitute for a dominant class. This role derives from the nature of the very process of economic development in the region, where there is a constant need to adapt to the evolution and current situation of the capitalist centre. As has been pointed out, this fact affects the processes of both growth and differentiation of the domestic productive system. This sensitivity of the economy to the external relation and the urgent need to accommodate to it give rise to rapid disorganization and reorganization of the economic structure of the periphery. The analysts therefore hold that this situation hinders the dominant classes from settling into "bourgeoisies" and consequently makes it even more difficult for those classes to work out a long-range plan for society. The options left to

the State are to express that same instability in its action and character, or, as indicated at the beginning, to make up for the lack of "social" efficacy of a true bourgeois class.

Once the importance assumed by the State in Latin America is clear, then its predominance over civil society can be presumed. The State is not only the political expression of society and of the power that exists in it, but it also organizes the whole of society. Any observer of Latin America can see the constant presence of the State in the complex of social relations; at the same time, however, it would not be correct to affirm that the development of the State in the region has taken place entirely at the expense of civil society. A brief look at contemporary Latin American history is enough to show that the action of the State has been almost decisive in the formation of the urban-industrial system, which has resulted in a more developed and complex civil society. In turn, as a consequence of that evolution, entrepreneurial, industrial, commercial, financial and other types of groups have sprung up, and middle-class sectors and groups of workers and urban lower-class elements have developed and diversified. It is interesting to note that in many cases the State has had an important role even in promoting the capacity for organization.

It is inappropriate, then, to speak of an absence of civil society, although this does not imply that this is a social structure without problems. The relation between the State and society is very complex in Latin America because of the above-mentioned complex process of disarticulation and rearticulation of social relations and because of the presence in the national economic system of foreign groups which often control a very substantial part of it. In many countries of the region, these groups have a decisive influence and have consolidated their position in both the productive system and in the conditions which decisively influence the accumulation process. The economic power of these groups has a political correlation, but it takes on a different concrete form from that of the national actors.

The so-called middle classes have played an extraordinarily important role in recent history in forming the State apparatus in most of the countries of the region. These groups have been

highly conscious of the crisis of the system of oligarchical domination, as well as the economic and social consequences of that way of relating to the exterior. These sectors not only contributed to the formation of the State apparatus established after the oligarchical crisis, but were also decisive in the creation of the political parties that were the mainstays of the State. They also played an important part in the organization of the civil society's claims and demands on the State, particularly those of the middle sectors themselves and to a certain extent the popular sectors also, especially in the cities. Nevertheless, it can be held that in many cases, owing to the ever-growing complexity of civil society (which meant more powerful and highly developed entrepreneurial groups) the presence of transnational enterprises, and the stronger capacity for organization and demands of the popular sectors, all of which have led to a transformation of the character and meaning of social conflicts, the middle sectors as they were traditionally known have lost some of their importance. In contrast a leading place has now been occupied by technocratic —at times even military— group that appears to be more closely connected with the new economic power structure and which, in many circumstances, has displaced the old bureaucratic middle sectors and redefined the character of the main political parties.

It is worth emphasizing the extraordinary complexity of the relation between the State and civil society in Latin America. On the economic plane, the State is also a producer State, as pointed out above, so that it penetrates very directly into society. On the other hand, the struggles and conflicts that take place in society are expressed within the State, and it cannot be conceived of as alien to from this type of struggle. There can be no pretended "neutrality" of the State, but neither is the State the expression of only one segment of society. The real political struggles of society make themselves felt within the State itself.

Because of all this, social conflict needs to be analysed in order to understand to the full the character of the State in Latin America. There can be no denying the importance of the conflicts that take place between the different sectors of the economically dominant groups, as for

example between exporters and importers, productive and financial sectors, entrepreneurial sectors and wage earners, and a series of others that can be easily identified and observed. The analysts point out, however, that over and above these there are other types of conflicts that divide society in different ways and directly influence the particular character of the relation between the State and civil society in the region. In the majority of those countries, the various sectors of society have very diverse possibilities of gaining access to what are considered basic services (housing, health care, education). These differences are due to the unequal distribution of income among the different social strata, but they are also to be perceived within each stratum. According to the analysts, the question of whether or not a group has access to these services leads to radically different modes of existence which can produce serious conflicts, since access to the services becomes a privilege that some try to defend while the others either try to acquire it or, what is worse, combat it.

Such lack of access is particularly marked among the popular sectors, which, especially when they live in urban areas, may experience a feeling —which is certainly more than purely psychological— of being totally bereft of the values that are considered basic in the rest of the community.

In addition to this division, there is another one affecting groups whose social category is closely related to the place they occupy in the social division of labour established by the economic system as well as other social categories —such as women, young people or others— whose demands have a certain specificity distinct from —and even occasionally contradictory to— that of the above categories.

There are also antagonisms between demands that affect the whole of society —for example, human rights, political democratization, the fight against inflation and many others— and demands that are absolutely particular. It is always difficult to reconcile general interests with particular interests. The State normally tends to satisfy the demands of people incorporated in the formal organization of the economic process: that is to say, those who participate in the formal social division of labour. The demands of these groups are clearly

defined and particularized. It could be said that they are not only more easily articulated with the State, but also to a certain extent form part of the "logic of the functioning of the State". In contrast, the other groups mentioned tend rather to form movements that exert social pressure and constantly enter into conflict with the State, and these groups tend to remain excluded.

All this leads to the conclusion that while the conflicts mentioned take place on a societal level, they are closely related to the possibility of being able to develop or not some kind of link to the State, which plays a key role in social relations.

The important point is that in Latin America the presupposition implicit in the promotion of the growth was that such growth made social incorporation possible and that in that process the State had a primordial role to play. In practice, however, the prevailing type of development has led to very clear forms of exclusion. This simple observation supports the assertion that what is in crisis in Latin America is a form of social relation associated with a particular type of growth.

An immediate consequence of this is the need to reformulate the problem of participation in Latin America. For many analysts, it would be a question of the State restoring power to civil society. This attitude is very much linked to the Anglo-Saxon tradition in which the "citizenry" negotiate with the "sovereign", whose powers they limit. The problem is different, however, when the State is constituted as an agent of

"socialization"; in that case the question is of participation in the power of the State.

In the relation between the State and society in Latin America, the challenge which the State apparently faces —given the level of disarticulation and disaggregation of society— is how to expand citizen participation. To do so, social interests must be channelled and integrated. In practice they are structured on different levels and frequently contradict one another; therefore they must be organized in broader and more complex groups. According to specialists in this question, what is involved is a process of democratic selection of demands and a permanent mechanism for arriving at agreements between different forces, in order to achieve increasingly general interests on an increasingly consensual basis.

The traditional mechanisms of representation and participation are primarily those of a political nature. In these the citizen expresses himself through his vote or also by means of other forms of expressing his political rights, especially the right to participate and form political parties. These mechanisms serve to formulate policies.

Another form of participation takes place through intermediate groups and organizations, but for these to be successful, institutional channels are needed that give access to opportunities for discussion within the State apparatus. The key point for efficacious representation is that the State must recognize the political and social forces and their organizations as legitimate.

IV

The State and the political system

In analysing the relation between the State and the political system, it is a good idea to begin by trying to clear up a controversial question which is apparently still raised today —the widespread thesis regarding the ungovernability of democracy.

The main assumption of the most common version of this thesis is that the biggest problem faced by democratic States arises from an excess

of demands. This happens because a democratic system gives rise to forms of increasing participation on the part of citizens and indeed itself encourages these processes. As broader participation becomes possible, both social groups and individuals constantly increase their demands on the government. Those who hold this thesis point out that in present conditions the demands are of such a magnitude, diversity

and complexity that they cannot be processed, and much less satisfied, by the public sector. In these circumstances, society runs the certain risk of becoming ungovernable.

Reflections of this type have often been present in one form or another in analyses of Latin American political processes. "Populism" is often the term used, even though, paradoxically, populist régimes have in many cases been far from democratic, at least formally.

The hasty conclusion that could be drawn from the observation of this hypothesis would be that only a non-participative, authoritarian régime could ensure governability. Closely associated with this kind of statement is the insistence on applying—even at the risk of falling into drastic forms of action—the longed-for social discipline. The argument clearly associates the increase in demands with the notion of "disorder".

Exaggerations apart, the forecast of conflict could be accepted as valid. But to guide the analysis it is helpful to ask if the solution should not rather be a search for more democracy and a greater receptivity on the part of the State, rather than hasty resort to authoritarianism. In that case, it would not so much be a question of restraining demands, but rather of increasing the capacity to meet them. Difficulties would be perceived as stemming not so much from the "uncontrollable upsurge of demands"—without denying that this could exist—as from the rigidity of the instruments designed to deal with them.

A fact mentioned time and again is that the structures of Latin American societies are constantly being built up and then dismantled again. One consequence of this is that changes and social transformations take place rapidly in the region. In spite of the reality of these rapid structural changes, political institutions are generally designed to handle changes slowly. An example of this is the time taken up by the institutional formalities and procedures that have to be observed in order to discuss approve and implement a law. Furthermore, in many Latin American countries the institutional systems provide for slow change of political power through systems that seek to ensure that one renovation of institutions is widely separated from another, so that the old

correlation of forces remains as a damper in the new circumstances. Because of the slow way it works, the institutional system is often overwhelmed by new demands.

Imbalances in domestic power also produce problems for the institutional order of the State. It should not be forgotten that the current development model in Latin America tends towards a concentration of economic and social power. When power is unevenly distributed, democratization is usually presented as a way of correcting these imbalances, and that often leads to an extremely conflictive political struggle.

In a situation of rapid change, constant unstructuring and restructuring, and great inequalities of economic and social power, it is very difficult for the overall system to be considered "legitimate" on the basis of a positive perception springing from the social relations themselves. It may happen that in other societies, where the different groups and organizations (business organizations, trade unions, etc.) have sufficient force—which means that civil society as a whole is organized—the "social pact" sees the State merely as a means of expression. In that case, it could be said that this is a form of "legitimacy" that passes from civil society to the State. In Latin America, however, the "legitimacy" (in its Weberian sense) derives in many cases from the capacity of the State to organize different interests and direct society. Socio-political legitimacy, in particular, is achieved by the capacity of the State to propose and put into effect social policies that take care, at least partially, of the aspirations of the masses.

In spite of this, which would seem to be evident, it is well known that the ideologies in Latin America that emphasize the significance of the State are in crisis. Ideologies that see the State as a mediator of the general interest are questioned. Populist ideas that conceive of the State as the "benefactor of the people" are also in crisis. Faced with this situation, Latin American thought faces the challenge of elaborating a new ideology regarding the State.

The idea of the "social State"—which is close to but not necessarily identical with the idea of the "welfare State"—refers to the need for the juridical ordering of the State to be such that it can make its presence felt in the

organization of society as a whole. In Latin America, this was a question of expanding the concept of the citizenry, although with the added ingredient that rights must be equal not only formally but also materially. The basic postulate was that the relation in society should be a relation between citizens endowed with equal rights. In practice, however, the notion of citizenship is undergoing an important change, leaving behind to a certain extent the notion of the individual citizen and coming to see citizenship as being exercised through belonging to organizations. In a sense, it becomes a "citizenship of organizations". It is the organizations that give expression to social demands and supposedly contribute to the elaboration of policies. In that sense it can be said, then, that the State, rather than being a State of "citizens", is a State of "organizations".

This is an important point for Latin America because it has several implications for the functioning of the political/institutional system. As already noted, one of the characteristics of the structure of that system is that a large part of the population remains outside of the formal organization of the social division of labour. The immediate result of this is that by not being organized, their possibility of exercising their rights as citizens is considerably reduced.

In the "formal sector", in contrast, the growth of the organization and its increased power tend to constitute a corporatist order. The corporatist power or order often enters into contradiction with the political order of the classical democratic régimes. In these, the representative and decision-making mechanisms, such as parliaments, legislative assemblies, municipal councils and others, do not incorporate corporatist representation easily, and in these circumstances the corporatist system tries to represent itself directly to the Executive or to pressure it. On the other hand, in practice in Latin America the executive often recognizes corporatist representation and excludes those who are not connected with it. The role of the corporations in the political system can be said in many cases to consist of an authoritarian centralization of the institutional workings.

The degree of social disarticulation is a point that needs to be emphasized in relation to the question of the State and the political system in Latin America. It may be noted first of all that the State can hardly be only the expression of an order constituted by "an economically dominant class", since in most of the countries the formal economic system (capitalist) does not structure the whole of society. This social disarticulation is one of the most typical elements of the character of the State in Latin America.

In a disarticulated society characterized by strong external dependence, inequality in rural/urban, capital/non-capital relations, etc., it is easy to understand the difficulty that exists for one group to set up in a definitive and stable way an economic, social and political hegemonic centre which is truly national. In fact, because of all the factors mentioned earlier (corporatism, exclusion, absence of hegemony, social disarticulation) it would appear that there are situations in which a system of reciprocal vetoes prevails. In these circumstances, a necessary condition for the success of the project of some of the socio-political actors is often the passivity of most of the actors: a condition which is certainly difficult to attain.

The unstructured character of society is also seen in the system of political parties. According to F.H. Cardoso —not only an author but also a political actor— "the political parties function with patchwork styles —partly American, partly caudillo, partly ideological— and with a mixture of forms of political parties from Europe, the United States and Latin America itself".

Another effect worth pointing out is the unclear separation between the State and society. Not only is the State permeated by class conflicts and conflicts arising from change, but also the State in its own sphere becomes the political arena in which the interests, orientations and options of the different social actors are expressed and compete with each other.

In short, the challenge faced by the State in Latin America on the political plane is that of profoundly changing its régime, due to the fact that it has to face the problem of implanting and exercising democracy in a society which is at present corporatist, disarticulated and without a clear system of hegemony.

V

The State apparatus, its general functions and democracy

It is necessary to recall some features of the historical background in order to gain an understanding of the institutional system which shapes the State in Latin America. In its general lines this system arose from attempts to respond to the challenges presented on the one hand by the organization of the nation—a problem that the majority of the countries faced especially in the nineteenth century—and on the other hand, by economic development, especially in the twentieth century.

The expansion of the State and its degrees and forms of institutional differentiation and specialization are the result of the various efforts that have been made to solve the problems involved in developing society: a phenomenon which, as often noted, tends to acquire very contradictory traits. Likewise, the formation of the State bureaucracy is seen as a form of institutional crystallization of the various political projects that have existed in the region.

The orientation of the State bureaucracy stems from various sources, which can be distinguished as follows: a) holders of posts closely linked with the government in power, who try to put the policy guidelines and orientations emanating from the government into a normative framework applicable to the administration of different bureaucratic organizations; b) the "clientèles", who can be public, private or international, and who express specific interests and are linked or seek to be linked to the different bodies involved in the application of policy measures; and c) the "bureaucratic" organizations themselves, which carry out measures, programmes and policies.

It is worth bearing in mind that these different sources of orientation, since they generally differ among themselves, generate strong tensions within the State apparatus. Particularly important are the distinct orientations of the "clientèles" who, in addition to struggling with each other within the State apparatus, carry on their conflicts on the societal level too.

Since these tensions can only be resolved with difficulty, they often lead to a certain disorganization of the State apparatus, and this disorganization is frequently further increased because the State has to alleviate social conflict, which gives rise to *ad hoc* measures. The attenuation of social conflict has been a traditional function of the State, especially in democratic régimes and this explains why it is usually difficult to normalize and rationalize the State, for if the State has to try to solve social conflicts, it is logical that even in its structure—and especially in its actual functioning—it will respond more to political considerations than to a strictly administrative rationality. This is why analysts distinguish different forms of articulation within the State apparatus. One of these corresponds to the distribution of the different kinds of policies, that is, specific spaces that reflect the "social division of labour" within the State apparatus; another refers to the hierarchical structure and corresponds to the organizational chart; and a third form reflects an "invisible stratification" and is closely linked to the role the different "clientèles" play in the diverse State organizations. The special features of these forms of articulation naturally depend on the nature of the prevailing régime. The "invisible stratification" is in some ways a reflection of the prevailing social structure and power structure in a given situation.

A realistic analytical criterion for the functioning of the bureaucracy is the type of relation it establishes with the so-called "clientèles". These clientèles, which are sometimes united by very specific interests, exert pressure to orient the State agencies to which they are linked as a function of their own interests. When the "clientèles'" pressure is successful—and this is often the case—the satisfaction of their demands becomes the real and true object of that State agency.

Another important element for understanding the type of orientation and functioning of the public administration consists of the

organizational models used as a reference for its norms of conduct. At the present time, there is a widespread idea that the great historical referent should be "private enterprise". It is often a question of reproducing in the public sector this model's objectives, basic strategies, organizational technology and in general its whole style. When the public sector is criticized for alleged inefficiency, it is argued that this inefficiency stems from behaving differently from private enterprise. The remedy that is proposed in some circles is to adopt a "private-enterprise" form of functioning, for which purpose it would be useful to transfer the technology of functioning of the private sector to the public one. It has even been asserted that a guarantee of efficiency for public agencies would be to put them into the hands of successful private-sector managers. This opinion has actually been put into effect in some cases, and even after some enterprises have been nationalized, not only have some of the middle-level personnel continued to work in them, but even also some of the top executives from the previous private ownership.

The concrete fact is that the application of the "private" management model to public enterprises means that the routines of functioning, the commercial strategies and the norms of internal organization, such as, for example, accounting systems, management-evaluation mechanisms, information systems, etc., are the ones usual in private enterprise. The problem that arises is whether these norms are really appropriate to the objectives, goals and functions of the public enterprise. The problem deepens when the objective pursued by public enterprises is the virtual transfer of resources to social sectors and is thus very different from the objectives of a private enterprise. The adaptation of the procedures and the criteria for evaluating efficiency are fundamentally different in these cases.

It should be mentioned that on many occasions the military has influenced the definition of the norms for State action. This fact is responsible, for example, for the high relative importance—in comparison with other sectors—given to defence and security agencies in fiscal expenditures. Moreover, the military at times claim control over certain areas of

production or inputs which they consider to be strategic, such as for example steel, petrochemicals, atomic energy, air transport and other areas. Active or retired personnel of the armed forces frequently have participated, or still participate, in various sectors of State administration. Without entering into a discussion of the appropriateness of such measures, it is undoubtedly true that a "military style" has imprinted certain characteristics on the "bureaucratic culture" which are reflected in administrative matters as well as in control methods, procedures, rules, etc.

It should also be borne in mind that many Latin American countries have experienced authoritarian régimes, and this too has influenced the formation of bureaucratic conduct. According to those who have studied the phenomenon, in authoritarian States the bureaucracy is characterized by a strong predominance of hierarchical functioning, with extremely vertical command structures and a tendency to concentrate State decision-making mechanisms in a few hands. With regard to procedures, there is tremendous differentiation in practice between the top-level administrators who are responsible for taking decisions and those who have to carry them out. This marked separation of functions influences the transparency of the process and often makes it difficult to determine political responsibilities for the actions of the bureaucracy. According to those who know this reality, in these cases responsibility can normally always be passed higher up so that it reaches people "who are above public scrutiny".

In many authoritarian régimes there is a whole set of hurdles standing in the way of the full expression or representation of certain types of social interests. This means in effect that the authorities are ignorant of a large part of the citizen's demands because these have no channels of access to it. This also gives rise to a tendency to consider as real the "demands" that the technocracy or bureaucracy itself establishes as such, and which are the only ones recognized. Authoritarian régimes generate a kind of bureaucracy that tends to function in a "closed" way, thus increasing the lack of transparency already mentioned. In such situations it is almost impossible to know who has participated in

decisions, or what road the decision-making process has followed. Secretiveness predominates in the formulation of policies, and since there is in fact no prior public debate, these policies are only known at the moment they are promulgated. The tendency of the bureaucracy is not to render accounts to the citizens but only to the top authorities. As already noted, bureaucratic responsibility is, in the best of cases, only procedural. In these circumstances the functioning of the State apparatus acquires eminently technocratic characteristics, and this technocratic attitude takes on the features of an ideology when it is asserted that problems are treated exclusively with "scientific, neutral and objective" criteria. Moreover, the management style is clearly oriented towards alleged "efficiency".

Because of the influences mentioned and the different kinds of prevailing orientations and patterns of conduct, it is common in Latin America to find substantial disparities between certain presuppositions about the characteristics of the State apparatus and the actual reality. The danger is that often proposed policies are based on the assumed "existence" of these presuppositions and are designed as if they were real. Thus, for example, policies are frequently based on a presupposition of the unity and internal coherence of the different economic agents that make up the State and on the assumption that these agents really respond to the orientations and directives emanating from government leaders. The reality is quite the opposite, however. As we have tried to demonstrate, the State apparatus is a highly complex structure, which has to face tasks that daily grow more difficult, and in which multiple actors or "clientèles" try to impose their own interests using different power resources.

There is also a tendency in policy formulation to presuppose that the State apparatus has sufficient technical and administrative capacity to carry out the proposals efficiently. However, even though the management itself may be efficient, the definition of efficiency and the parameters governing it —the private-enterprise model, military-influenced features, etc.— often do not necessarily correspond to what might be understood as "efficiency of the public sector".

It is worth dwelling a little on the problem of the autonomy of the State apparatus with respect to the external agents. The assumption is that this autonomy makes it possible to overcome partial viewpoints and avoid the dominance of excessively personal interests. The presupposition is that the autonomy of the State apparatus —when properly applied— would make possible an overall view allowing for the expression of general interests of the nation as a whole. In reality, however, the State administration is often a result of complex decision-making processes involving the intervention of many powers, both State and private. The real "rationale" of the decision is sometimes a confused mixture of technical, bureaucratic and political rationales.

If these facts of reality —which cannot be bypassed by mere administrative voluntarism— are taken into account, the permanent problem is how to achieve greater congruence between the political project and the way the institutional apparatus really functions. The solution would call for redefining attributions, changing structures of authority, and reallocating resources.

Although this might seem paradoxical, the problem often arises of how the government can gain control over the bureaucracy. The bureaucracy frequently justifies itself by saying that technical and administrative efficiency is necessary and inevitable. Although this is an acceptable objective, however, it cannot be imposed in absolute fashion over all the other objectives that should orient the action of the State apparatus. To a certain extent, it is important that administrative efficiency should be co-ordinated with —or even at times subordinated to— the "social efficiency" which is decisive for achieving coherence between State management and the objectives and economic and social policies that should govern it.

Social efficiency also presupposes a certain sensitivity towards social demands. These are expressed through the various ways society is organized, but also through the general and specific orientations that the government gives to the action of the State apparatus. In a democratic system, the basic legitimacy of the government programme —which the bureaucracy must put into practice— derives

from the election results, but that legitimacy is reinforced by the concrete policies formulated by the State apparatus and directed by the government.

Finally, it is normal to demand more and better articulation of the State apparatus. Often the organizational relations between the central and the decentralized administration are extraordinarily precarious at basic levels of action. In the majority of cases, regional and municipal bodies have few links with each other and only a weak connection with the central apparatus. These problems should be faced not only formally but also in practice. The important

thing is that there should be the necessary mechanisms of substantive articulation.

Specialists in public administration point out, with reference to the State apparatus, that the basic question is to redesign its action using new qualitative criteria. This would mean planning new patterns of resource allocation, mobilizing present human and material capacity, and using economies of scale. All of this is closely related to the dimensions and scale of operation attained by the State apparatus. But what is fundamental—they emphasize—is that the public administration or the State apparatus be really efficient for the exercise of democracy.

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