



THE STATE UNDER SCRUTINY



Public opinion, Stateness
and government performance
in Latin America

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Introduction

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The democratization processes under way in the Latin American countries in the past three decades have ushered in far-reaching economic reforms that have significantly altered the profile of States in the region.

The 1980s, which became known as the “lost decade” because of its dismal economic performance, recorded great contrasts. Several countries embarked upon a return to democracy, although this did not by any means bring a definitive solution to the problems of political instability that have overwhelmed many countries of the region from time to time. Lost as it was, perhaps, in the economic sense, the decade of the 1980s also saw the revival of social expectations: in democratic societies, social conflicts and demands for redistribution are not only the expression of persistent and severe welfare deficits but they also, quite rightly, reflect the existence of freedom, which is in itself a key variable of development (Sen, 1999). With freedom came an accentuation of the problems of democratic governance, which only began to emerge when social demands could flow freely and the State found itself obliged to adjust its response capacity, while performing the delicate act of balancing great needs and scarce resources. For this reason, there can be no surprise at the explosion of the concept of governance and of studies on the topic in the region.

The 1980s were marked by tension between the expansion of popular political engagement and the shrinking of states’ fiscal capacity, resulting from a combination of the debt crisis and conservatively inspired stabilization measures, which were extremely hostile to the growth of public investment.

In the 1990s the climate changed. Social demands projected a growing loss of faith in the traditional political parties, relics from another era, and the emergence of personalized leadership tailored to circumstances, with scant roots in any clear political or ideological currents, inclined to populist mechanisms that resulted in resounding electoral victories but also sparked a climate of political instability that typically ended in early suspension of their constitutional mandates. Nevertheless, as regional economies performed better—driven in many cases by improved terms of trade—the ground was laid for a third stage, which coincided with the turn of the century.

In the first decade of the 21st century, the region was finally in for a period of economic growth, with the capacity to close social gaps, thanks to a greater willingness to finance social programmes. This coincided with political changes that led to greater governmental stability and generated a proclivity to re-election in place of the former pattern of revolving-door governments.

This study attempts to understand this most recent period by analysing how social representations, expressed through public opinion surveys, relate to changes in the political system and in the capacity of governments to respond to public expectations. To this end, the study relies on the exhaustive analysis of a series of surveys conducted in 18 countries in the region between 1996 and 2008 by the *Latinobarómetro* project. Those surveys provide a unique database compiling people's perceptions, attitudes and assessments on a broad spectrum of issues relating to politics, the State and its institutions, government, and political and social players. In this book, we shall focus on observation and analysis of data which, in our opinion, allow us to reconstruct the popular image of the role of the State in society. This is a complex process because, as might be expected, the questions were not devised from the viewpoint of research on the role of the State and, as a barometer, they provide measurements that must be interpreted in light of the interests and objectives of each research undertaking.

This paper is structured in five chapters, plus a conclusions section. Chapter I presents the conceptual framework within which the information provided by the surveys is arranged. It refers primarily to the need to distinguish between two functions of the State: the first has to do with the organization of power, which leads to the formation of a regime and a political system, and which bonds with the citizens by winning their normative consent, as the fundamental prerequisite for the social legitimation of power. The second function has to do with the practical value of the State as a provider of public services, the quality of which—following the conventional approach which understands governance as the balancing of social demands and government response—leads to affirmation or weakening of basic legitimacy. This chapter also discusses the need to distinguish levels of relative development of State

capacities expressed in types of “stateness”, recognizing that, in a region as varied as Latin America, the expression “State” represents vastly differing political and institutional experiences in terms of scope and depth, despite some obvious common traits.

Chapter II reconstructs the sociopolitical context of the region in the 1990s and the first decade of this century, a time of relative peace and political stability (in contrast to the preceding decades) which nevertheless presents new challenges and some old and unmet expectations, particularly in relation to improving living standards for the majority of the population.

Chapter III explores people’s opinions as to the dimension of consent, which expresses, to put it succinctly, the degree to which people support the institutional regime and the basic rules of life in society. Without that consent, the very idea of the State is unthinkable. In Latin America today, this has to do with the degree of popular commitment to the democratic system and its institutions, as well as acceptance of the demands that the exercise of citizenship presupposes in terms of rights and duties.

Chapter IV analyses the performance of the State, expressed in terms of its effects on the population and on people’s opinion about public services or, more generally, the degree of impact that government action has on people’s quality of life. This chapter pays special attention to the extent to which certain structural features of society that relate to social inequality, gender discrimination or exclusion of certain ethnic groups may influence people’s assessment of government performance.

Chapter V investigates public expectations: it considers people’s views about what government should be doing, rather than what it is doing. The analysis focuses on discerning the role assigned to the State in society. As there is much less information available for subject of this chapter than for the others, it may be taken as an interesting topic for further study, given the renewed political debate over the State and its presence in society.

Chapter I

Basic concepts

■

A. Public opinion on politics

At the end of the 19th century the British historian and politician James Bryce described a tendency in the United States toward what he called “the rule of public opinion” (Fishkin, 1997) as one stage in the evolution of democracy. On a visit to that country to present his work, *The American Commonwealth*, Bryce admitted however that, while the assessment of public opinion must in those circumstances be a continuous process, there were “mechanical difficulties” in working out a method where public opinion could effectively govern.

Some 50 years after Bryce proposed his stages of democracy, the psychologist and entrepreneur George Gallup claimed to have resolved the “mechanical difficulty” in systematically measuring public opinion. He experimented with this method during the 1936 presidential campaign, when he correctly predicted Roosevelt’s victory. Gallup won wide acceptance of the idea that a relatively small scientific sample of public opinion could accurately reflect the views of the nation as a whole (Fishkin, 1997, pp. 76-78).

This, then, was the approach that political scientists seized upon for measuring public opinion, and it has given rise to the vast survey research industry. Unfortunately, the use of this model entails a series of problems because of the fleeting and volatile nature of many polls, as well as the superficial and simplistic interpretation given them in the media. As the metaphor of the echo chamber suggests, television and polling reverberate together (Fishkin, 1997, p. 84). “Poll results are reported in the media and are bounced back by the public and further polls, regardless of whether the initial

results had any substantial thought behind them” (*Ibid*): this contributes little to the formulation of sound policies or to the proper scrutiny and assessment of public affairs.

A central feature of Gallup’s contribution, which is dominant in interpreting survey results and in linking polling to the theory of democracy, is the idea of the “sampling referendum”, which allows opinion to be interpreted from a sample as if it were representative of the population.

At the present time, public opinion is analysed above all on the basis of quantitative individual studies applied through questionnaires that generally include closed-end questions, the responses to which are subsequently aggregated by means of statistical softwares. It must be recalled that, behind their results, there are theoretical bases on which is based the link with the State and public policies, hence the importance of the manner in which public opinion is captured and of the results which these studies produce for the democratic process.

B. Public opinion, the state and democracy

The theoretical perspective adopted will determine, to a large extent, the way in which the category of public opinion is understood, as well as its relation to other concepts. The multiple meanings of the term—which is a topic for the social sciences—imply, in this case, a diversity of methodologies and ways of investigating the phenomenon, whether from a viewpoint in which public opinion is identified with quantitative measurement through polling or from another, opposing viewpoint which denies its existence completely. We shall consider various approaches in order to obtain a broader perspective of the matter and of the possible theoretical links to the State and the democratic system.

To begin with, we define the term “public opinion” according to its encyclopaedic version, and will subsequently go on to enrich the analysis with theoretical and critical sources. According to the *Dizionario di politica of Bobbio*, Matteucci and Pasquino, public opinion is public in a dual sense: first, because it is born in public debate, and second because it concerns public affairs. Public opinion is a modern phenomenon that emerges from the separation of civil society and State, which allows the creation of centres for the formation of non-individual opinions, interested in controlling government policy, even without exercising any immediate political activity (Matteucci, 2004, pp. 636-637).

According to that same dictionary, public opinion originates when people are unwilling to leave the management of public affairs in the hands

of politicians and they contest the concept of State secrecy (*arcana imperii*) in order to “publicize” government acts to the maximum (Matteucci, 2004, pp. 637).

Thus, public opinion has its roots in a particular political context, with specific functions that arise from society itself in its relationship with the State, thereby taking the first steps toward constituting modern democracies. This definition offers an idea of the close relationships that it has with other concepts such as democracy, the State and public policies. There is a democratic aspect in the fact that civil society has the autonomy to form opinions and oversee the results or acts of government (another faculty inherent in non-authoritarian systems). In this respect, there are institutional means and substantive ends, such as public policies and government efficiency.

Another interpretation flows from the work of Giovanni Sartori, who defines public opinion as a public, or a multiplicity of publics, whose diffuse mental states (opinions) interact with information flows about the state of public affairs (Sartori, 2000, p. 171). Consistent with the views of Matteucci as expressed in the *Dizionario di politica*, Sartori maintains that the term as such is relatively recent. He places its birth at the time of the French Revolution in 1789, which makes it a modern concept and, given the context in which it emerged, he considers its conception as highly political. Yet he recognizes that some concepts related to public opinion had already appeared, for example, in the works of Plato and Machiavelli. Two characteristics stand out: dissemination among publics, and the reference to public affairs.

With respect to the first characteristic, there are many publics with opinions, while with respect to the second, the topic focuses on a discussion of the conduct of government from a liberal bias. This notion of public opinion carries within itself needs, values, desires, dispositions and, especially, data as to how public affairs are managed. This last element is what leads Sartori to conclude that the theory of public opinion is part of the theory of democracy.

The relationship between public opinion and democracy starts from the idea that democracy is based on the sovereignty of the people. In other words, it is the people who delegate power via the principle of legitimation through the election of their representatives. And it is precisely in public opinion where popular sovereignty finds its substance and instrumentation. In other words, what the author calls “government by consent” is that which maintains itself in public opinion. As we shall see later on, this is the principle theoretical point of reference for analysing the links between the structure (form) of the State and the structures (dynamics) of opinion, which are synthesized in the expression “consent”.

In this same line of thinking is the theory of democracy of Dahl, for whom one of the institutions necessary for establishing a democratic process is freedom of expression for the citizens, something that is essential for effective participation, control of the public agenda, and enlightened understanding (Dahl, 1989, pp. 221-222).

Despite the theoretical force of the link between the two concepts, some authors question the functioning of the assumptions in real political life. Thus, Habermas (“The Structural Transformation of the Public Sphere”, 1981, p. 236) writes that “public opinion takes on a different meaning whether it is brought into play as a critical authority in connection with the normative mandate that the exercise of political and social power be subject to publicity or as the object to be moulded in connection with a staged display of, and manipulative propagation of, publicity in the service of persons and institutions, consumer goods, and programmes.”

From this viewpoint, the functions of publicity —the critical and the manipulative— can be clearly distinguished because they run socially at cross-purposes to each other. And in each version, the public is expected to behave in a different fashion. As Habermas sees it, one version is premised on public opinion and the other on nonpublic opinion. He concludes that the public opinion which feeds the democratic State is not that which results from political manipulation, but rather that which originates in social debate and discussion.

Habermas agrees with establishment of the link between democracy and public opinion, and places the emphasis on popular sovereignty, as does Sartori. From these perspectives, the constitutional institutions of democracy count on an intact public opinion because it is still the only accepted basis for the legitimation of political domination. “The modern State presupposes as the principle of its own truth the sovereignty of the people, and this in turn is supposed to be public opinion”.

But before accepting this premise as valid, the Frankfurt philosopher introduces a condition concerning the source of information. The concept of public opinion “that is historically meaningful, that normatively meets the requirements of the social-welfare State, and that is theoretically clear and empirically identifiable can be grounded only in the structural transformation of the public sphere itself and in the dimension of its development” (p. 244).

In a similar vein, Soroka and Wlezien (2005, p. 3) argue that a principal function of representative democracy is to provide a mechanism through which public opinion and public policy can be connected, incorporating into the process the element of responsiveness on both sides, the public and the government.

From a more structural viewpoint, there is another player that must be added into the discussion: the State. In a democratic system, public opinion arises from State action with respect to the established institutional contract, which makes itself felt in all social dimensions.

According to O'Donnell (2007, pp. 47-48), when we refer to the democratic State we are speaking of a territory endowed with a democratic regime, in which certain rights are granted on an inclusive and universal basis to the citizens who inhabit it. As the territorial entity, the State embraces the holders of rights and duties corresponding to political citizenship. At the same time, it constitutes a legal system that promulgates and supports the universal and inclusive allocation of those rights and duties.

From this viewpoint, there is a necessary relation between a democracy and political citizenship, and both presuppose the State as the territorial delimitation and the legal system. But we must not understand the legal system to mean merely a set of bureaucracies. The State includes rules of many kinds and it normally backs them up with its monopoly of coercive power in the territory it embraces.

From this we may deduce that it is the legal system and certain institutions pertaining to the State that sustain a democracy, a regime based on clean and institutionalized elections and their attendant freedoms. To the extent this is true, that State includes within itself a very important dimension of democraticness, which is an attribute of the State and not merely of the regime, inasmuch as it promulgates and sustains legal rules for the existence and persistence of a democratic regime (O'Donnell, 2007).

The foregoing consideration is key to the analysis of public opinion, as it allows us to relate the idea of "effectiveness" (Linz and Stepan, 1996, p. 37) with citizens' perception —positive or negative— of the State's handling of public affairs. A State will be effective if there is a vast and complex network of State institutions that can give effectiveness to a democratic legal system. Consequently, the weakness of this type of State is one of the most disappointing and disturbing features of many new democracies (O'Donnell, 2007, p. 74).

It will be recognized that the relationship proposed in this argument is a direct one: the more effective the State, the more highly will the citizens regard the government. The contrary also holds: public opinion will not be friendly in the face of an ineffectual State. Nevertheless, opinion on the effectiveness or ineffectiveness of management seems to require sophisticated knowledge on the part of the public, that is to say mastery of a broad variety of issues relating to the work of government.

Moreover, it is important to distinguish between circumstantial and structural aspects of the State: depending on the approach taken, the effectiveness of the State may or may not affect citizens' perceptions. In other words, individual events that betray poor management will not necessarily lead to rejection of the democratic system itself. Consequently, there may be low marks assigned for ineffective management, but high support for democracy¹.

For this reason, studies of political culture tend to distinguish between diffuse support, understood as generic support for the political system, not based on any particular motives, and specific support, which responds to particular and concrete decisions taken by the authorities to meet certain demands (Easton, 1975).

Works on democratic culture and, more recently, on the quality of democracy have explored some interesting relationships between support for democracy and satisfactions with this form of government, delving as well into public management, the perception of government actions and the relationship of individuals to the political system. It is important to note that the arguments sketched out above underlie the measurements in the studies cited below.

To begin with, Levine and Molina (2007, p. 18) argue for a separation between the quality of democracy, understood as a process of citizen participation and political influence, and the effectiveness of government, defined as the outcomes, good or bad, of government management.

These authors focused their analysis on the processes whereby the citizens select their political representatives and thereafter remain aloof from concerns about governmental efficiency. In this, the authors stand in opposition to the viewpoint maintained by the United Nations Development Programme (UNDP, 2004, p. 19), according to which the success of democracy is conditional upon the establishment of policies that promote development and social justice or equity.

Similarly, Mainwaring and Scully consider that democratic governance demands of governments the capacity to implement policies that will foster a country's political, social and economic well-being, which means promoting economic growth, guaranteeing citizen security, and addressing social problems such as poverty, inequality, and the poor quality of public services.

¹ In some approaches, the legitimacy of democracy as a political system is relatively independent of the perceptions of the system's inefficiency or dissatisfaction with democracy (Montero, Gunther and Torcal, 1998). This reflects the fact that, although citizens' declared satisfaction with democracy may be very low, the legitimacy of democracy in Latin America enjoys greater stability and in most countries falls in the medium and high ranges.

It is useful to look more closely at the concept of democracy proposed by the UNDP, as this will influence the way in which we investigate how public opinion in Latin America rates its democratic systems.

The UNDP report describes the paradox in which the transition from authoritarian to democratic regimes has not seen off either poverty or social inequality. Indeed, the region still faces profound social problems in spite of democratization, raising the question as to whether democratization should not include economic aspects as well as political ones (elections, voter participation and so on). To this end of the UNDP proposes a triangle as a metaphor for Latin American reality, with electoral democracy, poverty and inequality at its vertices (UNDP, 2004, p. 36).

According to the UNDP study, public opinion in Latin America reveals concern over economic problems, and tends to accord less importance to democracy than to economic development. Poverty generates among the most disadvantaged sectors a sense of mistrust in democratic institutions and the political class. Inequality undermines support for democracy (UNDP, 2004, p. 27).

Public opinion, then, demands economic and social results, and not merely political results such as free, clean and regular elections. Using the concept of Mainwaring and Scully (2008), democratic governance is central to this debate, for it focuses squarely on the capacity to respond to demands on the social agenda. The UNDP report, however, uses not the concept of governance but rather that of effectiveness, which is closely associated with it.

The report proposes a concept of the State in its component dimensions that is similar to that put forth by O'Donnell: (a) as a focus for collective identity for the territory's inhabitants; (b) as a legal system, which aspires to a high degree of effectiveness in regulating social relations; and (c) as a set of bureaucratic entities, which presupposes effectiveness in the performance of their functions (UNDP, 2004, p. 61). It is clear that components (b) and (c) refer specifically to the notions of effectiveness and democratic governance. Yet the low regard with which these elements are held in Latin American public opinion has undermined institutions' political legitimacy. As the report notes:

“The crisis of politics is evident not only with respect to the low credibility and prestige of political parties but also to the inefficacy of governments in dealing with key issues that are evidently deficits of citizenship: in particular, issues concerning civil and social rights” (UNDP, 2004, p. 51).

Moreover, the democratic legal and institutional framework is no guarantee that public policies will satisfy the public:

“Throughout Latin America the political formula centres on the constitutional President. While the presidency usually enjoys a significant degree of formal power, this does not necessarily transfer into effective governance, creating another source of dissatisfaction among citizens and frustration among politicians” (UNDP, 2004, p. 177).

From this we may conclude that “poverty and inequality are not only ‘social problems’ but also democratic deficits”, and that we must guard against creating a schism between economic policies, social policies and the strengthening of democracy (UNDP, 2004, p. 55).

The UNDP public opinion study showed that when the State is seen as ineffective and incapable, elections are not enough to give it institutional legitimacy. In the theoretical acceptance described above, the State is cast into question by a citizenry who see that the tasks assigned to it, and which are its very *raison d’être*, are not being fulfilled.

At the empirical level in Latin America, there is clearly a close relation between public opinion, democracy and the State. The following quote summarizes the findings that reflect, in part, the theoretical synthesis offered here:

“Societies’ verdict on the institutional effectiveness and the level of development of our democracies is extremely critical. In general, public opinion indicates that institutions and leaders are not accomplishing all that they should be. One reason is that democratically elected governments frequently appear to be incapable of responding to, or unwilling to deal with, basic development issues or those concerning inequality and insecurity, for instance. We believe that underlying this perception is another fact that has been overlooked in recent discussions: in the past two decades the State has lost an enormous amount of power and, in some areas within our countries, has practically ceased to exist” (UNDP, 2004, pp. 66-66).

The foregoing is important in that it contains criteria that can flesh out the minimum indicators of democracy on which most of the works quoted are based. However, citizens also express degrees of satisfaction with respect

to the performance of their governments and their democratic functioning. Citizens' perceptions on aspects such as the possibility of influencing public agendas, the performance and effectiveness of political institutions, and the social opportunities open to them within the democratic regime seem to be based on subjective judgments. However, this could also be said of perceptions if they are confined to democratic procedures alone (Alvarez, 2010).

The statistical data suggest some clear paths for observing the relationship between specific indices of democracy in Latin America and citizen perceptions as to the functioning of democracy in their countries. There are some inverse relationships here: countries that rank at the bottom of the quality estimates have a high percentage of people who declare themselves satisfied with democracy, and vice versa (LAPOP, 2008; Álvarez, 2010).

Nevertheless, studies that have explored this relationship differ as to the power of public opinion to explain the outcomes of public policies. That outcome is influenced by technical elements such as the selection of the polling sample, the relevance of the topic on which the questions are to be asked, and the degree of knowledge and involvement of the people who will participate in the survey.

Returning to one element of the discussion, a problem facing public opinion in its relationship with the performance of democracies is specifically that of measuring democratic quality by focusing on indicators of electoral procedures and processes. As Sartori argues (2009, p. 33):

As long as we confine ourselves to the context of electoral democracy, to the voting public electing their representatives, this state of affairs poses no serious problems. It is true that the public in general is never very well informed, does not know much about politics, and has no great interest in it. Yet electoral democracy does not decide questions: rather, it decides who will decide the questions.

Another approach that deserves to be resurrected is that sketched by Adam Przeworski, who links his own minimalist definition of democracy with concepts of the public (actors) and outcomes (public policies).

First, for Przeworski “democracy is a system in which parties lose elections. There are parties: divisions of interests, values and opinions. There is competition organized by rules. And there are periodic winners and losers” (Przeworski, 1995, p. 18).

Democracy is also a system for processing conflicts, in which the outcomes depend on what participants do, but no single force controls what occurs, as the consequences of the actions of others cannot be anticipated (Przeworski, 1995, p. 12).

That is why, as Przeworski sees it, democracy has two inherent properties: certainty and uncertainty.

The certainty refers to the institutional rules: the actors can know what is possible, as the outcomes of their actions will be determined by the institutional framework. In other words, as Przeworski puts it, the actors know what can happen because they know the rules of the game, but they do not know what *will* happen.

The uncertainty, for its part, refers to the fact that the outcomes of democratic processes are uncertain and will be determined by people and by political forces that are competing to promote their own interests and values. In this respect, we can appreciate the minimalist character of his formulation: it establishes that there are outcomes, but it does not tell us what they are (in contrast for example to the UNDP approach, which specifies social policies for dealing with inequality and poverty as necessary responses of democratic systems).

At the same time, however, all the outcomes resulting from that conflict are temporary, since losers do not forfeit the right to compete in subsequent elections, negotiate again, influence legislation, pressure the bureaucracy, or seek recourse to the courts. These are the rules or standards that produce certainty, as actors calculate probabilities that actions will turn out in a certain way.

In addition to this certainty/uncertainty dichotomy there is another, between *ex ante* and *ex post* assessments. The *ex ante* assessments that participants make refer to the specific rules that constitute the democratic institutional framework. On the contrary, *ex post* assessments relate to the uncertainty of outcomes and are made only after those outcomes are known, since they are impossible to predict.

This categorization corresponds with that of Seymour Martin Lipset, as Przeworski himself indicates. For Lipset, the stability of democratic systems relies to a great extent on their legitimacy and their effectiveness. The first concept he defines as “the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for the society” (Lipset, 1987, p. 67), which for Przeworski is an *ex ante* assessment. The effectiveness, on the other hand, is an *ex post* assessment, as it corresponds to “the extent to which the system satisfies the basic functions of government as most of the population and powerful groups within it see them” (*idem*).

Thus, Przeworski's theorizing shows us that democracy has known rules, which public opinion assesses *ex ante* in terms of legitimacy, and uncertain outcomes, which are assessed *ex post* according to their effectiveness.

When it comes to participants in the process, Przeworski refers to the players as forces who are engaged in a continuous struggle over their interests and although they accept the process in which the outcomes are produced, this does not mean that they will always be satisfied by those outcomes.

The author places greater emphasis on political leaders as those capable of generating outcomes through negotiations and he shies away from the concept of public opinion, as representative democracies are based on prior processes and not on "universal deliberation".

As well, he indicates that voting merely ratifies the outcomes, confirms political office and serves as the ultimate arbiter of the process. "The processes of deliberation and day-to-day supervision of the government are well protected from the influence of the masses". The interests of the masses in fact are organized in a coercive and monopolistic fashion through groups and collective organizations (Przeworski, 1995, pp. 17-20). Nevertheless, we can find a form of public opinion in the *ex ante* and *ex post* assessments of these groups with respect to State disputes, deliberative processes, and in the end, the manner in which resources are distributed among players and how different interests are satisfied.

C. Opinion and public policies

Public policies may respond to citizen demands or to group interests, or they may simply be generated by the State acting independently. A democratic regime is characterized by possessing certain policies that correspond to basic democratic values, such as those that seek to guarantee fundamental civil and political liberties (from a minimalist perspective), or social and economic rights. Then too, following Sartori and Dahl, there is a public to which is granted the right to express an opinion on this system and its efficacy (at least at the theoretical level). However, there is still no scientific consensus on how to explain the relationship between policies as formulated and implemented by the State and the policies that citizens desire, prefer and expect.

An initial proposal that emerges from relating both dimensions is that opinion operates throughout the policy cycle, but that it is strongest at two points in time: during the setting of the agenda (at the beginning of the cycle) and during the assessment of policies (at the end of the cycle).

This implies some consequences for the analysis. In the first place, the media may increase or diminish the strength of opinion at different times of the cycle (through such techniques as priming and framing). Another consequence is that opinion can be generated by interest groups who may be affected by the policy in question either favourably or adversely, and consequently the “public” opinion may not be that of everyone but only of some.

Within the scope of public policies, the Anglo-Saxon world has contributed a differentiation that allows us to focus the influence of the opinion of those policies. The presence of “polity” concepts (as rules of the game), politics (the field in which the political battle is played out) and policy (public policies as such) shows how the game is generated through the demand for public policies.

This approach focuses on the pressure that public opinion exerts to influence the government policy agenda: what it is that citizens want their governments to do. In turn, the competing political groups agree to discuss the aspects of the demand that will raise their level of acceptance among citizens and voters and so favour their political position. This calculation, of course, takes into account not only percentages of support but also the ideology associated with the topic under discussion and that represents the groups. On the other hand, it must be remembered that the media can frame the same topic in different ways.

It should be mentioned that there is a vast body of theory on the evaluation of policy and its influence on the competition for power, based on the idea of penalties and rewards for policymakers. Thus, public opinion is also present in evaluating the effectiveness of policies. However, while the theory of democracy places the value of responsiveness squarely in the previous stage, studies of rational behaviour focus their analysis on the incentives of citizens to re-elect a government.

Thus, Mainwaring and Shugart (1997, p. 34) see re-election as an accountability mechanism, whereby the voter can exercise control over the policies that the candidate has offered prior to the election and has implemented as president. In other words, the president maintains interest in the election by holding himself to account.

From this perspective, if the candidate has kept his promises or has pursued policies that generate economic welfare, the voters will re-elect him. If not, they will punish him by turning him out of office. In short, this vision of the rational voter suggests that the voters exercise control over their president, based on the representation of the interests of those who brought him to power.

One of the leading proponents of this argument is Przeworski (1998), who maintains that the candidate is also a rational individual and therefore will try to ensure the conditions for his re-election, even when these include manipulating public information and the support of organized groups that can subsequently provide funding for winning a second campaign.

The policy cycle may serve the interests not only of sitting presidents but also of political groups and other institutions, such as legislatures, which also have an incentive to remain in power. In this respect, Colomer (2006, p. 186) considers that the only way of balancing the overweening power of executives is to limit their possibility for re-election while allowing indefinite re-election for legislators. Otherwise, the president will inevitably end up dominating the political scene. In a similar vein, Mainwaring and Shugart (1997, p. 34) indicate that limitations on the possibilities of immediate re-election reduce incentives for presidents to use public policies for purposes of personal political aggrandizement.

It must be remembered that, from a public policy focus, public opinion is understood in terms of groups and not of the public as a whole. This is because the political criteria for the management of given policies are based on distribution criteria that reflect electoral interests, in contrast to technical criteria that may suggest other needs.

This brief review, then, provides some ideas of the linkage between public opinion and policies. In methodological and empirical terms, however, the question is how to relate the proper functioning of institutions with the impact of opinion on public policies (Burstein, 2006). There is in fact good deal of scepticism among academics as to the type of linkage that can be established.

From the viewpoint of establishing the agenda, although it is maintained that public opinion influences the government's policies, it is difficult to establish how strong that influence is. For this reason, Burstein (p. 2) insists that the discussion has not succeeded in resolving the "should" and "is" question. In other words, the debate has focused on expectations about the impact of opinion on policies, based on theories of democracy, but it has not succeeded in showing empirically the reality of that influence.

Burstein finds that the relationship between the two variables is strong to the extent that the topic generates high levels of public discussion, but other issues no less hotly debated in the press are decided in political spheres that do not consider the opinion of citizens. The studies reviewed by the author, which indicate strong correlations between opinion and public policy (the "strong effect" view) tend to present problems of methodological bias. An example is the selection of popular policies with high levels of citizen interest,

keen media presence and more. Consequently, what he calls the “strong effect” view is not conclusive in that it tends to rest on a weak foundation.

Added to this, the normative notion about the responsiveness of governments may not always apply in the outcomes of their public policy, as many mechanisms may influence the process. On this point, Burstein notes that in the literature this relationship tends to be posed as “zero-sum” in the sense that if the public does not get what it wants, it is because powerful interest groups have got what they want. Yet reality may be more complex, and there is an alternative argument expressed in the idea that public preferences behave like a thermostat, that is to say the public adjusts its preferences concerning a policy in response to what policymakers do with it (Soroka and Wlezien, 2005).

This dynamic, which implies a mutual exercise of responsiveness between the public and policymakers, is an incentive for representation, but it requires clear political signals in order to react to policy changes. From the approach suggested by the authors, this implies that individuals are capable of identifying such change.

This analysis omits the presence of other essential players in the development of the process in question and indicates a dual relationship between public opinion and public policies, which may lead to overestimating the effect of the first on the second. There are many forces that go into the shaping of public opinion, including the media, political organizations, electoral outcomes, economic events, ideology, interest groups and their actions.

The pluralist perspective (Dahl, 1961; Dahl and Lindblom, 1953) points in this direction by recognizing that the setting of the policy agenda is the outcome of a contest among political groups. The realist critique of this vision, in turn, shows the imbalance of power among the groups that manage and control the political contest. The argument is that those who have power dominate the agenda and therefore the liberal democratic ideal of public participation is not realized.

Przeworski (1995, p. 16) recognizes that participants in democratic competitions do not have the same organizational, economic and ideological resources. Some groups have more money, more organizational capacity, better skills and more ideological means to persuade and win political contests through democratic means. On occasion, governments take decisions without any reference to the public, and the public in turn may know nothing of certain policy decisions. In this respect, we move from a “zero-sum” posture to another which allows the problem to be viewed in relative terms, beyond whether or not there is any influence, to analyse how much influence exists, how it exists, and what policies it affects.

With respect to scientific research on the relationship between these two concepts, there is in fact no simple relationship between opinion and policies, but rather a multiplicity of contextual variables.

Page and Shapiro (1983) admit that there are difficulties in proving the relationship between opinion and public policies. Their research in the United States demonstrated a certain correspondence between the two. However, they indicate the need to take into account factors such as the importance of the issue under discussion, the institutions that manage public policies, and the players involved in the context. On this last point they note the relevance of studying interest groups, the media, and politicians who may be able to manipulate issues through the force of their leadership and rhetoric.

Feldman (1980) criticizes public opinion studies for failing to identify and measure people's core beliefs and values, which help to structure their political preferences and attitudes. He also argues that a study of the dynamics linking the two areas would yield a better understanding of people's policy preferences and their assessments of performances and candidates.

In summary, different theories of democracy and public policies maintain that there is a relationship between policies and public opinion. However, the empirical study of that relationship presents technical difficulties that are beyond the scope of this chapter. What must be borne closely in mind is that theory is the point of departure for research. The form in which we consider the conceptual relationship determines the subsequent steps in the study. Thus, given the variability between the existing viewpoints for both dimensions, it is not surprising that there is no methodological convergence on the issue.

■ Box I.1 ■

Democracy, State and government

Public opinion studies constantly offer a substantiated definition of democracy, which turns out to be very close to the concepts of State and government, and may even be synonymous with those concepts. Far from referring exclusively to a procedurally confined definition that relates only to the election of political representatives under competitive conditions, the vision offered tends to establish substantiated images of democracy.

Understood as “a form of government”, “system”, something that “creates conditions for prospering economically” or an alternative to “economic development”, democracy relates to dimensions of social life that are beyond its reach, due to the permanent distance between what the citizens want and what the administration does —what Przeworski (2010) calls “agency costs”— but which lead to a political frustration. Any problem with the performance of the government is viewed as a democratic weakness, and in this we run the risk of looking for the lost key where there is light and not where it has been misplaced.

This is not an absurd problem, for the systemic definition of democracy in fact goes back to the question of the structure of government —the division of powers— and the relationships between them —weights and counterweights— the systems of electoral allocation and the links between governors and the governed. In this way, what the State does is conditioned and is not independent of the democratic nature of the political system.

The State, for its part, can be summarized in three essential “meanings” (O’Donnell, 2010): (a) territorial delimitation, which establishes the frontiers of formal citizenship; (b) the legal system, which ensures the rules of the game in the form of freedoms and rights; and (c) the set of bureaucratic entities, which make normative and territorial determinations. The government, which is the State’s effective agency capacity, usually refers to the set of political and bureaucratic hierarchies which, in the executive-dominated systems of Latin America, tends to be the “property” of the president: the administration will be known by his name.

Source: Prepared by the author, on the basis of G. O’Donnell, *Democracia, agencia y Estado. Teoría con intención comparativa*, Buenos Aires, Prometeo Libros, 2010; and A. Przeworski, *¿Qué esperar de la democracia? Límites y posibilidades del autogobierno*, Buenos Aires, Siglo XXI, 2010.

D. The media and public opinion

As already mentioned, the media are influential in shaping both public opinion and public policies. As Parsons notes (2007, p. 152), there has always been a close relationship between public opinion studies and business. The advertising world and the public opinion research world intersect in theory and in practice.

It must be stressed that the press has a privileged role in building democracy because of the exposure it gives to the degree of organization of political institutions. This can reach the point, says Parsons (2007, p. 156), where the public policy agenda is less the product of public opinion,

however that is defined, than the result of the way in which the political elite, the business elite and other elites structure the parameters of what is really under debate.

Karl Deutsch illustrates the relationship between elites and the media in the moulding of public opinion through his “cascade model”. In that model, opinions flow downward as in a cascade through a series of five pools corresponding to (1) economic and social elites, (2) political and governmental elites, (3) the mass media, (4) opinion leaders, and finally (5) the mass public. Public opinion is formed when the “water” of ideas has descended through the pools. However, the model does not work in only one direction: it makes provision for feedback from bottom to top (Deutsch, 1968, cited by Sartori, 2007).

In this model, the media are presented as one of the specific levels involved in forming public opinion. However, their actions also depend on interaction with the other levels and with the masses themselves, and so the system is neither determinist nor absolute.

In studying the influence of the media on opinion formation, certain aspects stand out. Although sources of information have multiplied in recent decades (the printed press, radio, television and the Internet, among others) the information that people receive on public affairs is not necessarily impartial, objective or balanced. On this point, Walter Lippmann (2003, p. 289) warned that “the news and the truth are not the same thing”. While the news constitutes notification of events, the truth clarifies the facts. Thus, in the news the versions of the truth are just that – versions.

Moreover, opinion studies do not seem to reflect the impact of this process of construction, and given that omission, public opinion becomes a problem reduced to forms of measurement that boil the process down to summing up the opinions of a collectivity (Almazán, 2008, p. 182).

In the 1970s, the models that addressed the role of the media presented them as setting the political agenda. For those of that persuasion, the media decided what would be the issues of public debate by ranking the topics that must be of greatest concern to the public, through repetition and length of treatment².

² The influence of the media on public opinion was confirmed empirically by the UNDP report. It revealed that heads of government “described constant intervention by media organizations as a counterbalance to the exercise of their power – in the sense that public opinion tends to be guided by media reporting and its analyses of government actions” (UNDP, 2004, p. 164). Consequently, political elites do indeed perceive the media as independent players in setting the agenda and the public debate.

Subsequently, new studies during the 1980s complicated this vision yet further. They brought to the fore the presence of players such as elites, individuals and interest groups that interacted with the media to influence the agenda. In other words, the media continue to be instruments of other social groups seeking to influence public opinion and decision making.

In this way, the media can function as individual players with their own agenda, or they can be used by groups and elites to impose their agendas. Yet the Deutsch model has the advantage of incorporating both positions, positing public opinion as the result of complex interactions, working in various directions and among multiple players of different kinds.

E. Social perceptions of the role of the state: towards a methodological focus

Blumer (1948) warned that the various analytical offerings had failed to distinguish or isolate public opinion as an object for study. The lack of conceptual characterization posed difficulties for collecting and interpreting empirical observations. The theoretical synthesis produced to date had highlighted that problem, along with many others having to do with the theoretical nature of the concept and the methodology employed for its study.

As Habermas saw it (1981), theoretical approaches have defined public opinion in terms that in the end devalue the verbalization capacity of the group. One of the obstacles to resolving this problem is the methodological propensity to reify the public opinion process. In other words, the process is conceptualized by separating the individuals who make up a collectivity. This leads to problems in differentiating the individual from the collective aspects of public opinion (Crespi, 2000, p. 31)³.

The minimalist approaches to democracy, however, do not show the other side of the relationship, that which sees public opinion as a dependent variable, i.e. which shows how policies influence degrees of satisfaction and the perception of government in each country. As argued earlier, the procedural and electoral characteristics of new democracies are not enough to characterize their systems as democratic. Some researchers, however, have taken a more encompassing approach focusing on the way public opinion evaluates the performance of governments (this is the case, for example, with the UNDP study quoted above).

³ In his classic essay on this issue, Bourdieu (1973) maintains that putting a figure on public opinion is an "artifact, pure and simple", the function of which is to disguise the fact that the state of opinion at any given moment is "a system of forces and tensions", and that "nothing is more inadequate for representing the state of opinion than a percentage."

We have seen that government performance is evaluated in terms of its efficacy in executing public policies that will address the social and economic problems that people encounter in their daily lives. In this case, public opinion sends a strong message to the effect that the citizens expect their government not only to respect their vote but also to resolve their problems of poverty, inequality and insecurity. Indeed, a government’s political legitimacy can be jeopardized if its efficacy sinks so low that citizens no longer believe their institutions to be the best available (some data from the Latin American Public Opinion Project —LAPOP— sponsored by Vanderbilt University point in this direction).

If States, in particular those of Latin America, were to focus on the effectiveness of their governments, addressing the demands of public opinion, they could enhance the legitimacy of their democratic institutions and prove that this abstraction known as public opinion can indeed influence the decisions of those elected to govern, beyond the pressures exerted by elites, the media, and interest groups. This would do much to improve the quality of democracy.

■ **Diagram II.1** ■

Public opinion and the role of the state: analytical model



Source: Prepared by the author.

In short, the concept of the link between the State and the perceptions of individuals can be defined using the scheme presented in Diagram I.1. First we have the normative level (ex ante legitimation) which, in opinion surveys, relates to the form of government and in particular to democracy and its substitutes, as well as to the perception of the tasks that government should accomplish. Next comes the management level (associated with ex post legitimation), where public policies are evaluated in terms of satisfaction with services received and their functioning, highlighting indicators of finance (taxes), transparency and corruption. Finally, there is the organizational level,

which covers practices relating to politics and the State (ranging from voting to protests), people's political and ideological preferences, and information resources (the media as sources of information, and the public's confidence in those sources)⁴. All of these perceptions relate to a context defined by structural conditions (social, gender, and ethnolinguistic fractionalization) and sociodemographic structures (sex, age, socioeconomic level, place of residence and nationality).

F. Stateness: beyond the size of the state

This model for analysing opinion about the State must start from recognition of what we mean by opinion about the State. When they think about the State, what do people really mean? Is the idea that we have of the State independent of the institutional form and the political experience of each country? Can we speak of the State in the singular or must we qualify it in light of each specific institutional arrangement? Are there tendencies that allow us to make reasonable groupings or typologies?

The report presented at the thirty-third session of ECLAC (2010) recalls that, as a result of a period of fiscal austerity with its emphasis on macroeconomic control and the wholesale dismantling of institutions, Latin American states are now facing a considerable deficit (ECLAC, 2010, p. 214). The challenges of the present day do not permit a return to a simple dualism in which strengthening the State leads to a retreat of the market. The international financial crisis and the tenuous ability of states to provide basic services make it necessary to redefine the function of states, through what ECLAC calls a refocusing of society on "three essential values": the general good and the provision of public goods; a concerted strategic vision; and political action (ECLAC, 2010, p. 215).

A State's capacity depends not only on what the government does or can do, but also on the combination of contexts in which the State and policies act. At this point we may note the importance—central but not absolute—of macroeconomic control. ECLAC (2010) recommends shifting the emphasis from control over inflation as the dominant parameter towards seeking better performance in terms of growth, employment and productive investment. It also urges greater control over capital flows and an expanded tax effort designed to improve the fiscal capacity of states.

⁴ As Bauman reminds us, there are two processes involved in the construction of collective identities: one, which is relatively independent of individuals, has to do with community affiliation, "feeling" oneself part of something that is greater than the sum of individuals (the fatherland, the nation), while the other has to do with volition, where it is no longer a question of feeling but rather of "making" oneself a part of a bigger whole by joining a trade union, a political party or neighbourhood association. This form of affiliation is called organizational.

The State deficit arises from the way in which the general trends of public policies have become standardized across the hemisphere: at one time through the promotion of State enterprise, at another through generalized moves to privatization and policies of targeted social spending, and more recently through a proactive encounter between selective service delivery and policies of universal scope. But these common thrusts have taken root in differentiated political and cultural paths. While some countries were able to develop hybrid models of political authoritarianism and inclusive social reforms (the so-called military reformists), others established dual political and socioeconomic regimes where public institutions and market relations excluded broad territorial expanses. A few States devoted efforts to establishing the nation-state in the more integrationist sense of community and territory. The balance of common weaknesses, then, must allow recognition of differentiated modalities. In other words, in a general setting of institutional weakness, differentiated degrees of development, modalities or types of State persist, resulting from highly differentiated historical dynamics and social processes.

At each moment, countries will have the States that their social structures define as possible, but this does not imply any rigid and ahistoric determinism. According to the social structuration theory of Anthony Giddens, social practices are conditioned by the effects of other, previous practices, which means that they represent structuring processes in permanent transformation. The outcomes (in the form of practices such as the capitalist economy or social policies) are determined by social practices of the past and which, in turn, determine future practices. Applied to the discussion of people's perceptions of the State, this question is highly relevant, for what the people perceive of the State is the "result" and "conditioning factor" of institutional development itself.

But first we must clarify the extent to which these practices can illustrate profiles of development of the State, and not only of its social functions. For this we shall rely on O'Donnell's concept of the filter functions of the modern State (2010, p. 76). In this approach, the State may be disaggregated into four dimensions: a legal framework, a bureaucratic structure, a focus of collective identity, and a filtering capacity.

“The state is a filter that tries to regulate how opened, or closed, the various spaces and boundaries are that mediate between the inside and the outside of its territory, market, and population. Some of those boundaries are the ones that demarcate that population and, under a democratic regime, its electorate. Other spaces are less sharply contoured; some of them are jealously guarded, some are more or less effectively controlled by various types of policies; others never had barriers; and some have lost them, overwhelmed by the winds of globalization. Yet every state attempts, or claims to attempt, to establish various filters for the welfare of its population and the economic actors located in its territory” (O’Donnell, 2010, p. 54).

We propose that the form of the State in concrete reality is the expression of specific balances between State functions or capacities that we shall call “types of stateness”. The 2004 UNDP report (p. 51) defined stateness as “the State’s capacity to fulfil functions and to meet objectives regardless of the size of its bureaucracy or the way in which is organized.” To assess this capacity, we resort to an adaptation of Grindle’s model, which distinguishes four types of State capacities: (a) technical, relating to macroeconomic control; (b) administrative, linked to the delivery of services; (c) institutional, linked to setting rules of the game; and (d) political, relating to dispute settlement capacity. These dimensions reveal the capacity of the State in its various constituent aspects, balancing those of a normative nature (the so-called constitutional State), those relating to regulation and the direct provision of services associated with the institutional bureaucratic structure, and the balancing functions that have to do with ensuring democratic guarantees.

The next step is to identify variables for weighing the relative development of these capacities. Here we have turned to the governance indicators developed by the World Bank. Those indicators are based on a broad set of sources that include perceptions on government effectiveness, regulatory quality, the rule of law, control of corruption, voice and accountability, political stability and absence of violence. For each of these indicators, information is available for all Latin American countries since 1998, and so it is possible to place them within a typology using data from Latinobarómetro. In fact, the “voice and accountability” variable is constituted using, among other sources, indicators of satisfaction with democracy and trust in Parliament provided by Latinobarómetro. The “government effectiveness” variable includes trust in government, the “rule of law” variable includes data on confidence in the courts, the police and victimization, and the “control of corruption” variable includes the frequency of corruption.

The World Bank data can be used to produce a typology of “perceived” governance which, in order to adapt it to our stateness purposes (focused on capacities) includes a pair of indicators that serve as approximations for effective delivery of public services: tax revenue as a percentage of GDP, and social investment per capita.

■ Table I.1 ■

Typology of stateness

Dimensions	Indicators
Technical (economic support)	Governance index (World Bank) Components: Government effectiveness; Regulatory quality
Administrative (service delivery)	Tax revenue as a percentage of GDP and social investment per capita.
Institutional (constitutional State)	Governance index (World Bank) Components: Rule of law Control of corruption
Political (democratic guarantees)	Governance index (World Bank) Components: Voice and accountability Political stability and lack of violence

Source: Prepared by the author.

On the basis of this proposal, the Latin American countries were grouped first according to their rank in the World Bank’s Worldwide Governance Indicators, then with respect to their performance in the area of tax collection and social investment and, lastly, in terms of a cross-classification of the two sets of indicators.

A cluster-type statistical exercise was used to position the countries in the World Bank’s Worldwide Governance Indicators on the basis of the six indicators included in the index. This exercise gave rise to the following groups: (a) high-governance countries: Chile, Costa Rica and Uruguay; (b) medium-governance countries: Argentina, Brazil, Dominican Republic, El Salvador, Mexico and Panama; and (c) low-governance countries: Bolivarian Republic of Venezuela, Colombia, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and Plurinational State of Bolivia.

A word of caution: the classification developed is not an objective assessment of the countries’ levels of governance, since it is derived essentially from public opinion indicators, which, as stated earlier in this book, are highly sensitive to political situations and to media agendas (for example, any highly publicized act of corruption can substantially increase the perception of

corruption, in a manner out of all proportion to the problem that really exists in the country). These indicators are, nevertheless, among the few sources of comparable information on the issue and may be used in an exploratory way to produce the classification of the quality of the State.

The classification of countries according to their tax-collection capacity and social investment levels of 2009* resulted in the identification of three groups of countries. The first group, consisting of Argentina and Uruguay, shows the highest values of tax burden and per capita public social investment; in terms of the latter, the values are 2.1 times higher than those of the following group and 8.5 times higher than those of the lowest group. The second group is made up of Bolivarian Republic of Venezuela, Brazil, Chile, Costa Rica and Mexico. The third group, comprising the countries with the lowest tax burden and per capita public social spending levels, includes Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru and Plurinational State of Bolivia.

As stated in the foregoing paragraphs, tax burden and social spending indicators are used in this document as proxies for the effective provision of public services. One factor that should be borne in mind for a more comprehensive analysis is the distributional impact of the tax burden, considering, for example distribution before and after tax. Per capita social spending cannot be used to calculate the transfers that effectively reach the population. Unfortunately, these indicators are still not available for most of the countries of the region, which is why the author opted for the measurements used in this book.

The combination of the two groupings of countries helps to give an idea of what is referred to as the quality of the State. The qualitative cross-classification of the two groupings is set out in table I.2.

* For further details, see the CEPALSTAT database [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>.

■ Table I.2 ■

Latin America: combined cluster matrix of governance and strata of tax collection capacity and social investment, 2009

TAX COLLECTION CAPACITY	GOVERNANCE ON THE BASIS OF INFORMATION FROM WORLD BANK		
	HIGH	MEDIUM	LOW
HIGH	Uruguay	Argentina	
MEDIUM	Chile, Costa Rica	Brazil, Mexico	Venezuela (Bolivarian Republic of)
LOW		Dominican Republic, El Salvador and Panama	Bolivia (Plurinational State of), Colombia, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru

Source: Prepared by the author.

Taking this combined grouping, and proceeding to a simple stratified ordering, we obtain three groups of country by degrees of stateness.

Group 1, those of high stateness, is composed of four countries with high values both for tax collection and social investment and for governance (high-medium and medium-high quadrants): Argentina, Chile, Costa Rica and Uruguay.

Group 2, those of medium stateness, comprises six countries with medium values in one or other of the two dimensions (medium-medium, medium-low and low-medium quadrants): Bolivarian Republic of Venezuela, Brazil, Dominican Republic, El Salvador, Mexico and Panama.

Group 3, those of low stateness, contains eight countries with low values in both dimensions (low-low): Bolivia, Colombia, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and Peru.

This grouping can be usefully contrasted with opinions on the role of the State and ex ante legitimation (relating to consent with respect to the institutional political system) and ex post legitimation (related to institutional performance). Unlike the ECLAC study, “Latin America in the Mirror” (ECLAC/AECID/Latinobarómetro, 2010), it is not possible in this case to draw a contrast between the real or objective State and the perceived State, because the governance index is constructed from data on perceptions and not from objective performance indicators.

The reason for using subjective indicators is that complete and verified information is not always available for characterizing key variables for identifying State capacities. For example, although there are objective data on corruption, such as the number of court cases or officials prosecuted, that information is not always available in comparable series for different countries. The same holds with variables such as the victimization rate or the judicial case backlog. Other dimensions of the political and institutional process

that are essential for understanding the role of the State, such as freedom of expression or the role of law, are “intangibles” and can only be assessed through the qualification of social actors or opinion surveys.

This is an important methodological challenge for our study. Nevertheless, we believe that, given the diversity of sources that comprise the governance index and its supplementation with tax revenue and social spending data, the proposed grouping constitutes an adequate approximation of State capacities in countries of the region. If these groupings are compared with other typologies, it will be seen that the results are not atypical but that they in fact reproduce observable trends, for example, in the analysis of social gaps or human development.

Chapter II

The context: politics, state and democracy in latin america at the turn of the century



The ECLAC report (2010) notes that achieving greater equity in the region will be possible only with recognition of the essential role played by the State. Its contribution is fundamental for redefining long-term growth strategies of the kind that will achieve territorial integration and ensure the widespread distribution of employment. The report calls for growth governed by a stable policymaking framework that can formulate economic policies with socially responsible effects.

This appeal by ECLAC reflects the end of an era of transformations in public affairs and government that was focused on imposing order. Circumstances in the 1980s demanded that Latin America put its house in order so as to ensure political rights. Subsequent efforts at macroeconomic control and rationalization, together with social policies designed to limit levels of poverty, placed the region in an unprecedented situation when the recent international financial crisis struck. Latin America did not cause that crisis, and it did not feel its impact with the force that might have been feared. While the recession is over and the industrialized economies are showing signs of life, the time is ripe to pose some deep-ranging questions about the positive effects and the pending promises of three decades of democratic life.

A. The consolidation of electoral democracy

The decade of the 1980s was a time of paradox for Latin America. While it is known as the “lost decade” because of the precarious economic performance, from the political and institutional development viewpoint that is a misnomer, for in those years the democratizing impetus gathered strength. The paradox is that political democracy began to thrive under economic circumstances that were constrained either by slow growth or by scarce institutional capacity. The citizenry responded with a kind of vote of confidence in democracy. In the 1990s political stability coincided with economic growth, auguring a promising new century.

Democratic performance in the region is not linear. It suggests an unstable transition between a starting point of authoritarianism and a democratic aspiration that is still a work in progress (Zovatto, 2010). In a context of electoral regularity, the first phase of restoring democracy, which began in the 1980s, coincided with the abrupt suspension of constitutional terms, as well as conflicts fostered by a combination of factors that ranged from complaints of corruption to economic crises. This period was followed by a time of stability that induced an inverse phenomenon: the extension of presidential mandates in a very significant sequence of re-elections⁵.

⁵ Alberto Fujimori served three consecutive presidential terms in Peru (1990, 1996 and 2000); voters awarded two consecutive mandates to Carlos Menem in Argentina (1989-1995 and 1995-1999), to Fernando ENrique Cardoso (1995-1999 and 1999-2003) and to Luiz Inacio “Lula” Da Silva in Brazil (2003-2007 and 2007-2011), to Álvaro Uribe in Colombia (2002-2006 and 2006-2010), to Rafael Correa in Ecuador (2006-2009 and 2009-2013), to Leonel Fernández in the Dominican Republic (2004-2008 and 2008-2012, after an earlier term 1996-2000) and to Evo Morales in Plurinational State of Bolivia (2005-2010 and 2010-2015). In Bolivarian Republic of Venezuela, President Chávez, elected in 1999, secured a constitutional reform that allowed for indefinite re-election. Since 2000, Costa Rica and Peru have seen the re-election of presidents from the 1980s: Oscar Arias and Alan García. In only five countries is re-election not possible: Mexico (although the ruling party can be re-elected, and the PAN has had two consecutive presidential mandates), Honduras, (where the re-election hopes of Manuel Zelaya in 2009 sparked the region's first coup d'état since 1993), El Salvador, Guatemala and Paraguay.

■ Table II.1 ■

Latin America: early termination of presidential mandates, 1980-2006

Country	President	Origin of mandate	Year of inauguration	Year of termination	Mechanism
Argentina	Raúl Alfonsín	Election	1983	1989	Resignation
	Fernando de la Rúa	Election	1999	21/12/2001	Resignation
	Adolfo Rodríguez Saa	Congress	23/12/2001	30/12/2001	Resignation
	Eduardo Duhalde	Congress	02/01/2002	25/03/2003	Resignation
Dominican Republic	Joaquín Balaguer	Election	1994	1996	Resignation
Bolivia (Plurinational State of)	Hernán Siles Zuazo	Election	1982	1985	Resignation
	Gonzalo Sánchez de Lozada	Election	2002	2003	Resignation
	Carlos Mesa	Line of succession (Vice President)	2003	2005	Resignation
Brazil	Fernando Collor de Mello	Election	1990	1992	Resignation (Impeachment)
Ecuador	Abdálá Bucaram Ortiz	Election	1996	1997	Removal from office (mental incapacity)
	Jamil Mahuad	Election	1998	2002	Removal from office
	Lucio Gutiérrez Borbúa	Election	2002	2005	Removal from office
Guatemala	Jorge Serrano Elías	Election	1991	1993	Resignation
Paraguay	Raúl Cubas	Election	1998	1999	Resignation (Impeachment)
Venezuela (Bolivarian Republic of)	Carlos Andrés Pérez	Election	1989	1993	Removal from office (Impeachment)

Source: A.M. Mustapic, "América Latina: las renuncias presidenciales y el papel del Congreso", *Política*, vol. 47, Santiago de Chile, Universidad de Chile, 2006, p. 58.

This overview illustrates a shift from short governments to long governments in two very different periods. Obviously, the length of the administration is a key variable in the performance of governments and in the soundness of the policies they pursue. Another point that stands out is the limited turnover of political elites in the region. In short, there are both positive and negative aspects to be seen in the new trends toward re-election in the Latin American political system. Orozco and Zovatto (2008) have identified five political experiences that, in their judgment, have been negative since 1978, having to do with re-election: Stroessner in Paraguay, Balaguer in the Dominican Republic, Alberto Fujimori in Peru, Carlos Menem in Argentina and Gonzalo Sánchez de Losada in Plurinational State of Bolivia. All of these resulted in inconclusive mandates, with the consequent repercussions on stability and democratic consolidation. Nevertheless, the authors insist that re-election gives the citizens the power to punish or reward governments for their performance, and they consider this an argument in favour of re-election in the democratic sense.

In this study, we are concerned with Latin American public opinion about the State, its capacities, its performance and its structure. From this perspective, while in functional terms the State concerns itself with concrete operations relating to such tasks as the delivery of services, macroeconomic control, public and national security, and the rule of law, in political terms it must regulate, mediate or serve as a filter with respect to actions that tend to social integration or disintegration and that originate from beyond the sphere of the State, in market, family and community circles. Nevertheless, we shall now turn to a review of the functional dimension of the State and some of the direct and indirect outputs of its operation.

■ Table II.2 ■

Latin America: latest reforms concerning presidential re-election

	Consecutive	Alternating	Indefinite	Prohibited
Argentina		1994		
Bolivia (Plurinational State of)	2009			
Brazil	1997			
Chile		2005		
Colombia	2005			
Costa Rica		2003 (from prohibited)		
Dominican Republic	2002 (by referendum, from alternating)			
Ecuador	2008 (by referendum, from alternating)			
El Salvador				1983
Guatemala				1985
Honduras				1982
Mexico				1917
Nicaragua		1995 (from consecutive)		
Panama		1998 (by referendum, from consecutive)		
Paraguay				1992 (from consecutive)
Peru		2000 (from consecutive)		
Uruguay		1997		
Venezuela (Bolivarian Republic of)			2010	

Source: Prepared by the author, on the basis of D. Zovatto and J. Jesús Orozco Henríquez (coords.), *Reforma política y electoral en América Latina, 1978-2007*, Mexico City, National Autonomous University of Mexico (UNAM)-IDEA Internacional, 2008; updated as at March 2011.

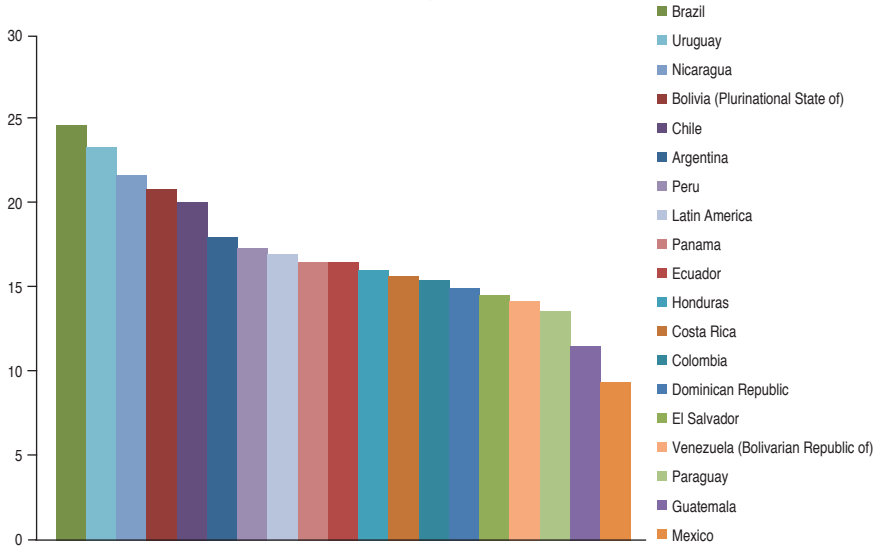
B. State performance in context

The trend in tax revenue is relevant in that it illustrates the capacity for State action. As a general rule, tax revenue in Latin America is low by international standards. In 2008, the average total tax revenue in countries of the Organization for Economic Cooperation and Development (OECD) stood at around 35% of GDP, with Denmark and Sweden coming in at 48.3%

and 47.1% respectively. Data for Latin America in that same year show an average of 16.9%, with significant variations from one country to another. The countries with the highest proportion of tax revenue (over 20%) show sharp contrasts in terms of their relative development: while some are at the bottom end of the regional scale (Plurinational State of Bolivia and Nicaragua) others are in the upper portion of the scale (Chile and Uruguay).

■ Figure II.1 ■

Latin America (simple averages): central government tax revenue, 2008*
(Percentages of GDP)



Source: Prepared by the author, using information from the CEPALSTAT database.

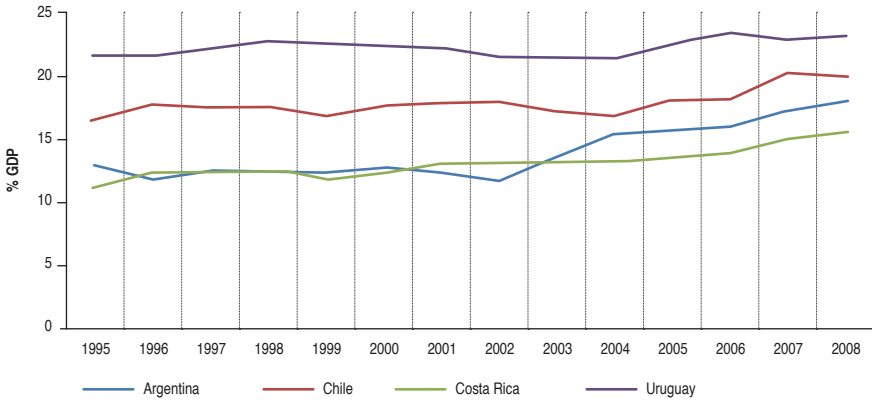
* Includes social security contributions.

The data for the period 1995-2008 show diverging trends in the region, with tax revenue declining as a proportion of GDP in Mexico (from 10.1% to 9.4%) but rising sharply in other countries (by 7.5% in Nicaragua, 7.1% in Plurinational State of Bolivia and 6.9% in Ecuador).

An analysis of the trend for each group of countries ranked by degree of stateness shows more modest growth in Costa Rica among the “high stateness” group of countries, and a faster pace of growth in Argentina after the 2001-2002 crisis. In the “medium stateness” group, Brazil’s rate rose and Mexico’s fell, while the other countries remained stable at around 50%. In the “low stateness” group, the situation is more uniform, with increases in Nicaragua and Plurinational State of Bolivia which, since 2005, have exceeded the 20% bar.

■ Figure II.2 ■

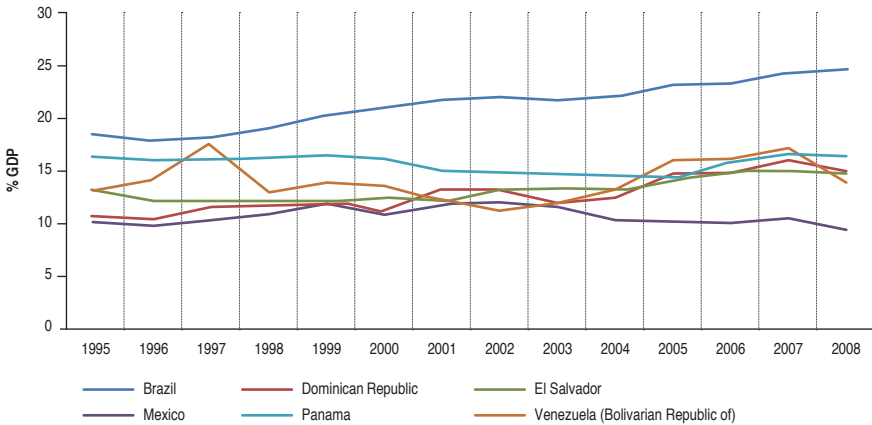
Latin America (simple averages, 4 countries): central government tax revenue in countries with high stateness
(Percentages of GDP)



Source: Repaired by the author, using information from the CEPALSTAT database.

■ Figure II.3 ■

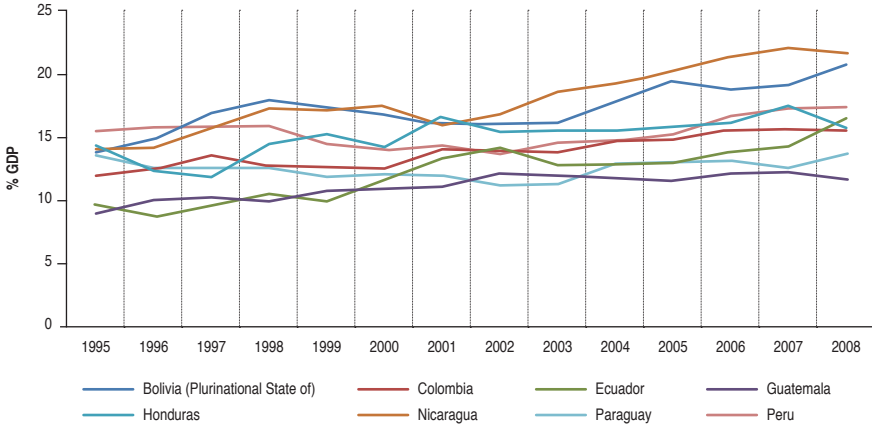
Latin America (simple averages, 4 countries): central government tax revenue in countries with medium stateness
(Percentages of GDP)



Source: Repaired by the author, using information from the CEPALSTAT database.

■ Figure II.4 ■

Latin America (simple averages, 4 countries): central government tax revenue in countries with low stateness
(Percentages of GDP)

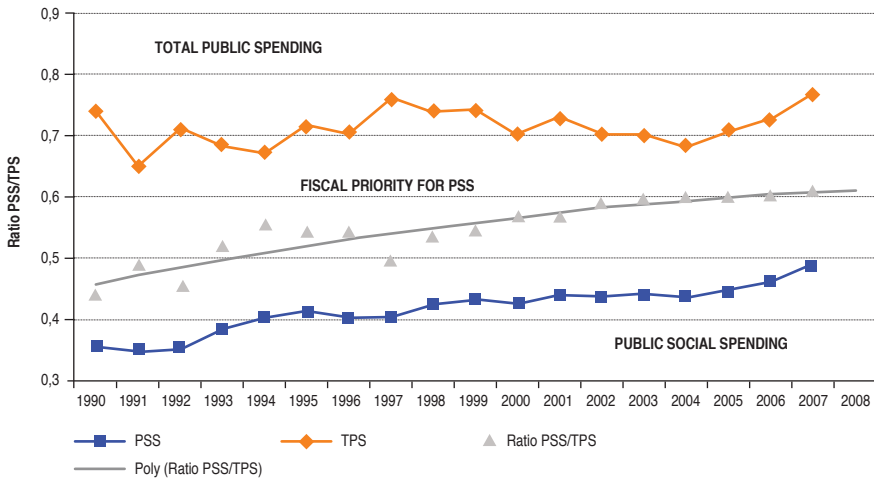


Source: Repaired by the author, using information from the CEPALSTAT database.

The relative expansion of the tax burden improves conditions for increasing public expenditure and its social investment component. Although social investment has been rising steadily since 1998, the change in the ratio of social spending to total public spending while positive, can in fact be explained by the decline in total public spending as a proportion of GDP over the period from 1997 to 2004.

■ Figure II.5 ■

Latin America (weighted average, 21 countries): public social spending and total public spending, 1990-2008
(Percentages of GDP)

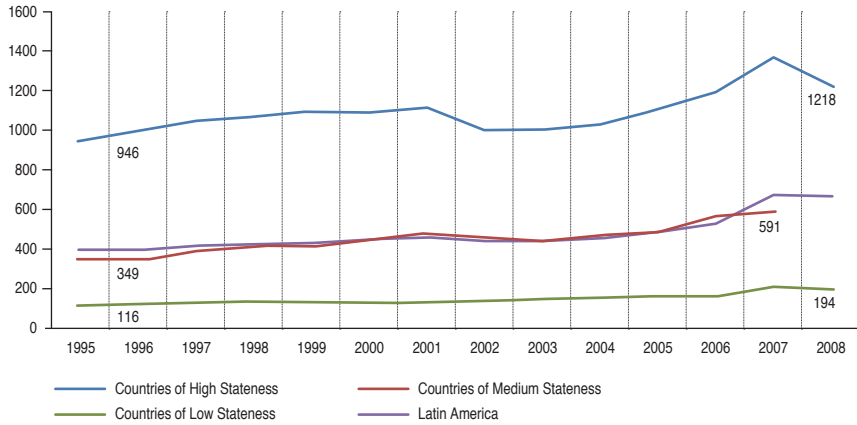


Source: Prepared by the author, on the basis of Juan Pablo Jiménez, "El impacto distributivo de las políticas públicas en América Latina", paper presented at the meeting of LAC Tax Policy Forum, Panama City, 16-17 September 2010.

In absolute terms, for the period 2002-2007 countries with high stateness show the sharpest growth in per capita social expenditure and countries with medium and low stateness show less social investment (see figure II.6). This means that the effort to expand social investment diminishes where social wants are greater. Data from the last decade reveal an improvement in the struggle against poverty in countries of the region, but this has not offset the wide disparities which exist between countries, and which are congruent with their levels of stateness: as those levels rise, poverty and indigence decline (see figure II.7).

■ Figure II.6 ■

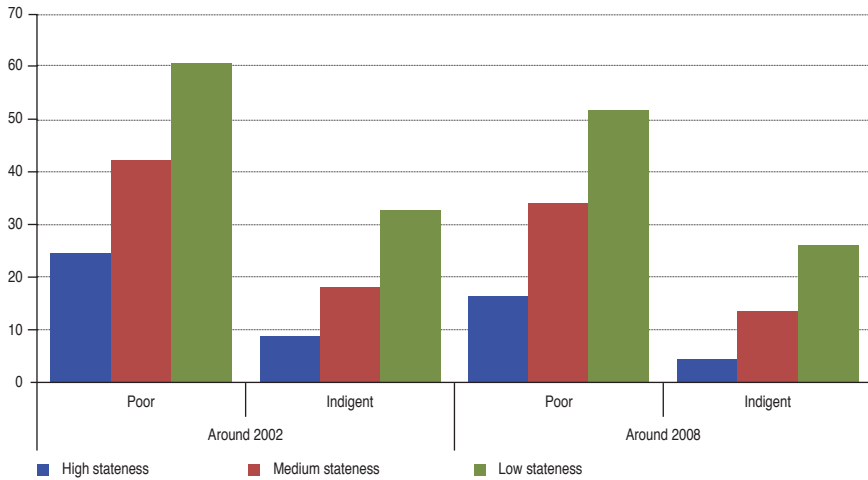
Latin America (simple averages): social investment per capita, by levels of stateness
(Dollars at constant 2000 prices)



Source: Prepared by the author, using information from the CEPALSTAT database.

■ Figure II.7 ■

Latin America: poor and indigent population, by levels of stateness
(Percentages)



Source: Prepared by the author, using information from the CEPALSTAT database.

■ Table II.3 ■

Latin America: poor and indigent population, around 2002, 2008 and 2009
(Percentages)

País	Around 2002			Around 2008			2009		
	Year	Poor	Indigent	Year	Poor	Indigent	Year	Poor	Indigent
Argentina ^a	2002	45.4	20.9	2006	21	7.2	2009	11.3	3.8
Bolivia (Plurinational State of)	2002	62.4	37.1	2007	54	31.2	...	...	...
Brazil	2001	37.5	13.2	2008	25.8	7.3	2009	24.9	7
Chile	2000	20.2	5.6	2006	13.7	3.2	2009	11.5	3.6
Colombia ^b	2002	54.2	19.9	2008	46.1	17.9	2009	45.7	16.5
Costa Rica	2002	20.3	8.2	2008	16.4	5.5	2009	18.9	6.9
Ecuador ^a	2002	49	19.4	2008	39	14.2	2009	40.2	15.5
Dominican Republic	2002	47.1	20.7	2008	44.3	22.6	2009	41.1	21
El Salvador	2001	48.9	22.1	2004	47.5	19	2009	47.9	17.3
Guatemala	2002	60.2	30.9	2006	54.8	29.1	...	...	...
Honduras	2002	77.3	54.4	2007	68.9	45.6	...	...	...
Mexico	2002	39.4	12.6	2008	34.8	11.2	...	...	...
Nicaragua	2001	69.4	42.5	2005	61.9	31.9	...	...	...
Panama	2002	36.9	18.6	2008	27.7	13.5	2009	26.4	11.1
Paraguay	2001	61	33.2	2008	58.2	30.8	2009	56	30.4
Peru ^c	2001	54.7	24.4	2008	36.2	12.6	2009	34.8	11.5
Uruguay ^a	2002	15.4	2.5	2008	14	3.5	2009	10.7	2
Venezuela (Bolivarian Republic of)	2002	48.6	22.2	2008	27.6	9.9	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Urban areas.

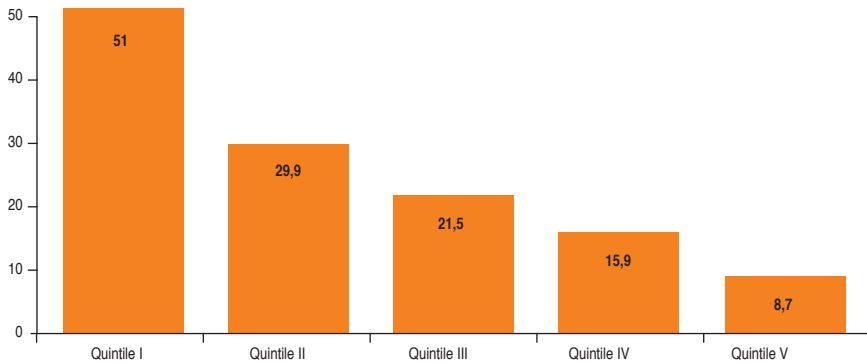
^b Figures from the Misión para el empalme de las series de empleo, pobreza y desigualdad (MESEP), the National Administrative Department of Statistics (DANE) and the National Planning Department (DNP) of Colombia.

^c Figures from the National Institute of Statistics and Informatics (INEI) of Peru.

Overcoming poverty is not just a matter for social policies, as economic policy decisions, external economic shocks, and even natural events can produce changes in incomes and can disrupt the ability to meet basic needs. Nevertheless, the data show that social investment is central to improving the incomes of the poorest groups, topping up the primary incomes of the lowest quintile by more than 50%. Yet the impact in Latin America is much less than that observed in other regions of the world. In OECD countries, notably, poverty declines by 9.1 percentage points after transfers; by contrast, in countries of the Southern Cone the figure is 4.2 points, in the Andean area 1.5 and in Central America 1.8. This reflects the fact that social spending is regressive: while the richest 20% capture 28% of total social investment (because of the way the pension system is structured), the poorest 20% receive only 19.1%.

■ Figure II.8 ■

Latin America (9 countries): impact of social spending on primary incomes by household income quintile
(Percentages, simple averages)

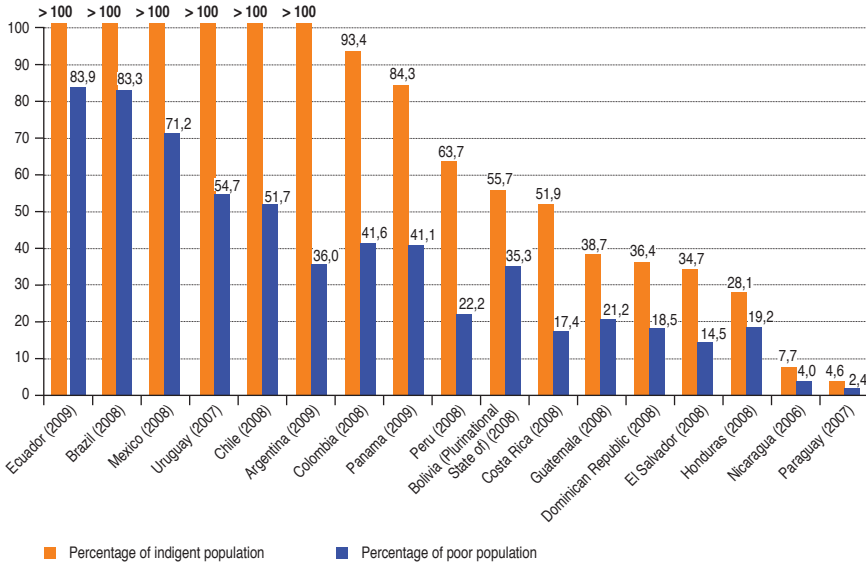


Source: Prepared by the author, on the basis of Juan Pablo Jiménez, “El impacto distributivo de las políticas públicas en América Latina”, paper presented at the meeting of LAC Tax Policy Forum, Panama City, 16-17 September 2010.

In contrast to spending on pensions and higher education, which tends to be regressive, investments in primary education and transfers under poverty reduction programmes have a progressive thrust. Because of the way they are targeted, their beneficiaries in fact constitute around half of the poor and indigent population of the region. Yet at the present time such spending accounts for only 0.4% of regional GDP, and coverage tends to be much more restricted in countries with lower stateness and higher poverty rates (see figure 9).

■ Figure II.9 ■

Latin America (17 countries): coverage of the main poverty reduction programmes, around 2009*
(Percentages of the indigent and poor population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys and official information from the countries.

* Programme coverage estimate does not consider the inclusion error. The calculation includes conditional and unconditional transfer programmes.

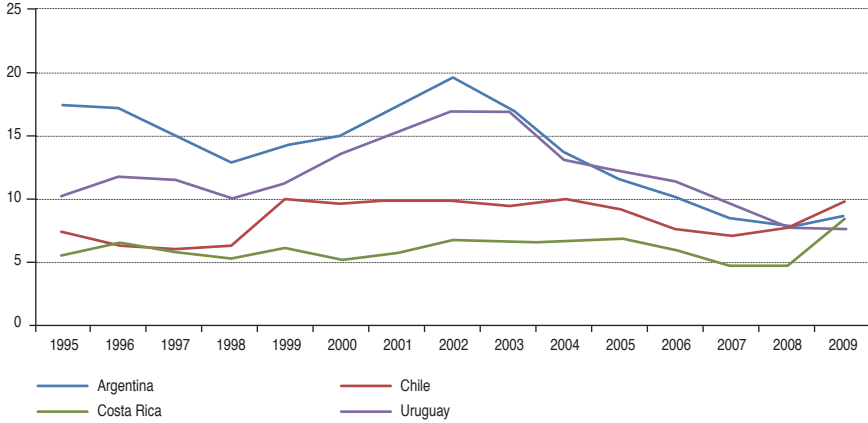
Beyond the redistributive effects of public spending, progress in overcoming poverty in the region is determined by people's access to income from work. This is another issue of great concern in individuals' perceptions about their quality of life and their degree of satisfaction, not only with the performance of the economy but also with the functioning of the State. The data indicate that unemployment levels in the region vary between 5% and 20% across all groups of countries. After 2002 there was a downward trend, which was reversed with the impact of the international crisis in 2008. Most countries fell into the 5%-10% range by the end of that period, with the exception of Colombia and the Dominican Republic.

ECLAC and the International Labour Organization (ILO) estimated average levels of urban unemployment in the region at 8.5% in 2009, one percentage point above that observed in 2008 (ECLAC/ILO, 2009). The unemployment rate among women was 1.4 times that for men (ILO, 2009, p. 32). However, the impact of the crisis has been felt most sharply in sectors that employ a larger proportion of men (the construction and manufacturing

industries). On the other hand, youth in the 15-to-24 age group have suffered most in terms of unemployment (ILO, 2009).

■ Figure II.10 ■

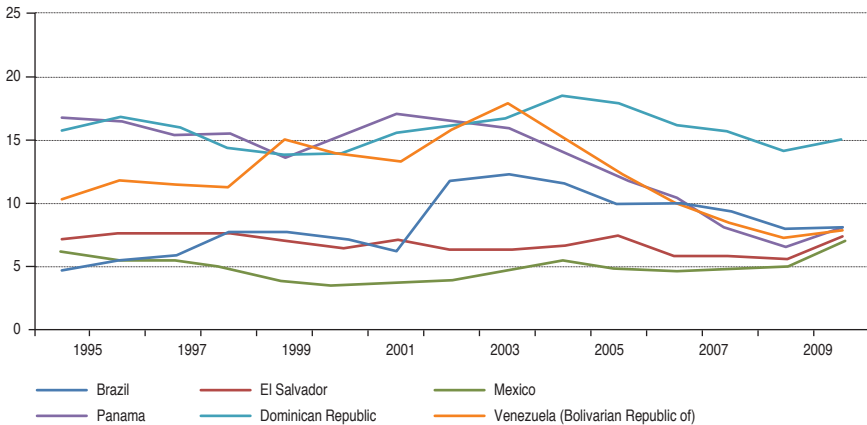
Latin America (4 countries): average annual unemployment rate in countries of high stateness, 1995-2009
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

■ Figure II.11 ■

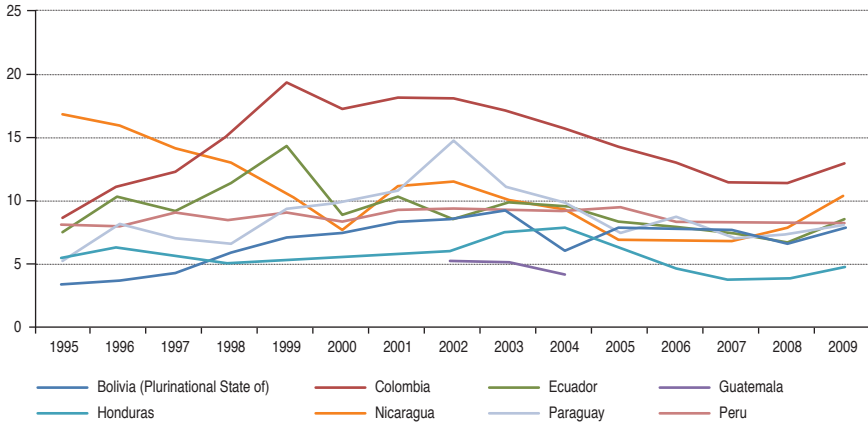
Latin America (6 countries): average annual unemployment rate in countries of medium stateness, 1995-2009
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

■ Figure II.12 ■

**Latin America (8 countries): average annual unemployment rate
in countries of low stateness, 1995-2009**
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

In any case, as important as the unemployment trend is, it must be appreciated against indicators of the quality of employment, as well as the trend in other forms of labour market adjustment, such as international labour migration. According to the ILO (2009), employment conditions in the region are likely to become more precarious before unemployment levels decline and formal employment expands. Nevertheless, the most recent data indicate that the increase in precarious labour arrangements has more to do with the growth in employment in informal firms than with the decline in employment in formal firms⁶.

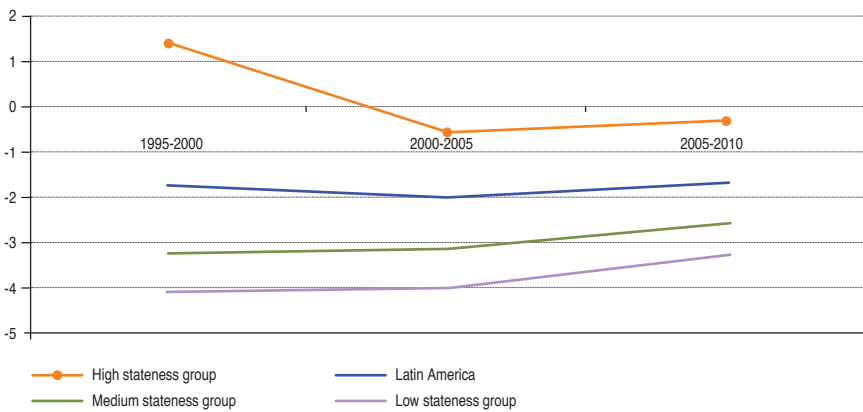
The region has shown a decline in the emigration rate, which dropped from -1.74 for every 1000 inhabitants in the period 1995-2000 to -1.68 in the period 2005-2010. These rates are lower in countries of high stateness (1.39 and -0.29, respectively) and greater in those of low stateness (-4.10 and -3.29, respectively). There are however differences within country groups with the same level of stateness. In the high stateness group, Uruguay had a rate of -2.9 (net outflow) over the last five years, in contrast to Costa Rica

⁶ Data for six countries reveal an important increase in employment in informal sector establishments, which rose 3.1% in the second quarter of 2009 as compared with the same period in 2008. This increase affected men and women equally, although women have a more extended and precarious labour market participation. Whereas 57.1% of all female workers can only find work in the informal sector, the percentage is 51% for male workers. Moreover, women are employed in the most backward areas of the informal sector, in own-account employment with low productivity, or in domestic service, where 9 of every 10 workers are not covered by the social security system.

where the rate was +1.34 (net inflow). In the medium stateness group, the highest outflow rate was for El Salvador, at -9.13 —the highest for the entire region— while at the other extreme Panama had a net inflow of 0.65 (the lowest emigration rate after Costa Rica). In the low stateness group, all countries were net exporters of population, with the highest rate posted by Nicaragua (-7.03) and the lowest by Colombia (-0.54).

■ Figure II.13 ■

Latin America (simple averages): migration rates, by stateness group, 1995-2010^a
(per 1000 inhabitants)



Source: CEPALSTAT, on the basis of data from Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC.

^a The migration rate is the ratio between the net annual migration balance for a determined period of time and the average population for the same period. A negative value means that more people left the country than entered it, and a positive value means the contrary.

All told, the region’s performance in terms of socioeconomic opportunities is far from even. Recognized by many studies as the world’s most unequal region, Latin America has not made substantial progress in the struggle for social equity. ECLAC (2010) recognizes the region’s progress in the areas of political freedoms and rights, and how this progress has been able to bring about a broadening of the public sphere and a notable expansion of social investment, thanks to the fact that some social groups, habitually excluded from decision-making, have been given voice and vote with the expansion of democracy. Nevertheless, there are still many challenges ahead, which may be reduced to the pressing need for equality (see box II.1).

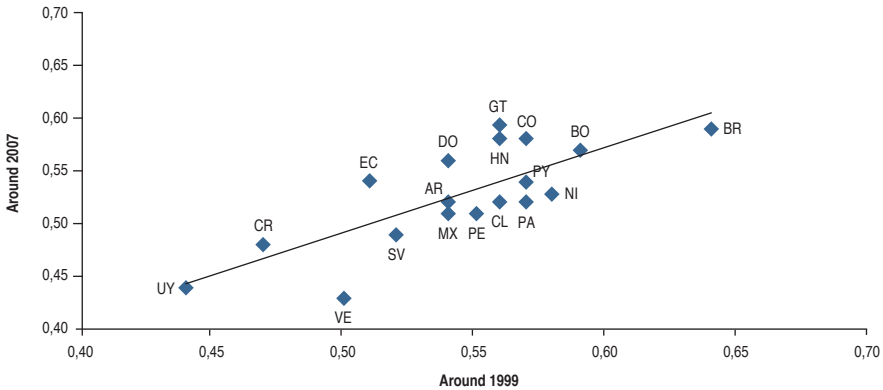
Income distribution has shown varying trends in recent years. Until 2002, the region showed no improvement in income distribution, but between that year and 2008 there was an average decline of 5% in the Gini index, sparked by

substantial progress in Argentina, Bolivarian Republic of Venezuela, Panama and Plurinational State of Bolivia (ECLAC, 2010, p. 186).

In Latin American countries, inequality tends to increase as stateness declines, although in the country groupings some significant differences can be observed. For example, the income gap between the poorest and richest quintiles in Chile is the greatest of the high-stateness group of countries, and is even greater than that of El Salvador, Mexico or Bolivarian Republic of Venezuela, three countries of the medium-stateness group. In that second group, the gap in Brazil is the second greatest in the region, exceeded only by that of Plurinational State of Bolivia, which is in the low-stateness group.

■ Figure II.14 ■

Latin America: gini coefficient, 1999 and 2007^a

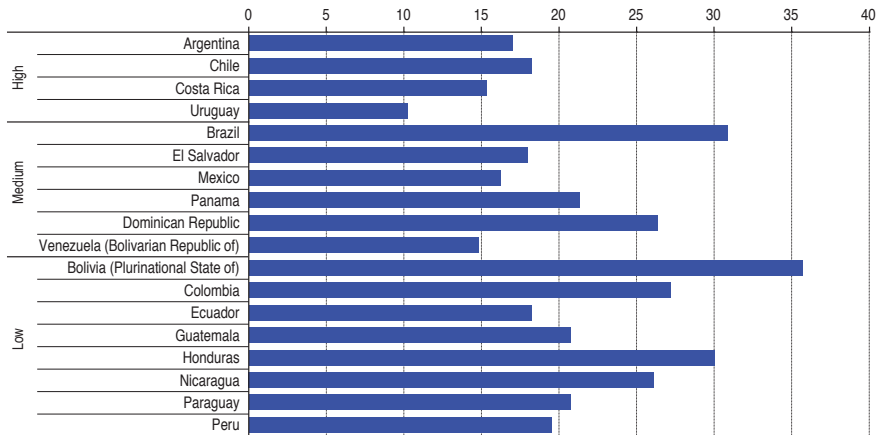


Source: Prepared by the author, on the basis of CEPALSTAT database.

^a National data from the nearest available survey to the year indicated.

■ Figure II.15 ■

Latin America (simple averages): income ratio, richest to poorest quintile, by degree of stateness 1995-2007



Source: Prepared by the author, on the basis of CEPALSTAT database.

■ Box II.1 ■

Time for equality: closing gaps, opening trails

This discussion of equality is informed by a bitter experience of inequality. The evidence of the final two decades of the last century in the region shows it actually going backwards where equality was concerned. The new public-private alliance led to greater segmentation of service quality, information asymmetries and greater territorial segmentation, and did not correct inequalities of origin through life-path opportunities. Structural heterogeneity, beginning with segmentation in the world of productive work and thence multiplying inequalities in every sphere of society, has increased over the past three decades in most of the region's countries. Furthermore, two areas in which the arrangements between the State, the market and the family exacerbated segmentation were social protection and education. Instead of equalling out opportunities, they widened the gaps. Public policy efforts, redoubled in the decade now ending with a view to reducing poverty, expanding access to education and training and, more recently, mitigating social vulnerability, are undoubtedly a response to this critical evaluation.

The subject of equality forces us to consider degrees of proximity and distance in society as a whole. The aim is to narrow the distance between social groups in terms of power and wealth or, to put it another way, of access to instruments that determine people's capacity for self-realization. Furthermore, the transition from equality of opportunities to a lessening of gaps in terms of achievements, assets and appropriation of the benefits of progress is not automatic, given the deep differences in power, possessions, recognition and social networks that have always marked our societies and, most importantly, the divides between people and the ways they participate in the production and employment structure of society, which reproduces so many other divides.

Box II.1 (conclusion)

Interlinking gaps

For one thing, education and knowledge gaps are human development gaps, which is why it is not only education that is vital, but also nutrition, preventive health care and training. Knowledge gaps are gaps in the positive exercise of freedom, understood as the set of capabilities needed to implement life plans. In the region, it is the norm for young people from the fifth quintile to complete secondary school and the exception for young people from the first quintile. If complete secondary education is required to gain access to employment options that can halt the intergenerational reproduction of poverty, this educational divide is perpetuating inequality throughout people's lives and between generations.

Productivity gaps, meanwhile, are gaps in welfare and self-realization in the workplace. People's socioeconomic group of origin and educational level have a substantial effect on whether they ultimately do low- or high-productivity work, which implies the existence of divides in incomes, access to social networks, collective recognition of their own efforts and the quality of daily life. So-called structural heterogeneity entrenches mutually reinforcing inequalities in the areas of education, productivity, connection with markets, incorporation of technical progress, contractual stability and political negotiation. This heterogeneity cannot be overcome by means of redistributive policies such as direct transfers to households. Rather, such transfers need to be oriented so that they have a positive impact on people's productive capabilities, while investment in the production system is also needed to improve the jobs on offer.

Social protection gaps give rise to different forms of vulnerability, the main ones being the risks of poverty and indigence, sickness, unemployment and an income-less old age. Just as education and productivity gaps in the region are very acute, so social protection is highly segmented in terms of responsive networks and services. Only a small percentage of the economically active population pays into social security, while welfare pensions are still in their infancy. Healthcare has tended to be privatized and its quality fragmented by ability to pay, while the introduction of unemployment insurance remains an unmet need.

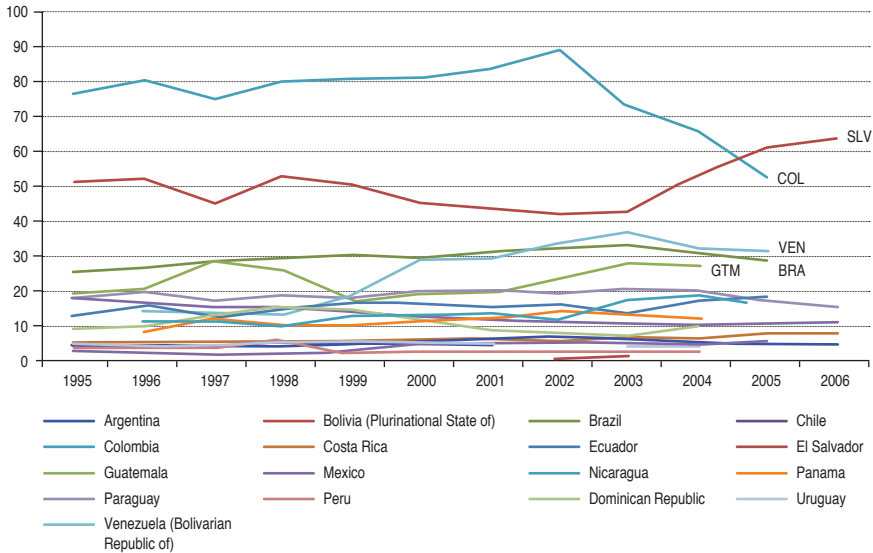
Inequalities in education, social protection and productivity are sustained by (and feed into) historical divides based on race and ethnicity, gender and territory. Gender inequalities are manifested, first, in different forms of discrimination in the labour market (lower incomes, more unemployment and less well-protected jobs) and, second, in the lack of remuneration and recognition for the care economy, which is vital to social reproduction and is shouldered largely by women. Indigenous people, Afro-descendants and the rural population are poorer and less educated, earn less, enjoy less social protection and have only restricted access to justice and politics. Territorial inequalities are reflected in urban segregation, as poor neighbourhoods have poor services and access restrictions (poor-quality schools, overcrowded environments, greater exposure to violence, fewer jobs, more inadequate health services, less social capital).

Source: Prepared by the author, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), *Time for equality: closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, Chile, 2010.

The rigid economic and social structures of Latin America are obstacles to economic growth and cause problems of social integration. Various studies have shown that social inequality is associated with violence and crime⁷, which have burgeoned in the region as a whole. One illustration of this can be seen in the number of murders per 100,000 inhabitants. The data reveal contrasting situations. On one hand, homicide rates are high in Colombia and El Salvador, although with opposing trends: in Colombia the situation has improved remarkably, with the homicide rate dropping from 89 in 2002 to 52.5 in 2005, while in El Salvador the rate jumped from a historic low of 42.5 in 2002 to a peak of 63.8 in 2006. In the second rank of severity stand Bolivarian Republic of Venezuela and Guatemala, where rates have been rising since the late 1990s, while in Brazil the rate has grown more modestly, but steadily, over the same period. It will be noted that this is a highly masculine phenomenon: the murder rate for men is more than 10 times as high as that for women. Yet there was an alarming jump in the number of women murdered in El Salvador between 2003 and 2006.

■ Figure II.16 ■

Latin America: homicide rate, 1995-2006
(per 100,000 inhabitants)

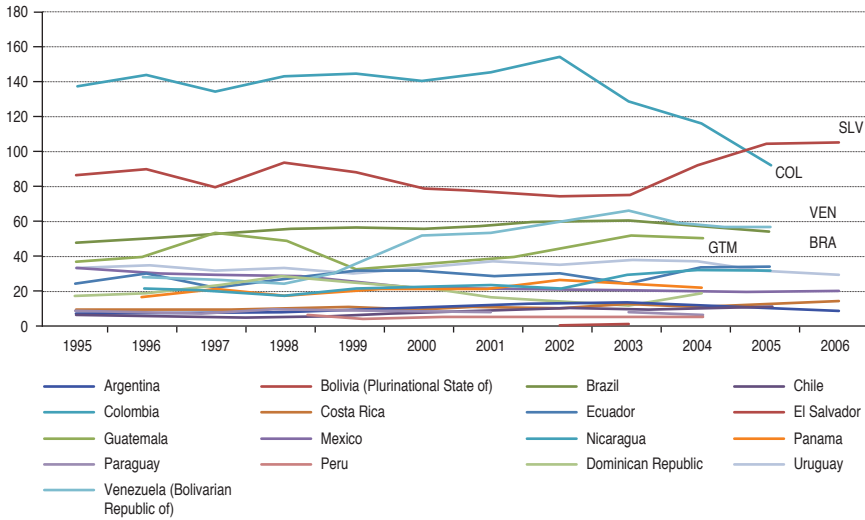


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database, on the basis of Pan American Health Organization (PAHO), Health Analysis and Statistics, regional mortality databases, rates based on United Nations, *World Population Prospects. The 2008 Revision (ESA/P/WP.210)*, New York, 2009.

⁷ Social inequality is not the only factor in explaining crime and violence. Various problems of institutional dysfunction and corruption, as well as factors relating to the wage of illegal economic activities (drug trafficking) and the persistence of patriarchal structures can interact with inequality and produce higher crime levels.

■ Figure II.17 ■

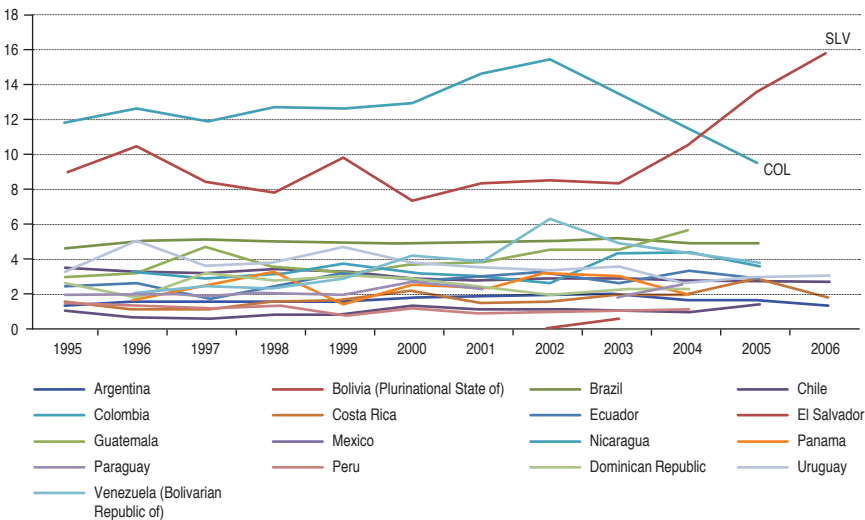
Latin America: male homicide rate, 1995-2006
(per 100,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database, on the basis of Pan American Health Organization (PAHO), Health Analysis and Statistics, regional mortality databases, rates based on United Nations, *World Population Prospects. The 2008 Revision (ESA/P/WP.210)*, New York, 2009.

■ Figure II.18 ■

Latin America: female homicide rate, 1995-2006
(per 100,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database, on the basis of Pan American Health Organization (PAHO), Health Analysis and Statistics, regional mortality databases, rates based on United Nations, *World Population Prospects. The 2008 Revision (ESA/P/WP.210)*, New York, 2009.

Chapter III

Consent: democracy and legitimation

The analysis of social perceptions of the role of the State based on opinion surveys such as the Latinobarómetro depends on the degree to which the survey questions prefigure at least three orders of linkage. From a strictly theoretical viewpoint, the first order refers to the normative fundamentals of social legitimation of State actions. This level, which we call the consent level, has to do with the support that society accords the structure and functioning of State institutions before there is any question of assessing their performance⁸. It has to do with the involuntary but socially necessary act of being part of the national community, based on an express willingness to respect the rules that govern its functioning. This consent is normative, *de jure*, inasmuch as social support precedes institutional functioning. These are the laws that authorize the State “to do things”.

In the Latinobarómetro questionnaire, the questions that can shed light on the dynamics of consent in Latin America presuppose a recognition of an intrinsic relationship in the social mindset about the notions of

⁸ This view corresponds to the juridical-liberal tradition, which has been thoroughly analysed by Christine Buci-Glucksmann [?? – note correct spelling](1979). Consent, according to her, “relies primarily on the contract, the rule of law, and the set of mechanisms shaped by the will of the majority.” She recalls, however, that it can be interpreted as well in a more political-statist sense, which invokes the set of ideological and cultural mechanisms that explain adhesion to a pre-existing power. In the first case, the relationships of power and domination are downplayed and in the second, the importance of the legal and juridical framework. In this study, we shall understand as “consent” the juridical foundation of the individual-State relationship, while for “satisfaction” we shall consider the relations of power between social forces that guide State actions (public policies) in one direction or another. Between these two meanings there is not so much an ontological opposition as there is a sequence, a kind of continuum that we have adopted from the thinking of Przeworski.

State-democracy-government. While these are concepts that are clearly differentiated by political science, the social mindset may understand good democracy, for example, as the sound administration of public affairs which, since this is a governmental task, is understood as falling within the sphere of the State.

On the other hand, consent is the expression of long-term bonds of the citizens with their political institutions and it is clear that those bonds are sensitive to changes in circumstances. Consequently, there must be questions that will give respondents clear guidance not to confuse their perception or opinion about the system with how its institutions are functioning. While the conceptual distinction between acceptance of norms (consent) and assessment of institutional performance (satisfaction) may be clear, it is nonetheless certain that these two concepts may be mingled in the social mindset.

Another methodological problem has to do with the object of observation, which in this case we have associated with the representation of democracy and the political system. Although it is a controversial matter, the track record of democracy in the region is, to say the least, diverse. In some cases, institutional democratic development, understood in its basic procedural dimension, is a relatively new process (and in northern Central America, where democratic elections became generalized only after 1990, it has been confined to the last quarter-century). In Mexico, the collapse of the electoral dominance of the Partido Revolucionario Institucional (PRI) is defined as democratization, although in many respects the Mexican political regime could be seen as more open and pluralist in contrast to the authoritarian profiles that populated the region until the 1980s. At the present time, although political tendencies in some countries have consolidated patterns of populist plebiscite-driven democracy, from other angles they correspond to a kind of radicalization of electoral democracy (Filgueira, 2008; O'Donnell, 2010; UNDP/OAS, 2010). While this situational framework does not make it possible to ensure supremacy or normatively defined quality differences among the democratic processes of each country, it does require recognition of the structures of public opinion in the context of each country.

The social mindset, then, deals not with differentiated but with integrated spheres. The distinction between the democratic condition of the State and the exercise of government in a democratic system as separate phenomena is not readily apparent to the public, especially when, as we have indicated, there are two processes involved: on one hand, opinion surveys make out democracy to be a form of society and not only a system of government⁹,

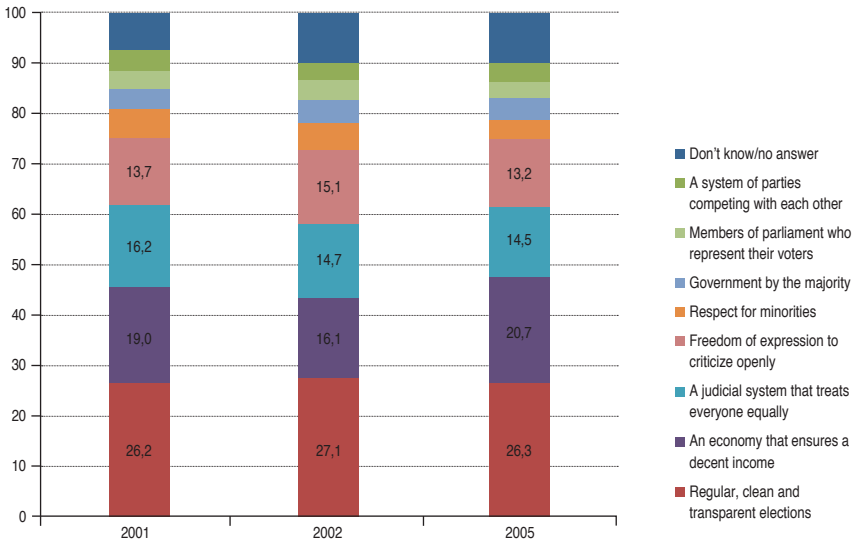
⁹ An example of this type of question was one formulated by Latinobarómetro in 2004: How would you characterize democracy in your country? Full democracy / Democracy with small problems / Democracy with big problems / No democracy / Do not understand what democracy is.

and on the other hand, in the public perception, the quality of life represents a defining characteristic of democracy, as observed in figure III.1, even though in market societies such as those of Latin America economic relations are governed not by democratic procedures but by hierarchical relationships where the principle of majority rule does not apply.

■ Figure III.1 ■

Latin America: most important characteristic of democracy, 2001-2005

Question. People often have different views about the most important characteristics of democracy. Choose only one characteristic.
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from Latinobarómetro 2001-2005.

The distinction between State and government, then, is not evident to the man in the street. Consequently, when people think of the State they may be referring to the government or to the institutional fabric rather than to the relations of domination and power that articulate population and territory. While democracy may be associated functionally with the electoral process, it is clear that, partly as a consequence of opinion surveys and their media coverage, democracy is understood as a social construct, and so it may be closer to an assessment of the State. Recognizing that democracy modifies the State, it is useful to recall at this point an argument of O'Donnell (2010, p. 56): “it is from the democratic regime that springs the main source of

authority of public policies (and, in the aggregate, of the credibility of State and government), that is the claim to echo the preferences and aspirations of the citizenry”, expressed through fair elections.

The second source of legitimation of policies concerns their functioning, that is to say their performance, and in opinion surveys this is expressed in the satisfaction that people show with respect to the various institutions and their functioning (this topic is addressed in detail in chapter IV). Consent and satisfaction correspond to two different levels in manifestations of opinion: one of mediate or indirect perception, and the other of immediate or direct perception. The mediate level refers to formulas of *ex ante* legitimation which, as Przeworski notes, derive from the degree of commitment to the law and the degree of confidence in the predictable functioning of the institutions inherent to the democratic game. The immediate level corresponds to the basics of *ex post* legitimation, which refer to the classic equation of democratic governance, illustrated as the balance of social demands and government responses. Between the two levels there are relations of specialization and synergy. *Ex ante* legitimation presupposes long-term assessment; the quality of the State is more important than the specific exercise of government. By contrast, *ex post* legitimation corresponds, logically enough, to the assessment of government performance and, consequently, is much more sensitive to short-term variations. Obviously, the strength of commitment to the law will to some degree govern expectations and will shape both the construction of social demands and the capacities of State response. On the other hand, the quality of the public response and the strength or weakness of *ex post* legitimation may have a direct impact on long-term consent. Thus, a temporary deficit of political satisfaction does not necessarily produce a crisis of legitimacy, but an accumulation of unmet expectations will obviously wound the general credibility of institutions.

The survey provides three core themes that organize questions relating to the phenomenon of consent: democracy, government, and citizenship. At the democracy level, four questions were selected: two relate to the acceptance of democracy as a political system or form of government, and two have to do with electoral procedures and the degree to which these are seen as a tool for giving effect to popular sovereignty. At the second level, government, the reference is to acceptance of public order over individual liberty and general assessments of the government’s capacities and its functions on behalf of the collective welfare. The third level refers to the assessment of the degree of development of the citizen counterpart in the State or in democratic society, expressed in people’s opinion about how far they respect the law of the land, voting as an expression of the sense of belonging to the national political community, and how aware citizens are of their rights and duties.

■ Table III.1 ■

Core themes for analysing consent in the latinobarómetro survey

THEMES	LATINOBARÓMETRO QUESTIONS 1996-2009
Democracy	Democracy is preferable to any other form of government Democracy may have problems, but it is the best system of government Elections offer voters a real chance to choose between parties and candidates Elections are generally clean
Government	I would rather live in an orderly society even if some freedoms are limited Government can solve all or most of our problems Government works for the good of the people
Citizenship	The way you vote can change the way things will be in the future Our citizens obey the law Our citizens demand their rights Our citizens are aware of their duties and obligations

Source: Prepared by the author.

The following section reviews the aggregate regional results for each of the core themes and their component questions.

A. Attachment to democracy

Latin American experience with the democratic system has been rather short, particularly if it is recalled that the region is now celebrating two centuries of republican life. For today's generations, the democratic form of government is of recent vintage, and became generalized only in the early 1980s. As discussed earlier, the advent of democracy in Latin America has been neither simple nor cumulative, and various political episodes, relating to the quality and duration of government, have fed fears of a reversion to authoritarianism, and concerns to defend or strengthen democratic institutions. For this reason, it is useful to note that in the period covered by Latinobarómetro (1996-2009), the majority of respondents (around 6 out of every 10) declared an attachment to democracy. This attachment weakened somewhat in 2001 and again in 2007 (see figure III.2), in the first case reflecting sharp declines in El Salvador, Panama and Paraguay, rather than socioeconomic crises such as that observed in Argentina. The shifting support for democracy over the period reveals other important differences: it declined between 1996 and 2009 in a majority of countries (10 countries), including those (Argentina, Costa Rica and Panama) that in 1996 recorded some of the highest levels of support in the region. Countries where support, expressed as preference for democracy, declined to the greatest extent are Peru (down by 17 points), Guatemala, Mexico, Panama and Paraguay (down by around 14 points). In all these cases, the opening to democracy was relatively recent, suggesting

two possible interpretations: one is a nostalgia for authoritarianism, whereby democracy is associated with the contemporary problems of society—for example, rising violence or economic instability—with the assumption that things worked better in an authoritarian past; a second interpretation is that, in contrast to the authoritarian situation where criticism is not tolerated, under democracy criticism is the expression of civil liberties and political rights, and it is not surprising, then, that dissatisfaction with democracy will be greater where it is consolidated (which might explain the fall-off of support in Costa Rica). There is a group of six countries where support shows a slight increase (around five points in Bolivia, Brazil, Chile, El Salvador and Honduras) or has remained relatively stable at high levels (Uruguay). Here, support for democracy is less volatile. The most notable case of growth in support for democracy is Bolivarian Republic of Venezuela, where responses denoting a preference for democracy rose from 65.8% in 1996—very close to the regional average—to 83.9% in 2009, or 25 percentage points above the regional average.

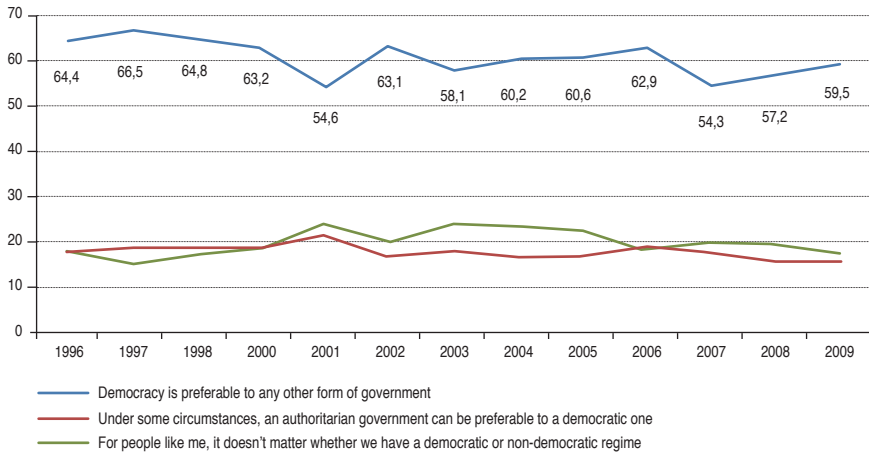
While these figures show majority support for democracy, they also paint a picture that is far from auspicious. It is important, however, to note the way the question was phrased. As can be seen in figure III.5, while the enthusiasm for democracy as the preferred form of government may not increase and may even decline, the trend is slightly more positive in response to the statement: “Democracy may have problems, but it is the best system of government.”

■ **Figure III.2** ■

Latin America: opinions about democracy, 1996-2009

Question: With which of the following statements do you agree most? 1) Democracy is preferable to any other form of government; 2) Under some circumstances, an authoritarian government can be preferable to a democratic one; 3) For people like me, it doesn't matter whether we have a democratic or non-democratic regime.

(Percentages)

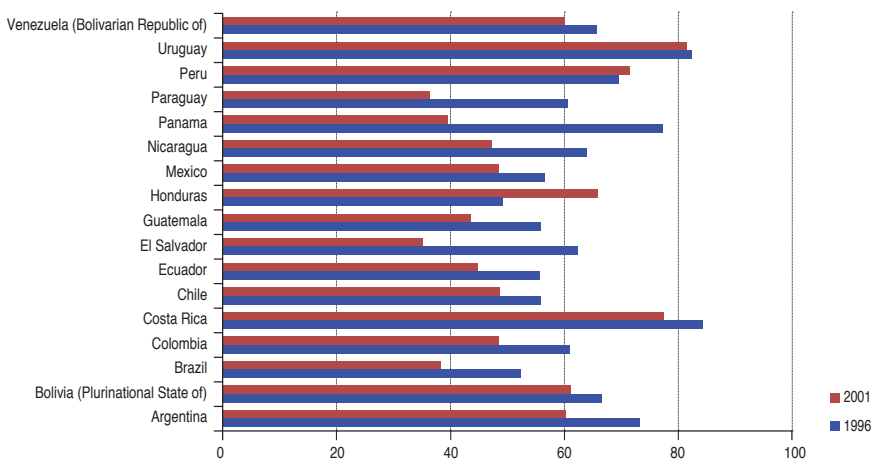


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2009.

■ **Figure III.3** ■

Latin America: preference for democracy, by country, 1996 and 2001

(Percentages of the population in agreement with the statement: "Democracy is preferable to any other form of government")



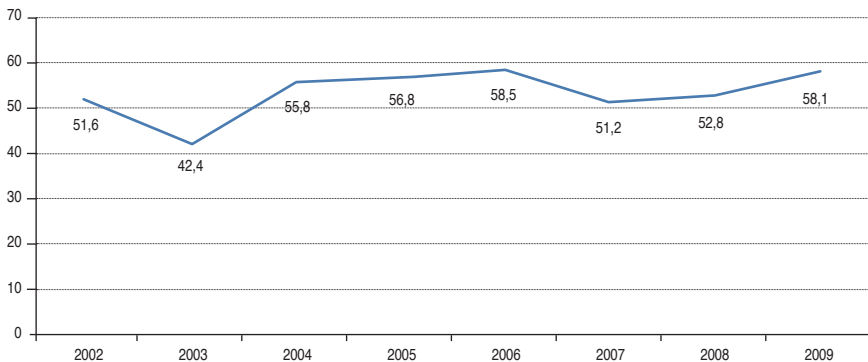
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996 and 2001.

Also, the response to the statement “Democracy may have its problems, but it is the best system of government” shows a positive tendency in the regional average, where net support rose from 51.6% to 58.1% between 2002 and 2009 (in 2002 the preference for democracy reached 63.1%). The positive trend in attachment to democracy as the preferable form of government, even though it could be improved, is evident in the majority of countries, with notable increases in Ecuador and Guatemala, where support for this system of government multiplied by factors of 4 and 5, respectively. In 2009, Bolivarian Republic of Venezuela had the highest proportion of support for the stock phrase, while in that same year Mexico showed the sharpest drop, to the lowest level among all the countries. What is noticeable in general terms is that support for democracy as expressed in Churchill’s phrase tends to rise in the majority of countries (14 of 18), although the levels of support may vary significantly, from 31% of net support in Mexico to 84% and 85% in Bolivarian Republic of Venezuela and Uruguay, respectively. Following the average increase in attachment to democracy, it must be noted that in 2009 four countries (Ecuador, Mexico, Paraguay and Peru) showed net support of less than 50% for the Churchillian statement (see figure III.5).

■ Figure III.4 ■

Latin America (simple averages): net support for democracy, 2002-2009^a

Question: Do you agree or disagree with the following statement? Democracy may have problems, but it is the best system of government.
(Percentages)



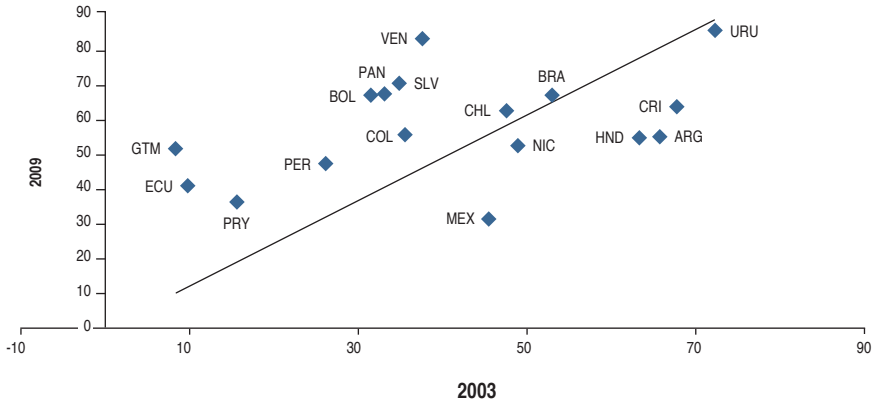
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2002-2009.

^a The percentage of net support is the sum of the percentages of “agree” and “strongly agree” responses minus the sum of the percentages of “disagree” and “strongly disagree” responses.

■ Figure III.5 ■

Latin America (simple averages): support for democracy by country, 2003 and 2009*

Question: Do you agree or disagree with the following statement? Democracy may have problems, but it is the best system of government.
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2002-2009.

* The percentage of net support is the sum of the percentages of “agree” and “strongly agree” responses minus the sum of the percentages of “disagree” and “strongly disagree” responses.

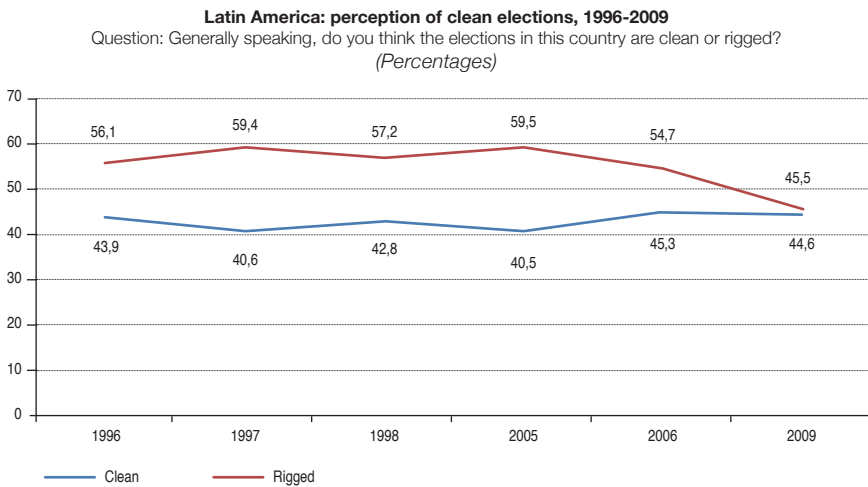
Attachment to democracy in normative terms, without reference to the specific performance of political institutions and the public administration, is also perceptible through people’s appreciation of the act of voting as the moment at which legitimacy is conveyed upon each administration. According to Przeworski:

“Competitive elections are the only credible mechanism of making the people believe that their rulers rule on their bequest [sic] and behalf. They are a device of the sceptic. Elections authenticate the claim that governments govern with active consent because they repeatedly test this claim by counting heads. If governments that do not enjoy such consent can be voted out, the fact that they were not, that they have won a free and fair election, is informative. And it is the only source of credible information”
(2010, p. 258).

In Latin America, the proportion of people who consider that elections are clean has remained constant over the last decade and a half and, while that conviction has not improved, the contrary opinion has weakened (see figure III.6). There are two processes involved here. One is the consolidation

of electoral democracy as the only legitimate form of choosing rulers, an aspect that corresponds to a recent chapter of regional history. As the 2010 UNDP/OAS report states (p. 65), between 1930 and 1980 more than a third of government changeovers took place irregularly, for the most part through military coups. Second—and reflecting the fact that the effective competition of alternatives is a characteristic of democracy—in recent years social groups that were historically excluded from high-level political representation and participation have risen to power through elections, which they have won on the basis of platforms calling for wide-ranging economic and social reforms (UNEP/OAS, 2010, p. 66).

■ Figure III.6 ■



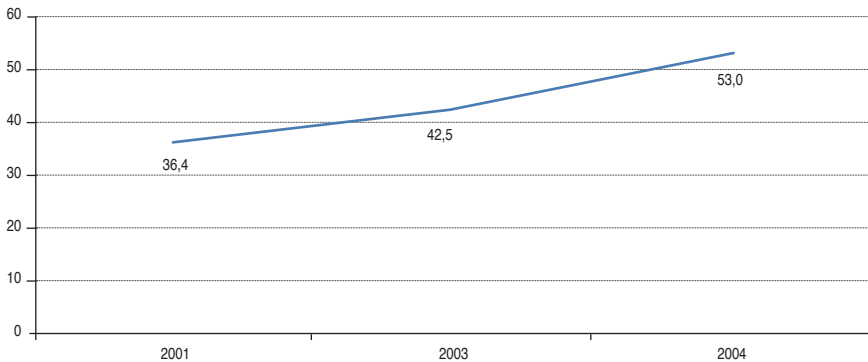
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2009.

Recent electoral patterns in the region suggest that there is an ongoing process of strengthening the foundations of active consent. With all the variety of political and economic circumstances experienced in Latin America in recent years, the stability of consent expressed in terms of the confidence in clean elections is also significant. This is particularly true if it is recalled that people tend to think favourably of elections as an effective mechanism for the citizens to make political choices as to who will be the governmental authorities. In other words, rather than considering electoral contests as futile, people have growing confidence in voting as the foundation of democratic government: this at least is what one must infer from a question asked by Latinobarómetro in 2001, 2003 and 2004. Asked if “elections offer voters

a real chance to choose between parties and candidates”, the proportions of net agreement in the Latin American average rose from 36% to 53% between 2001 and 2004. As in other cases, this phenomenon did not occur in the same proportion in all countries. The greatest changes were to be found in El Salvador, Panama and Paraguay, three countries in the process of democratic consolidation. Paraguay held general elections in 2003, marking a decade of democracy after the fall of the Stroessner dictatorship. In El Salvador, the congressional elections of 2003 and the presidential elections of 2004 confirmed the leadership exercised by the ARENA party since the 1992 peace accords. Panama, for its part, restored its institutional system in 1990 after the military government of Manuel Antonio Noriega was deposed in December 1989.

■ Figure III.7 ■

Latin America (simple averages): real chances to choose in democracy^a
 Question: Do you agree or disagree with this statement? “Elections offer voters a real chance to choose between parties and candidates”
 (Percentages of agreement)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2001, 2003 and 2004.

^a The net agreement percentage is the sum of percentages of replies “agree” and “strongly agree” minus the sum of replies “disagree” and “strongly disagree”.

These data suggest a trend to greater support for democracy and active consent on the part of the citizenry. There is no room for complacency in these figures, however, as they reveal the possibility of backsliding in some countries, and they show that consent and support are very precarious in others. For now, people’s acceptance of the democratic contract —essential for citizen support of the State as guarantor of public order— seems to be moving in favour of pluralism and political freedoms.

What are the factors that dispose the citizens to support democracy? A regression analysis can show which structural conditions in countries combine with individual factors in guiding the values of consent. Table III.2 projects some demographic variables (sex, age, education, occupation and religion, among others) with three questions associated with commitment to rules: (a) in some circumstances, an authoritarian government may be preferable to a democratic one; (b) for people like me, it doesn't matter whether we have a democratic or a non-democratic regime; (c) democracy is preferable to any other form of government.

■ Table III.2 ■

Latin America (18 countries): predictors of political consent
(Ordinal probit regression)

DEPENDENT VARIABLE: COMMITMENT TO DEMOCRACY (1= in some circumstances, an authoritarian government may be preferable to a democratic one 2= for people like me, it doesn't matter whether we have a Democratic or a non-democratic regime 3= democracy is preferable to any other form of government)			
		Coefficient	Significance
Sex	Male	0,06577492	0,0000
	Female	0	.
Age	18 to 24 years	-0,16916185	0,0000
	25 to 34 years	-0,12074794	0,0000
	35 to 44 years	-0,07650961	0,0000
	45 to 54 years	-0,05211097	0,0059
	54 to 64 years	-0,048776	0,0120
	65 years and over	0	.
Education	Primary	-0,1599933	0,0000
	Secondary	-0,1420419	0,0000
	Higher	0	.
Occupation	Active	-0,01011997	0,3023
	I active	0	.
Religion	Catholic	-0,03697678	0,0065
	Evangelical, Protestant	-0,01336459	0,4080
	Other	0	.
Mother tongue	Spanish	0,18354825	0,0001
	Portuguese	-0,16282578	0,0010
	Indigenous language	-0,01745093	0,7233
	Other	0	.
Socioeconomic level ^a	Low	-0,0384625	0,0014
	Regular	-0,01576499	0,0924
	High	0	.
Stateness	Low	-0,40776784	0,0000
	Medium	-0,14253727	0,0000
	High	0	.

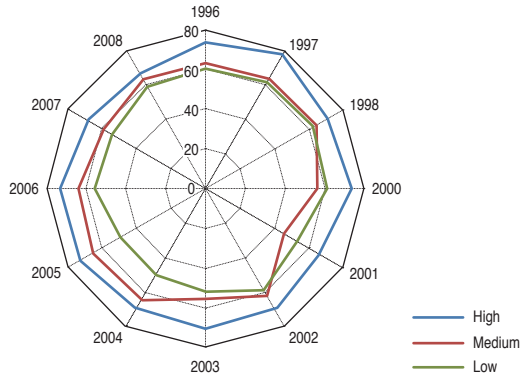
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2008.

^a The socioeconomic level is determined subjectively by the interviewer.

Consent varies significantly according to sex and age, and is lower among younger people, those at a lower educational and socioeconomic level, and those of the Catholic religion. Commitment is higher among men, Spanish speakers and Catholics. Interestingly, the strongest correlation is by stateness group: commitment to democracy is substantially less among the low-stateness countries. Nevertheless, as can be seen in figure III.8, the gaps between the three groups tend to narrow over the period of study, reflecting no doubt the growing strength of democracy in the region.

■ Figure III.8 ■

Latin America (simple averages): support for democracy, by groups of countries classed by stateness, 1996-2008*
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2008.

* Corresponds to the sum of the percentages of persons responding "strongly agree" or "agree" with the statement "democracy is preferable to any other form of government".

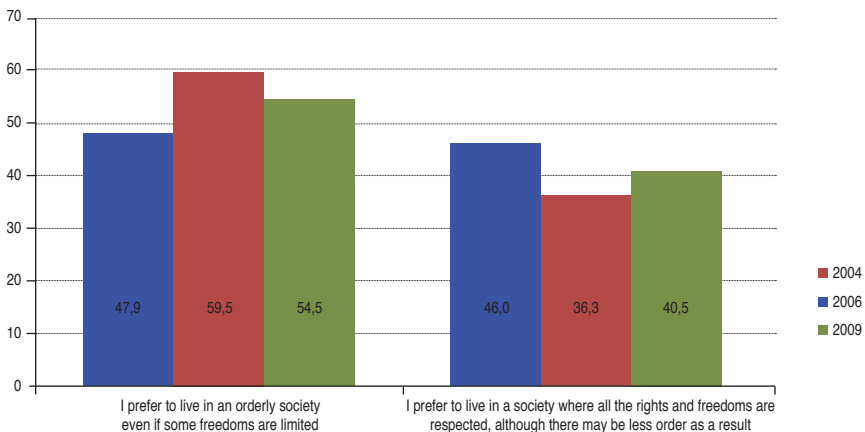
B. The need for government

Citizen support for the democratic system presupposes acceptance of the functioning of State institutions, based on an institutional mandate. It is, then, an expression of consent that is just as important for understanding expectations about the role of the State as for appreciating the performance assessments that are expressed in terms of satisfaction with institutions. There are two other factors that influence the formation of this attitude of active consent on the part of citizens: acceptance of the need for government as the basis of the social order; and the attitude towards the observance of basic standards of citizen conduct.

The need for government is the foundation of the modern State's existence. It assumes the signature of a social pact, a contract for community coexistence based squarely on two active principles: voluntary renunciation of unlimited freedom, and acceptance of a higher power that constitutes the common good, above and beyond individual interests. The data in figure III.9 illustrate the dilemma that people face in choosing between order at the cost of freedom or rights at the cost of disorder. These two images have been associated with the two-party political landscape that has dominated the postcolonial era in most countries of the region, where conservative parties (with strong rural roots and positivist inspiration) defended the status quo, understood as synonymous with order and progress, while the professional and merchant classes, born of urbanization, subscribed to typically liberal ideals and devoted themselves to the pursuit of civic equality.

■ Figure III.9 ■

Latin America (simple averages): preferences for order over freedom, 2004-2009
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2004-2009.

The data show that social order is highly valued and that securing it presupposes renouncing certain freedoms. The problem is that the question does not set up a proper contrast. The contrary to placing limitations on freedoms is not to grant respect for recognized rights and freedoms: it is, rather, to give free rein to individual wills in what philosophical tradition calls the “state of nature”. And while people can readily imagine the concept of social order, and even associate it with more elaborate embellishments such as the rule of law, the meaning of “social disorder” is by no means clear, and

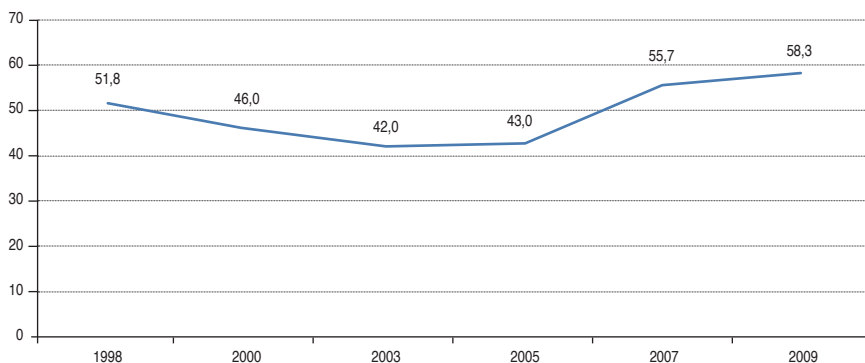
may be taken to signify, for example, social protests, many of which may be fairly justified from a moral viewpoint or may even be legally permitted. The responses to the question about order and freedom cannot resolve this apparent antagonism, then, but they do illustrate the weight of absolute freedom and the importance of rights in laying the original foundations of legitimacy for Latin American states: functions of a social kind derived from the limitation of freedoms in a context of safeguarding fundamental rights would seem a possible interpretation of what only appears to be a contradictory picture.

A utilitarian interpretation indicates, then, that the social aspiration with respect to the State places equivalent value on the guarantee of order as on the satisfaction and enforceability of individual rights. The perception of whether the State is capable or not of achieving these general tasks is also essential for its legitimation. The vision of the State as “problem solver” indicates that the Latin American population has growing confidence, at least in the first decade of the 21st century, in the State’s capacity. Nevertheless, this growing confidence has gone through two clear stages: it weakened in the first half of the decade, and gained strength towards the end.

■ Figure III.10 ■

Latin America (simple averages): perceptions of the state's capacity to solve problems, 1998-2009^a

Question: It is said that the State can solve the problems of our society because it has the means to do it. Would you say that the State can solve: all problems, most problems, enough problems, only a few problems, the State cannot solve any problem?
(Percentages of persons responding “all”, “most” or “enough”)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998-2009.

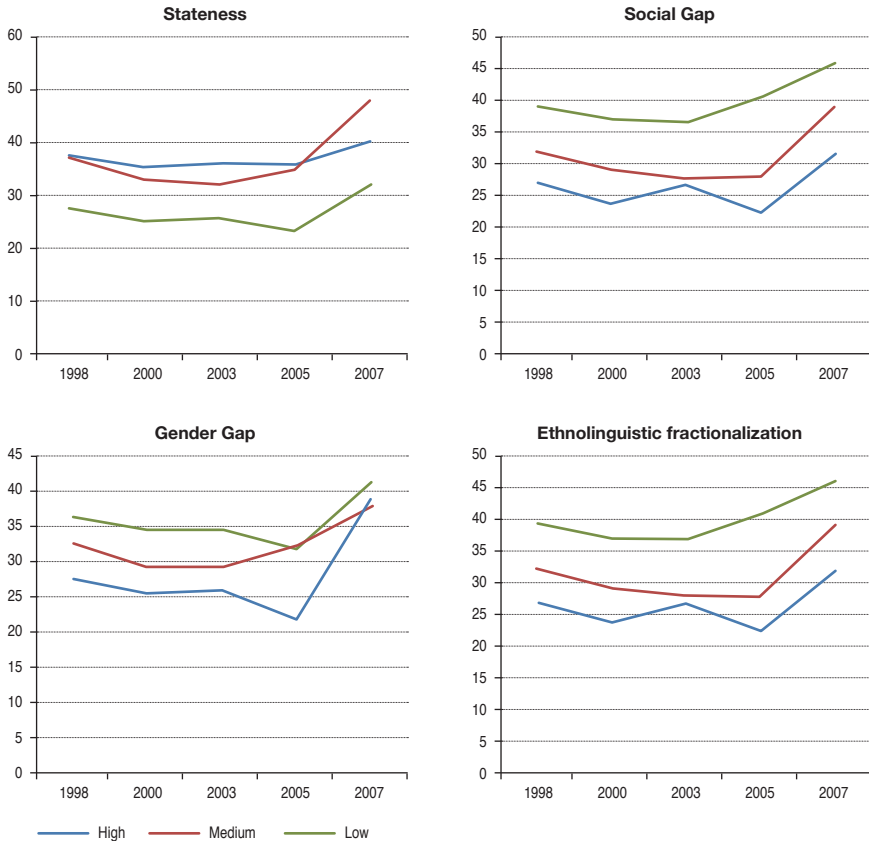
^a Value corresponds to the sum of percentages of the responses “all”, “most”, and “enough”.

A comparison of this behaviour by stateness grouping shows that ex-ante confidence in State capacities is considerably higher at the end of the period in the medium-stateness countries. This may be due to the fact that public scepticism vis-à-vis the State increases as people gain access to more information and develop greater discernment, whereas in low-stateness countries the State has less of a social presence and people therefore have less confidence in its capacities.

■ Figure III.11 ■

Latin America: perceptions of the state's capacity to solve problems, by structural characteristics, 1998-2009^a

Question: It is said that the State can solve the problems of our society because it has the means to do it. Would you say that the State can solve: all problems, most problems, enough problems, only a few problems, the State cannot solve any problem?
 (Percentages of persons responding "all" or "most")



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro for years shown.

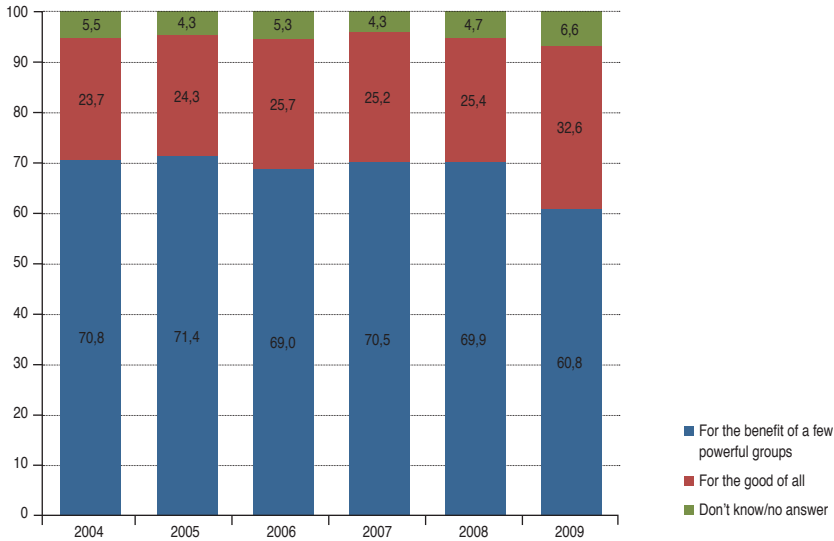
^a Values correspond to the sum of percentages for the responses "all" and "most".

Lastly, we analysed the degree of relative independence with respect to particular social interests that people perceive in State institutions. This condition of relative independence is essential for determining the degree of a priori consent to the functioning of the political system and State institutions. A regime captured by minority interests will have problems of legitimacy because the democratic principle of political representation is not transferable to the private interests of the representatives. On the contrary, the principle of representation presupposes the representation of all. Figure III.12 reveals a serious shortcoming in this case, as the majority of the population questions the relative independence of governing groups. It must be noted, however, that in recent years the perception of the principle of democratic representation has improved, rising by nine percentage points over the period of analysis.

■ Figure III.12 ■

Latin America: perceptions of the relative independence of state institutions, 2004-2009

Question: In general, would you say the country is governed for the benefit of a few powerful groups or is governed for the good of all?
(Percentages of the population)



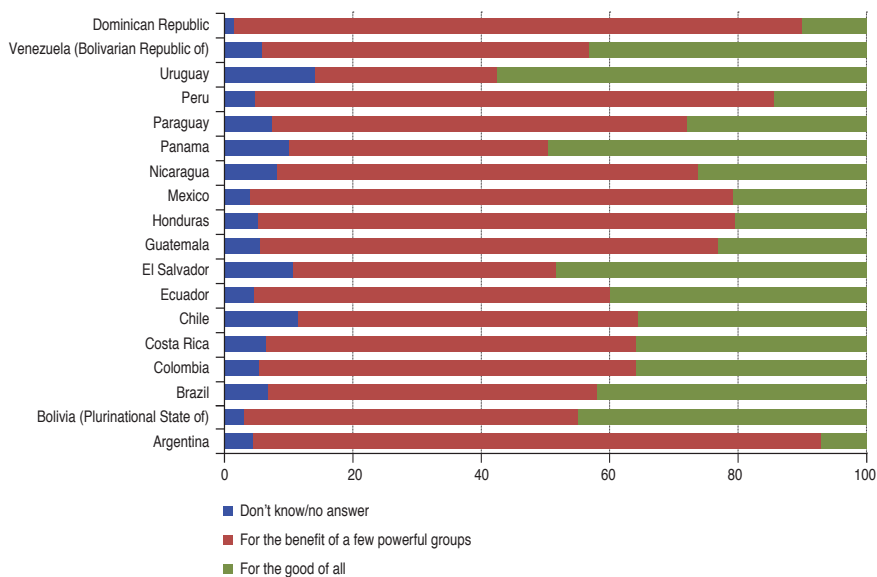
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro for years shown.

An analysis of the data by country for the last year available (2009) reveals some important differences. Three countries (Argentina, Peru and Dominican Republic) show proportions of between 80% and 90% who maintain that there is no relative independence of government vis-à-vis powerful groups. A second group of countries shows proportions of between 60% and 80% (Guatemala, Honduras, Mexico, Nicaragua and Paraguay). Seven countries stand in an intermediate position, slightly sceptical of the principle of relative independence, with values ranging between 50% and 60%. The three remaining countries are the only ones where the majority supports the idea of relative government independence: Uruguay (57.7%), Panama (49.7%) and El Salvador (48.4%).

■ Figure III.13 ■

Latin America: perceptions of the relative independence of state institutions, by country 2004-2009

Question: In general, would you say the country is governed for the benefit of a few powerful groups or is governed for the good of all?
(Percentages of population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro.

■ Box III.1 ■

Citizenship and state

Citizenship implies a reciprocal commitment between government and individuals. Government must respect individual autonomy, allow people to participate in politics and, to the extent the level of development permits, provide opportunities for social well-being and productive work. Individuals must participate through political institutions and mechanisms for representation and deliberation, to ensure that their demands and interests are reflected in public debate and in the building of consensus. If participation in society is an indispensable prerequisite of democracy, equally indispensable is the strengthening of the institutions that society has available, for it is these that provide the channels for such participation. By the same token, institutional strengthening is essential for ensuring citizen participation. In this way, Latin American and Caribbean countries can make progress in reconciling political democracy with social democracy. To that end they will need to generate “more society”, that is to say structures in which citizens can debate and reach agreements.

How can citizenship be promoted? On the one hand, the progress of the democracies in the region represents a development of civil citizenship. For political citizenship, it is important to extend the range of social agents in deliberative and decision-making processes, and in the way that benefits are allocated and distributed. If economic, social and cultural rights are to prevail, what is needed are policies that recognize and support groups defined by their gender and cultural attributes and forms of social distribution that respond to different aspects of “complex equality” (see box 14.1). To promote citizenship in a more republican sense, states and political systems have to be capable of absorbing and reflecting the new practices of social movements and combining public policies with the social capital that society itself is creating through its organizations.

Source: Prepared by the author.

C. Active citizenship

Without citizenship, no State can be strong and stable, for citizenship is the social counterpart of the State. It is understood as a condition based on a principle of normative equality, not of outcomes. In its classic formulation (that of T.H. Marshall) it has three dimensions: (a) the civil dimension, which has to do with the freedoms of assembly, association, expression and contract; (b) the political dimension, which relates to the ability to vote and to be elected; and (c) the social dimension, which has to do with providing a material standard of living sufficient to cover basic needs. The relations between the rights that the principle of citizenship imposes and their importance in constituting the primary bonds between individuals and their interests and the State and its competencies are defined in the document presented by ECLAC at its 28th regular session (ECLAC, 2000):

But even when citizenship is understood as entitlement to economic, social and cultural rights, it is still presented in terms of enforceability and not of participation. For this reason, it has to be complemented by the republican tradition, in which citizenship is associated with the “res publica”, in other words with the commitment of individuals to the destiny of society.

Citizenship does not ensure social returns in terms of the distribution of material resources, but it does constitute a benchmark for the consent of the people to their form of government, by providing a path for the constitution of what Robert Castel calls a “society of the like” (*société des semblables*). Statutory equality offers conditions of stability that can attenuate resistance to the social order that arises from persistent material inequalities. Citizenship, as a social condition, is contemporaneous with the modern State, but it has been substantially modified by the impact of globalization on the capacity of States to regulate social practices and to consolidate a territorially confined mandate.

Globalization has extended the scope of projection of civic rights from one bounded by the frontiers of the nation-state to a transnational space that defines universal rights and provides the means for ensuring and enforcing rights. Thus, the setting of rights thresholds, usually the outcome of the accumulation of social demands in political and historical contexts, is driven by global dynamics that define public and civic obligations of a universal nature. This has allowed the distinction between universal rights to a substantive citizenship that admits no borders and normative and formal rights associated specifically with each nationality.

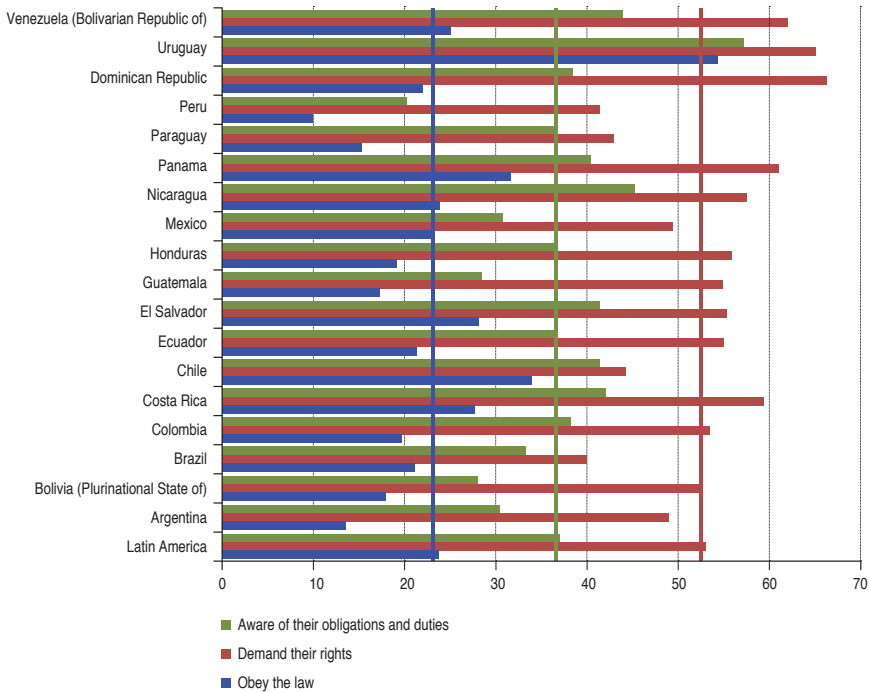
The Latinobarómetro study examined perceptions associated with the condition of citizenship. In Figure III.14 it is interesting to note the messages alluding, on one hand, to the awareness of rights and obligations and, on the other hand, the commitment to the rule of law. The data reveal that Latin Americans believe that their fellow citizens are more aware of their rights than of their obligations, and that they are less committed to the rule of law and the observance of the regulations that social life imposes. This could be interpreted as an indicator of the pre-eminence of a relatively paternalistic view of the State and the public authorities: on the basis of these results, a typical person might say, “life in society should give me greater guarantees than the limitations it places on me, and moreover I reserve the right to follow the collective rules or not”, but it must be remembered that the persons interviewed were not referring to themselves but to the other citizens of their country.

There are some important differences among countries, and not only with respect to their distance from the regional average. Uruguay reveals higher levels of citizen awareness with respect to the three variables, and

the differences between them are less than in the other countries. Next in homogeneity comes Chile which, however, shows values below the Latin American average when it comes to demanding rights. Peru has the lowest proportion of commitment to the law and awareness of obligations and duties, while Brazil has the lowest values when it comes to demanding rights.

■ **Figure III.14** ■

Latin America (simple averages): perceptions of fellow citizens' civic awareness, 1996-2008
(Percentages of persons responding "a lot" or "enough")



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996 and 2008.

Considering the changes recorded between 1996 and 2008, the data show that, while the perception of respect for the law increased notably in Brazil, it declined significantly in Colombia, Ecuador, Mexico and Paraguay. Insistence on rights rose by nearly 30% in Argentina, Bolivarian Republic of Venezuela, Guatemala and Honduras, but dropped by similar proportions in Panama and Paraguay. Positive perceptions of compatriots' awareness of their duties and obligations fell by around 30% in Colombia, Ecuador, Mexico and Paraguay, but rose by 20% in Costa Rica, Guatemala and Honduras and by more than 30% in Brazil.

■ Table III.3 ■

Latin America: indicators of perceptions of fellow citizens' civic awareness, 1996 and 2008
(Percentages of persons responding "a lot" or "enough")

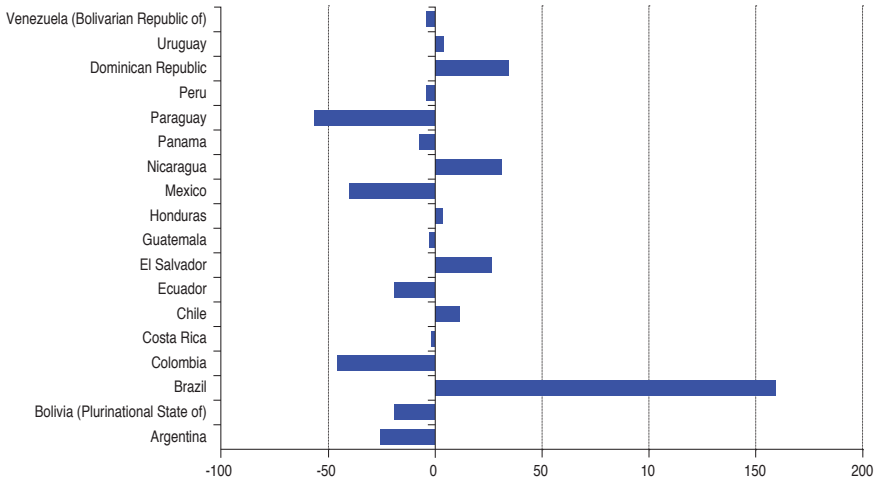
	Citizens obey the law		Citizens demand their rights		Citizens are aware of the duties and obligations	
	1996	2008	1996	2008	1996	2008
Argentina	16,2	12,1	43,3	57,4	29,5	30,1
Bolivia (Plurinational State of)	21,3	17,3	57,8	55,2	30,9	28,4
Brazil	12,6	31,0	42,6	34,5	25,3	34,6
Colombia	32,0	17,3	57,1	52,8	46,0	33,7
Costa Rica	27,2	26,7	57,4	58,7	39,0	45,8
Chile	33,5	37,3	47,3	43,5	41,5	34,9
Ecuador	22,6	18,2	63,8	58,3	46,4	31,2
El Salvador	28,0	35,4	51,3	40,4	38,4	36,6
Guatemala	19,6	19,1	40,3	53,7	28,1	33,7
Honduras	18,2	18,9	46,8	58,1	32,2	37,4
Mexico	27,2	16,1	50,5	55,1	38,2	26,5
Nicaragua	24,7	32,3	62,6	60,5	47,5	44,8
Panama	30,8	28,4	68,7	51,5	45,3	36,8
Paraguay	35,2	15,2	64,0	42,5	51,2	35,5
Peru	9,8	9,6	44,3	39,7	19,3	16,5
Dominican Republic ^a	18,8	25,2	73	59,6	36,1	40,8
Uruguay	49,3	51,2	69,0	67,5	54,5	48,5
Venezuela (Bolivarian Republic of)	25,9	24,6	54,3	67,8	42,6	45,0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996 and 2008.

^a Data for the Dominican Republic relate to 2005 and 2008.

■ Figure III.15 ■

Latin America: rate of change in perceptions of fellow citizens' respect for the law, 1996 and 2008^a

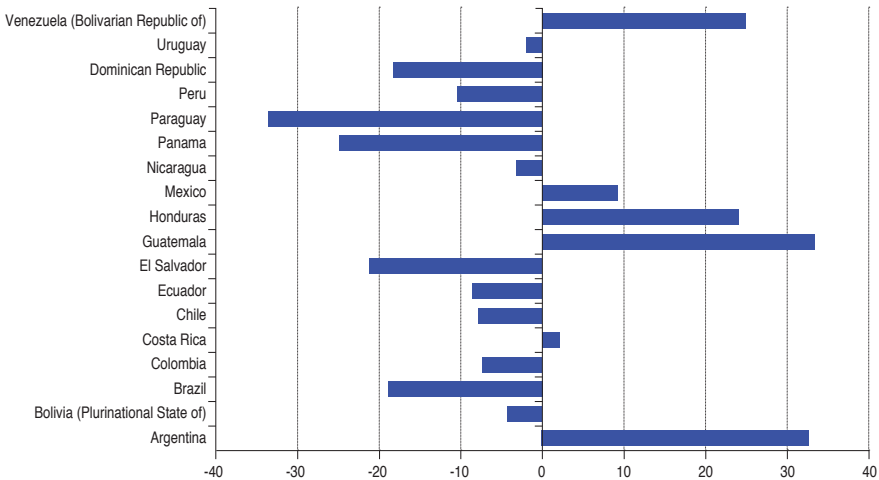


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996 and 2008.

^a The rate is based on the sum of responses "a lot" and "enough", and represents the change between the total percentages for 1996 and 2008, ignoring the intervening years.

■ Figure III.16 ■

Latin America: rate of change in perceptions of fellow citizens' insistence on their rights, 1996 and 2008^a

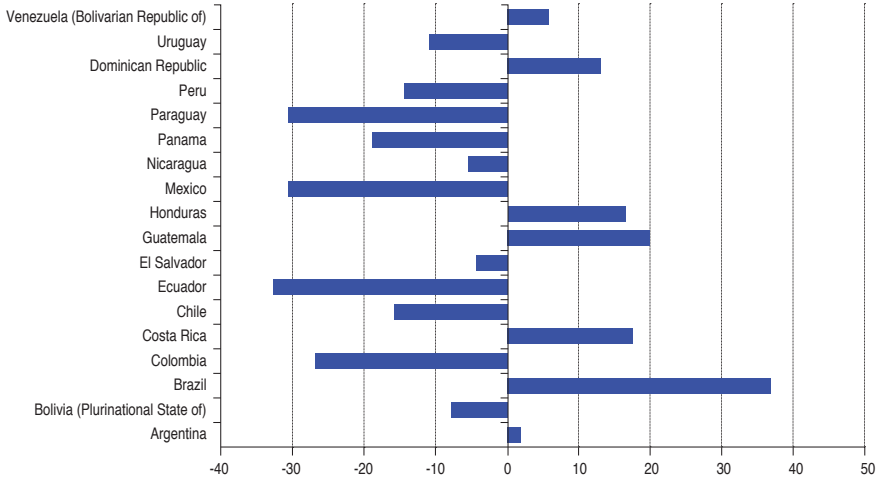


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996 and 2008.

^a The rate is based on the sum of responses "a lot" and "enough", and represents the change between the total percentages for 1996 and 2008, ignoring the intervening years.

■ Figure III.17 ■

Latin America: rate of change in perceptions of fellow citizens' awareness of their duties and obligations, 1996 and 2008^a



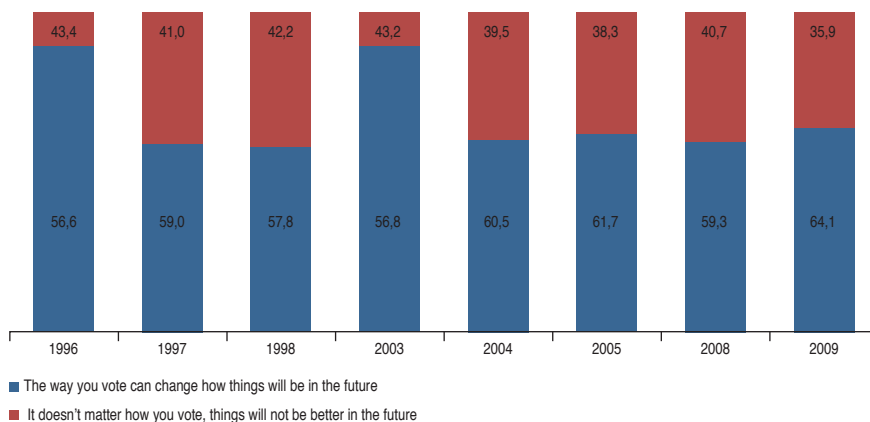
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996 and 2008.

^a The rate is based on the sum of responses "a lot" and "enough".

A final and very important element —voting— has shown a highly positive trend in recent years, and is now recognized as a prime instrument for political change in democratic societies in Latin America. The data indicate a clear predominance of confidence in the vote as a mechanism of social transformation over the period. They reveal a process in which democracy has progressively established itself and in which the citizens have committed themselves to voting as they have come to recognize its usefulness. This is the principle of legitimacy for governments of the region. The rest depends on their performance and on the degree of satisfaction they can inspire among those they govern, as will be seen in chapter IV.

■ **Figure III.18** ■

Latin America: confidence in the vote, 1996-2009^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2009.

^a In 2008 and 2009 the question was not about the options indicated in the graph. The question posed in those years was this: "What is the most effective way in which you can contribute to changing things: vote to elect people who defend my position, participate in protest movements and demand change directly, or do you think that it's not possible to contribute to changing things? The responses correspond to "vote to elect", and the sum of the remaining responses.

Chapter IV

The dynamics of satisfaction: public opinion and the performance of the state



The link between people's needs and expectations and the outcomes of institutional performance corresponds to the analysis of the role of the State and that aspect of public opinion which we have associated with satisfaction. In its basic form, it is the most immediate expression of the classic link in the concept of governance (the balance between public demands and political responses), but it is closely interrelated with "the strength of weak ties" (Granovetter, 1973) which, from an individual viewpoint, has to do with the *ex ante* legitimation examined in chapter III. It is mediated by a normative aspiration that derives from ideological expectations about what the State should or should not do and is expressed in opinions about the role of the State (see chapter V).

These are not causal relationships, but rather interactions: the strength of prior consent gives some margin for political manoeuvre and can lead to complacent assessments of policies which, in the context of lesser consent, may produce more drastic evaluations. On the other hand, the persistence of a performance shortfall because of specific social interests may weaken *ex ante* consent and project itself in various forms of social disobedience or political disengagement, such as widespread protests that lead to the fall of the government, the spread of voter abstention, or resort to the mechanisms of direct democracy such as the recall referendum (which some constitutions in the region now allow). Finally, the ideological perspective, which is usually reflected in more or less statist opinions (sometimes inserted in the State-market continuum), can influence consent and satisfaction, regardless of any rational assessment of contexts and opportunities. For example, if individual preference

favours economic deregulation, a perceived affinity for statism on the part of the government in power may lead both to withdrawal of its initial legitimacy and to a systematically negative assessment of its institutional performance.

This chapter comprises two sections. The first analyses the linkages of opinion with performance in three key areas of public policy: (a) the redistributive dimension, expressed in terms of public spending and the financing of social sectors; (b) the linkage of economic policy with the interests of citizens, relating the objective of anti-inflation policies with citizens' perceptions of economic satisfaction; and (c) the impact of the existence or absence of employment policies, which constitute the basis for primary distribution and the basic connection between economic growth and people's access to sources of well-being.

The second section examines the link between the social structure and perceptions of State performance, first in relation to the social divides that constitute differentiated floors in terms of distributive equity, then in reference to the gender dimension, and third in relation to the degree in which the ethnolinguistic fractionalization of countries is related or not to perceptions of performance.

A. Opinion and public policies

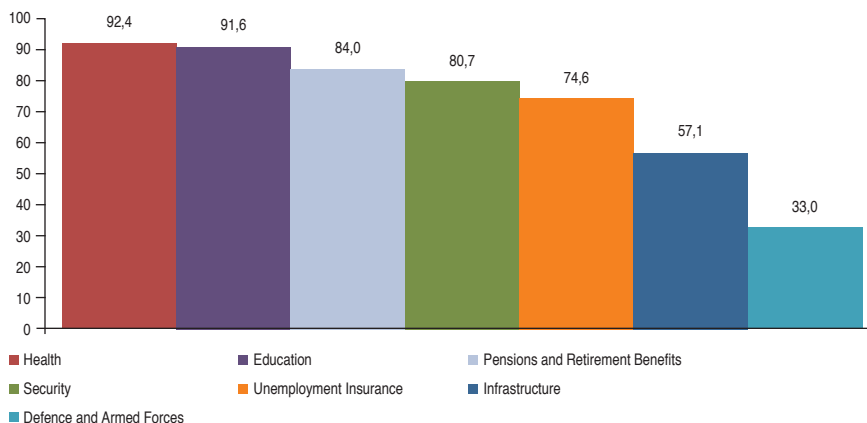
1. Public spending, financing and social services

Let us look first at issues concerning public spending and its financing. The 1998 Latinobarómetro survey asked about people's preferences as to the orientation of public spending. The data in figure IV.1 show that, for the region as a whole, social investment was favoured over spending on infrastructure and defence. As can be seen from figures IV.2 and IV.3, there was little inter-country variation in opinions about social spending (particularly on health and education) but there are significant variations with respect to infrastructure and military spending (with much more sympathy in Honduras and Bolivarian Republic of Venezuela in the case of defence).

■ Figure IV.1 ■

Latin America (17 countries): public spending preferences, 1998

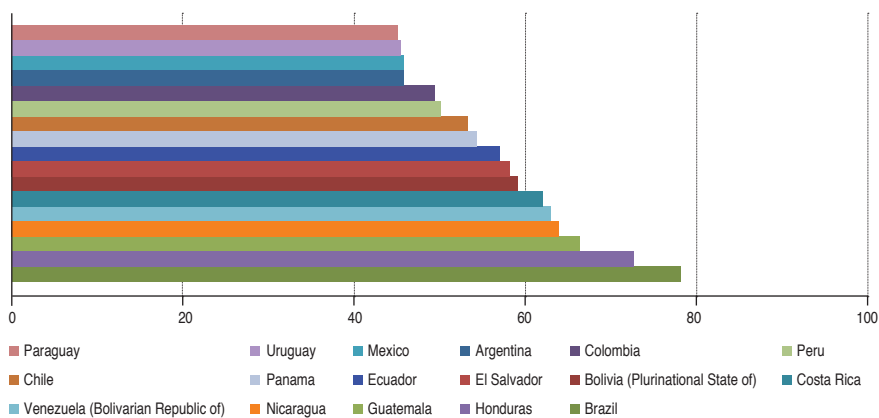
Question: In the following areas of public spending, would you like to see more or less expenditure in your country?
(Percentages of persons who want more spending on ...)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998.

■ Figure IV.2 ■

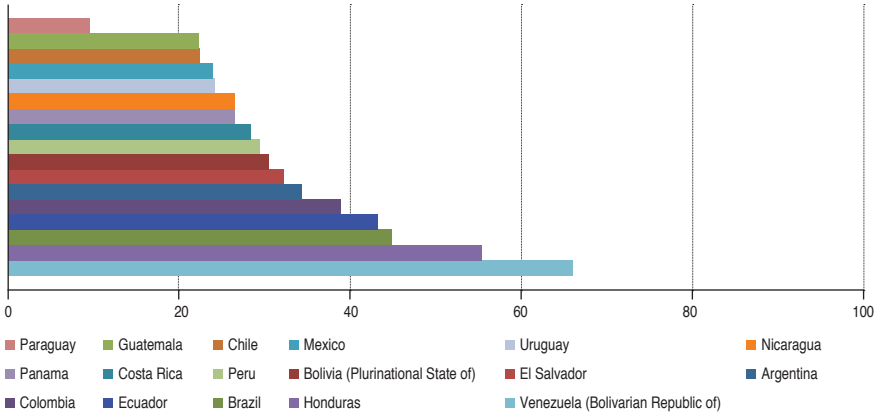
Latin America (17 countries): people who believe more should be spent on infrastructure, 1998
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998.

■ Figure IV.3 ■

Latin America (17 countries): people who believe more should be spent on defence and the armed forces, 1998
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998.

The objective data point to a stagnation in public social expenditure, which stood at 12.1% of GDP in 1998 and 12.4% in 2006 (the most complete available series). Nevertheless, in terms of average spending per capita, spending in 2006 was up by 22% over 1998. Although the macroeconomic effort was not significantly greater, then, the volume of resources for distribution might coincide with people's expectations for greater expenditure. In any case, it must be recalled that social investment levels in Latin America are relatively low, especially in education and health, and to a lesser extent in social security. At the same time, volatility is high, as the volume of public social spending has been very sensitive to economic cycles, undermining its capacity to influence long-term social change. Another problem is the regressive pattern of spending in the region, which tends to favour the upper-income groups (Clements, Faircloth and Verhoeven, 2007).

■ Table IV.1 ■

Latin America (simple averages): distribution of benefits from social spending to the richest and poorest quintiles, 2007^a
(Percentages)

	Poorest quintile	Richest quintile
Education	20.2	20.4
Primary	29	7.9
Secondary	13.2	18.3
Tertiary	1.9	52.1
Health	20.6	17.6
Social protection	5.6	51.2
Total social spending	15	30.4

Source: Benedict Clements, Christopher Faircloth and Marijn Verhoeven, "Public expenditure in Latin America: trends and key policy issues", CEPAL Review, No. 93 (LC/G.2347-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2007.

^a Country coverage varies by category. For total spending, total education, health and social security spending, the number of countries covered is 8, 13, 14 and 9, respectively.

The same observation applies to defence and military spending. In this case, figures from the Stockholm International Peace Research Institute (SIPRI) show a barely perceptible decline in spending as a proportion of GDP in Latin America, from 1.5% in 1998 to 1.3% in 2008¹⁰. Given the intervening expansion of output, the latter figure likely reflects more resources available for military expenditure, in contrast to citizen expectations in 1998.

In summary, while public spending has not moved in the direction of social expectations, the better performance of regional economies over the last decade has allowed greater absolute volumes of public funds to be earmarked for social investment without altering the previous macroeconomic balances.

Table IV.2 examines opinions concerning taxes and people's satisfaction with the public services they receive. In the first case, the table measures the degree of confidence that taxes will be put to good use and in the second case, it measures the net percentage of satisfaction with the education and health services to which people have access.

¹⁰ See www.sipri.org/ for more detail.

■ Table IV.2 ■

Latin America: confidence in the use of taxes and satisfaction with social services, 2005
(Percentages)

	NO CONFIDENCE IN TAX USE	SATISFACTION WITH EDUCATION	SATISFACTION WITH HEALTH
Argentina	75.9	4.2	25.7
Bolivia (Plurinational State of)	85.1	1.2	2.0
Brazil	87.1	-6.5	-29.9
Chile	78.3	14.1	13.8
Colombia	87.7	45.6	36.2
Costa Rica	58.7	5.4	0.6
Ecuador	87.9	-38.2	-45.5
El Salvador	67.6	15.3	-1.5
Guatemala	85.3	-6.7	-27.1
Honduras	78.7	8.3	24.2
Mexico	85.1	14.7	17.3
Nicaragua	84.5	-5.1	-31.2
Panama	86.0	23.0	8.0
Paraguay	81.6	19.3	10.8
Peru	89.5	-36.3	-38.6
Dominican Republic	75.3	15.6	6.1
Uruguay	43.6	32.3	42.9
Venezuela (Bolivarian Republic of)	57.4	49.0	34.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2005.

There are some notable variations among countries in the region. The lowest values in terms of scepticism about the use of taxes are to be found in Uruguay and El Salvador, while scepticism in Costa Rica is over 58% and in Brazil, Colombia, Ecuador, Guatemala, Mexico, Panama, Peru and Plurinational State of Bolivia it exceeds 85%.

Satisfaction with health and education is highest in Uruguay, while net values are negative in Brazil and are sharply differentiated in Argentina, where there is a middling level of satisfaction with health services but a very low level of satisfaction with education services. The highest net dissatisfaction levels are in Ecuador (at -38% in health and -45% in education), whereas Colombia and Bolivarian Republic of Venezuela have on average the highest satisfaction rates in the region.

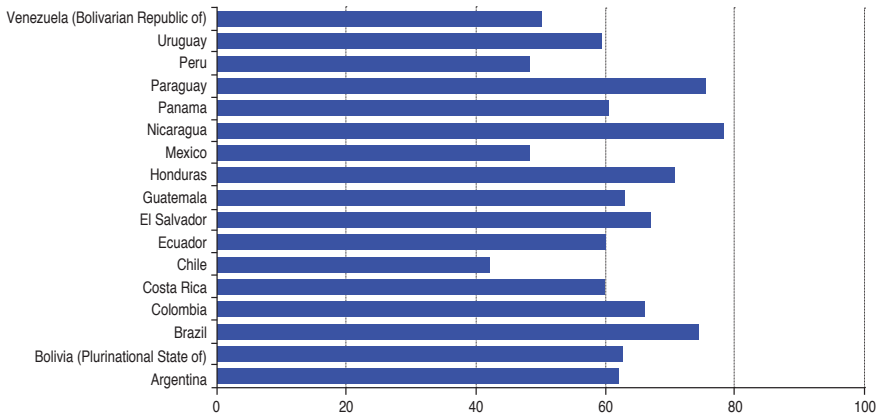
These data would seem to indicate that satisfaction with the performance of education and health services is independent of people's feelings about the tax structure. This points perhaps to the importance of defining governmental efficiency not only in terms of administrative efficiency but also in terms of the ability to deliver public services of better quality and broader coverage.

State capacities also relate to the collection of taxes, something that, in Latin America, takes place in a context of generalized hostility to the payment of those taxes. This is a crucial aspect in the discussion of public policies in the region. For most countries, making progress in public investments that will ensure social services and foster production and employment depends upon a significant growth in tax revenues, especially taxes on the highest incomes. Although it is clear that the most explicit opposition to tax reform proposals comes from the mass media and powerful business corporations, it is true that the public in general has a negative attitude to tax collection. People are generally very critical of performance, particularly when it comes to public services, and are widely opposed to paying taxes. The 2002 Latinobarómetro asked people about taxes and the financing of social welfare policies. The results show that, on average, 62% of Latin Americans would rather have lower taxes than welfare policies.

■ Figure IV.4 ■

Latin America (17 countries): people who agree with the statement: “taxes should be as low as possible, even if this means cutting welfare spending”, 2002

(Percentages of people who say they “strongly agree” or “agree”)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2002.

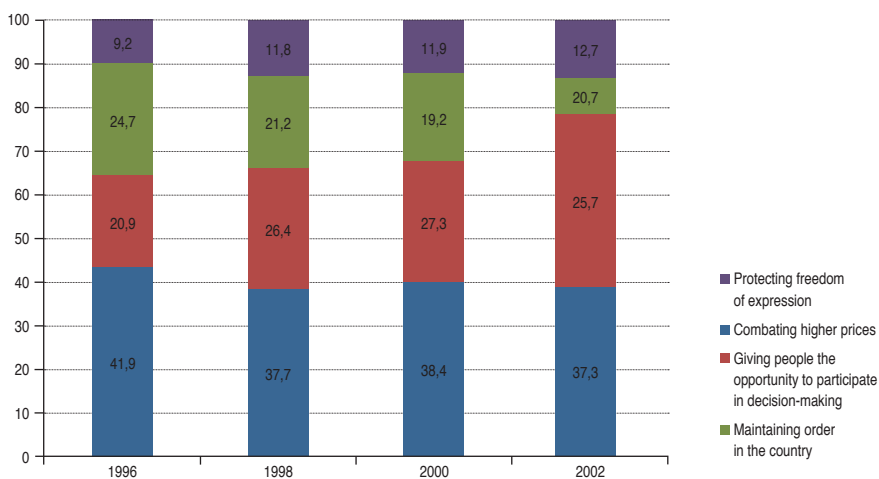
2. Anti-inflation policies

Since the adoption of the reforms flowing from the “Washington Consensus”, inflation control has become one of the primary objectives of economic policies. Without going into technical considerations, there is no doubt that the rising cost of living is a matter of great concern to the public. People view the cost of living as one of the principal indicators of government performance, and this has implications both for their assessment of economic policy and its success and for their appraisal of democracy and its usefulness.

Since 1996, Latinobarómetro has been investigating the degree to which increases in prices and the cost of living are considered relevant by the population. A question formulated between 1996 and 2002 asked about the importance of controlling prices in comparison with alternatives such as public freedoms, social order and participation in decision-making. Figure IV.5 shows the relative lack of importance that people attach to controlling prices in comparison to maintaining order and social participation. In fact, the importance of fighting inflation declined by four percentage points between the first and last measurement.

■ Figure IV.5 ■

Latin America (17 countries): which of the following things would you say is most important?, 1996-2002^a
(Percentages)



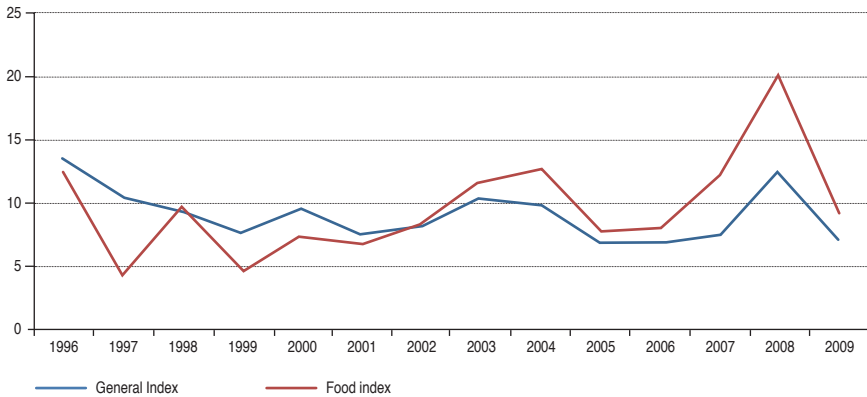
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996, 1998, 2000 and 2002.

^a The question originally used was the following: “If you had to choose, which of the following things would you say is most important?”

These results reflect the behaviour of the price index between 1996 and 2002: as prices tended to fall, people lost interest in the issue. However, the price of the general basket of goods rose between 2006 and 2008, and the increase was greater in the case of foodstuffs, which constitute a substantial part of the consumption budget of poor households. While the global financial crisis that exploded in mid-2008 served to arrest that trend, the recent international economic recovery has sparked price rises, and this is bound to increase the importance that people assign to combating inflation.

■ **Figure IV.6** ■

Latin America: annual rate of change in the consumer price index, general and food, 1996-2009
(Percentages)



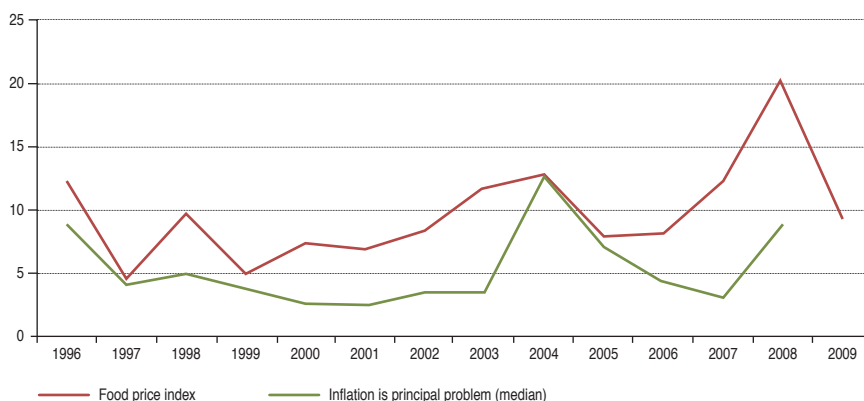
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT database.

It was likely, however, given the political developments of the 1990s, that the issues of public order and the consolidation of democracy would become much more central to people's concerns. Let us see how these issues fared relative to the cost of living over a longer time series.

Since 1996, *Latinobarómetro* has been asking about the principal problem in each country. The question is designed to determine the degree to which people regard inflation and rising prices as the main problem. Figure IV.7 shows clearly the relationship between the behaviour of the price index for food and the median perception of inflation as the country's principal problem.

■ Figure IV.7 ■

Latin America: annual rate of change in the perception of inflation as the country's principal problem and in the food price index, 1996-2008
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2008.

The degree of concern over price trends, as might be expected, is highly variable among countries of the region. Table IV.3 shows the trend in public concern over rising prices between 1996 and 2008, by country¹¹. Naturally enough, perceptions are influenced by short-term changes, which may explain some of the wide fluctuations in countries, or by relative standards of living, which would explain why concern over rising prices is greater in countries with higher levels of poverty, such as those of northern Central America.

¹¹ There are changes in the manner of measurement: in 1995, 1996, 1997, 2000, 2001 and 2003 different lists were used, and starting in 2004 an open question was applied. This explains the significant differences between 2003 and 2004 in most countries. It also illustrates a methodological aspect: the responses from the 2004 series onward are less induced and therefore better reflect people's real concern over the cost of living.

■ Table IV.3 ■

Latin America: inflation and price rises as the principal problem, by country, 1996-2008
(Percentages)

	1996	1997	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	Average
Argentina	0.7	0.3	0.8	0.5	0.9	4.5	0.9	14.9	2.2	1.9	6	7.4	3.4
Bolivia (Plurinational State of)	4.3	9.5	2.5	4	1.7	3.7	3.3	19.5	2.2	0.3	3.7	5.6	5.0
Brazil	2.1	1.5	1	1.8	1.6	1.6	1.7	6.3	2.1	0.9	0.4	2.2	1.9
Chile	2.2	1.9	3.3	1.4	1.1	2.2	1.3	4.6	6.1	4.3	0.7	1.5	2.6
Colombia	31.1	11.8	7.7	14.2	13.3	9.5	11.6	15.9	24	16.2	2.8	14.8	14.4
Costa Rica	4.3	3.2	5.1	2	3.4	1.8	1.5	0.8	6.1	5.3	1.6	12.7	4.0
Dominican Republic								51.3	28.9	32.2	7.9	19.4	27.9
Ecuador	8.8	6.7	9.8	8.1	6.1	6.5	3.3	21.3	1.8	1.3	2.1	8.2	7.0
El Salvador	24.5	9.6	6.3	7.3	2	2.2	3.6	12.2	18.8	16.4	0.7	9.1	9.4
Guatemala	22.9	11.6	2.2	8.2	8.5	5	4.5	17.4	12.3	14.6	3.7	9.7	10.1
Honduras	44.2	10.1	7.1	2.5	6.8	7.9	4.5	24.2	16.4	11.5	3.1	18	13.0
Mexico	11.1	12.7	21.1	11.6	7	5.1	2.3	6.1	12.7	1.2	1.8	5.5	8.2
Nicaragua	9.1	3.9	5.8	1.5	1.6	1.5	3.7	6.3	13.9	14.9	4.8	17.7	7.1
Panama	11.9	2.9	4.8	2.5	6.2	3.4	3.6	9.3	8.6	7.2	10.1	35.4	8.8
Paraguay	2.3	1.7	3.3	2.3	0.8	1.8	2.2	0.5	3.2	3.9	1.2	7.3	2.5
Peru	2.8	2.3	2.5	2.5	1.7	2	3.5	22	1.4	0.9	2.9	15.9	5.0
Uruguay	3.7	3.6	1.8	0.9	2.5	3.2	2.6	13	0.6	0.8	3.6	2.3	3.2
Venezuela (Bolivarian Republic of)	14.3	13.8	9	5.4	2.6	4.8	6.3	11.7	7.8	0.8	0.6	3.2	6.7
Latin America	11.8	6.3	5.5	4.5	4.0	3.9	3.6	14.3	9.4	7.5	3.2	10.9	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro for years shown.

3. Unemployment and social insecurity

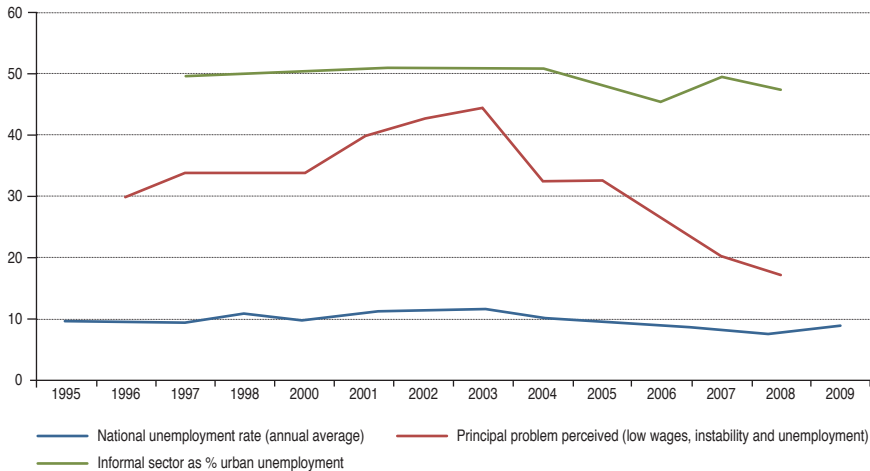
As we shall see below, the relatively favourable perception of the cost of living stands in contrast to concerns about employment. In Latin America, employment is precarious and scarce and in recent years, as the ILO points out, it has become increasingly insecure. Finding a stable and decent job has become a matter of greater concern in social perceptions about present and future risks.

Figure IV.8 summarizes the trend in the perception that the country's principal problem is the malfunctioning of the labour market (not only in terms of unemployment but also of low wages and occupational instability, which are indicators of labour insecurity) and changes in objective unemployment rates. The data show a wide gap between the perceived problem and the actual performance of the unemployment index. The indicator of perceptions moves more or less in line with the economic growth cycle in the region between 2002 and 2008, while the unemployment rate remains relatively stable over

that same period. The distance between the objective and subjective measures narrows slightly when the proportion of workers in the informal urban sector is taken into account.

■ Figure IV.8 ■

Latin America (simple averages): objective and perceived trend in labour market problems, 1996-2008*
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2009 and CEPALSTAT database.

* Data for the urban informal sector are only for years with information from 10 countries or more.

Data from two surveys conducted at different times on the responsibility of the State and the market for employment generation seemed to show a move away from a statist perspective towards one that does not exempt private initiative from its responsibility for creating high-quality jobs. The Latinobarómetro surveys of 2001 and 2006 asked about public and private responsibility for employment generation. The question was worded as follows: “From what you know or have heard, what is the main reason for the unemployment problem today? Private enterprises don’t invest enough. The State has inadequate economic policies...” The responses show that people attribute more responsibility for unemployment to the State than to private agents. Low private investment was blamed by 28% in 2001 and 29% in 2006, and government economic policies by 48% and 47% in those years.

Concern over employment leads more to a questioning of government action and less to a direct imputation of responsibility to the actual generators of employment. The reverse is also relevant: it may be argued

that improvements in the stability and quality of employment, which should logically diminish concern over the issue, will produce a better appreciation of government actions and constitute a factor of legitimation.

■ Table IV.4 ■

Latin America: perception of labour market malfunctioning as the principal problem, by country, 1996-2008^a
(Percentages)

	1996	1997	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008
Argentina	48.5	37.9	47.2	46.0	50.2	41.3	46.2	33.6	35.0	23.7	12.5	18.2
Bolivia (Plurinational State of)	27.2	32.2	22.4	33.8	37.1	40.6	46.0	20.2	34.9	25.0	15.8	4.2
Brazil	27.5	33.0	48.2	47.9	31.5	38.7	45.7	40.4	28.2	23.7	14.7	17.5
Chile	17.4	22.1	33.9	27.4	34.8	33.7	40.7	34.6	38.5	29.7	22.5	24.8
Colombia	23.8	27.4	20.9	17.7	31.1	27.4	34.5	23.2	20.1	15.2	10.8	8.7
Costa Rica	20.1	29.4	41.1	44.9	60.9	56.9	50.8	31.5	31.2	26.4	15.9	20.3
Dominican Republic							27.7	30.6	18.2	15.8	12.9	
Ecuador	22.1	28.4	29.2	27.5	33.4	41.7	37.6	22.6	20.8	24.6	23.8	20.9
El Salvador	21.9	31.7	29.2	22.4	29.4	32.8	33.6	33.2	33.1	17.0	12.9	15.5
Guatemala	19.7	32.1	6.5	18.9	33.2	27.1	33.0	15.7	18.0	10.8	14.3	9.0
Honduras	21.3	7.7	16.3	10.5	26.1	34.3	30.4	20.1	23.1	23.3	14.0	11.3
Mexico	27.7	33.3	28.0	25.8	22.1	38.9	41.3	33.9	22.3	20.4	14.8	15.8
Nicaragua	57.4	68.1	42.4	35.7	52.3	48.5	58.7	38.5	44.5	43.5	34.5	28.6
Panama	47.6	43.1	44.8	37.9	46.1	53.1	49.2	55.5	54.7	46.1	30.6	14.1
Paraguay	20.7	22.4	22.7	27.1	27.4	35.1	35.7	49.7	44.8	31.8	31.4	24.9
Peru	46.1	51.6	58.5	58.1	58.1	57.4	54.3	41.2	44.3	33.7	28.8	21.6
Uruguay	47.1	58.0	60.7	63.9	65.6	68.0	67.0	4.0	11.5	15.9	34.3	29.8
Venezuela (Bolivarian Republic of)	12.1	15.6	18.8	28.2	33.2	45.1	48.5	54.3	49.9	43.9	8.3	8.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1996-2008.

^a Represents the sum of “wage problems”, “occupational instability” and “unemployment”.

B. Social structure, state and public opinion

This section examines the way in which perceptions of the State in Latin America are influenced by particular features of the social structure. Section A of this chapter looked at perceptions of performance measured by State capacities relating to public expenditure, taxes, social services and employment. Naturally, the social structure not only projects State capacities but is a synthesis of public policy, wealth generation and social relations, all entwined in power relationships. Power relationships are historically determined, and the political arrangements that define contemporary structures may be very

different from those of previous eras. To capture the dynamics of social structures in different countries of the region we analysed three sets of data, on social inequalities, gender inequalities, and ethnolinguistic fractionalization.

1. State performance and social gaps

Income inequality is not the only expression of social inequalities, but it is the most widely measured. To analyse perceptions of the State on the part of universes differentiated by income, we start from the classification prepared by ECLAC/AECID/Latinobarómetro under the concept of social gaps. “Social gaps refer to the socioeconomic distances and deprivations in the countries of Latin America and are expressed in the lack, for certain population groups, of access to basic rights and opportunities to fully develop their potential. The gaps can be: (1) absolute, or based on standards, where the criterion is a normative definition (in this case, the impossibility of meeting basic food and non-food needs) and (2) relative, or defined based on the differences between groups, where the contrasting criterion is distribution” (ECLAC/AECID/Latinobarómetro, 2010, p.21). The indicator is constructed from two variables: poverty levels and the income difference between the first and fifth quintile in the distribution.

Taking those results, countries can be divided into three groups according to their social gaps (table IV.5).

■ Table IV.5 ■

Latin America: typology of countries, by social gaps and confidence in government, around 2007

COUNTRY GROUPS	POPULATION BELOW THE POVERTY LINE (PERCENTAGES)	INCOME QUINTILE SHARE RATIO	TRUST IN GOVERNMENT (A LOT/SOME) ^a
Narrow social gap	20.0^b	13.4^b	43.4^b
Uruguay	18.1	10.3	45.4
Chile	13.7	15.7	38.3
Costa Rica	18.6	14.8	51.8
Argentina	21.0	15.5	35.8
Venezuela (Bolivarian Republic of)	28.5	10.6	46.0
Average social gap	38.9^b	20.4^b	32.0^b
Mexico	31.7	14.8	28.9
Panama	29.0	18.9	28.2
Peru	39.3	17.2	23.1
Brazil	30.0	25.9	36.5
Ecuador	42.6	15.8	22.9
El Salvador	47.5	16.3	36.3
Colombia	46.8	27.8	32.9
Dominican Republic	44.5	26.4	47.1
Wide social gap	60.0^b	25.1^b	29.5^b
Nicaragua	61.9	18.6	26.2
Paraguay	60.5	19.1	33.3
Guatemala	54.8	23.9	24.2
Bolivia (Plurinational State of)	54.0	31.5	30.7
Honduras	68.9	32.5	33.0

Source: Prepared by the author on the basis of Economic Commission for Latin America and the Caribbean (ECLAC)/ Spanish Agency for International Development Cooperation (AECID)/Corporación Latinobarómetro, *Latin America in the Mirror. Objective and Subjective Dimensions of Social Inequality and Well-Being in the Region* (LC/G.2419-P), Santiago, Chile, 2010, p. 24; and Latinobarómetro 1996-2008.

^a Simple averages.

^b Average from 1996, 2002 and 2003-2008.

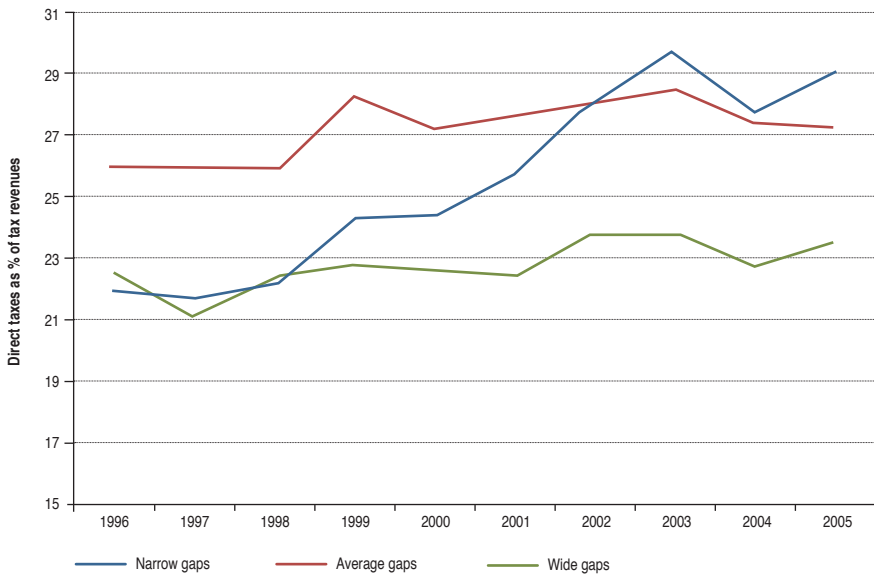
It will be seen that trust in government increases as the social gap narrows. Consequently, achieving progress against poverty is more attractive for governments than reducing income concentration (measured by the Gini coefficient, which considers total distribution and not only that for the extreme groups), because it is more closely linked to citizens' demands in the short run. Nevertheless, it is clear that closing social gaps is essential for enhancing government legitimacy, which cannot depend solely on progress in combating poverty but also requires fiscal reforms that will increase direct taxes on incomes.

This becomes clearer upon analysing the changes in the tax structure in the three groups of countries. The countries with narrow gaps have reformed their tax structure more actively than the other two groups, where

the proportion of direct taxes to total taxes has remained more or less stable: indeed, it is precisely in the countries with the widest social gaps that the incidence of direct taxes is the lowest.

■ Figure IV.9 ■

Latin America: direct taxes, 1996-2005
(Percentages of total taxes)



Source: Prepared by the author on the basis of Economic Commission for Latin America and the Caribbean (ECLAC)/ Spanish Agency for International Development Cooperation (AECID)/Corporación Latinobarómetro, *Latin America in the Mirror. Objective and Subjective Dimensions of Social Inequity and Well-Being in the Region* (LC/G.2419-P), Santiago, Chile, 2010, p. 24; and Latinobarómetro 1996-2005.

Where individuals stand in the social structure may influence their view of government and its performance. At least two general hypotheses may be offered here: the first relates to the phenomenon of enlightened criticism, which expresses itself in the tendency to greater criticism of government management among those social groups that enjoy greater educational resources and consequently better social conditions. In this case, the grounds for criticism will be based on factors other than one's own social condition, originating perhaps in political or ideological stances or even in medium- and long-term assessments. The second motivation for a critical appreciation of government may result from a closer assessment of one's own social condition: as it deteriorates, one's mistrust in government and its performance will rise.

Table IV.6 summarizes degrees of trust in government according to the respondent's education level. The data show little change in a predominantly negative perception of government performance expressed in terms of little or no trust in government.

■ **Table IV.6** ■

Latin America: trust in government, by education level of respondents, 1996-2008
(Percentages)

Trust in government	Respondent's education level		
	Low	Average	High
A lot and some	32,1	31,2	34,5
Little and no	67,9	68,8	65,5

Source: Prepared by the author on the basis of Latinobarómetro 1996-2008.

What relationship is there between people's attitudes and expressions of the social structure? If social gaps are regarded as a result of the capacity for social integration generated by States, we would expect people's attitudes and conduct to reflect the development of those capacities. Thus, as the social structure improves (for example, as inequality diminishes), people's attitude should improve. Figure IV.10 shows the relationship between the effective willingness to pay taxes in the three country groups classed by social gap¹². The question was posed in a way that avoided putting the respondent on the spot but that might allow his or her own practices to be inferred: "Do you know someone or have you recently heard tell of someone who managed to pay less tax than was owed?"

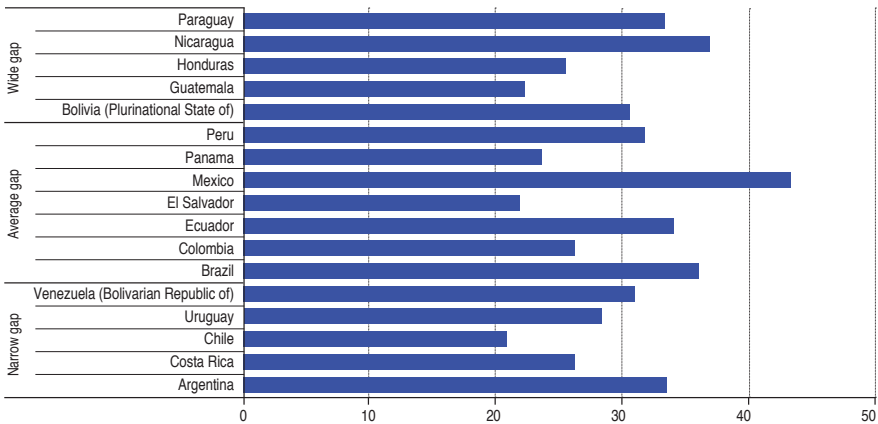
¹² This issue has been addressed at some length by ECLAC/AECID/Latinobarómetro (2010, p. 129), which considers the importance of analysing people's perceptions of the tax burden as an expression of willingness to pay taxes. "As stated by Bowler and Donovan (1995), the fact that citizens perceive that the tax burden is too great or unfair could indicate that they would not be willing to assume additional tax burdens or that they would be hostile to this type of initiative."

■ Figure IV.10 ■

Latin America: perception of tax evasion among close acquaintances, 1998 and 2002^a

Question: "Do you know someone or have you recently heard tell of someone who managed to pay less tax than was owed?"

(Percentages)



Source: Prepared by the author on the basis of data from Latinobarómetro 1998-2002.

^a Average for 1998 and 2002.

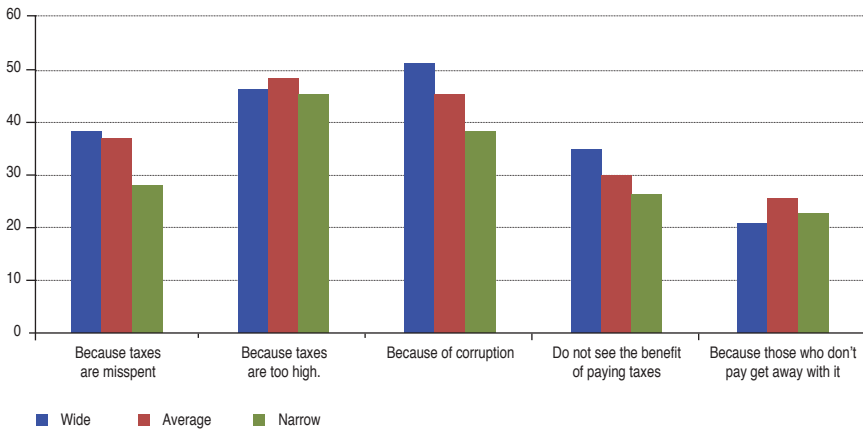
As can be seen, in each group there are countries where the perception of tax evasion among acquaintances is higher or lower, so that the relationship is not very clear. In fact, the lowest level (Panama) and the highest level (Mexico) are both to be found in the “average gap” group of countries. What does come out clearly from the perception of respondents is the unfair distribution of income in the region. The proportion who consider the income distribution unfair or very unfair exceeded 70% in the region as a whole in 1997, 2002 and 2007, with no substantial differences according to countries’ social gaps (ECLAC/AECID/Latinobarómetro, 2010).

The reasons motivating or justifying tax evasion bear a close relationship to the assessment of the performance of State institutions. The “tax culture” argument (Rivera and Sojo, 2002) concludes that people do not pay taxes out of any vague ethical motivation or moral obligation (for which reason the expression “fiscal morality” may be considered inappropriate); rather, they do so as a specific, utilitarian transaction. Taxes are paid in return for services received, which explains the disposition not to pay taxes in a region where public service delivery is deficient. Nevertheless, the perception of taxes as a social problem or a phenomenon that in the social mindset strikes a chord similar to that evoked by expressions such as “the high cost of living” is not independent of countries’ levels of economic and social development.

The data indicate that dislike of taxation is greater when State performance is more deficient and social gaps are wider. Figure IV.11 shows the relationship between the reasons people give for evading taxes and the State's fiscal capacity. As with other measurements, it will be noted that, in general, depending on the breadth of the social gaps, there is a base of hostility to taxes, which are regarded as high even when they are not. It will also be seen that utilitarian justifications (perceived benefits) or fear of punishment (for abuse or corruption) are more prevalent in countries where social gaps are wider.

■ Figure IV.11 ■

Latin America: reasons for evading taxes, by social gaps, 1998 and 2004
(Percentages)



Source: Latinobarómetro, 1998 and 2004.

An analysis of trust in the proper use of taxes, based on questions put in 2003 and 2005 (ECLAC/AECID/Latinobarómetro (2010)), concludes that people who do not trust states to spend taxes wisely have a more recalcitrant attitude towards taxation than those who do. This suggests two possible explanations:

These data can be interpreted in different ways: for example, hostility towards taxation and distrust regarding the use of taxes could be expressions of values and beliefs that are individualist and hostile to government, but this interpretation is not consistent with the results of

earlier studies, in which it was observed that the population of Latin America is inclined to be pro-State. Another interpretation is that recalcitrance towards taxation could be derived from the cost/benefit ratio which people associate with the payment of taxes, in which perception about the use made of tax resources approximates to the benefit perceived by people in return for payment of taxes (for example, quantity and quality of public services) (ECLAC/AECID/Latinobarómetro, 2010p.135).

All of this points to a simple and cogent conclusion: intensive investments in efforts to improve equity (both in terms of production and distribution) through economic and social policies designed to close income gaps will substantially enhance people's willingness to pay taxes. On the contrary, if countries do not make significant progress towards equity, they will not have political room to promote tax reforms – reforms which, however progressive they may be in their design, are bound to increase the absolute tax burden in most countries. And if tax reform is not possible, the State will find its hands tied when it comes to reducing levels of poverty, vulnerability and social exclusion. The burden of proof, however, lies with government, which must first offer a convincing performance through sound policies, transparency and combating corruption, before it can demand greater tax efforts.

2. Gender inequity and perceptions of the State

Discrimination against women and the persistence of patriarchal structures appear less frequently as issues in studies of legitimation and public policies. In some cases, the studies are limited to recognizing the policy preferences of men and women (Shapiro and Mahajan, 1986). Kaufmann (2006) analyses the degree to which the gender gap in the political field is the result of differences in political attitudes and the differing importance that women and men attach to issues. Rendlová (1999) insists that, while political differences between men and women as revealed by opinion surveys tend to take the form of more extreme positions on the part of men and more neutrality on the part of women, the only real link between gender and opinion is on subjects that directly concern gender issues. In the case of Western Canada, Marshall-Giles (2008) shows that women tend to take less part in politics which, in turn, weakens their ability to influence policies in the directions they favour, such as in the social and environmental areas.

It is interesting at this point to explore two dimensions: one involves identifying distances between the perceptions of men and women (both in terms of attitudes and issues) of the role of the State, and the other

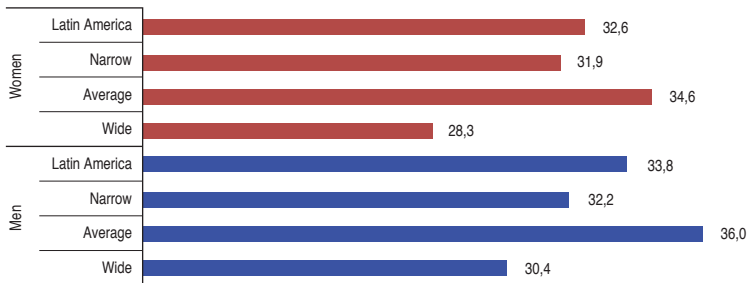
contrasts State performance in the area of gender equity and perceptions of that performance. This performance is measured using a definition of “gender gaps” (ECLAC/AECID/Latinobarómetro, 2010, p. 115) which distinguishes countries of the region according to two indicators: the degree of emancipation of women from the responsibilities associated with housekeeping and caregiving, and the level of women’s participation in the labour market. The results of the exercise (which did not include Brazil and Peru, for lack of data) classes countries in three groups:

- Countries with greater gender equity: Argentina, Costa Rica, Ecuador, Panama and Uruguay.
- Countries in an intermediate situation: Bolivarian Republic of Venezuela, Chile, Colombia, El Salvador, Honduras, Mexico and Paraguay.
- Countries with less gender equity: Dominican Republic, Guatemala, Nicaragua and Plurinational State of Bolivia.

The following graph offers a simultaneous interpretation of both phenomena: the gender difference in trust in government, and differences according to countries’ “gender gap” ranking.

■ Figure IV.12 ■

Latin America: trust in government, by sex, for “gender gap” country groupings, 1996-2008
(Percentages of “a lot of” or “some” trust)



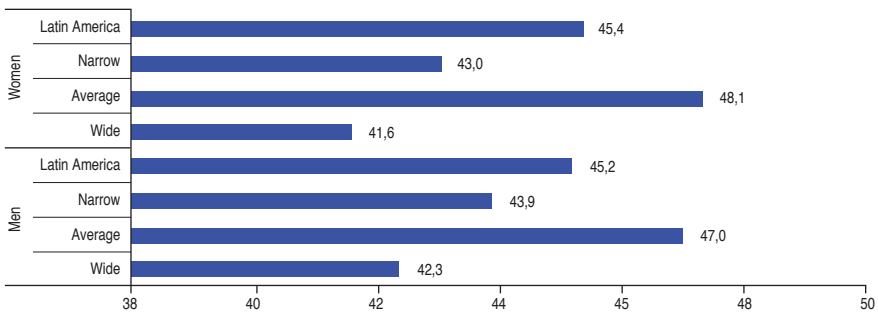
Source: Prepared by the author on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), and Latinobarómetro 1996-2008.

The distance between men and women is 1.2 percentage points on average for the region. That distance is greater, however, in countries with wide gaps (2.1) and shrinks as the gaps narrow: 1.4 in the average-gap group and 0.3 in the low-gap group.

The Latinobarómetro survey asked about the reasons for trust¹³ in public institutions, in two consecutive years (2003 and 2004). The responses generally gave primacy to the principle of equal treatment. Gender differences were miniscule, particularly in comparison to the differing levels of trust expressed in the three gender-gap country groupings.

■ **Figure IV.13** ■

Latin America: equal treatment as reason for trust in public institutions, by sex, for “gender gap” country groupings, 2003-2004
(Percentages)



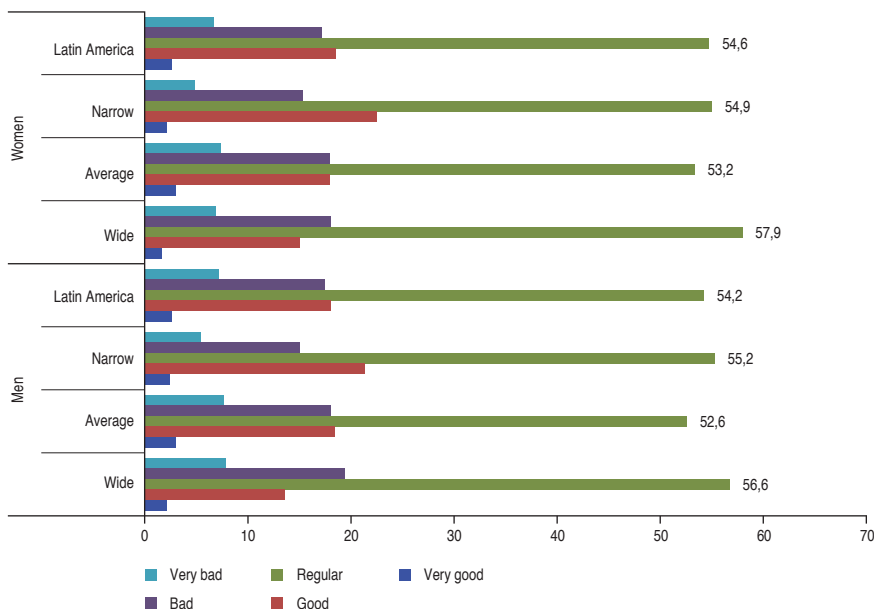
Source: Prepared by the author on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), and Latinobarómetro 2003-2004.

When it comes to the functioning of public institutions, the data do not support the notion that women are more noncommittal than men about that aspect, as there are no important differences of opinion by gender. Responses do however tend to become more positive as the gender gap narrows.

¹³ The question was phrased as follows: Which of the following factors, if any, are most important in determining how much trust you have in public services? Name up to three.... Treat everyone equally. Keep their promises. Are supervised. Admit their responsibility when mistaken. Service meets my needs. Give the information required. Interest in my opinion. Leadership and management quality. What the mass media say. What friends and relatives say.

■ Figure IV.14 ■

Latin America: opinion of the functioning of public institutions, by sex, for “gender gap” country groupings, 2002 and 2005
(Percentages)



Source: Prepared by the author on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), and Latinobarómetro 2002 and 2005.

In general, women’s and men’s attitudes coincide. The other question is whether women shy away from offering judgments about policies or operations of institutions. The data show that women have strong opinions that are very similar to those of men, but nearly twice as many women as men declined to give answers. This phenomenon does not allow us to confirm the notion that women are noncommittal or neutral, but it is in itself relevant. Considering three types of questions, it is also interesting to note that, in the case of women, the proportion of “don’t know” or “no answer” is much higher when the question strays from social topics that, like health and education, may be more important to them because they are closer to the needs of all members of the household.

■ **Table IV.7** ■

Latin America: proper tasks of the state, by sex, 1998-2002
(Percentages)

		Agree	Disagree	Don't know/ no answer
The State should be responsible for education	Men	86.8	11.4	1.8
	Women	86.2	10.6	3.2
The State should be responsible for health	Men	88.2	10.1	1.8
	Women	87.6	9.3	3.2
The State should leave productive activity to the private sector	Men	47.5	45.5	7.0
	Women	40.8	46.9	12.3

Source: Prepared by the author on the basis of data from Latinobarómetro 1998, 2000 and 2002.

The literature shows that in some cases women differ from men in opinion surveys not so much in general terms but rather on specific issues relating to discrimination against women. In this case a question was devised to capture perceptions of the need for the State to take action to balance gender inequalities. The 2006 Latinobarómetro asked the following question: do you believe the State should have policies for reconciling family and work responsibilities? Should it have policies only for men, only for women, for both, or should there be no policies?

Table IV.8 shows that the majority of respondents, regardless of sex or the gender gap, favoured undifferentiated policies, a view that conflicts with the notion that government initiatives are supposed to address specific circumstances of discrimination that require differentiated treatment. Then too, women in countries with wide gender gaps are slightly more likely than men in those same countries to think that there should be no policies for these purposes, a fact that could suggest a residual attitude that family matters are strictly private. In any case, the gender differences are too small to be interpreted conclusively.

■ Table IV.8 ■

Latin America: opinion as to who should be the beneficiaries of policies for reconciling work and family life, by sex, for “gender gap” country groups, 2006

Question: do you believe the State should have policies for reconciling family and work responsibilities?
(Percentages)

		Only for men	Only for women	For both	No policies
Men	NARROW	1.6	4.4	84.1	6.7
	AVERAGE	1.8	3.9	80.0	8.5
	WIDE	1.3	3.8	80.8	8.5
Women	NARROW	2.0	3.9	81.4	8.3
	AVERAGE	1.5	3.8	80.0	7.7
	WHY	1.1	2.6	83.1	7.5

Source: Prepared by the author on the basis of data from Latinobarómetro 2006.

3. Ethnic diversity and satisfaction

Latin America is culturally diverse. The bonding of citizens, according to their ethnic and cultural condition, with the State and politics, which is expressed in the meaning given to the notion of citizenship (a concept intended to integrate social differences by means of common rights and duties) would seem at first glance to conflict with the main demand of the region’s indigenous peoples, which is the recognition of diversity.

The concept of citizenship refers to universal rights that apply to the population without distinction and that are independent of fixed territorial or historical confines. In contrast, the notion of ethnicity gives primacy to the particular. It presupposes the coexistence of various nations within the bosom of the same State, as was manifest with the constitutional reform whereby Bolivia came to call itself the Plurinational State of Bolivia. Starting from the distinction between formal citizenship and substantive citizenship offered by Bottomore (1992) —the former defined as “membership in a nation State” and the latter as “an array of civil, political, and especially social rights” that are guaranteed a citizen— we can discern a space for the effective affirmation and preservation of singular identities.

Another aspect where a clear difference must be recognized is in the relatively diverse weight of rules and tradition. Thus, citizenship is grounded in the definition given by law, while ethnic values are formulated in custom and in customary law. This analysis seeks to offer arguments in support of the positive interaction of rules and customs in formulating a condition of ethnic citizenship. On this point, ECLAC (2000) offers a concept of citizenship that integrates ideas of structural equality and symbolic community and associates it with the notion of social cohesion. It understands cohesion not as some

pre-modern form of communitarianism but as a set of new values where social heterogeneity and political pluralism play an active role and do not represent any contradiction with respect to the affirmation of civic rights.

There is an additional point to be made. While the rights of the citizenry begin to generate needs for “deterritorialization” resulting from the community of economic, social, political and cultural antagonisms flowing from the globalization process, ethnic and cultural demands are seeking to give themselves a new meaning at the concrete, confined, local territorial level. In other words, as citizenship progresses from the formal to the substantive, ethnicity strives to construct rights from a formal basis. This is how we must understand the ethnic demand for third-generation rights associated with identity and free self-determination. As Alvaro Bello warns in the most complete study to date of the links between citizenship and ethnicity in Latin America, “for ethnic groups, recognition of free determination implies acceding to a legal regime different from the one that exists today within nation states, and it also implies a way of acceding to forms of self-government and autonomous decision-making in economic, social, political and cultural matters” (Bello, 2004, p. 79).

Ethnic citizenship in Latin America, then, does not yet have any benchmarks of substantive citizenship. Nor is it yet clear what, if any, are the distinctive contents that define the horizon of aspirations of differentiated ethno-cultural groups.

In the development of rights of ethnic citizenship there are two stages: a first stage involves affirmation of the conditions of formal citizenship, based on the formulation of singular rights that seek the affirmation of diversity, institutional mechanisms, and constitutional framework¹⁴; and a second stage, still in progress, which involves gathering empirical information on the quality of substantive citizenship. In other words, there has been progress in defining normative frameworks, and steps are now being taken to shed light on the social condition¹⁵.

¹⁴ Bello (2004, p. 27) recalls the ethnic contribution to the formation of rights horizons with the affirmation of so-called third-generation rights — the right to identity and to self-determination — installed, nevertheless, in a setting of socioeconomic exclusion where there are still serious limitations of access and guarantee for first and second generation rights.

¹⁵ ECLAC (2000, p. 314) warns that the specific rights of indigenous peoples are still subordinate to rights accepted as universal. “Although the right to freedom from racial discrimination has been internationally accepted, in many countries of the region specific rights aimed at protecting the historical, religious, linguistic and territorial heritage of such groups are not recognized (ECLAC, 2000, p. 336).

With respect to the second stage, ECLAC has sought to establish objective parameters for determining the weight of the ethnic factor in different countries of the region and, in doing so, has made use of the concept of ethnolinguistic fractionalization:

The measurement of ethnolinguistic fractionalization is defined as the probability that two individuals selected at random from a population belong to two different groups. This measurement has the advantage of including heterogeneities related to ethnicity and language, compared with the original measurement of fractionalization, which considered only linguistic differences (approach used in the Atlas Narodov Mira of the former Soviet Union) (Alesina and others, 2003) (ECLAC/AECID/Latinobarómetro, p. 104).

This methodology has been used to classify countries of the region into three groups according to their degree of fractionalization, where the figure shown is the average value of data for ethnic and linguistic fractionalization respectively (range 0 to 1: a value of 1 indicates that every person belongs to a distinct group).

■ Table IV.9 ■

Latin America: countries classified by degree of ethnolinguistic fractionalization, 2010

HIGH		MODERATE		LOW	
Peru	0.50	Mexico	0.35	El Salvador	0.20
Guatemala	0.49	Colombia	0.31	Chile	0.19
Bolivia (Plurinational State of)	0.48	Brazil	0.29	Uruguay	0.17
Panama	0.47	Venezuela (Bolivarian Republic of)	0.28	Argentina	0.16
Ecuador	0.39	Nicaragua	0.27	Costa Rica	0.14
Paraguay	0.36	Dominican Republic	0.23		

Source: Economic Commission for Latin America and the Caribbean (ECLAC)/Spanish Agency for International Development Cooperation (AECID)/Corporación Latinobarómetro, *Latin America in the Mirror. Objective and Subjective Dimensions of Social Inequality and Well-Being in the Region* (LC/G.2419-P), Santiago, Chile, 2010, p. 104.

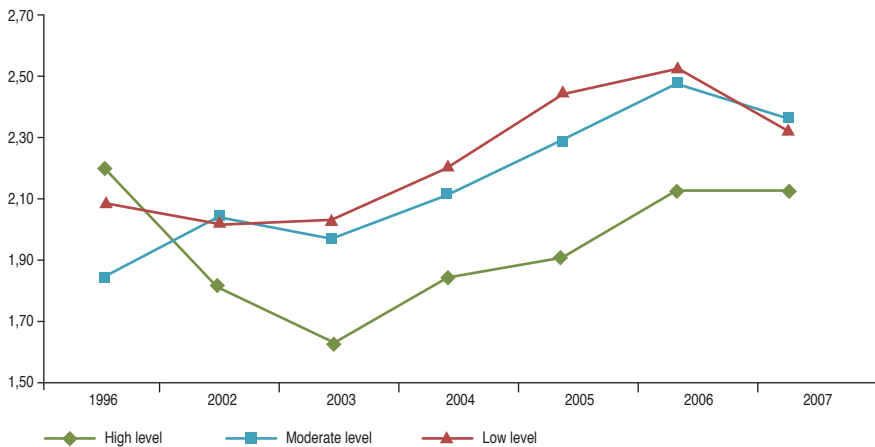
It is interesting to explore the degree to which this type of fractionalization is reflected in people's opinions with respect to indicators of satisfaction with institutions and government services. It may be assumed that greater degrees of dissatisfaction among countries with greater fractionalization will reflect social exclusion to the prejudice of vulnerable ethnic groups, a not uncommon occurrence in Latin American countries. An example is the distribution of poverty levels with respect to ethnic groups. In Mexico, according to the 2000 census, 44% of the indigenous population, but only 17% of the non-

indigenous population, falls within the lowest income quintile. The lower-income half of the population includes 80% of the indigenous population versus 47% of the non-indigenous population (World Bank, cited by Martín del Campo, 2008). In Ecuador, data from the 2005-2006 Living Conditions Survey shows that poverty and indigence rates among the indigenous population, at 68% and 39% respectively, are substantially greater than the national averages of 38% and 13%. Yet in countries with less fractionalization the data again reveal a greater incidence of poverty among the indigenous population: in Chile, for example, indigenous poverty and indigence rates averaged 19% compared with 13% for the non-indigenous population (see www.unicef.cl/unicef/index.php/Pobreza). The inescapable conclusion, then, is that exclusion is a constant, although the numbers who experience it vary from one country to another, depending on the extent of fractionalization.

Between 2002 and 2007 levels of trust in government were lower in countries with higher levels of fractionalization. A similar tendency can be observed with respect to trust in the legislative and judicial branches, as well as in the armed forces and the police.

■ Figure IV.15 ■

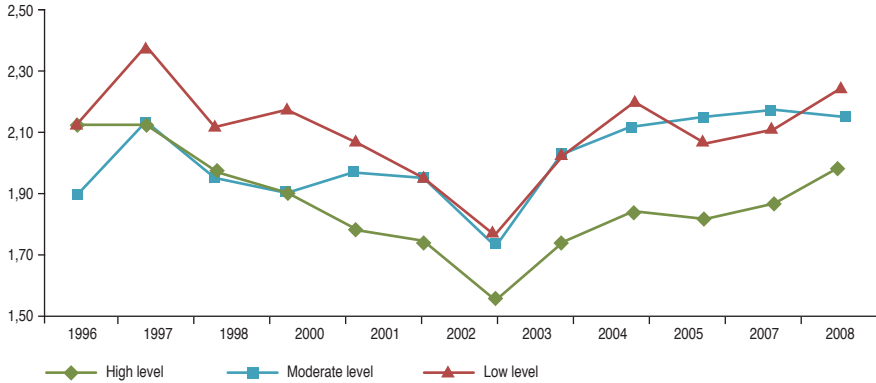
Latin America: trust in government, by level of ethnolinguistic fractionalization of countries, 1996-2007
(Averages on a scale of 1 to 4, where 1= no trust and 4= a lot of trust)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

■ Figure IV.16 ■

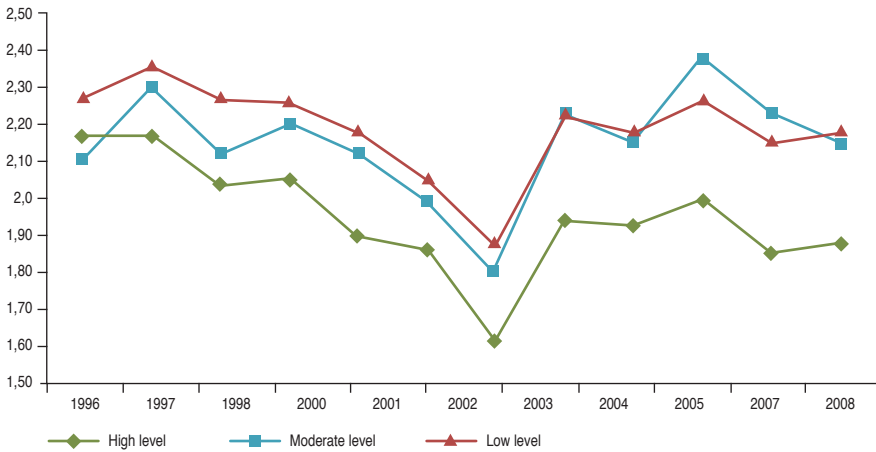
Latin America: trust in congress, by level of ethnolinguistic fractionalization of countries, 1996-2007
(Averages on a scale of 1 to 4, where 1= no trust and 4= a lot of trust)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

■ Figure IV.17 ■

Latin America: trust in the judiciary, by level of ethnolinguistic fractionalization of countries, 1996-2007
(Averages on a scale of 1 to 4, where 1= no trust and 4= a lot of trust)

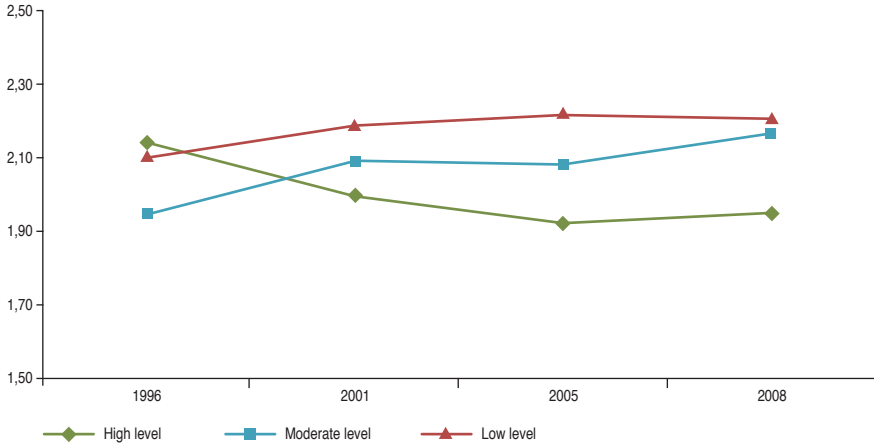


Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

■ Figure IV.18 ■

Latin America: trust in public administration, by level of ethnolinguistic fractionalization of countries, 1996-2007

(Averages on a scale of 1 to 4, where 1= no trust and 4= a lot of trust)



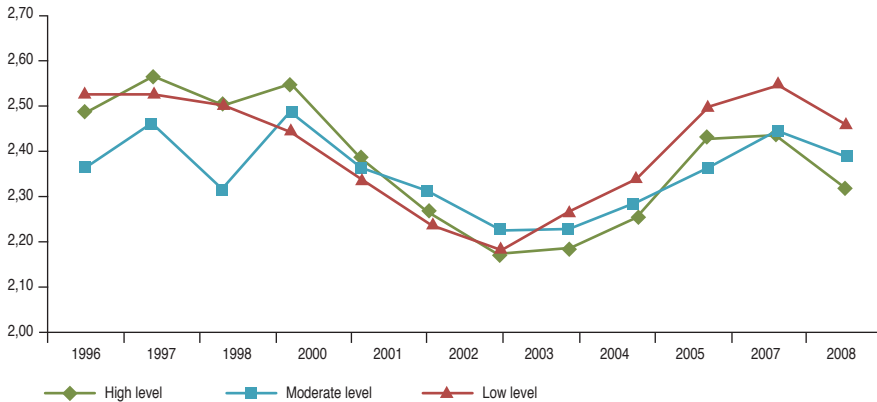
Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

When it comes to trust in public administration, which may be semantically the same thing as government (it is not clear whether people distinguish between government and administration), the data reveal the same situation, although the curves are flatter.

What is striking is the falloff in trust in the different institutions that occurred in 2003. A noteworthy coincidence is that subjective income perceptions declined in all country groups in that same year.

■ Figure IV.19 ■

Latin America: subjective income, by ethnolinguistic fractioning of countries, 1996-2008
(Averages on a scale of 1 to 4, where 1 = don't have enough, have major problems, and 4 = have enough and can save)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

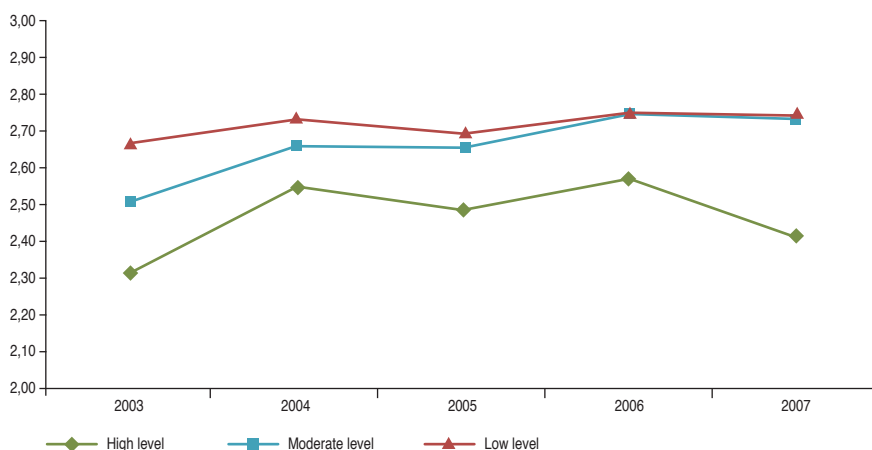
Trust in institutions is a very common indicator in public opinion surveys, although its precise meaning can be controversial. Do people trust institutions because they do their work well? Or is trust an affirmation of normative support that has little to do with the quality of performance? On the other hand, what the trend in subjective income seems to indicate is that trust moves apace with people's perception of their material well-being, which is a very interesting finding, particularly when it is remembered that a large part of society's economic performance does not depend on government activity, particularly in times of economic liberalization and deregulation. In any case, as noted earlier, people's assessment of the public sphere does not seem to distinguish fields of competence very precisely and it assigns more or less generalized responsibility to State and to government for the handling of all public affairs.

A look at the trend in people's satisfaction with services actually received—in this case health and education, which accounts for the bulk of public services—reveals degrees of satisfaction higher than the levels of trust expressed in institutions. However, as with data on trust, satisfaction tends to be lower in countries with greater fractionalization.

■ Figure IV.20 ■

Latin America: satisfaction with available education services, by ethnolinguistic fractionalization of countries, 2003-2007

(Averages on a scale of 1 to 4, where 1= not satisfied at all, and 4= very satisfied)

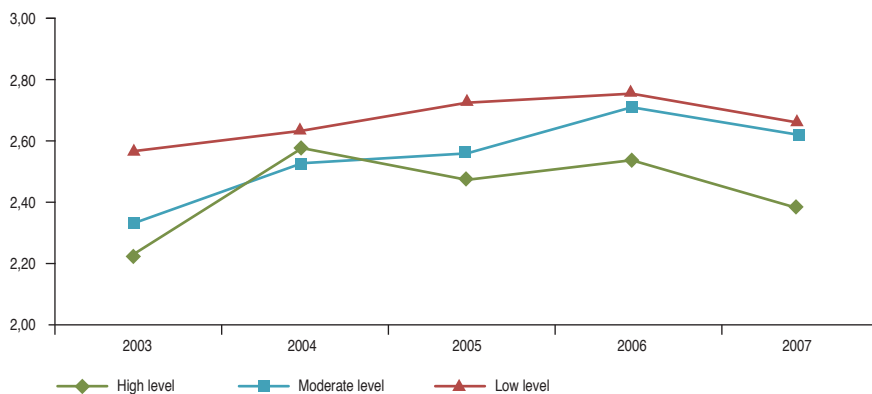


Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

■ Figure IV.21 ■

Latin America: satisfaction with available health services, by ethnolinguistic fractionalization of countries, 2003-2007

(Averages on a scale of 1 to 4, where 1= not satisfied at all, and 4= very satisfied)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of special tabulations from Latinobarómetro for the years indicated.

The data provided here suggests some provisional explanations. The fact that levels of trust and satisfaction are higher in ethnically more integrated or homogeneous countries is recognized in the literature on welfare systems. Degrees of trust and satisfaction, for example, are typically higher in the relatively more developed welfare systems of northern European countries than they are in Mediterranean countries or in the United States. Even in Latin America, the relatively greater development of social welfare systems in countries with low ethnic and cultural heterogeneity such as Costa Rica and Uruguay has been amply documented.¹⁶

¹⁶ See for example the compilation of Barba, Ordóñez and Valencia (2009).

Chapter V

Perceptions of the role of the state



During the 1980s, at a time when policies to reduce the relative size of the State and its role in economic activities were in vogue, there was much criticism levelled at the capacity of the State, its operating efficiency, and the quality and quantity of public employment. Generally speaking, the State was seen as part of the problem. In Latin America, with the support of international financial agencies, an institutional restructuring process was launched to privatize public activities, cut back on the State payroll and expenditure budget, and generate better macroeconomic conditions by reducing the fiscal imbalance.

The achievements of that process can be measured against two indicators: the trend in public sector employment and the proceeds from privatization. In the first case, the data show a decline in public-sector employment in the region from 9.4% to 4.2% of total non-agricultural employment between 1985 and 1995.

■ Table V.1 ■

Latin America: public sector employment, 1985-1995
(Percentages of non-agricultural employment)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Argentina	19,1	19,4	20,2	20	19,6	19,3	18,5	17,7	16,8	14,3	13,8
Bolivia (Plurinational State of)	22,7	18,3	17,5	17,2	16,8	16,5	17,1	15,5	12,7	11,4	11,4
Brazil	12	11,9	11,8	11,9	11,3	11	10,7	10,4	90,7	90,7	90,6
Chile	90,9	90,1	80,3	70,4	60,9	7	70,8	8	70,9	70,7	70,7
Colombia	11,2	10,8	10,3	10,1	90,8	90,6	90,3	9	80,7	80,4	80,4
Costa Rica	25,1	25,8	21,8	22,8	21,8	22	20,3	20,5	20,1	18,4	17,9
Ecuador						17,6	23,1	14,7	13,8	13,7	13,4
Honduras			18,9	18,1	17,2	14,9	16,6	16,4	14,6	12,4	12,5
Mexico	25,5	25,9	25,6	25,4	25,1	25	24,7	24,5	23	22,9	22,5
Panama	31,8	32,2	30,2	31,6	30,4	32	27,5	25,5	24,6	24,4	23,4
Paraguay	12,7	12,5	12,9	13,2	10,9	12,2	11,3	14,6	12,2	11,8	11,9
Peru		12,5	12,6		13,2	11,6	11,9	10	10,1	7,9	8,9
Uruguay						20,1	18,1	17,5	18,3	16,9	17,7
Venezuela (Bolivarian Republic of)	24,5	23,1	22,2	21,8	22,9	22,3	21,6	20,2	18,8	19,3	19,5
Latin America average	19,4	18,3	17,7	18,1	17,2	17,2	17	16	15,1	14,2	14,2

Source: Prepared by the author on the basis of N. Loayza and L. Palacios, "Economic reform and progress in Latin America and the Caribbean", World Bank Policy Research Working Paper, No. 1829, 1997, p. 84.

With respect to the scale of privatizations, this varied widely across the region depending on the degree of previous State involvement in the economy. In the late 1980s, Chile and Mexico were the most active privatizers in the region, but while the pace slowed in Chile over the following five years it picked up in Mexico. In turn, while revenues from privatization in Bolivia amounted to 3.5% of GDP in the first half of the 1990s, in Uruguay they averaged only 0.06% of output. The importance of privatization experiments is clear in countries such as Argentina, Mexico, Nicaragua and Peru.

■ Table V.2 ■

Latin America: proceeds from privatization
(Percentages of GDP)

	1988-1989	1990-1995
Argentina	0,02	1,48
Bolivia (Plurinational State of)		3,48
Brazil	0,04	0,35
Chile	1,11	0,59
Colombia		0,34
Guatemala	0,16	
Ecuador		0,29
Honduras	0,33	0,44
Mexico	0,79	1,6
Nicaragua		1,41
Panama		0,3
Paraguay		0,28
Peru		1,73
Uruguay		0,06
Venezuela (Bolivarian Republic of)		0,77

Source: Prepared by the author on the basis of N. Loayza and L. Palacios, "Economic reform and progress in Latin America and the Caribbean", *World Bank Policy Research Working Paper*, No. 1829, 1997, p. 41.

These data provide a context for considering people's opinions about the role of the State. It is one thing to ask people's opinions at a time when State interventionism is in full swing (as in the years preceding the first generation of reforms) and quite another to do so when reliance on market forces and privatization is in vogue, as it was during the decade and a half from 1985 to 2000. As will become clear in this chapter, the data from the *Latinobarómetro* study are generally consistent with a period when the prestige of the State was being restored.

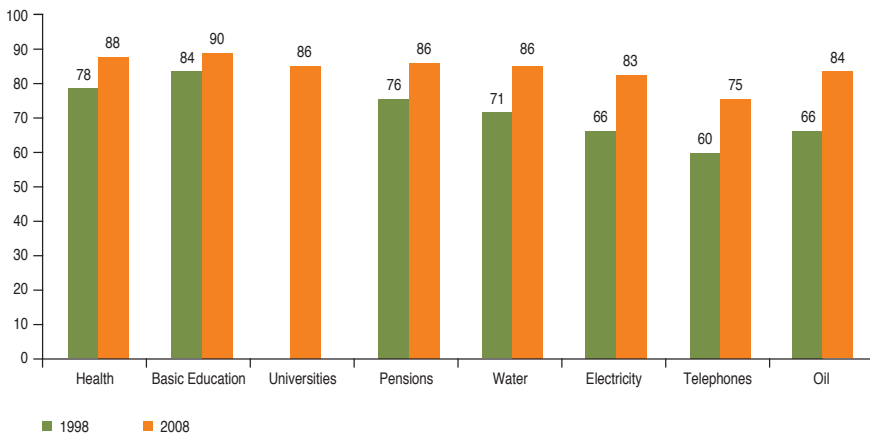
It will be recalled that there was a marked shift in the ideas dominating debate about the State and its function during the course of the 1980s and 1990s, from the extreme anti-statism of the early years, expressed perhaps more in the tenets of "Reaganomics" than in those of the Washington Consensus, to the reappearance of socialist-inspired State action plans in various countries of the region. In hindsight, then, answers to questions about the role of the State might betray a weariness with antistate ideologies, a renewal of the trust lost during the debt crisis, or indeed the impact of new demands on the State, sparked by needs that were not being adequately covered by private initiative (the satisfaction aspect) or by the conviction that the quality of life in general depends—regardless of government performance—on a greater presence of the State in society and in the economy (the consent aspect).

Filgueira (2009, p. 150), recalling Huntington and his analysis of praetorian democracies, suggests that the evolution of public policies over the period from the second half of the 1990s to the present day has in a sense struck a balance between an exclusive technocratic model, which seeks at all costs to preserve macroeconomic equilibrium, and populist approaches that attempt to respond to social demands without establishing sufficient institutional mechanisms in the State or organizational capacities in society. In both cases, however, the balances are achieved thanks to the State's regulatory or distributive capacities, a fact that seems to produce a broader social awareness of the "inevitability" of the State.

■ Figure V.1 ■

Latin America (18 countries): from the list of activities that I am going to read to you, which do you think should mostly be in the hands of the state and which should mostly be in the hands of private companies?, 1998 And 2008

(Percentages of people responding "in the hands of the State")

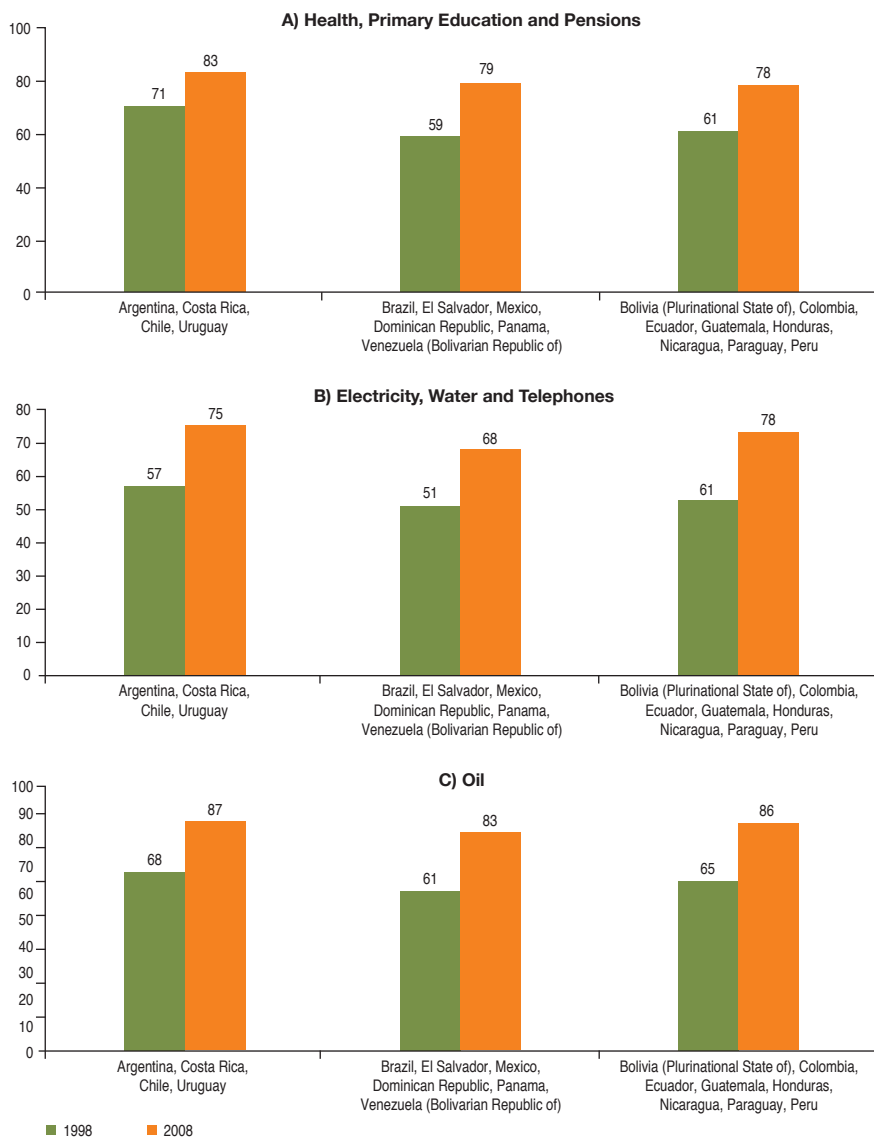


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998-2008.

When asked about the role of the State in terms of concrete and contrasting images—such as the idea that some activities might be exclusively in the hands of the State or of the market—Latin Americans project clearly pro-State opinions, and they have done so not only in the majority but almost unanimously over the decade. Figure V.1 shows that pro-State opinions extend not only to conventional social services (education, health, social welfare and drinking water) but also to those of a clearly economic nature, such as electricity, telephones and oil.

■ Figure V.2 ■

Latin America (simple averages, 17 countries): population who believe that health, education, pensions, basic services and oil should be mostly in the hands of the state, by country groups, 1998-2008^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998-2008.

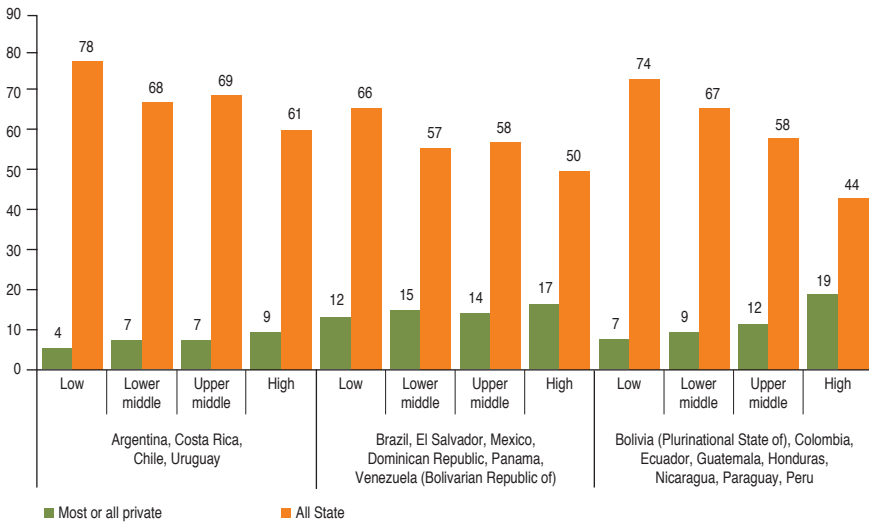
^a In health, primary education and pensions, the figure shows the percentage of people who think the State should mostly control the three activities. The same holds for electricity, drinking water and telephones.

A breakdown of opinions by country groups defined in terms of stateness shows that attitudes are more favourable to State intervention in those countries with greater stateness, while in those with average and lower stateness opinions are less favourable, although in all cases the attitude is broadly in favour of State control of economic and social activities. When it comes to social services, while the three country groups show an increase in opinion favourable to State control, that increase is much greater in the case of countries in the average and lower stateness groups. For electricity, water and telephone services, the greatest change is in the low-stateness group (21 percentage points), while the increase in the average and high groups is 17 and 18 points respectively. The increase in support for State control of oil is greater in the middle group (22 points) which includes the major oil producers, such as Bolivarian Republic of Venezuela, Brazil and Mexico. These opinions may respond to different dynamics: in oil-producing countries, for example, national control over resources is a political issue promoted by governments, while social services and infrastructure may be more closely related to the expectations and demands of people whose access to services is still tenuous (it may have worsened for low-income groups under privatization).

This argument —associating opinions with people's socioeconomic condition— can be confirmed by comparing the degree of acceptance of State control with income levels. As will be seen from figure V.3, in all country groups, regardless of the scale of the State and the quality of its performance, expectations of greater State control are highest among the lowest income groups, and expectations of greater market control are highest among the highest income groups. The opinion gulf between these income groups, however, is much greater in the low-stateness countries, where favourable opinion of State control declines by 30 percentage points in the upper income stratum compared to the lower one, while the gap is 16 and 17 points in the middle and upper stateness countries, respectively.

■ Figure V.3 ■

Latin America (18 countries): opinions on the role of the state in strategic sectors and basic services, by socioeconomic stratum and country groups, 2008^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the database of Latinobarómetro 1998-2008 and World Bank, database on governance indicators.

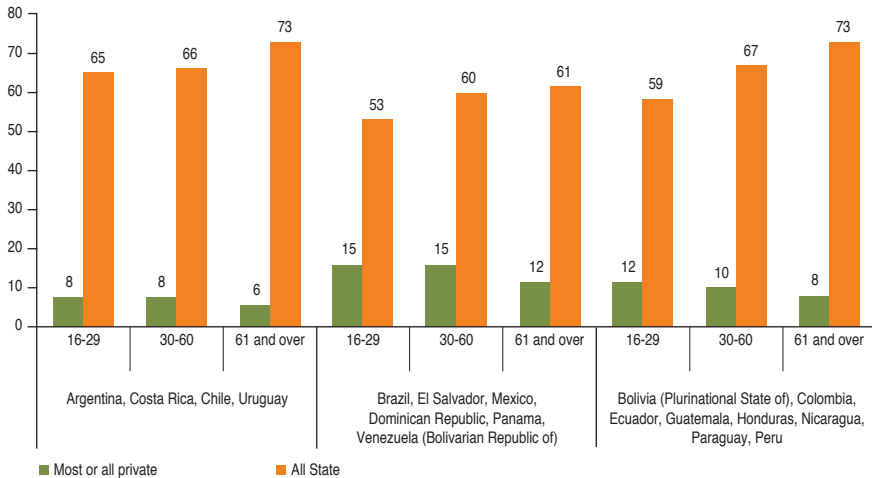
^a The “All State” category includes people who think that health, basic education, pensions, drinking water, electricity, telephones and oil should mostly be in the hands of the State. A socioeconomic situation index was constructed with two dimensions: 1) access to basic services and ownership of durable household goods, and 2) respondents’ level of education.

Experience of living with the State seems to be an important factor when it comes to giving opinions on the degree of State control in activities of public interest. Expectations of greater State control also rise with respondents’ age, perhaps demonstrating the effect of liberal arguments on the younger population. This may qualify the previous hypothesis about the revival of pro-State opinions in society, for it casts doubt on the historical relationship of individuals with the State. Because there are no data series available prior to 1996, it is impossible to determine with the same certainty the degree to which opinions in the golden age of privatization (the decade that began in the second half of the 1980s) may have produced equally anti-state social viewpoints. One might think that, in the absence of solid and democratic State institutions, people may rather have had historical aspirations for the State. In this case, the fact that enthusiasm for the State is less strong among the younger population may indicate a contrary tendency, perhaps not anti-State and possibly more balanced, i.e. not overly pro-business either, which could take root in future generations.

In any case, these are nuances within an opinion which, as noted earlier, is markedly favourable to State control or which, even if it is less favourable, does not mean greater confidence in the workings of the market. It is possible, then, that the most attractive option to having services mostly under State control (the meaning of which is not very precise) may lie not in market control but in co-management arrangements of the kind that governments in the region are now promoting¹⁷.

■ Figure V.4 ■

Latin America (18 countries): opinions on the role of the state in strategic sectors and basic services, by age groups and country groups, 2008*
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the database of Latinobarómetro 1998-2008 and World Bank, database on governance indicators.

* The "All State" category includes people who think that health, basic education, pensions, drinking water, electricity, telephones and oil should mostly be in the hands of the State.

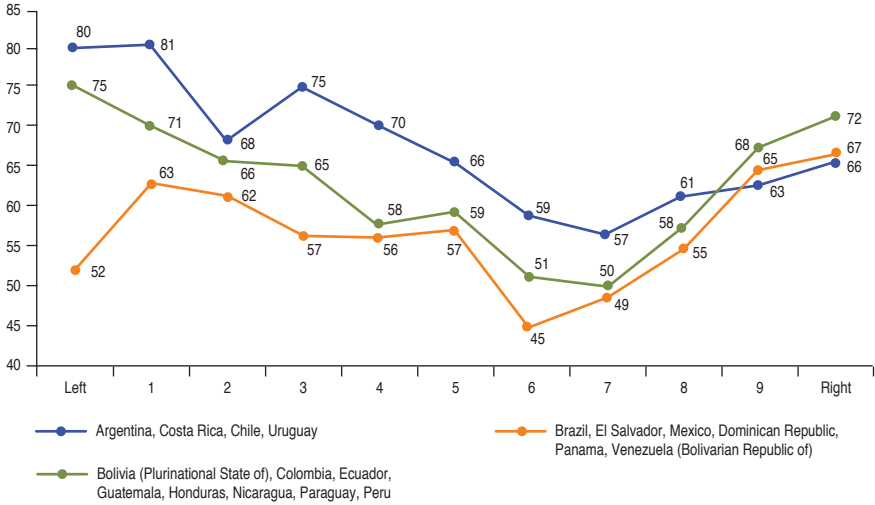
It must also be assumed that perceptions and attitudes about the State and its functioning will be influenced by ideological or political leanings. Thus, leftist or social democratic inclinations should coincide with a more pro-State stance, while liberal or conservative persuasions should favour pro-business opinions. The surveys invited respondents to place themselves along a left-right continuum. Assuming that people associate the left with more State and

¹⁷ Having the majority of activities exclusively in State hands is not the same thing as having majority State ownership of the operations that provide the services (for example, 51% of the shares of an electrical company owned by the State versus 49% in the hands of private investors). The questions posed do not make this key distinction clear.

the right with less State, it makes sense to explore the relationship between opinions about the role of the State and people’s ideological stance.

■ Figure V.5 ■

Latin America (18 countries): people who believe the state should control strategic sectors and basic services, by political self-identification and country groups, 2008*
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the database of Latinobarómetro 1998-2008 and World Bank, database on governance indicators.

* Includes people who think that health, basic education, pensions, drinking water, electricity, telephones and oil should mostly be in the hands of the State. Based on answers to the question: In politics, people normally speak of “left” and “right”. On a scale where 0 is left and 10 is right, where would you place yourself?

Figure V.5 shows, first, that for all stateness groups the relationship between pro-State opinions and political self-identification does not follow a linear progression, but is V-shaped, with greater levels of support at the extremes of the scale. This is surprising, for one might expect a gradual reduction at least in the way people project themselves up to point 6 or 7 on the scale. The explanations for this apparent anomaly may have to do with the size of the sample and the concentration of cases in the middle range of the scale, but they may also have to do with more substantive aspects: for example, political self-identification may be much more diffuse and less ideological than might be supposed.

The data from figure V.5 could indicate that ideological stance is less important than the degree of stateness, at least for ensuring support of leftist groups for greater State control. It will be noted that leftist support in the

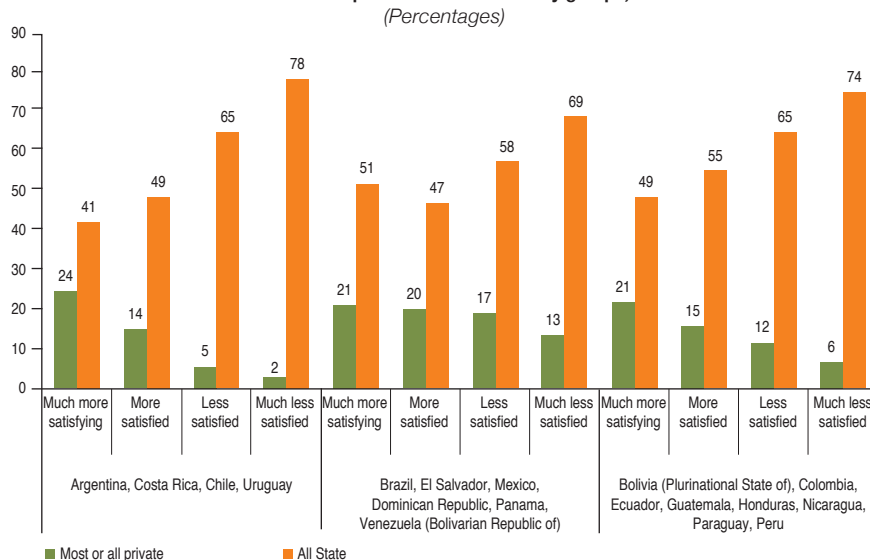
medium-stateness group is lower than right-wing support in high-stateness countries, and there is a difference of nearly 30 percentage points in support from the left between the medium- and high-stateness groups. In the medium countries there seems to be some ideological inconsistency, as support for greater State control at the right wing of the spectrum is greater than that at the left wing. In all cases, the extremes tend to favour greater State control, while the weakest support (although it is still important) comes from the centre-right segment (points 6 and 7 on a scale of 10). Nevertheless, this ideological inconsistency seems specific to the medium-stateness country group: in the high-stateness group the proportions are clearly higher at the left extreme than at the right (forming in effect a recumbent “L”).

While it may be argued that economic reforms imply a thorough redefinition of the role of the State, some of their components are more controversial than others. There can be no doubt that social capacities for identifying the effects of reforms are involved here. Bearing in mind the distinction between aggregate and distributed effects proposed by Przeworski (1995) and their impact over time, the most controversial aspects of reform will be those that have permanent and specific effects, i.e. that will have definitive impact on the interests of particular groups. At the other extreme, some reforms may have only temporary and generalized effects on the population as a whole. From the theoretical viewpoint, the socially delimited and permanent impacts may precipitate greater resistance and opposition, while the more diffuse effects will generate less opposition. The classic example of delimited and permanent effects is that of privatization, because it entails a definitive change in the existing situation in public employment sectors associated with enterprises that are to be privatized. To this must be added the fact that these public employment sectors are often highly unionized and have strong political leadership with close connections to political parties. Another example can be found in trade liberalization, which eliminates protectionist barriers and forces painful adjustment on industrial and agricultural sectors that are unable to compete at international prices.

Latinobarómetro investigated the degree of satisfaction with privatized public services, taking into account price and quality. Responses to the question may be influenced by the relationship between the perceived performance of privatized services and people’s expectations with respect to that performance, as well as by attitudes, above all in those cases where there is no direct experience with privatized service. Figure V.6 shows that, in general, regardless of the degree of countries’ stateness, opinions favourable to privatization go hand-in-hand with greater support for private control of strategic sectors and basic services.

■ Figure V.6 ■

Latin America (18 countries): opinions on the role of the state in strategic sectors and basic services, by satisfaction with privatization and country groups, 2008^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the database of Latinobarómetro 1998-2008 and World Bank, database on governance indicators.

^a Includes persons who believe that health, basic education, pensions, drinking water, electricity, telephones and oil should mostly be in State hands. Satisfaction with privatization is measured on the basis of responses to this question: Public services like water, electricity, have been privatized. Considering price and quality, are you much more satisfied, more satisfied, less satisfied or much less satisfied than you were before with these privatized services? Country groups: high governance (Argentina, Chile, Costa Rica and Uruguay); medium governance (Bolivarian Republic of Venezuela, Brazil, Dominican Republic, El Salvador, Mexico and Panama); low governance (Colombia, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and Plurinational State of Bolivia).

A complementary regression exercise confirms the above observations. Among Latin Americans, the probability of an opinion favourable to greater State participation or control:

- Increases significantly as one moves down the socioeconomic scale.
- Is markedly lower among those who self-identify with the political centre and non-extreme right (curvilinear relationship, see figure V.5), although this does not hold for those who self classify as extreme right, centre-left or left.
- Diminishes as satisfaction with privatized services increases.
- Is lower among the younger population.
- Is lower among men than among women (or at least has less statistical significance).

■ Table V.3 ■

Latin America (18 countries): predictors of opinion favourable to a greater state role, 2008
(Ordinal probit regression)

Dependent variable: opinions on the State role in health, education, pensions, basic services and oil (1= minority State control, 2= intermediate group 3= majority State control of all activities ^a)			
Independent variables	Categories	Coefficients	Significance ^b
SEX	1= male	-0,055	0,021*
	2= female		
AGE	1= 16 to 29 years	-0,206	0,000***
	2= 30 to 59 years	-0,101	0,010*
	3= 60 years and over		
SOCIOECONOMIC GROUP ^b	1= low	0,360	0,000***
	2= lower middle	0,167	0,000***
	3= upper middle	0,145	0,000***
	4= high		
POLITICAL SELF IDENTIFICATION scale of 1 to 10, where 0= left and 10= right	0= left	-0,047	0,535
	1	0,132	0,095
	2	-0,005	0,944
	3	-0,027	0,661
	4	-0,092	0,110
	5	-0,131	0,005**
	6	-0,330	0,000***
	7	-0,395	0,000***
	8	-0,234	0,000***
	9	-0,040	0,623
10= right			
SATISFACTION WITH PRIVATIZED PUBLIC SERVICES	1= much more satisfied	-0,568	0,000***
	2= more satisfied	-0,474	0,000***
	3= less satisfied	-0,240	0,000***
	4= much less satisfied		

Cox Snell R-squared =5.6%^c

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 1998-2008.

^a Includes people who think that health, basic education, pensions, drinking water, electricity, telephones and oil should mostly be in State hands.

^b * = significant to a confidence level of 95%; ** = significant to 99%; *** = significant to 99,9%.

^c Percentage of variance explained by the model.

These findings are partially consistent with other research. Seligson (2008) finds majority public support for an active State role in employment generation, which tends to increase with declining socioeconomic levels (something consistent with our findings) and among the younger population (which does not correspond with our observations). A possible explanation of this apparent discrepancy is that younger people have less experience with public services and strategic sectors, and at the same time they may face greater difficulty in entering the labour market.

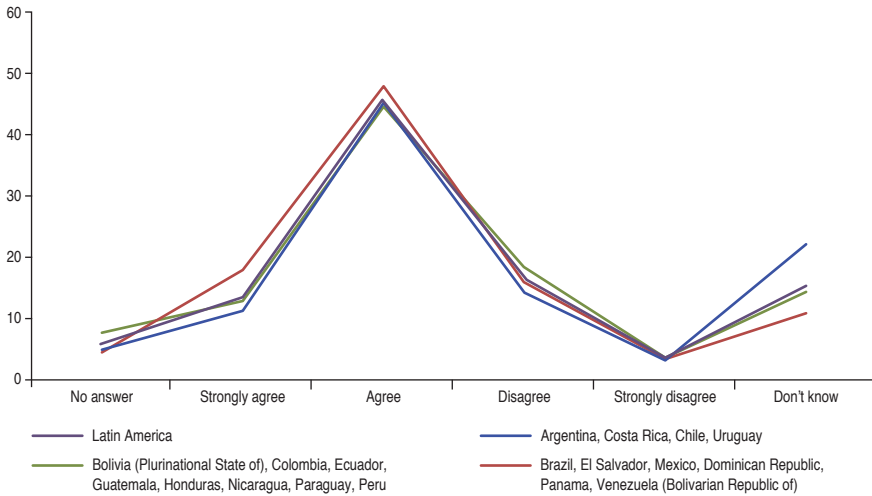
It could be useful to conduct further research on the contents of questions about the role of the State and the responses it evokes, by distinguishing between social services and services in support of production. If the questions include social protection and guarantees (pensions, health) or basic floors (primary education, essential services), support for the State role could be greater among the older population. On the other hand, if questions focus on the State role in generating opportunities (employment, occupational training), support might be greater among the younger population. In other words, there may be a difference in opinions linked to the relationship between social demands and individuals' position in the life cycle.

Seligson (2008) notes that this expectation of a greater State presence in employment generation is typical of Latin America: "Among many advanced industrial countries in North America and Europe there may still be a 'Washington consensus' involving widespread (but far from universal) support for a neo-liberal agenda of shrinking the role of the State, and allowing the laissez-faire forces of the private sector to 'do their thing'." This assertion is partially confirmed by the most recent data from the Fundación BBVA, which show that, while Europeans still support the market economy as the best economic system (something else that is in doubt in Latin America), this does not mean rejection of greater State intervention in the economy. The conclusion from the study is that the preference for a market economy coexists with a broad consensus for having the State take a highly active role in the control of the economy, and ample acceptance for the existence of a comprehensive social security system, even if it means paying high taxes. As this European study was conducted between November and December 2009, it is clear that the opinions were influenced by the fallout from the international crisis. From this it may be concluded that preference for an active State role is consistent with situations of economic crisis and more or less permanent dynamics of exclusion.

All of the foregoing leads to this observation: while in their economic and social policies governments may favour options that will succeed in promoting complementarity and cooperation, rather than conflict, between the public and private spheres, in the realm of opinion a corresponding phenomenon will occur and, far from affirming antagonistic positions, people will tend to favour greater State intervention, but this will not mean a loss of confidence in the market economy as a tool of production and primary distribution. Demands on the State will increase when crisis lays bare the distributive weaknesses of markets (as European experience shows) or when government does not pay due attention to consolidating suitable and capable State institutions, as in Latin America).

■ Figure V.7 ■

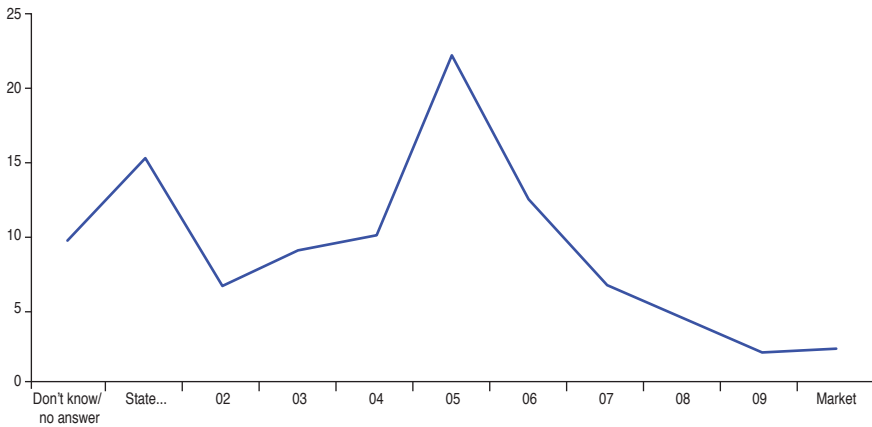
Latin America (18 countries): the market economy is best for the country, 2009
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2009.

■ Figure V.8 ■

Latin America (18 countries): some people think that the state must solve the problems of society because it has the resources to do so, while others think that the market will solve our society's problems because it distributes resources efficiently, 2009
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2009.

Conclusions



The scrutiny of the State through the lens of Latin American public opinion about its capacities and obligations as well as its form and its performance poses unavoidable challenges of methodology and interpretation. The purpose of this study—a preliminary exploration that will need to be fleshed out with specifically designed data surveys—is to propose some lines of research and generate some new questions to guide further analysis.

The current challenges to Latin American development should not blind us to the central feature of the debate about the State: the importance of strengthening it where necessary and of improving its institutional performance. ECLAC stated this point clearly in the report given at its thirty-third session (ECLAC, 2010), where it described key tasks of the State in four critical dimensions of development, all having to do with equity gaps, sector productivity, territorial asymmetries, access to decent work, and social protection policies. These challenges demand more and better intervention by states, in the context of promoting three values that were downplayed in the time of excessive reliance on market self-regulation.

The first value is the creation and provision of public goods by the State, beyond the “commodification” of social life. The challenge is to think of development in terms of the expanding the capacity to produce essential public goods in areas as diverse as education and environmental sustainability, energy and transportation, and a sound macroeconomic environment. The second value has to do with recognizing the importance of concerted strategic

action, against the dictates of “short-termism”, giving the State central responsibility in the pursuit of progress “horizons”, collectively defined and promoted by long-term objectives of social cohesion. The third value, associated with strengthening the role of the State in achieving development objectives, refers precisely to the central role of political action. In contrast to the utopian society of free consumers in a self-regulated market, ECLAC proposes restoring to the citizenry a democracy focused on the rights of all and not on the consumption capacity of the few. In the context of such values, the States of the region must ensure their capacity to address a threefold challenge:

“To boost the economies of the region in order to achieve development, to deal with the crisis and its antecedents using new policy instruments, and to eliminate the region’s long-standing legacy of inequality and social exclusion. This in turn means that it is now urgently necessary to reform the tax and transfer system with a view to generating more revenue-raising power and—in contrast with the individualist market model—to making social solidarity the focus of collective life. It will then be possible to move towards real equality of rights and opportunities, recognizing growth as a prerequisite for development, for which purpose it must be accompanied by decent work, social cohesion and environmental sustainability” (ECLAC, 2010, p. 216).

The general conclusion of this study of public opinion about the State confirms the importance of the factors outlined by ECLAC, with respect both to the values and the problems that concern the people of Latin America. In other words, the people’s perceptions coincide with insistence by ECLAC on the importance of public goods (security, employment, social services) and they show that attachment to democracy over the long-term will depend on the dynamics of satisfaction-dissatisfaction. The much-needed revival of politics, as the search for the common good in the more classic and original sense, will not be possible unless politicians act in consonance with people’s expectations and needs.

This study has encountered conceptual and methodological challenges, because it has ventured into an area of social knowledge dominated by common sense. The State is, after all, something tangible for individuals, by act and by omission, and ideological preferences about its function are not formulated as such but rather as natural truths.

The basic problem to be solved at the outset concerns, first, how to define the “State” as the basis for research. Generalization in Latin America is a frequent resort that makes it possible to capture and explain, despite significant national differences, a community of social and economic processes that typify a particular region. For example, when we speak of development models, the relative homogeneity of economic policies allows us to define relatively common traits despite the notable disparities of scale and commercial openness, to cite only two variables that clearly distinguish such dissimilar economies as those of Brazil and Panama. The qualification of Latin America as the world’s most unequal region perhaps does some injustice to the distributive efforts that have long been pursued in Costa Rica and Uruguay, but it undoubtedly denotes a peculiarly Latin American phenomenon.

With reference to the State, the common images that define the outlines of the public-State sphere in the region have more to do with shortcomings than with capacities: in the past one spoke of a bloated State presence in the economy, i.e. one that exceeded the desires of the liberal and neoliberal political and economic elites; today the talk is of corruption and administrative inefficiency, as well as the deficit in the delivery of public services. There are also attempts to recognize the extent to which government activity actually guarantees a better distribution of resources, instead of allocating a majority share of the fiscal effort to further enrichment of the middle and upper income groups. In this case, it is more difficult to find similarities in the processes encouraged by homogenized policies in the different countries, with perhaps two exceptions: economic policies and electoral policies.

On the first point, States have developed, especially and with greater enthusiasm since the second half of the 1980s, an apparatus of macroeconomic control that has become the State’s legitimate arm, even for the most resolute opponents of State interventionism. In a sense, while the minimalist definition of the State as monopolizing the use of legitimate force was falling into disrepute (with the notorious expansion of organized criminal violence and its commercial bedfellow, the private security business), the attention to economic control and regulation took root (synthesized in the control of inflation and fiscal imbalances). In the long term, this role of economic control and regulation has shown itself immune to significant changes in the ideological bent of successive governments and has in fact become a kind of life insurance in the face of the latest international financial crisis.

When it comes to electoral policies, Latin American states have evolved from exclusive, military-authoritarian political systems towards liberal civil democracies. This was made possible by, among other things, the development of open and transparent voting systems, run by electoral technocracies whose trial by fire has led to confirmation of political processes of perhaps

contradictory meaning, but which express the diversity of citizens' legitimate exercise of the franchise: the restoration of political alternation (the effective ability of the electorate to choose the opposition) and the assurance of mechanisms of direct democracy (especially the referendum) which have allowed the long-term consolidation of political arrangements that have already been in place for more than a decade in some countries (such as Bolivarian Republic of Venezuela).

Beyond electoral modernization and consolidation of a commitment to economic policy, it is difficult to identify common traits in the workings of Latin American states, even when it is evident that, through adaptation and assimilation, some types of policies have become common to all the countries of the region. A notable example, for its importance in terms of addressing the severe shortcomings in social integration, is selective social programmes in the form of conditional cash transfers. Although they are similar in their basic architecture and although they bear the same name, the form these programmes have taken in different socioeconomic circumstances and in clearly contrasting institutional environments has in the end produced policies that differ greatly in their scope and impact.

One possible common feature is the absence of what we might call, in line with this study, "stateness policies", following the definition of Peter Evans (2007), for whom stateness refers to "the institutional centrality of the State". Recent decades have been dominated by an approach that seeks to reduce State shortcomings to the need for reform to achieve a "leaner, meaner State" (Evans, 2007, p. 122). Such stateness means confining State interventions to collecting revenues from the dominant economic elites while ensuring adequate and technically effective intervention to address, preferably on a temporary basis, the needs of historically impoverished and excluded groups, or those made vulnerable by international market trends, leaving everything else in the hands of the market. This could explain the degree to which the State has been transformed in some countries of the region: with changes in policy orientation that do not imply any substantive transformation in the type of stateness.

In this way, the Latin American context reveals a relatively stagnant situation of stateness which, while it has avoided the "eclipse of the State" (as Evans calls it) in the countries of greater stateness, has not produced a shift to greater stateness in countries with obvious institutional weaknesses.

The second methodological question relates to the analysis of public opinion on these issues. First, it is clear that the survey questions refer entirely to particular experiences with the State and their interpretation must take into account such experiences. In other words, what people think of the State and

its institutions is historically determined and connects assessments of the past with views about the present. Experience can alter the appreciation of the present, so that if assessments of the past are positive and if today's actions under examination are changing that past, the assessment of the present will be negative by association. The contrary is also true.

Another aspect that emerges is the origins of disapproval. When speaking of stateness, it is easy to assume that people want a greater degree of stateness and that, once they have it, they will be less critical. Or—and this is the same thing—that there is an inverse relationship between people's disappointment with the State and the degree of stateness. What is clear is that the relationships may be more complex when contextual questions are considered (and of course problems of sample composition and size). It is possible that social exposure to the debate over government, its administration, functioning and performance will be more intense when the citizens have more information and more capacity to process that information. It is probable, moreover, that such capacities will be stronger in contexts of greater stateness. In this case, the contexts of less information and less citizen processing capacity may be related to lesser levels of stateness and yet may coexist with greater values of citizen concurrence or satisfaction with government performance.

Third, social mindsets are also represented in the structure of the questionnaires used to capture public opinion. Consequently, the research sometimes runs into problems of choice not only as to the type of variables that will best interpret the phenomenon to be studied but also as to the question to be put and the structure of the response options. A prime example is the persistence of dual images of the State and market which, while they may be congruent with conceptual, ideological and even political debates, do not necessarily correspond to the way people see the role of the State and its links to the rest of society. When people ask the State to provide work and employment, for instance, they are not necessarily expecting a job on the government payroll, but are rather demanding assurance of a social condition that in contemporary economies is more likely to come from private initiative than from the State.

Lastly, society is diverse, and this pluralism cannot always be recognized with research tools such as the opinion survey, which revolves around averages, as much in its results as in defining the problems to be studied and in the use of language.

With these qualifications in mind, this study of public opinion and the role of the State in Latin America has focused on an examination of three differentiated moments or circumstances. First, we have analysed opinions expressing consent, i.e. adherence to the rules and support for the institutions

that enforce them, regardless of their performance. This consent refers to the principle of original legitimation, which ensures people's backing for the institutions of representative government. It is, in a sense, the first level of the social contract between the State and the citizenry. Second, we have examined people's perceptions and attitudes about performance, expressed in terms of satisfaction. In this case, the focus was on opinions of public services and on questions such as trust in institutions or the direct assessment of the quality of available services. Lastly, we looked at expectations of the role of the State, seeking to identify —as far as the questions would allow— social demands for more or less stateness.

Following O'Donnell, the benchmark for consent or legitimation is attachment to democracy. While the authoritarian State is the negation of democracy, its affirmation is not the town meeting, i.e. the state-less society of equals, but rather the democratic State. Consequently, as authoritarian forms of the State and the exercise of power are relatively fresh in the region's social memory, the issue of support for a democratic State takes on real importance as a foundation of legitimation in this new political era. The survey results show that, in general, democracy is held in greater favour, but that support has not grown and has indeed tended to stagnate and even weaken. Although citizens may have greater confidence in the electoral route, it is clear that attachment to democracy, whether based on an explicit preference for democracy or on simple pragmatic acceptance, is barely growing in average terms across the region.

Nevertheless, the overall picture of precarious stability in the attachment to democracy conceals a wide diversity that gives rise to clearly differentiated situations depending on the degree of support (high - low), its level of variation (volatile-stable), and the direction of its recent movement (negative-positive): democracies with highly stable consent (Uruguay), democracies with high volatile consent (Costa Rica), democracies with volatile positive support (Bolivarian Republic of Venezuela), democracies with volatile negative support (Peru) and democracies with low, volatile negative support (Ecuador, Guatemala and Mexico), among other possible combinations.

Another point examined was the perceived need for government. This is a utilitarian view of the State, based not on the quality of the services it provides (a matter related to satisfaction) but on its capacity to guarantee order and legality for all. These phenomena are difficult to capture in opinion surveys: that said, there would seem to be a growing desire for the State to guarantee the social order, while at the same time guaranteeing rights that may produce a certain disorder. In other words, given the —perhaps false— dichotomy of order and freedom, the citizens prefer order without deprecating attachment to freedom.

Support for the State as guarantor of order and freedom is one form of perceiving the strength of legitimation. Another has to do with the perceived capacity of the State to solve problems in the abstract. In countries with greater State development, this perception has remained stable at levels higher than in countries with medium or low stateness. In the last year, confidence in the “fire-fighting” State rose sharply in medium-stateness countries, while it remains weak in low-stateness countries. This is a clear indication that trust in the State’s capacity for action is correlated with objective institutional development, which means that the attitudes we have related here with ex-ante legitimation cannot be improved without effective improvements in the capacity for State action.

Although support for democracy and the perception of government usefulness tend to be positive and growing, the greatest weakness observed in consolidating original legitimacy has to do with the relative autonomy of the State. The majority of Latin Americans still see the State as in thrall to powerful minority interests. The values are not the same in all countries, but nearly everywhere (with the exception of El Salvador, Panama and Uruguay) the majority of people are not persuaded that the State is independent of economic and political elites.

Finally, we investigated people’s commitment to institutional development, interpreted as the degree to which values of active citizenship have taken hold. The data show that Latin Americans regard their fellow citizens as more aware of their rights than of their obligations and as less committed to the rule of law and respect for the regulations that social life imposes. This could conspire against the practice of civic values, for if people perceive that other members of society have a relatively paternalistic view of the State and the public authorities (an outlook that could be characterized by the sentence: “Life in society should give me greater guarantees than the limitations it places on me, and moreover I reserve the right to follow the collective rules or not”), they may act in accordance with that perception.

This combination of elements —unstable support for democracy, a feeling that State action is of limited usefulness, and a perception that others are more concerned with their rights than their collective obligations— portrays a transitional horizon of legitimation, typical of emerging democracies where neither institutional development nor political culture can break free of the shackles that impede more substantive and steady progress over time. It proclaims a weak legitimacy that must be reinforced through an integral process of strengthening democratic civic culture in institutional contexts where the State conducts itself in accordance with the law and social expectations.

Although the development of legitimation may seem to be a long-term task, a study of the dynamics of satisfaction (which is *ex post* legitimation, resulting from people's short-term assessment of State action under successive governments) can reveal the limits and possibilities of political stability and the role of the State in consolidating it.

The dynamics of satisfaction were examined from two approaches: one focused on the supply of public services and the other on the differentiated impact of that supply in light of the characteristics of the social structure.

First, it was noted that social services are the primary source of legitimation, as can be seen from greater public acceptance of government social spending over investment, for example, in infrastructure or the military. Thus, if countries are facing major shortfalls in social investment, this not only prejudices their future economic growth, which must be based on substantial improvements in human capital and consumption possibilities, but also the short-term legitimacy of the political system, and this may in turn generate political instability, with its attendant economic and social costs.

Although there may be no direct or obvious link between legitimation and public investment, those two adjectives apply squarely to the link between tax culture (understood as the set of public notions about taxes) and satisfaction with the performance of public services, in particular social services. In the region as a whole, this relationship swings between the highest levels of trust in the use of tax resources accompanied by the highest levels of satisfaction with health and education services, in Uruguay (2005), and the highest levels of tax scepticism and dissatisfaction, in Ecuador and Peru. Although it is clear that the relationship is not always direct (there are countries with good levels of satisfaction and high degrees of mistrust, as in Colombia), it is certain that progress on the tax policy front can help legitimize public policies while ensuring their development and sustainability. Consequently, both the origin and administration of the funds and their use are important to the citizen.

The point in question is the degree to which government priorities match the expectations of the citizenry and thereby ensure better outcomes in terms of legitimation. While social investments do not always enjoy governmental favour, this has not been the case in Latin America in recent years, where all countries have shown a rising trend in social investment, even during economic downturns.

Nevertheless, the definition of political priorities does not always coincide with people's perceptions, as has been the case with inflation control. Fighting inflation has been one of the primary objectives of recent economic policy, but the issue of controlling prices has not so far been uppermost in the public's mind. This contrasts with the reduced role that States have been

playing in the area of employment creation and the much greater importance that the public attaches to this issue: in fact, while States have been doing little to generate direct employment opportunities (most of which are in the formal and informal private sector), people tend to hold the State responsible for providing jobs. This means that improvements in labour conditions, even without the expansion of public-sector employment, will generate positive satisfaction figures and, consequently, help to legitimize the political and institutional system.

Because it is so diverse, society may react in different ways to the stimuli of public policies, depending for example on the prevailing degree of social, gender or ethnic equity. Latin America's development challenges involve inequalities not only of income but also of a social, political and cultural nature. To understand the extent to which these differences affect ex post legitimation it is useful to divide the countries of the region into three groups, classified by the equity gaps identified by ECLAC: (a) social gaps, which have to do with income equity; (b) gender gaps, related to imbalances and to discrimination against women; and (c) gaps that have to do with the degree of ethnolinguistic fractionalization in societies. The observed results are, as is everything in this study, of an exploratory nature and merely an invitation to further, in-depth study. These results indicate, in any case, that as societies move forward in closing these equity gaps definitively, there is an improvement in the public satisfaction that we have related here with the phenomenon of political legitimation.

If proposals for institutional strengthening of the State are to enjoy legitimacy, then, they must be an active part of social transformations that will diminish asymmetries in people's access to opportunities. Any progress in terms of social equity or policies that will mitigate social relations and institutional mechanisms of the kind that reproduce gender and ethnic exclusion will be a step forward in favour of democracy and citizen support for the political and social order. Alternatively, if states are incapable of generating progress in closing social divides, they will be unable to improve their legitimacy, and this, over the medium or long term, may affect the political stability that the region today enjoys.

Do the people of the region have a preconceived idea of the State and its function in society? Is there a more or less clear institutional profile in the social mindset? Bearing in mind the context of institutional dynamics and reforms of the State in Latin America—which at the present time has distanced itself from the privatizing impulse that marked the period from the mid-1980s through the first half of the 1990s—and considering that several countries in the region have returned to interventionist policies in strategic areas such as hydrocarbons or in basic public services such as water—positive

opinions about broad State roles in essential and strategic public services may herald a restoration of the image of the State and its role in economic and social development.

The study of expectations about the role of the State can hardly be addressed with a few questions from Latinobarómetro over the course of these years. Nevertheless, other works for mapping regional public opinion, notable among which is the LAPOP project sponsored by Vanderbilt University, coincide in noting that expectations about the expanded role of the State in the delivery of basic and strategic services are greater among the lower socioeconomic groups and among women, and they are less pronounced among younger people and those who are more satisfied with privatization. This suggests that those who have greater needs are also those who aspire to a greater presence of the State. The era of privatization showed the advantages and limitations of turning a broad range of public services over to the marketplace. The future response may not mean going back to the political fixes of the past, but rather adopting mixed solutions, where not only the State and the market but also families and communities participate actively in distributing resources and in generating wealth and opportunities. In the words of Evans (2007, p. 122), this amounts to an integrated strategy of social coproduction of goods and services:

“Engaging the energy and imagination of citizens and communities in the coproduction of services is a way of enhancing the State’s ability to deliver services without having to demand more scarce material resources from society. The increased social approbation that comes with more effective, responsive service then becomes an important intangible reward for those who work within the State. Since such a strategy simultaneously rewards the reinvigoration of civil society, thereby augmenting the reservoir of potential participants in coproduction, it is almost certainly subject to increasing returns. Like the returns to the development of bureaucratic forms of organization in an earlier era, the returns to more innovative forms of stateness based on State-society synergy could be prodigious.”

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