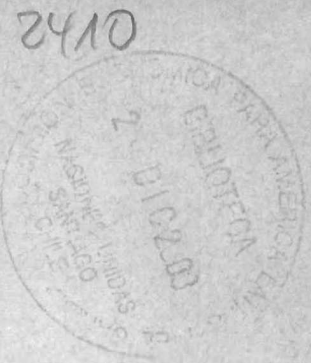


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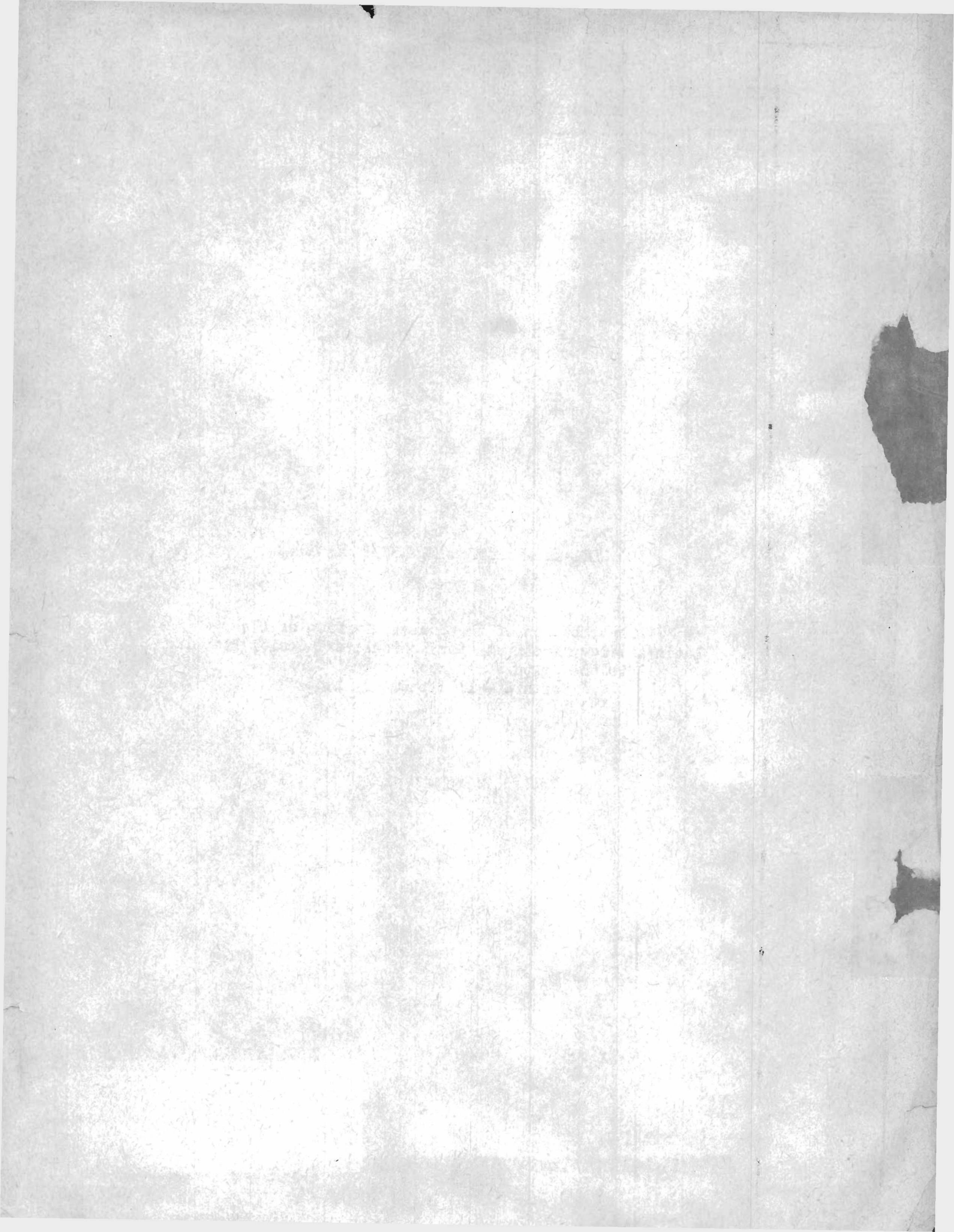


THE URBAN ELITES IN LATIN AMERICA

Contribution of the Social Division of the
Latin American Institute for Economic and Social Planning
to the Sixth World Sociological Congress
Evan 4 - 11 September, 1966

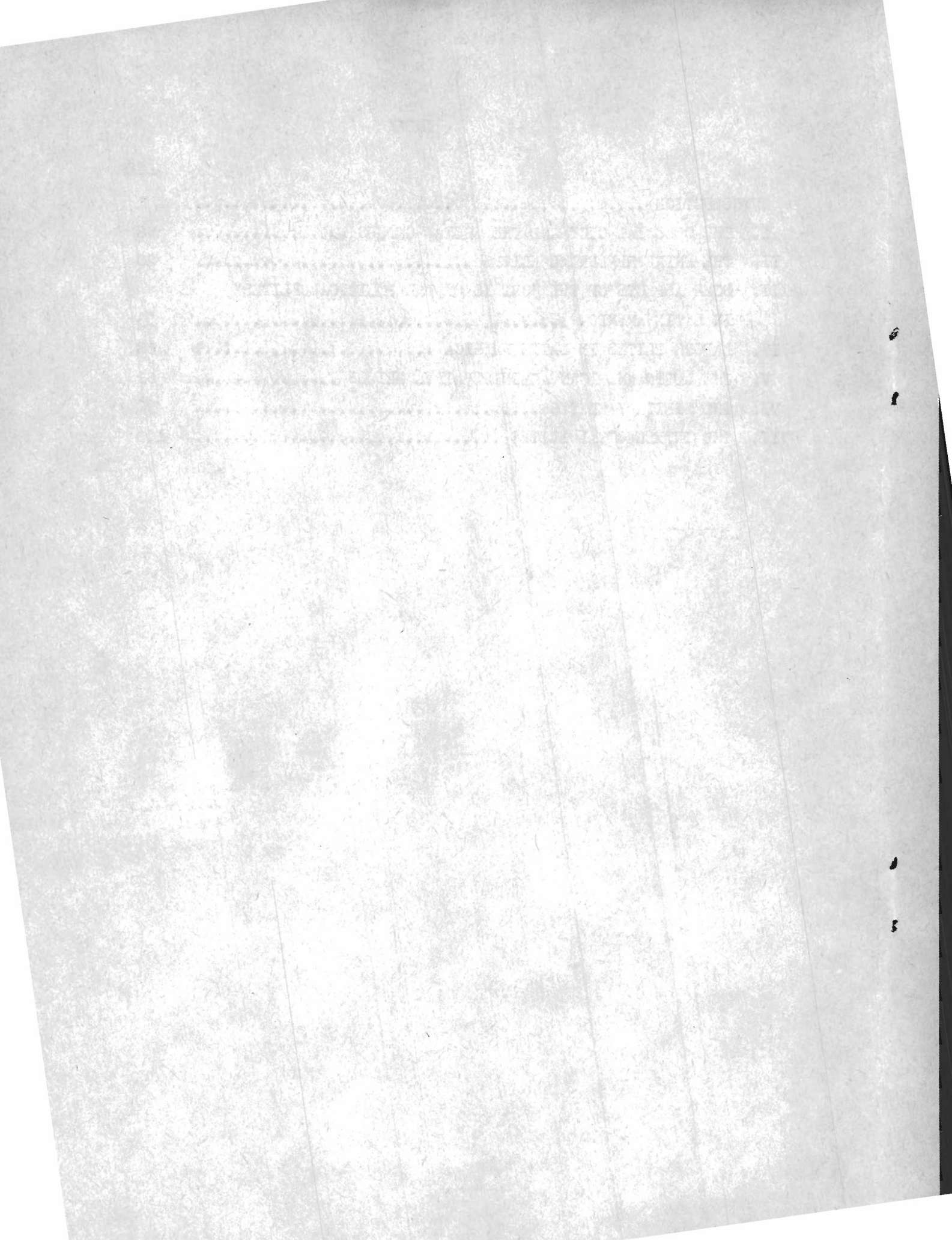


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INTRODUCTION

1. On the revival in our time of the subject of the elites

This is not the first time that the subject of the elites is brought up in Latin America in recent years. On the occasion of the Evian Sociological Congress and in accord with the intellectual interests of its organizers it is done, however, stressing the allegedly urban nature of the elites. The proposed subject is, in fact, The urban elites in Latin America. Before making any attempt to approach such a subject in the only possible way under the circumstances, as will be explained later, some thought should be given to the nature of the theoretical significance of the subject itself. Why does it appear justified today with special reference to Latin America?

a) i. Whatever the degree of economic development - of modernity - of any country, a simple fact of civilization today justifies revival of the subject of the elites in one of its most classical and repeated aspects. Who actually leads that civilization? Which groups appear here and there as examples and models of superior forms of behaviour? It seems, in fact, that even in the most equalitarian of present democracies neither the desire nor the need for minority groups outstanding due to their recognized orientation value is extinct. Is the argument true that more effective equalization tends to breed intense nostalgia for everything that seems distinguished and unique? Can it be sustained, more precisely, that in the more advanced industrial societies the vacuum of true model elites is filled by temporarily prominent groups of people? These and other questions, answered positively or negatively, undoubtedly belong to the cultural criticism of our days and such is, with no doubt, the common way in which the old subject of the elites is being revived. Whatever its real validity may be - and this is not to be examined here - there is no doubt that this way of formulating the subject does not belong to empirical sociology.

ii. In general terms it is usually put forward together with the interpretation of present societies as mass societies, this latter concept carrying an ambiguity equal to if not greater than the concept of elite itself. Nevertheless, accepted for certain purposes as a starting point and general view point it is valid for an exposition which implies in a certain sense a /transition between

transition between cultural criticism and empirical or scientific sociology. In fact, it can be asked what is the degree and the extent of the respective openness of masses and elites in their reciprocal relations and how, as a result, the total physiognomy of a society is made up considering the magnitude of its "massification" or inversely, the persistence of its elites (W. Kornhauser).

iii. Ambiguity does not disappear completely and the last remnant of a cultural critical attitude only disappears when the elite concept is used in a strictly neutral manner. That is to say, when it is applied with a purely descriptive meaning - completely objective in consequence - it provides an empirical referent subject to observation and measurement. Or rather, when an attempt is made to indicate only the so-called "vertex positions" in the decision and influence fields of a society and who are the individuals actually occupying them.

b) The revival of the subject of the elites has not resulted only from cultural criticism. Pure theoretical interest in understanding the structure and trends of the so-called industrial society constitutes, without doubt, the second and most important reason, especially from our point of view. In this case, unobjectionably from the point of view of scientific sociology.

The least reference to the so-called neo-machiavellian writers (Pareto, Mosca and Sorel), originators of the theory of the elites, must be limited to pointing out at least the anti-historicistical meaning (compared with Marx) of the doctrine. The existence and circulation of elites constitute a permanent phenomena in all society. Its interpretation is not a "medium range" theory but on the contrary one of considerable scope. The allegedly aristocratizing character of the doctrine and its machiavellian derivations are, however, secondary and perhaps problematical. The revival of this theory at the present time has only two original points to offer and both naturally are methodological.

i. The first is found in a particular adaptation of the theory of the elites which is only proposed as valid for a particular historical moment, the contemporary one. Dreitzel's phenomenological analysis precisely consists in historicizing what was in its origins an atemporal theory. According to this interpretation modern industrial societies are typically "elitarian" to the

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extent that they are ruled by the generalized criterion of outputs. The category elites historically succeeds in its interpretative value the previous categories of estates and class.

ii. The other adaptation has no such claims. It is limited to stating the final heuristic value of the categories contained in the old doctrine for interpretation of contemporary social structures. It deals but with a point of view among others, capable of determining and analysing certain decisive or important aspects of our societies. Its interpretative value resides only in the greater or lesser fruitfulness of the results. In consequence, it is not incompatible with the validity and fruitfulness of other points of view, for example that of the classical classist perspective (Aron-Wright Mills, etc.) Which are the leading groups in a society and how are they articulated? Their identification can no doubt help to approach other questions of apparently greater importance (power structure, factors of change, trends, etc.)

c) Up to now the revival of contemporary interest in the theory of the elites has occurred in the more advanced type of societies. But it so happens, at the same time, that the attention given to less advanced societies - the underdeveloped countries - is the third reason or cause for the revival we are dealing with. In fact, the formation of the new nationalities in the post-colonial era we live in actually is interwoven with the problem of their own elite formation against the confused masses - often tribal - of their people. And this occurs in its two phases, the initial of their independence and the subsequent one of their greater or lesser stabilization. Consequently, the relative profusion of studies devoted to analysing the composition of the leading elites in the countries of the so-called third world is not surprising. The founder elites, how did they form? What transformation did they undergo? At this point it is impossible to ignore the fact that the contribution of political science has been considerably greater than that of the sociologists. Nevertheless, some properly sociological studies stand out like the one carried out in Nigeria which has an unquestionable exemplary value.

2. Connection with the subject of the urbanization process

This latter reference to the reasons for the revival of the subject of the elites is, moreover, interesting from another point of view.

i. Meant is the connection, explicit in the title, between the elite

/formation and

formation and the urbanization process. Its theoretical connection is apparently clear; it is nevertheless extremely problematical. On the one hand the urban character of certain leading strata is evident, especially of those who have been connected with the central power at one or another historical period of the different countries. It is also true that in many instances the urbanization process expresses, interprets or accompanies the economic industrialization process. In countries newly born in the present post-colonial phase, the elites are of course not only of urban character by training and residence but also are linked to the economic development efforts originating the rapid development of certain of their cities. In those countries, in fact, the by itself independent processes of urbanization and elite formation thus coincide. This gives the elites a completely or predominantly urban character. But in principle, as is known, the necessarily parallel character of the trend movements indicated is problematical. The existence, both in old historical empires and in modern countries, of powerful elites of a provincial and rural character is obvious on the one hand. In other cases it is clearly seen that the so-called urbanization process has been independent of economic development or industrialization in the strictest sense.

ii. This is exactly the situation in the Latin American countries, which cannot be confused with what is happening in the new nationalities of the so-called third world. In fact, Latin American reality could not be properly understood if the following two circumstances are disregarded. First, that modernization, which has, of course, occurred through the urbanization process is previous to the economic development trends predominant today. Its very different reasons are found in the fact that the Latin American cities, especially the Spanish ones, are foundational and of cultural-administrative character. Their urban elites - before and after Independence - have undoubtedly embodied one of the extremes of the struggle between civilization and barbarism, according to the famous statement of an Argentine classic. Secondly, the decisive historical fact that the pattern setting elites of the different Latin American nationalities were without the slightest doubt of agricultural character and were based on the socio-economic structure of the "hacienda". A fact which attenuates to a considerable extent the value of the proposition contained in the foregoing statements. Without the presence of the articulating agricultural forces during the period after Independence,

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the Latin American Republics could not have remained as they are up to now. This circumstance, in turn, determines two facts, one, that the decisive influences of political and administrative character remained until very recently in the local centres of power, in hands of the elites formed in them. Of course, through a connections system terminating in the city joining with the urban elites of very different origin. Secondly, the phenomena of the traditional elite's ability to persist without really opposing the demands of modernization maintained by the cities. A flexibility which at the same time explains the superficial aspects of such modernization. These conditions are those described today by the generally accepted term of structural dualism of our countries. This dualism expressed itself for a long time in the political field, in the interplay of a system of "clientelas" due to which the urban elites were able to act freely in their own sphere while the large agricultural zones continued subdued to the exclusive rule of the traditional elites. The times of profound and manifold transformations which Latin America is experiencing is none other than that of the decadence and definite substitution of the system of "clientelas" by an articulation of the new elites in accordance with the criteria of economic growth originating in the urban centres.

3. The elites as field of scientific research

Once these reservations have been pointed out it is advisable to return to the general considerations previously mentioned. How do the elites appear as a field for empirical research? The empirical analyses possible are well known and are of one of the following types: 1) research on elites of a local character - their different power and influence components - contained generally in the so-called community studies; 2) studies relating to the different functional groups - their formation and internal movements such as that of entrepreneurs, intellectuals, professional military, etc. and 3) group research on the leading classes of a country, which apart from their interest as such make it possible to disclose some of the essential secrets of their structures. In other words, the study of a national structure from the point of view of its elites. In their most accomplished form those studies presuppose the systematic analysis of the mobility of these elites as a whole and in their main sectors or components.

At this time research studies of anyone of these types performed with any rigor are barely formed in Latin America, excepting the entrepreneurial field where there are already some valuable contributions. Group studies on the so-called "superior strata" - historical or present - are beginning to be planned. Of course there does exist a rich source of information in the work of some historians. But rigorously empirical sociological research carried out in accordance with techniques of international value is not available as yet.

This is a surprising fact given the existing scientific consensus also with respect to the conceptual elements of studies on elites.

i. It is true that terminology is not uniform but, nevertheless the determination of the characteristics or essential elements to be taken into account in all adequate research on the sociological reality of the elites is relatively unanimous. There appears to no ground for any argument on the following "variables": 1) social origin of the elite components; 2) personal conditions - abilities, attitudes, etc. -- not only permitting access to them but determining the larger or lesser expectations of the individual member within them; 3) the conscience offered by the "quasi group" they constitute. In other words, the social coherence of the elite involved; 4) the social images -- of themselves, of the others and of the whole society - dominant in them; 5) the process of their mobility, that is, their mechanism of recruitment and of their persistence in front of the outside world. Ultimately, their value as a factor of change in the whole society of which they are part.

ii. The second aspect of these category elements, the classification of the elites, does not offer great discrepancies either. The value of the classification adopted is a problem of scientific fruitfulness. Sometimes a relatively simple, elementary arrangement is sufficient such as the well known one separating the political, administrative, intellectual and typically professional, particularly economic elites. For other purposes, the adoption of stricter classifications will be necessary in accordance with certain theoretical assumptions (for example the classifications of present functionalism, Etzioni, S. Keller, etc.)

A final possibility consists of drawing up as complete a chart as possible of the "principal positions" of power and influence existing at a given moment, which will provide the basis for a quantitative analysis of mobility of the elites in certain periods, such as W. Zapf has done recently. The terminological questions are not relevant, provided, of course, that the meaning of the terms chosen according to the particular field of interest of a given research work are established with some rigor.

4. Significance of this study

The succinct theoretical plan drafted here had, of course, only one objective: to indicate the significance and boundaries of this study. New systematic research of the Latin American elites cannot be offered at the present time, not even in very general terms, according to the outlined criteria which is recognized as valid. The material which follows is only intended as an introduction to this subject and a limited mise au point of some of the better known aspects which might stimulate later research. It is to be hoped that the results of the scientific discussion of this Congress be of value in directing that type of research, which should be attempted as soon as possible in the appropriate way.

THE COLONIAL CITY AND THE SOCIAL GROUPS*

I. The city in Latin America

The origin of the city in Latin America cannot be separated from its immediate Spanish background. The Spanish policy of expansion always identified conquest with settlement so that upon the formal act of taking possession of new territory there followed the solemn creation of the city together with the immediate delegation of authority and the distribution among the conquerors of the new land and the public offices. The idea of conquest and settlement did not originate in America but appeared in the peninsula itself during the period called the "Reconquest"; it is not only a struggle against the "infidels" but also effective conversion of Spain to Christianity. To create or take cities is at the same time consolidation of the territorial possession of territory and securing the christianity of its inhabitants. The policy of city founding in America is therefore a Spanish tradition and it should not be forgotten that there was always the desire of converting to christianity involved in the conquest pursued by the Crown.

The Spanish State always displayed extraordinary interest in the founding of cities in these kingdoms as expressed in the pertinent ordinances, however, this spirit was also to be found with the conquerors themselves. The peninsular urban tradition, medieval in character, belonged not only to the State but was also, an active force of the individuals.

* The following exposition is based fundamentally on the chapters "La sociedad colonial americana en los siglos XVI y XVII" by Professor G. Céspedes del Castillo and "La sociedad colonial americana en el siglo XVIII" by Professor M. Hernandez Sanchez-Barba, of the work "Historia social y económica de España y América" directed by J. Vicens Vives. Teide Editorial, Barcelona 1958.

Reference is made here only to Spanish America and unfortunately it has been impossible to include here the process of formation of the cities in Brazil, which was completely different from the Spanish.

For the Spaniards the city is a way of integrating themselves in a political and social community, which in a certain way represents the people and when the people need to enforce their rights before the Crown it is done through the city representing the people.

But there are many reasons of perhaps a more tangible nature which bring influence to bear on this foundational policy. The city results from the necessity of controlling vital or strategic points. Sometimes it serves as a defense against the Indians or it is set up at a centre of communications, or it is established in an area of unquestionable economic interest, either because it is a desirable mining area or in view of the fertility of the land or because they are good ports or commercial centres. These different reasons result in different types of cities: the political and administrative city, the military city, the port, the commercial centre and the mining town.

Together with the military city and the administrative city - which are the most important and at the same time the ones which have been studied most - from the beginning the mining town stands out. It was the mineral wealth which from the beginning gave the greatest impulse to the development of the American economy. Agricultural and live-stock activities most of cases provided supplies and means of transportation for the mining centres. Noteworthy is the case of Potosí and its market for agricultural products, mules and other animals from the interior of Argentine. It was also to provide an outlet for the mineral wealth that the roads were constructed and infinite traffic routes were opened. The mining towns, therefore, originated settlements of important human groups and on the other hand constitute one of the most significant consumer markets.

Even though it is true that many of the colonial cities try to establish themselves in the native villages - availing of the existence of important pre-colombian civilizations - on the other hand the intention, exists at a given moment to settle the Indians in urban settlements for economic, political or missionary reasons. Such is the policy of Indian reservations, of creating Indian cities. There is considerable displacement of the natives, therefore, but these settlements in most of the cases are established in poor or unhealthy areas resulting in the failure of the initiative.

II. Ethnic groups and social strata

During the colonial period the different social functions are often carried out by different "races" in such a way that the ethnic groups is not only a "racial" group but also constitutes a rather differentiated social group. At first glance social strata and ethnic group tend to mean the same thing. It is true that there also exist important differences within each ethnic group but white, mestizo, indian or black is the most important distinction and these groups socially speaking constitute closed sections.

Among the whites, the differentiation between Spanish and Creoles is of maximum significance and a special paragraph will be devoted to this subject later. The highest positions are reserved for the whites and only they can exercise the main administrative functions, only they can become land and mill owners. The differentiation is such that it is even made extensive to clothing the term mantuanos which is given to the Spaniards in Venezuela is derived from their exclusive right to wear a cape or cloak.

With respect to the indian the same legislation attempts to define his situation precisely and it is true that only in a very few instances - and only in certain periods - can he be made a slave. (For example the war indians who refuse to surrender, for instance the Chilean araucanos.) The many laws referring to the indians who are considered as lacking the ability of discernment always tried to protect them from the abuse and hardship of serfdom. But inspite of the law, the economic necessity for manpower for productive activities meant that the indian was subjected to the hard conditions of the mita and the obraje. But it was not all exploitation for the indian and although they were no more than good intentions there did exist at the beginning the desire to educate the sons of native princes and chiefs according to Spanish systems with the hope to achieve by this means a certain integration.

If by expressed regulation of the Crown the indian could not be made a slave, soon someone was found who could replace him in this function - the negro. The bringing of negros to America is related to the intensive trade in coloured slaves which already existed in Europe. The negro was

a piece of merchandise and he was sent wherever he was needed. At the beginning they were used in the mines where they were an advantageous replacement for the natives because of his ability for hard works. But soon, besides of working in the mines they were also to be found in the sugar, tobacco, coffee and many other plantations. The presence of the negro under serfdom and in the handicrafts was also important particularly in the southern countries.

The negro who became a slave laborer and hence a labour force also brought about a prosperous commercial activity, the trade in "ebony pieces".

The mestizos and the "castes" finally make up the remainder of the Latin American ethnic groups. The shortage of women at the beginning of the conquest resulted in the mestizo but not everything is to be attributed to this shortage. Apparently at the beginning ethnic prejudice was not so strong and, even more, daughters of native chiefs were given, so to say, a certain rank of seigniorly so that marriage with them was not considered detrimental but the contrary. It is after the conquest, right in the colonial time that the condition of native carries the stigma of inferiority, and therefore to be a mestizo, means to a certain extent to be disreputable. In this period prejudiced descriptions of the mestizo's character are abundant - laziness, dishonesty and servility which is more of a duplicity are used to define the mestizo. But it is a curious fact that such traits are attributed to the mixture of blood without being distinctively traits of any one of the forefathers, as if the mestizo had only been able to absorb and exaggerate the bad traits of both and none of the good.

With respect to his social function, the mestizo carried out lesser duties and acted as overseer in many of the workshops.

To the mestizo, who properly is a product of white and indian are added, especially in the XVII and beginning of the XVIII centuries the so-called "castes" in which negros are not foreign. The mulattos (black and white) enter the picture, the zambos (black and indian), the cuarterones, the quinterones and many others appear of ingenious names such as "fall-backs", "stay in the airs", "coyotes", etc. according to the proportion of "inferior blood" in the various

/crossbreeds. The

crossbreeds. The proliferation of the "castes" in this period implies an intricate and rigid social stratification and consequently, an already settled society. Nevertheless, at the end of the XVIII century the "castes" tend to disappear and to become integrated in the wider term of mestizo, a group for which specific economic and social functions are reserved.

Summarizing, the highest positions are reserved for the whites; for the indians, mestizos and castes the work of craftsmen, mining, journeymen, obraje and industrial labourers and unskilled labor jobs of all kinds are reserved. It appears that only the indians were able to devote themselves more or less freely to agricultural activities, as in the case of the "ejidatarios" in Mexico. The function of slave was reserved to the negro. It should not be forgotten however, that the indians, mestizos and castes had access to the ecclesiastical function but only in the lower clergy.

Spaniards and Creoles

A great deal has been said about the difference between the Spaniards and the Creoles and even traditional history adscribes the struggle between them the nature of a fundamental factor in the process leading to Independence.

It is true that their differences and as a result their rivalries are evident. Most of the times creoles are not to be found in high administrative offices (although important exceptions could be pointed out). With difficulty they joined the high clergy and their participation in trade is not frequent, especially in regard to overseas trade with the metropolis. But it is important to point out that even if they were excluded from many things there was one field in which they enjoyed a virtual and not negligible monopoly - land ownership. Haciendas were as a general rule in hands of the creoles and because of their importance it can be assumed that they formed the economic, political and military basis that enabled the creoles to face the Spaniards successfully in the War of Independence.

/Separatism of

Separatism of the creoles from the Spaniards has a long history. It may suffice to recall the rebellion of Gonzalo Pizarro (1544-48) and in some cases it would be more appropriate to speak of the separatism of those who were established in this territory and who were opposing those from the peninsular who were only transiently there to "take the wealth".

The urban character of the first social strata

Stratification based on ethnic origin is undoubtedly the most important, but in the early period of the conquest and colonization, a kind of social stratification arose within the actual colonizing group closely connected with the city, which originated in the beginning of the conquest as already stated.

The first rank of the social ladder is obviously occupied by the conquerors, and this because of their undeniable military achievements, a value that is recognized and respected by the rest. If the former have won lands for the King in their battles then there are also those who, although have not fought in the majority of cases, have founded cities and started the colonization process, winning land in this way and serving the Crown. These are the first colonizers. The citizens constitute the third group. They arrive later but acquire land and property in the city in which they take up residence. The last to arrive, the dwellers, are humble people whose functions are those of small businessmen, the craftsmen, the farmer, etc. They only play a relevant role toward the end of the XVI century and their hope is to enter the category of citizens some day.

III. Social functions and social groups

The King's Officials

Both the process of conquest and that of colonization were always organized by the Castilian State. The leader of the conquest is always the representative of royal authority. It is the King who delegates authority either directly or indirectly. The Spanish Council law rules the cities and organizations established in America in such a way that they are structured and subordinated politically to the Crown.

It is interesting to point out two phenomena relating to the political and administrative structure of the colonies. On the one hand a decentralization process - implying regional differentiation - during the XVII and part of the XVIII centuries, and a centralized policy during the Bourbonic administration. The reason for the decentralization process from the beginning of the XVII century is to be found in the precarious financial conditions the monarchy was facing during this period which meant that the colonial policy had to be an inexpensive one. Trade with Spain tends to diminish and even in some cases intercolonial trade is prohibited. The decentralization process shatters the existing relative uniformity of Hispano American society and accentuates regional differences. A series of pre-national communities arise which will take shape and character after the Independence.

During the XVIII century the Bourbon monarchy attempts once again to assume real control over the colonies and a political-administrative restructuration is proposed which implies a centralization programme in which the vice-royal system of government is the clearest form of that policy. Hispano-America is divided into four vice-kingdoms, New Spain, New Granada, Perú and Rio de la Plata. And four general capitanías are set up, Cuba, Venezuela, Guatemala and Chile. But perhaps the most important fact is the creation of the system of intendencias with its principal function of linking central and local power. Advanced governors's and even corregidores's powers were substituted by the intendente.

Mention has already been made of Spanish predominance - and consequently the relative exclusion of the creoles - from administrative offices. The regionalization process prior to the Bourbons might perhaps have made possible the gradual incorporation of the Creoles in public offices but Peninsular predominance became accentuated from this time on deepening the political cleavage between Spaniards and Creoles who were disputing among themselves the right to govern the country.

The clergy

It is impossible to describe in a few lines the complex activity of the colonial clergy from the beginning of the Conquest. Their work scope covers from missionary activity to the important work in the cultural

/and educational

and educational fields. At the beginning the regular clergy was the more numerous and their orders undertook the difficult task of converting the natives to Christianity. A very interesting linguistic and ethnographical work which is still of considerable value for modern anthropological science resulted from this activity of the fathers. The regular clergy also undertook missionary work and achieved results such as those of the famous Jesuit fathers among the guaranies in Paraguay. With regard to education, at the beginning the Dominican fathers were most zealous in building schools and universities and later other orders joined this activity.

The secular clergy, small in number at the beginning, took care of the Spanish population preferably. Its growth from the XVII century on meant that the parish priests were able, to a certain extent, to relieve the monks in their evangelizing work. The monks on their part took up a more monastic life and to some extent they became a centre of attraction both of the Spaniards and Creoles, originating what now seem picturesque but at that time were serious disputes on the right of priorship, this problem was solved by the establishment of a sort of rotating of priorship.

It is no exaggeration to say that the group of intellectuals can be found during this period among the clergy. This does not mean that all the clergy were intellectual, rather on the contrary, but thanks to them there are some magnificent geographical descriptions, as well as of the flora and fauna of these countries, and also some remarkable literature.

The traders

Although it is true that the conquerors tried at the beginning to give Hispano American society a manorial form and character, the demands of the epoche soon caused capitalism in its colonial form to become dominant in the new society. The fundaments of this capitalism are laid in the XVII century and continue developing slowly from this time on.

The main economic activities, mining and the cultivation of tropical products, have export purposes and exporting being a means to satisfy the need for European manufactured goods. For this purpose an active trade, extending over large distances is essential, not only directly with the metropolis but also of an interregional character. As a consequence of this trade some cities achieve commercial predominance even of a monopolistic character. Three are the predominant trading zones: in the north the vice-kingdom of New Spain and Central America, with ports on both the Atlantic and Pacific sides; the Venezuelan and New Granada zone with the ports of Caracas and Cartagena of the Indies; and the southern zone in which Lima is outstanding and later Buenos Aires.

The trading groups of some cities, such as those of Lima for example, are capable of organizing large regions. To supply the markets of High and Low Perú the traders extend their network to Guayaquil, with its farming, to the Argentine (Córdoba, Cuyo and Tucumán) and to Chile. Later, when the Port of Buenos Aires succeeds in developing under better conditions, out a struggle breaks out between the traders of Lima and this port which ends with the victory of Buenos Aires.

The trading group is the best expression in America of the bourgeois mentality. The returns from monopolistic activities originated large capitals which due the very nature of trade of the time, especially because of its seasonal nature, transformed the traders into the financiers of Hispano America. The lack of credit institutions and the absence of liquid cash in the hands of the other social groups turned the traders into real bankers whose multiplied and diversified interests become apparent in the coastal navigation, as ship owners, in mining enterprises and even in rural activities in which they become involved either through the purchase of land or through mortgages.

An important fact is the relationship between the trading group and the landowner group. Due to primogeniture institution ownership of the land remained undivided but this did not mean that the large landowners were free from economic difficulties. One of the ways to solve this problem was through marriage. The aristocratic agricultural families sought the money they lacked by marrying their offspring to the

/heirs of

heirs of rich traders. It was this way that the traders became connected with the most select group of the American colonial society.

Another important fact in the analysis of the significance of the American trading groups is that they provide the contact with Europe. In spite of all the vicissitudes of trade, the prohibitions and openings of commercial traffic, the merchants groups in the ports were able to maintain, whether either smuggling or legally, an active relationship with Europe not only with Spain but also with other nations, principally with England and even with North America. These links not only overcame the possible economic isolation but also were an important channel of cultural contact.

Industry

It is a fact that this activity developed least and it could not have been otherwise when taking into consideration that this was a colonial type of capitalism. The commodity transforming industries are nearly all limited to satisfying the needs of local consumption. Those achieving a higher degree of development are the knitting industries, the cbrajes of New Spain, Peru and the Province of Quito and industries related to transportation (in the case of naval construction, Havana and Guayaquil). Nevertheless, there is something of interest: industry develops in the interior zones and if the opening of the ports to free trade has any harmful effect it is that it begins to be cheaper to buy manufactured products in Europe with the consequent decline of the provincial economies of the interior.

Dealers, shopkeepers and peddlers

Not all the Spaniards who came to America had the good luck to make a fortune and to become wealthy traders to land owning aristocrats. Many of them had to earn their living in lesser trades and especially in small business. They are really "free men" but they have no social prestige whatsoever and have no access to community authority, the Council (Cabildo). Thus these good Spaniards become dealers that is to say salesmen of any kind of merchandise, others become shopkeepers established retail traders and the most become peddlers or ambulant salesmen. In these categories the predominance of the whites is no longer absolute and

/the mestizos

the mestizos and even the natives are jumbled with them. The condition of social inferiority of these economic activities, many of which considered despicable, causes the closed ethnic stratification to lose its hardness or rigidity in its last stretches.

The craftsmen

The crafts constitute another of the economic activities in which Spaniards, natives and even negroes and castes participate jointly, even though the category of master was reserved for the Spaniard. This type of activity is of considerable importance because it gives its members a certain standing and a high degree of social cohesion. In accordance with Spanish tradition the craftsmen are grouped together in guilds, which as institutions achieve a high level of development not comparable of course with that achieved by the European mediaeval guild but still of considerable importance. By a very strict selection of its members - where possible - the guild, managed to enhance the social status of the craft.

Inseparable from the guild was the union, one of its functions having the character of relief, to help the poor, sick or old members. A second function was religious. Each guild had its patron saint and participated in ceremonies and worships. Among the lesser activities craftsmanship achieved a higher level of social organization.

The urban proletariat

Yanaconas and Nahorias, who were assigned to the personal service of the first conquerors, constitute the first nucleus of the proletarian mass upon creation of the cities. The group grows as the native agricultural community tends to disappear. The disappearance of the latter caused by the failure of the reservations policy, the weight of the "mita" and taxes, resulted in a great number of displaced natives trying to find work in the city which would allow them to survive even though miserably.

But not all urban proletariat is composed of natives; some mestizos and the most destitute of the Spaniards became important demographically speaking and already in the XVII century they make up a substantial proportion of the total population. As already stated, their way of

making a living is that of being servants in the case of the natives and "criados" (grooms) in the case of the whites (which does not mean serfdom). Besides of these activities there is occasional work, and a livelihood from knavery or begging is not absent either.

IV. The city and the country

Land ownership which first originated in the awards granted to the conquerors did not at the beginning mean a complete separation of the city from the country. It should be recalled that one of the requirements for possessing the right to full ownership is that the owner be a resident "in the city of the land". Even more, the land owner must take care of his business and will want to exercise his rights as a citizen, which he can only be achieved by living in the city. Nevertheless the hacienda as an economic unit was already consolidated in the XVIII century and an important rural life developed around it. During that century an unquestionably relevant phenomenon of historical demographic nature occurs, which is migration from the city to the country.

The city is in fact the foundation supporting the State. As compared to the city the farm constitutes the power of the large land owners. The fact that the larger portion of the land owners are Creoles contains an important clue for the understanding of the phenomenon of the independence and its character.

THE ENTREPRENEURIAL ELITES

I. Introduction

To deal more precisely with this subject some preliminary explanations must be offered and a delimitation must be set. In fact, men of enterprise and their achievements, taken in a wider sense, were the basis of the colonization itself, and it is possible that the spirit of adventure and risk taking have made Spanish history more outstanding than the Anglo-Saxon in America. It cannot be said, on the contrary, that the undertaking attempted lacked economic objectives since it was within the general framework of the expanding movement of European capitalism. On the other hand, if the concept of the elite refers to "small select groups" recruited not by virtue of their lineage but because of their abilities, in such a case it would also be difficult to eliminate from the general problem of the entrepreneurial elites in Latin America, the analysis of the origins, functions and types of social integration orienting landowners, slave masters or traders of the Colonial period in their actions.

Nevertheless, it is obvious that these are not subjects of study for the present Congress.

In view of the historical aspects of the concepts of "elite" and "enterprise" already indicated, a theoretical cross-section of the problem may indicate the special meaning they acquire in another perspective. From a Weberian point of view the economic enterprise would imply the adoption of systematic and rational practices in order to achieve an orderly accumulation of profit and the subsequent expansion of activities. Elite would mean, more than a manner of describing any small select group, a basic concept relating to a special type of global social stratification: the "elitarian" societies. In such societies, the existence of the "masses" which, by definition are amorphous and unable to express their interests for themselves, would be complemented with other structural forms based on the relations between those who "are few but competent". As a more general theoretical support, it would be accepted that the control, the domination exerted by the elite, would

/become independent

become independent in various degrees from the system of property distribution. The structure by "classes" would be substituted by a new form of stratification, based rather on the political dimension of the relations between the groups, than on the economy.

As a result the entrepreneurial elites would be the structured or semi-structured groups of control which are formed within the group of individuals who direct modern economic organizations. Such formations would have special importance in mass societies (or "elitarian" - the concepts are the same) that would be taking shape in Latin America, since they would constitute an important part of the new system of decision taking.

Theoretical advances in this direction and the effective constitution of social formations ruled by this structural pattern do not, however, permit the adoption of this approach without reserve. Among specialists there is no unanimity on the theoretical nature of the elite concept^{1/} and much less is it possible to find in Latin America the characteristic features of mass "elitarian" societies.

The elites of that region would not be the organized expression of mass sectors of society, but rather they would correspond to the small aristocratizing groups - the oligarchies - which control property and power in a context where mass participation is extremely small.

It would also be difficult to sustain that from the generalized process of social transformation in Latin America may have arisen a modern entrepreneurial elite, in the sense indicated, which might be imposing its mark on the Latin American societies in opposition to the traditional elites, or against such groups which would express the leadership of the old regime's social classes (large landowners, exporters, traders, conventional industrialists, etc.). On the contrary, it would seem that the modernization of the productive system and the reorganization of Latin American societies reach a new point of balance due to initial pressures sometimes outside "traditional society" by means of a system of alliances among groups that have the elites which constituted traditional society as the pivot.^{2/}

^{1/} On this point see Bottomore, T.B. Elites and Society, Basic Books, New York, 1964.

^{2/} Cf. José Medina, E., Consideraciones sociológicas sobre el desarrollo económico, Soler - Hachette, Buenos Aires, 1964; and also F.H. Cardoso, El proceso de desarrollo en América Latina, Latin American Institute of Economic and Social Planning (ILPES), Santiago, 1965.

On the other hand, it has been impossible to establish conclusively from the theoretical point of view the importance of the "elitarian" approach to what extent the functions of the minorities in the industrial societies express a redefinition of the forms of class leadership rather than a new type of social structure. Beyond the open manifestation of a certain political and social behaviour in terms of leaders and followers would not the class structures persist as regulating principles of social stratification and the behaviour of the masses and the elites?

These remarks indicate the preliminary precautions under which the subject must be approached. In view of these, the necessary delimitation becomes obvious. The analysis of the entrepreneurial elites in Latin America will be made, giving the concept a rather ambiguous meaning: at times it will express the formation of new groups within the so-called producing classes, and at times it will refer to the fundamental question of the transformation of the structural pattern of Latin American societies itself. In this case, the existence of "entrepreneurial elites" in the modern sense will be an indication of the type of social transformation such societies are going through. In the other sense, it will rather indicate the heterogeneity of the class system and the leadership certain subgroups can exercise for the objectives and policies within a same class.

In order to define historically the problems involved, it is advisable to clarify that the entrepreneurial elites will be considered in connection with the formation of national markets. Therefore, the elites of the colonial period are excluded from the analyses, but those connected with what the economists call "outward development" are included to the extent that, in this process, they consolidated the basis of a "national organization". Both types of entrepreneurial elites can be included in the analysis of the origins, formation, functions and objectives of those which were constituted during the domestic market's inward development period, to the extent they represent a condition, an incentive and an obstacle for this process. This study will be limited to these latter, and to those which will follow, only because they are more directly linked with industrialization.

Consequently, the entrepreneurial elites will be considered here as from the beginning of the shaping a domestic market for national production,

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that is, ever since the incipient industrialization complementing the exporting economy begins to achieve autonomy in the national productive system.

Sociologically speaking, it could be said with greater precision that the entrepreneurial elites will be considered in this study as from the time when the traditional meaning of elite, as aristocratizing group that presupposes exclusion of the masses from the political process, begins to be displaced by the new meaning due to the fact that the process itself of creation of domestic markets, even though in function of an exporting economy, generates a mass of consumers. To the extent that this process in Latin America is relatively dependent on the changes in the central economies, it necessarily brings about characteristic features of the "elitarian" formations on the surface of social and political life which are typical of the mass societies. However, to the extent that local social conditions are different and have been casted in an agricultural-exporting framework, the structural and normative patterns of the "excluding societies" seem to persist. Actually, as subject of research, in both cases the doubt remains as to the significance of the elite as an expression of one or the other type of stratification indicated in earlier pages.

Nevertheless, in the face of such arguments it is assumed as a starting point, at least in the Latin American case, that the formation of entrepreneurial elites is understood as the appearance, within the productive classes, of certain sub-groups with sufficient leadership ability to enforce a reorientation of economic activity; with all the consequences this implies in the sphere of social recruitment of new entrepreneurs, in that of their new functions and on that of the formation of new action orienting principles. Consequently, guessing about the appearance of political control systems which do not belong to any type of economic order, is excluded.

II. The entrepreneurial elites during the formation period of the national States.

In a characteristic way, the constitution of the national entities in Latin America did not disrupt the links between the local economies and the world market. Efforts were made to avoid discontinuity because of rupture of the colonial pact in the national productive system and an almost complete disorganization of the domestic economy, nor a curbing of the possibilities for exercising power by the economic elites who assumed the political functions in the different countries; to achieve this it was necessary to guarantee the continuity of exports. Nevertheless, the formation of the national States brought about significant changes in the selection, orientation and the functions of the national elites. These changes occurred in two main aspects:

a) Trade relationships in the world market became directly oriented toward the ruling economy of the capitalist system, which was obviously the English, thus accelerating a process already under way, expressed in the colonial regulations guaranteeing preferential tariffs to England at the end of the XVIII century and early in the XIX century. This power, as a guarantor of the Spanish colonies' independence gave a first "modernizing drive" to the Latin American farmers and traders. This impulse found its most visible expression in the pressure imposed to enforce the use of a free labour force in Latin American economies;^{3/} however, its real significance can be found in the reorganization of the Latin American trading system from the time on of introduction of British trading agents and the establishment among the local productive classes of a trading sector closely connected with them. This sector served as a trigger for the shaping of a financing system linked to the parent companies in London.

b) The properly political functions of the national elites, such as the establishment of the alliance system of the recently formed countries was entirely controlled by the new rulers. These constituted the political expression of the economic interests established during the colonial period,

^{3/} The real significance of this position, from the point of view of the hegemony of the English industrial group compared with the pro-slavery agricultural group based on the British Antilles' possession system, can be seen in Eric Williams' works.

which now broke the ties with the metropolis; in other words, they were the farmers, live-stock owners and in a lesser proportion, miners.

Nevertheless, the fundamental problem of assuring the continuity of exports was translated politically into the reorganization of power, both internally and externally, in order to build a structure allowing the transfer of the foothold of national economy from the Iberic countries to England. This objective was achieved by the new nations with greater or lesser difficulty and with participation or exclusion of the different sectors of the productive classes in accord with two fundamental variables: the importance of the agricultural sector, derived from the degree of penetration the essential products of local economy might have achieved in the world market during the Colonial period; and the marketing sector's capacity for renewal.

These two conditions permit a first appraisal of the way in which the new nations integrated in the world economic system and consequently of the limits to the functions the national elites could carry on.

On the one side there are the countries which inherited an organized and stable exporting activity from the Colonial period; on the other side there are those which had not reached the stage of typically colonial exploitations, but were trading centres and transit stations, and those whose activities had declined considerably, as happened in the mining countries. In countries where it was not possible to maintain a strong exporting sector, and the predominance of the trading sector over the agricultural and mining sector is felt strongly, in an inverse proportion to the importance the foreign market assumed for agricultural products. In the others, in which a strong trading sector was also to be presumed, the history of the economic elites during the XIX century expresses the struggle and alliances established between the agricultural and the trading sector, which, as usually said, was financially diversified, becoming a money lending sector as well.

In general, the agricultural and livestock owner groups were locally controlled by the Creoles who achieved the independence, while the trading sectors were under the control of the metropolis in the first place and in the second place of the Creoles and the representatives of European enterprises. For this reason, the struggle for independence in these countries

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against the "Portuguese" or the "Spaniards" unfolded in internal struggles against the traders until the agricultural-exporting system was re-arranged through some kind of agreement between those who controlled the ports, trade routes, financing and production.

The consolidation of this system of alliances allowed for the "outward development" pattern which served as a condition, incentive and obstacle for the later period of domestic market formation for locally produced goods.

III. The entrepreneurial elites and the domestic market in the outward development period

The scope of economic change and political strengthening however, appear in a different form for the entrepreneurial elites in the two types of countries mentioned. Social recruitment, functions, and orientations, as well, of the entrepreneurial elites in each case, facing the problem of local market formation at the end of the last and during this century, also assume different characteristics.

1. Entrepreneurial elites of rural basis and non "elitarian" industrial groups

In the agricultural exporting economies, as the Atlantic countries typically were, the arrangement of the economic and the political system is made by means of control of the productive system and of the mechanisms of political decision by the large landowning groups.

The economic conditions for this process were given by the existence of an abundant supply of land. Basically, the entrepreneurial function consisted of the creation of mechanisms assuring satisfactory supply of hand-labour and the consolidation of a juridic system of property. Both processes demanded immediate control of the State by the large landowners either as in the case of Brazil to guarantee the right of ownership over the slaves for assurance of the slave trade, or - as in the cases of Argentina and Uruguay - to expand the land available for possession (through wars against the indians in the former) and to facilitate immigration. With the British contention against the slave trade (from the beginning of 1850) and the abolition of slavery in Brazil (1888) immigration also became the great entrepreneurial question for this country.

Capitalization, in the case of these economies, did not depend so much on the "decision for saving" of the capitalist class, as on the taking possession of the surpluses of agricultural work.^{4/} While there was land, capitalization was in direct function of the availability of labour and it is for this reason that the economy of those countries is characterized by "extensive production" or "extensive labour, not intensive capital".

Once national political control was firmly in hands of the landowning groups the "enterprising spirit" of the land-owners was put to test in another field, that of a proper trade system formation (and of transports) and a banking system. Thus, opportunities arose for the first dynamic elites to appear in the period of the consolidation of the national economies. The entrepreneurial vitality of the "traditional classes" had to stand up in those sectors against the domination of the trading groups linked to the exterior and this resulted in the first "modern" division of labour and of forces between the national sector of the economy and the domestic sector expressing the foreign connections. In general, the degree of national control of the banking systems - even the success or failure of the establishment of central or State commercial banks - and the expansion of the railroad system under national control are indications of the strength of the big land owner groups. Through these means it was possible to delimit the area of economic dependence with respect to the international market. In fact, trying to influence the price policy for export products was the fundamental task of the national State, considered in this connection with respect to its function of expressing the corporate interests of local producers.

In the case of Brazil and the Argentine, the entrepreneurial elite which took an orientation in this direction was composed of "new men" preferably recruited among traders who had become wealthy during the second half of the XIX century and who had opened up the agricultural frontiers.^{5/} In a certain way, they were as much the creators of the national enterprises of the banking system, of the transport system, etc., as of the "inward development" ideologies. In Brazil they were federal republicans who disputed the centralizing imperial power in the hands of the old bureaucratic-

^{4/} See Celso Furtado Desenvolvimento u estagnação na America Latina: a structural focussing, mimeographed Yale, 1965.

^{5/} On the case of Brazil see Pierre Mômbeig, Pioniers et planteurs de Sao Paulo, Armand Collin Library, Paris, 1952. On the case of the Argentine, Dorfman, Historia de la Industria Argentina, School of Argentine Studies, Buenos Aires, 1942 and Cornblitt, Gallo and O'Connell, La generación del '80 y su proyecto: Antecedentes y consecuencias. Desarrollo Económico, Vol. I, January - March, 1962.

slavocratic oligarchy. In the Argentine, they were federalists for different reasons: to organize the national economy under the protection of Buenos Aires, although tolerating the pressures of the regional oligarchies. Nevertheless, in both cases, the distinctive feature of the political orientation of these elites favoured immigration since the latter, as indicated, was the basic condition for capital formation. In Uruguay, in the same way and with features similar to those of the Argentine, the economy of the country was reconstructed about 1870 based on the exports of livestock product. Under the impulse of this process, it is true, individuals and families of the "traditional high classes" are found, but the majority of the livestock owner elite was composed of new elements stemming more directly from the immigrant masses. In this country neither the weight of the bureaucratic-slavistic structure existed, as in Brazil, nor the power of the regional oligarchies, as in the Argentine^{6/}, thus facilitating the rise of the new social groups.

The reorganization of the productive system and of political control in societies of this type presupposed then, the arrangement of decisions around interests different from those motivating the behaviour of the "transitional groups" which brought about independence. A more modern productive structure has been organized, more subordinated to the rules of international capitalism demanding modifications both in the production method and in the internal productive relations. The first, in that period, basically became apparent in the financial system. In fact, some London banker was always willing to finance railway construction, ports improvement, or some speculating with export merchandise, especially if the State guaranteed the operations or guaranteed "captive" yields and returns through percentages of the customs duties or of other similar revenue. The second became apparent in the spreading employment of free and salaried labour, in the transformation of the farm into an enterprise relatively subject to accounting rules under a more rational management and in the appearance of the first technological innovations in rural areas: wiring to enclose pasture grounds, selection of live-stock reproducers, utilization of machinery in coffee processing, etc.

6/ On this period in the life of Uruguay see Aldo Solari Situación de la sociedad uruguaya (typewritten), where the significance of the "new elite", its social origin, and the functions it performed can be seen (pages 28-30, etc.)

These patterns characteristically presuppose the establishment of cities and urban concentration, providing in the economic sphere an early possibility for industrialization and in the political sphere the formation of more or less stable systems of the "oligarchical" domination.

In fact, the differentiation of the economic system required for the new exporting phase and for employment of the labour on a more rational basis, presupposed a more intense social division of labour, a clearer separation between subsistence production and export production and, consequently, a more intensive marketing of consumer products, an adequate ramification of the transportation network; in brief, a division of labour between the rural areas and the city. Pioneer penetration in a new exporting economy left behind a net of small cities and always strengthened certain urban centres such as Buenos Aires, Montevideo, Sao Paulo, Rio or Santos, which exercised trading or port functions directly related to the agricultural or livestock exporting activity.

In these cities - and in a lesser proportion, in those which were subordinated to the first in the trade distribution function with the interior, the first domestic consumer market of reasonable proportions was established. Around this requirement and the one directly related to modernization of the exporting activity (coldstorage plants, agricultural equipment, etc.) and industrial function was organized in these countries from the last quarter of the XIX century on.

The productive function then, underwent a differentiation resulting in a new type of activity linked to industry developed within the entrepreneurial strata. As already indicated it was of two types - for "local consumption" taking care of the demand for food and perishable goods of daily use particularly in the field of textiles and for "agricultural equipment". In both cases it took shape through the growth of the crafts system and small workshops which gradually became factories. In any one hypothesis the dynamics of the industrial system was a function of the exporting economy, of which it was an appendix, either because it constituted the basis of the domestic market or because the capital supporting industry came from the agricultural export activities.

Nevertheless, the source of capital flowing in to build the industrial system of the XIX century and the first quarter of the XX century or,

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speaking in terms of the social agents, the selection of the industrial entrepreneurs, was of two distinct types. On the one hand, the factories organized by the agricultural producers with the surpluses from their operations, either directly or in combination with foreign groups (including the larger ones such as cold storage plants, railway repair shops) and on the other hand the workshops set up by immigrants who had become wealthy, particularly by trading with the rural areas, which in many cases became real factories.

Up to what point did this differentiation in productive activity with all its possibilities for innovation brought about represent the formation of a new entrepreneurial elite? The significance of industrializing groups, as has been shown, remained limited to the markets of "outward development" to the extent that the productive function they exercised was subordinated directly or indirectly to the expansion of agricultural exports. The dichotomy existing within that industrial strata due to its double social recruitment from the beginning permitted, in general, corporative activities to be carried out within the boundaries of a same class association, for instance the Uruguayan Rural Association or the Argentina Industrial Federation, presupposing the exclusion of the majority of industrialists from the group denominated the "ruling classes". These only absorbed those sectors from industry which had originated among them or were connected with them, as occurred with the owners and administrators of the cold storage plants, the "wholesale grocers", the large mills, excluding the sectors most closely connected with industry for local consumption.

The alliance between the dominant groups in Latin American countries whose evolution followed this pattern was expressed politically by what is called the "oligarchy". In this case, oligarchy does not mean the domination of the "slave masters" or the potentates of the interior but the basic political agreement of the exporter groups with the new urban functions both in trade and finance in the "foreign sector" which uses the "colonels" or "gamonales" of the interior in political rather than economic terms. For fifty years, between 1870 and 1930 "outward development" was internally guaranteed by this oligarchical alliance, the vitality of which - conditioned by the success of raw materials in foreign trade - was able in some countries

to absorb the early pressure of the urban classes middle and the lower classes ^{7/} manifest in the formation of the "radical parties". To the extent that the export pattern allowed the oligarchies to accept a policy of redistribution to the middle classes, the entrepreneurial elites withdrew in the political sphere and the participation of the non-oligarchical groups expanded though they maintained their control of the financial apparatus of exports, that is, the finance ministries, the foreign exchange agencies and the export boards^{8/}.

To summarize, in these countries during the period of establishment of domestic markets based on the exporting activities the expression "entrepreneurial elite" only interprets really the political-economic predominance of the agricultural-exporting, agricultural-industrial, trading and financial groups which were able to express themselves politically in terms of the ruling class with exclusion of the rest and which economically were capable of subordinating the economic organization of their respective countries to the success of the export system. The social groups based on economic activities different from these, particularly the industrial, settled in the urban centres, continued being "non-elitarian" since the control of decisions operated far from their field of activity.

This type of "elitarian" dominance by exclusive entrepreneurial groups, the typical features of which can be clearly seen in the Atlantic countries, was repeated under variable conditions and in different periods in those Latin American countries where development was based on extensive production for the foreign market. Colombia was an example of one of the two possibilities of adaptation of this model; in fact, the equilibrium between the big land owning and the trading groups was modified in 1850 in favour of the latter, their predominance being accentuated when they dominate the local financial system. The more distributive structure of agricultural property allotted to coffee cultivation, a basic product of the export system, permitted the consolidation of the hegemony of the export trade group, later becoming organized later in an association which was given the meaningful name of National Federation of Colombian Coffee Growers. However, until 1930, the

^{7/} Weffort, "Clases Populares y Desarrollo Social", Instituto, Santiago 1965.

^{8/} It is interesting that the political opposition of the middle class in Latin America did not produce an economic policy different from that of the oligarchy.

incipient industrial groups only penetrated into the prestige and power structure to the extent that they were connected by origin or family alliance with the trading or big landowner groups. The industrial classes express themselves politically by means of the party which is traditionally linked to the export trade pattern, the liberal party. The pattern followed earlier by the Atlantic countries of a similar type, so repeats itself, adapted to the different local production structure with regard to the formation of the export system and integration into the world market^{2/}.

2. Entrepreneurial elites of a trading and mining basis

The attempts to organize a development scheme, and a power system permitting such a thing, was a more complex problem for the elites of countries which inherited no more than a mining trade from the Colony or where the export agriculture did not excell other branches of the trade pattern. To the basic problem of the whole region, that is the organization of the State, in these countries other problems were added of a more direct entrepreneurial character. It did not suffice to secure the import of labor and to connect production to a dynamic trade with links abroad; the search by itself for a new sector of economic activity and the facing of the technological problems arose if not as obstacles, at least as challenges.

The best solution to this situation in Latin America during the XIX century was found in Chile; its analysis illustrates the limits imposed by the model of growth inherent to this type of country and the decisive role which can be played in these circumstances by the entrepreneurial elites. This case has in common with those described earlier that the "encomenderos" did not either define the prospects of national integration in the world market. The new ruling groups of the national economy, were certainly linked to them as they were to the aristocratizing groups in general, but in this case they were more urban, and therefore, more commercial and more concerned with customs as a means of financing the State and as an instrument for "protectionist policies". This orientation was already something new to manorial groups.

^{2/} Cf. Jorge Veros, Algunos aspectos de la elite Colombiana, presented to the Institute of Political and Social Sciences of the Catholic University of Lovaina, 1965.

In the case of Chile, under Portales and until the time of Montt, the new entrepreneurial elite showed, through some of its spokesmen, a surprising modernity. Lacking an agricultural basis comparable to the Atlantic countries, the ruling class devoted itself to the construction of a political alliance which rose out of the reactionary nucleus of the agricultural class - the "pelucones" - which would englobe the business sector, always with its financial unfolding, and a new industrial sector linked to it concentrated on maritime production. At the same time national enterprise with a typically pioneering spirit got engaged in the production of silver and copper which assured an exceptional economic upsurge for the country.

In any case, this was an orientation basically fitted into the export pattern; it only differed from that typical of the exclusively agricultural countries in that the undertaking required perhaps more capital and technique. This way, on the one hand, the most daring assails in the middle of the century toward protectionism of industrial activity were lessened by an impulse more in accord with the general orientation of the economic activity of the country (which moved in the direction of free trade and monetary devaluation as a resource for increasing in national currency the income produced by exports);^{10/} on the other hand, competition in the international market from a production of a more advanced technical fundament curbed the possibilities of national control of copper mining. Chilean production which between 1880 and 1881 supplied 45 percent of the copper transacted at the London market, made up only 7 percent in 1901; this decline indicated the

^{10/} An example of this and an obvious illustration of the lack of the entrepreneurial spirit of the Chilean leading economic class at the end of the century, was the surrender of the nitrate deposits won in the Pacific war to foreign exploitation. In this case neither technique nor the capital were lacking but the political representatives of the ruling economic class lacked enough vision with respect to the role of the State as an instrument for revenue creation. Cf. Anibal Pinto, Chile, un caso de desarrollo Frustrado, Editorial Universitaria, Santiago, 1962.

exhaustion of the easily exploitable deposits. The new deposits demanded modern technology and considerable amounts of capital. About 1910 North American capital took control of the most important mines in the country as done before by the English in nitrate.

The limits of dependence on the foreign in this case extended to the very central part of the productive system of the country, constituting enclaves which represent the presence of the central economies. For the national entrepreneurial elites there remains the resource of reacting in the outward development phase by attempting to organize agricultural production. Here the limits are provided by two groups of factors, the entrepreneurial initiative of the national dominant groups and the availability of accessible land not requiring considerable capital. The first condition was the more difficult to fulfill, the deeper rooted were the ideologies and values of the rentier consumer type among the dominating classes; the transformation of the State, under the control of the local elites, into a mechanism to draw taxes from the foreign exploitations or enclave economy was able to satisfy the ends of the dominating class without forcing them to adopt an entrepreneurial attitude.^{11/} The second condition, which is rare in the case of Latin America presupposes to be successful a certain degree of maturity of the capitalist system. This not being so, it becomes a rather negative factor adverse to the formation of a national entrepreneurial elite capable of dealing with the requirements of a situation of this kind.

Less arduous is the difficulty of achieving an appreciable level of rationalization in the use of the labour for agricultural exploitation. This is obtained through importing immigrants, presupposing a well-defined

^{11/} The case of Chilean nitrate after the Pacific War is typical. In fact, some founder entrepreneurs of the nitrate economy reacted by proposing that the Government should take charge of the exploitation to remedy the lack of entrepreneurial spirit on the part of the newer generations, but the Government refused to take over on grounds of economic non intervention and perhaps giving in to manipulation of European speculators. See Anibal Pinto, op.cit. page 57.

policy and capital for its implementation, or by using local labour (natives, slaves or their descendents). In this case - and this was in general a characteristic of the complementary agriculture of the mining countries, with the exception of Chile - agricultural exploitation tended to be based on the latifundio with its patrones and caciques - clearly precapitalistic and different manner from the exporting "plantation". The big landowner (latifundista) of this type cannot be rated as entrepreneurs, which constituted the basis of local political power and who at this level supported the national dominance of the exporting entrepreneurs both in the mining and in the agricultural countries.^{12/}

The model of enslave economy that took 80 years to become established in Chile and which in any case, upon its establishment in this country could not eliminate the economic and political results of the earlier action of the national elites, shows much more generalized effects in those countries where the ruling classes did not manage to define a stable national economic system. There were extreme instances of countries which in the XIX century simply could not manage to bring up an economic class capable of expressing itself politically with a certain degree of autonomy and which in practice continued as colonies of non-Spanish powers and there even were instances in which the national organization effort was made through agreements with the new leading powers, agreements which brought about economic concessions disproportionate to the political advantages achieved. The dominating class did not obtain for itself more than "marginal profits" through taxes, corruption and the sale to foreigners of concessions politically obtained.

In this last instance, it would appear that the Mexico of Juárez and Porfirio Díaz provides a good illustration of the difficulties of forming a national economic elite capable of integrating this type of

^{12/} In countries of this last type, the coroneles assumed control of the marginal regions and in many cases they maintain it until now.

countries in the world market, securing control of at least part of the productive process. Once the "period of anarchy" is dominated, a characteristic phase of Latin America in the stage prior to the formation of a solid export economy pattern, only at the end of the century was it possible to organize the National Bank, but with French capital. The redistribution of land to maintain the political alliances which supported Porfirism led to speculation in mining deposits for sale to foreigners, since the law declared that the possession of the land included the subsoil. The economy of the country producing silver, gold, copper and oil, during this period remained under the control of foreign capital, particularly North American. Only in the regional sphere for instance in Monterrey or in Puebla and of course in the city of Mexico, although in this case more in the field of industry for local consumption, an active entrepreneurial elite's presence was felt, of a national significance which only became apparent after the revolution.

Even in intermediate situations, in which the countries benefited from the international market both for agricultural products and mining products, the lack of a solid colonial agricultural basis, necessary to create an entrepreneurial elite locally in the economic and political sense of the expression, was persistently felt during the period of outward development.

Perhaps Peru is a better illustration of this case than any other country. The upsurge of guano and nitrate exports resulted in a reduction of agricultural activity in the country. The new productive sector made possible the creation of a group within the ruling classes - the plutocracy - of a typically speculative orientation. In order to control this activity in accordance with speculative interests a corrupt government apparatus was set up and a political alliance was formed between the "gamonales" who controlled the large farms of the interior (La Sierra), the military, who became increasingly involved in the repression of "anarchy", and the coastal land owners, closely linked to speculation. The difficulty the ruling class experienced in establishing itself as the dominating elite becomes apparent in the

/disproportionate weight

disproportionate weight of "militarism" and in the fact that the civilian which represented the elite had to struggle against this "militarism".

The Pacific War having been lost, the plutocracy left almost nothing else to the nation but a considerable debt with European financiers and had no other alternative but to adjust to the enclave economy situation, which in Peru reorganized both mining and agriculture with sugar and cotton as a base. In Peru, therefore, a real entrepreneurial elite never took shape but an "oligarchy" in the proper sense of the word, meaning that the ability of such group to control decisions depends almost exclusively on its political power while its income comes from monopolization of speculative opportunities they were able to secure through their control of information and financial mechanism of State, more than from an organized productive activity. This type of oligarchy, in every way different from that which is improperly so-called in the countries of the group mentioned earlier, has very narrow autonomy. On the one hand, the preservation of political power forces them into alliances with the "gamonales" through the usual concessions. On the other hand, in the economic oligarchy sphere has functions which are secondary and subordinate to the really dynamic central core of outward expansion consisting of foreign enterprise controlled agricultural and mining enclaves.^{13/}

Therefore, under any of the hypotheses presented, the formation of a national entrepreneurial elite in countries based on the mining trade was impaired by difficulties encountered by this activity in an attempt to integrate itself properly within the world capitalist system. The financial connections and the large amount of capital required for its intense exploitation as well as the "profit from speculation" provided by the mining trade ultimately subordinate the national

^{13/} The best analysis of the Peruvian oligarchy and one of the richest in suggestions for the understanding of the formation of the ruling classes in this type of countries is that of Francois Berricaud, "Remarques sur l'oligarchie peruvienne". Revue Francaise de Science Politique, 1964. From this we have extracted material for the preparation of the previous paragraphs.

entrepreneurial elites to foreign control in their own country. Apparently, the speculative orientation encouraged by this pattern, deprives the entrepreneurial spirit from that component permitting the evolution from adventure to capitalistic routine, that is, the spirit of system.

Like in the case of the agricultural entrepreneurial elites, the ones we are delaying now with were also formed in Latin America by "new men" allied but not mingled with the aristocratising urban elites of colonial times and independence nor with the semi-feudal big land owners. However, for a real entrepreneurial elite to form, more flexible mechanisms for the selection and social mobility of the new economic groups is not sufficient nor is a nation building orientation, since in any of the two basic cases mentioned, the nation building proposition existed as a function of outward development. The economic basis on which the producer classes are organized and which should in turn be creatively exploited by them, imposes its norms and limitations up on the formation of economic groups capable of controlling the nation. The same can be said of the rules of capitalism in both the accumulation and the technological production aspects. Thus the different ways of integration of the national economies in the world market are explained.

IV. The entrepreneurial elites in the industrialization process: transitional phase

The properly economic factors stimulating the transformation of the outward development pattern of a model into an inward development pattern in other words, the utilization of the domestic market created in the previous period as basis for industrialization and development are known. The common constituting element of the different Latin American countries was the "defense of the market". In part it consisted of the full employment policy during the period of crisis for export products (mainly after 1929 - 1930) enforced by means of devaluations outpricing imported products; but mainly it was a natural defense of the market against decline of foreign trade during the depression period and

the economic consequences of the Second World War which interrupted the flow of imports.

The national entrepreneurial elites were to react in view of the opportunities arising now for blocking out or developing an industrialization policy. Their reaction assumed different characteristics in the various countries of the area; and the degree of effective establishment of an entrepreneurial elite in the previous stage had considerable influence on this differentiation.

However, in order to analyse the formation, functions and orientations of the industrial elites it is not sufficient to divide them into two groups, according to whether they have been formed within the agricultural producer classes or within those of a trade-mining basis. It may not be inferred either from the previous pages that the possibilities for action of a dynamic industrial elite were logically greater in the first instance.

The industrialization process brought about, as natural, noticeable changes in the employment structure, and presupposed the existence and expansion of the domestic market, that is, a consumer mass. These factors altered the system of social stratification as well as the political balance between the groups. For the same reason, industrialization meant a reorganization of the functions of the State, brought about the incorporation of new groups into the political process and allowed a redefinition of the national ideologies on economic development.

The industrial elites become consolidated within this framework, which defines the concrete contents of their functions and orientations and at the same time limits the channels of recruitment and upward social mobility to the extent that it influences the agreements which the new groups reach among themselves and with the old entrepreneurial elites. On the other hand, as a function of this framework limits of participation are established as well as the permeability or resistance of the economic elites of the times before the new development stage.

1. Progressive industrialization and industrial elites

The more or less slow although continuous growth of industrial activities oriented toward the domestic market continued until 1930 in

/the countries

the countries where development followed the agricultural export type pattern. Nor was it absent in countries of enclave economies where the elites managed to reorganize sections of mining production and made domestic reinvestments in agriculture and industry. There were even times of expansion such as during the First World War which brought about accentuated diversification.^{14/} However, it was after the world crisis that the industrial system expanded with more impetus and began to be weigh on the formation of the national product.

As already mentioned, control of these activities was partly in the hands of the "non-elitarian" groups of immigrant origin in the Atlantic countries and of non-agricultural-manorial origin in countries like Colombia,^{15/} where immigration was of little importance; and partly in the hands of groups whose principal activity continued being agricultural exports. This was modified during the 1930's in two ways:

- (a) On the one hand, the crisis of the export economy brought many industries formerly controlled by the agricultural-exporting elite under businessmen control, generally of immigrant origin;
- (b) on the other hand, State action becomes apparent in the creation of "heavy industry".

In reinforcement of the proposition that during this period a new producer group was established, it can be said that industrial expansion was, from this period on, based on two types of capital; speculating capital, favoured the inflation then beginning and increasing during the following decades; and trade capital, either accumulated by the work

^{14/} See: CEPAL "El proceso de industrialización en América Latina", 1965.

^{15/} In the case of Colombia, the participation of the antioqueño entrepreneurs was fundamental in the industrialization process. They did not, like the bogotanos, participate in the political-economic system which ruled the country. Cf. E. Hagen, "The Transition in Colombia", in On the Theory of Social Change, The Dorsey Press, Illinois 1962, mainly page 364, etc.

of two generations of immigrant settlers or brought in by new immigrants. To summarize, industrial growth is advanced during this period by the enterprising activity of non "elitarian" groups.

The conditions and consequences of this process were significant for the formation of the "industrial elite".

The old internal division of the industrial group into two categories of entrepreneurs: those linked with the agricultural exporting groups and those who had risen through their own efforts became intensified. On the other hand, the marginality of the "new industrialists" came to have a greater political importance. During the previous period the industrial function was subordinate and dependent on the export economy; consequently, it was not so necessary to formulate actual industrial policies. Those necessary were issued through already established channels, in which the "managers" of the industrial groups connected with the agricultural exporting groups operated.^{16/} When the role of the domestic market became more relevant, the important economic decisions had to be taken in connection with the new focal point of growth; from this moment on the absence of an industrial elite was felt and its establishment became necessary for the continuity of industrialization.

It could not be sustained that during the period of substitutive industrialization period of durable consumer good imports the industrial elite had been created through gradual assumption of political functions on the part of the self-made industrialists of the previous exporting period. On the contrary, the few available studies on this subject indicate that the greater part of the industrialists within this category remained marginal to the political process during the 1930's and, in some countries, even during the following decade. They took orientation in terms of the enterprise as their main concern, paying little attention to society on the political plane. To the social exclusion they had been subjected they reacted by putting high worth on work as an activity excluding political participation. It cannot be denied, on the other

^{16/} It is true that since the XIX century, under certain circumstances the political position is either "protectionist" or "non-protectionist". In this case, more or less noticeable disagreements were already arising among the "producer classes" and these discrepancies became apparent in parliament.

hand, that the definition of industrial activity as an "economic function" contributed to the formation of a dynamic although non"elitarian" entrepreneurial strata, still unable to rearrange national economic process as a whole according to the "group" objectives the industrialists had among the producer classes. The transformation of the old patrones who directed their industries as if they still were family workshops into "industry captains"^{17/} concerned with the returns and productivity of business and with its continuing expansion, that is, into capitalist industrialists, operated through a series of values, objectives and functions which were not organized under the political aspect later becoming incorporated in entrepreneurial behaviour.

The transition from industry captain to "enterpriser" or modern industrial leader operated through intervention of other types of entrepreneurs analytically different from the self made men. In fact, the distinctive feature of the enterpriser, just as that of the entrepreneurial elites of the outward expansion period again is his becoming politicized. The national development policy, control of the monetary and exchange instruments, credit policy, all become a normal function again of the Latin American enterpriser. The reorientation of these instruments of economic policy was the result not of exclusive and direct action of that type of industrial entrepreneurs but of a much wider group of leaders including political leaders, more interested in the national interests involved in industrialization than in company interests, as well as segments of the old entrepreneurial elites which continued controlling part of industry and, in any case a substantial portion of the country's productive activity.

The extra-entrepreneurial impulses for industrialization will be examined later. With regard to the role of the previous elites in the

^{17/} An analysis of the transformation of the entrepreneurial functions can be found in F.H. Cardoso, Empresario industrial e desenvolvimento economico, Difusao Europeia do Livro, Sao Paulo 1964, esp. Chap. IV; and also Imaz, José Luis, Los que mandan, Editorial Universitaria de Buenos Aires, Buenos Aires, 1964.

composition of the new industrial elites, it will suffice to mention that, as a reaction to the crisis of 1929/1930, noticeable changes in the State's function occurred. In some countries, especially in the Argentine, "modernization" of the State, that is to say, its reorientation in the sense of becoming more strictly, an economic process regulating and investment making entity, was done under the control of what was called the "oligarchy". In the same way in other countries, for instance in Colombia or in Brazil, where this process was not so clear, the new domination pattern - which as should be reinforced, established the bases of industrialization, included active participation of the old agricultural exporting groups.

The coexistence of previous stage groups and those of the imports substitutive stage did not only occur in the political sphere of "elitarian" reorganization. Both in the corporative sphere, that is, in class organizations, and in that of industrial production representatives of the two groups are found - "pure industrialists" and industrialist oligarchs - and even during the initial stages representatives of the new plutocracies, which arose as a consequence of inflation, protectionism and official political favour, are not absent. Available research is conclusive in this respect, fragmentary as information is.

The incorporation of the "pure industrialists" in the "elitarian" groups was slow and operated through the "second generation" rather than through the founder entrepreneurs. In the social aspect, the family alliance pattern operated in this case, as usual, to allow for assimilation of the new wealthy groups to the traditional groups. "Elitarian" selection, controlled by the classes of greater prestige, acted as a regulating mechanism of social upward mobility during this industrialization phase. In the economic aspect, growth itself of entrepreneurial activity imposed alliances between enterprises, disrupting the traditional pattern of the "family enterprise" or at least, widening it. This process caused a greater homogeneity between industrial groups of different historical origins, and paved the way for the arrival of a new industrial entrepreneurial elite.

2. State action and national development

Reorganization of the ruling elites during the formation period of the industrial system followed different lines in countries where the economy was linked to the world market without the export sector being controlled by the national entrepreneurs. Before establishment of the enclaves, the possible reactions of the ruling local elites ranged between a policy of retreat limiting their control to marginal sectors of the enclave economy only - mining or agriculture - and the extreme position of accommodating themselves to the situation of a parasitical political group of productive activity. The consequences of these different orientations, which began to shape in the previous century, were felt in the stage in which the economic system moved from the foreign sector to the domestic sector.

In fact, the creation of an industrially oriented elite, in this case, was a more complicated undertaking than in the previous situation. On the one hand, it was necessary for the industrial group to overcome the foreign interests established in the local productive system. These were set up in a purely for export pattern with little functional relation to the local semi-industrial sector. On the other hand, while in the previous cases the local ruling elite enjoyed a stable social basis and somehow had experience in management of the State and the export producing system in this case industrialization had to be undertaken under social conditions characterized by a lack of leadership on the part of the national economic groups.

However, the relevance of this lack of leadership varied according to the type of reaction the landowner classes were able to achieve during the process of formation of the economic enclaves. For example, in countries where, in spite of the enclaves, somehow it was possible to maintain an active entrepreneurial elite, such as in Chile, the transition from development based on exports to a new development model based on substitutive industrialization, can be carried out, with more or less profound changes of the power pattern, but without the exclusion of the old entrepreneurial classes. On the contrary, this cannot be said of countries where the enclave economy was established as the exclusive principle

of arrangement of economic life; or where the dominant classes tended to adjust themselves to the pattern of a market controlled by the State and through it was benefiting from the enclave production.

In this case, the absence of a ruling strata of the entrepreneurial type imposed, as a requisite for successful industrialization, the formation of entrepreneurial elites with social origin different from those constituting the old dominant class. In countries of this type, when industrialization really took place it generally depended on a previous revolution. Such a revolution assumed a different character and different social and ideological nuances ranging from the Mexican revolution, which caused extinction of the power bases of the old ruling elites through expropriation, to revolutions of a more restricted social impact and of democratic type, such as in Venezuela. In any case, the growing industrial elites arose from politically upward moving social classes disconnected from the old power patterns.

Even in the case of countries presenting a duality of patterns, as to the two basis forms of incorporation into the international market which have been put forward here, it would seem that in the "enclave economy" model transition to industrialization operates through the rise of new national social groups, capable of controlling State, and through it, promote industrialization.

Without exhausting the multiplicity of empirical situations, as examples both the Mexican PRI and the Chilean Popular Front of 1939-1941 and more recently the Venezuelan Acción Democrática, are political expressions of the pressures exerted by new social groups, disconnected from the Agricultural-exporting-entrepreneurial pattern. In any of these cases, industrialization was promoted through the State which in part assumed entrepreneurial functions in the basic industries, and encouraged the creation of new entrepreneurial groups, capable of continuing the economic development of the country. In the case of countries like Chile, it is evident that the local industrial elite which arose as a result of the industrialization policy of the 1930's and 1940's, was largely recruited among the old agricultural, trading, and mining entrepreneurial

classes.^{18/} In the case of Mexico a "new bourgeoisie" was really created. However, in both cases, the industrial elite expresses the permeability of this strata to new comers, whether resulting from of the upward social mobility of the immigrant groups devoted from the beginning to small urban trade, or being members of the undertaking government bureaucracy which, through various ways, became private entrepreneurs.

Contrasting with countries of a nationally controlled agricultural exporting basis, where the already mentioned slow growth process of an "industrial bourgeoisie" occurred under a State enterprise system, it would seem that in countries where production was initially of the enclave type, industrialization commenced directly under the influence of the State thanks to the action of the "enlightened bourgeoisie" which later partly became a "progressive bourgeoisie". The extreme differences between the two systems which, in respect to the causes followed by the industrialization process, range from the Argentine case, in which the vigor of the agricultural exporting group in a certain way imposed a "liberal" pattern of economic development, with little state participation to the Mexican case, of State oriented and promoted industrialization until a domestic market capable of supporting the private sector of the economy becomes established.

However, the economic system's dynamism was achieved largely in countries following the pattern here described due to the economic action of the social non-land-owner groups which succeeded in controlling the State at least to a certain extent. The clue to understand the formation, functions, the channels of upward social mobility and the orientation of the industrial entrepreneurial groups, within that hypothesis, rests on the scope of the reorganization of the political system and in the social drive of masses and middle class groups where intellectuals and bureaucracy favourable to development are recruited.^{19/}

Industrialists ideologies reflect, in these cases, the basic orientations of social groups concerned about the formation of the

^{18/} Cf. Carlos Filgueira, "El empresario industrial en Chile", INSTITUTO, Santiago, 1966.

^{19/} Cf. Weffort, F. op.cit.

"nation" that is, of a political body capable of imposing itself as an autonomous body and to enter into agreements with the foreign sectors, either defining the limits of the concessions, when elimination of the same is not possible, or securing markets and capital for development of the national productive system. The industrial elite formed under these conditions, in a certain way, by passes the stage in which the entrepreneurs behave as "industry captains" absorbed by business activities since it assumes the role of a group of industrial leaders, conscious from the beginning of the political dimensions of entrepreneurial behaviour.

V. Economic leaders and "large industry"

After 1950, the problem faced by the entrepreneurial elites of the countries which had started the industrialization process, was to varying degrees, that of consolidation of the productive system through the creation of a capital goods sector. The more industrialized countries of the region had through various means managed to form a private entrepreneurial sector and had organized, especially through public investment, the minimum indispensable economic infrastructure and basic industry to assure continuity of economic growth. The formation of a capital and durable consumer goods sector was the indispensable complement for these developing economies.

The basic decision which from that time on would define the orientation of the entrepreneurial elites became the selection of a way to continue industrialization. The new industrial initiatives, by their nature, require large concentrations of capital and advanced technical knowledge, both factors relatively scarce in underdeveloped countries. It was as if the same problems which once had been faced by the mining economies had been reenacted under new conditions. In view of this difficulty, there were two extreme possibilities: increased State control of the economy or large investment of foreign capital. The Latin American countries in practice discovered variable intermediate solutions, between these two extremes. On the one hand, there was restriction of the role of the State to important regulating functions and to control of fundamental investment (oil, iron and steel); and on the other hand, the association of national enterprises with foreign under conditions which generally left the national groups with a minority role.

/Reorganization of

Reorganization of the economy imposed by the advance of industrialization - as cause and as consequence - implied noteworthy modifications of the entrepreneurial elite. On the one hand, new members of the economy's leading groups appeared: State entrepreneurs and professional administrators of foreign concerns; on the other hand private sector enterprises became "economic leaders" equally concerned with the economy of the enterprise as with national development policy.

It is easy to understand that from the point of view of origin and social mobility of entrepreneurs, industrialization in the production and durable consumer goods stage brought with it, due to the conditions mentioned, and "opening" of the economic elite of the countries. Jointly, with representatives of the agricultural-trading-exporting sectors and the "traditional" industries (that is, of the second generation) officials of government economic promotion agencies,^{20/} professional administrators, representatives of foreign concerns and even representations of some local companies began to participate in decisions relating to development policy. Thus, the presence of professionals stemming from the middle classes became accentuated among the leading entrepreneurial elites. Moreover, the differentiation of functions within the economic elite became intensified, in the extent that strengthening of corporate life became a requisite for the implementation of entrepreneurial policy. Through the chambers and employer associations, individual who were not owners of industrial property and who did not even administratively control any enterprise began to participate in the entrepreneurial elites as representatives of the producer classes. Access to these positions was gained through the ability of serving as liaison between the industrial chambers government and other sectors of the economy, particularly the banking sector. In many instances, these positions were filled by individuals who belonged, through family ties, to the old pre-industrial elites. To the extent that these continued exercising control of important positions in the political and financial power structure, it was convenient for the enterprises to maintain links

^{20/} On formation of the new entrepreneurial elites, refer to the already mentioned works of Imaz, Filgueira and Cardoso. As to the meaning of "State entity", this term is used in its widest sense including State owned concerns, development banks and development advisory boards, etc.

with them. The appointment of a lawyer from a traditional family to act in boards of enterprises or entrepreneurial chambers thus became a common and convenient arrangement for the enterprises. For these reasons it would be difficult to sustain the hypothesis that in the more industrialized Latin American countries, the entrepreneurial elites present a degree of homogeneity and cohesion equivalent to that existing during the stage of outward development, and even in the first phase of industrial expansion. Neither is the assessed weight of the groups which constitute the enterprising elites equal in decision-taking, nor do the interests of the groups coincide in the support of a common development policy. Nor can it be sustained that the organizational and management practices are similar in State concerns, in foreign enterprise and in local industry in spite of the uniformity the size of the concern and modern technology require in the actual industrialization stage.^{21/} An analytical distinction would have to be made of the various spheres of behaviour of the new economic elite to make the diversity of existing orientations, meaningful in spite of the common framework of interests which characterize it as an entrepreneurial elite. Likewise it would be necessary to define the economic and social assumptions of the internal organization of the entrepreneurial elite in this development phase. Research explaining its behaviour and its orientations^{22/} is scarce so that the lines they follow are naturally of a conjectural nature.

It could be said that in Latin America the industrial elites began participating in the national leading groups through a complicated system of alliances with the financial and agricultural-exporting elites.

^{21/} This question will not be examined in detail. The statement is based on the works of Cardoso, op.cit. Fillol, I.R., Social Factors in Economic Development, The Argentine case, The M.I.T. Press, Cambridge, 1961 and Lauterbach, Albert, Enterprise in Latin America Business Attitudes in Developing Economy, Cornell University Press, Ithaca, N.Y., 1966.

^{22/} At present a study on this subject is being carried out of the Argentinian entrepreneurs. This research is being directed by Juan Carlos Marín and the author.

The few studies on the formation of "economic groups"^{23/} indicate that it is illusory to assume that the participation of "large industry" in the control of economic life occurred to the detriment of the financial and the agricultural sectors, or a part of them. It is true that, to the extent that the domestic market has become a condition for prosperity, the relative bearing of the industrial sector on the orientation of economic policy is being accentuated among the leading elite and even within each economic group. In practice, however, decisions on development policy depend on a complex weighing, in which the pressure of the agricultural-exporting groups and the diversity of industrial interests, that is, of the State sector, the foreign sector and the national sector, must be taken into account. On the other hand, the different industrial sectors which make up the entrepreneurial elite (national sector, foreign sector and State sector) depend on the State system to consubstantiate their interests. The expansion of the State credit system and the degree of control of the private financial system by State entities entrusted with financial economy indicate the limits of the relative autonomy of private enterprise in defining its expansion policy. Whereas, control of the credit instruments by the foreign enterprises and also by national concerns, indicate the autonomy of each one of these sectors within the economic system of the countries.

It would be equally illusory to assume that the different groups which make up the entrepreneurial elite stand in a radical opposition to each other. On the contrary, during the phase of establishment of "large industry" development is achieved through alliances between the different sectors of the economy interested in industrialization.

^{23/} On the "economic groups" in Latin America, see: Calcagno, Eric, Nacionalización de servicios públicos y empresas, Edit. Raigal, Buenos Aires 1957. Lagos E., Ricardo, La concentración del poder económico, Edit. del Pacífico, Santiago 1961. Cecóna, José Luis, El capital monopolista y la economía de México, Cuadernos Americanos, México 1963.

These alliances become evident when analysing the composition of stock company boards, where in many cases the same individuals simultaneously are associated with banking, trading and agricultural concerns. How can it be sustained then that in this case there exists a diversity of interests?

The only research works offering concrete elements for judgement indicate that in the ideological sphere the "entrepreneurial elite" seems to be homogeneous: they defend the predominance of private enterprise in industrialization; they want to restrict the role of the State to that of a regulatory entity of economic activities or an economic promotor in extremely risky fields; they defend the collaboration of foreign capital, etc. In the economic sphere the entrepreneurial elite reacts objectively according to the interests of the economic group each leader is connected with. For example, opinions vary on State intervention in guaranteeing minimum import prices for raw materials, in assuring protection of the market, etc. And, in the political sphere, the leading groups dissent as to the way they believe they might exercise greater control of the overall growth process, that is, of the country.

In spite of insufficient available information, it seems that in this case the diversity of orientations in the political sphere occurs in accordance with the position of the different groups in the economic structure and the concept their leaders sustain of the role they might play in the hegemony of a new system of alliances. This concept will be more or less open according to the extent to which the leaders of the industrial-financial groups feel that they can exert their leadership over the other components of industrial society: the labor sectors, the professional middle classes, the agricultural groups of modern orientation and even the traditional agricultural-big landowner groups.

As a fundamental feature of the relations between the groups within the entrepreneurial elite, it seems that the degree in which the national groups commit themselves to State policies (sustained by the popular sectors and by groups of the middle classes) and the advantages to be obtained from them, as well as the tolerance shown for "mass movements", indicates two possible orientations for the industrial elites: supporting

/"nationalism" as

"nationalism" as development policy based on State protection, or the defense of a policy of "pure development promotion" in which private enterprise, independent from the problem of domestic or foreign control of capital, becomes the basis value to orient industrialization.

It is evident that in practice these two extreme positions are tactically handled according to whether at a given moment the antagonists are the rising tide of state popular pressures or foreign penetration. At any rate, they define the limits of the concessions which can be made to the domestic or foreign groups, with regard to both the economic associations, on the sphere of enterprise and the political alliances, in the sphere of society.^{24/}

^{24/} To complement analysis presented, it is advisable to consider other studies which are more concerned with the dimensions of traditionalism or modernism of behaviour and the objectives of the entrepreneurs. In this connection refer to Strassman, W. Paul, "The Industrialist", in Johnson, J.J. (ed.), Continuity and Change in Latin America, Stanford University Press, Stanford, 1964; and further Lipset, S.M., "Elites Education and Entrepreneurship in Latin America", mimeographed edition.

Francisco C. Weffort

SOME ASPECTS OF THE "CRISIS OF THE POLITICAL ELITES"
IN LATIN AMERICA

The structural crisis seems to be the most suitable framework for the analysis of the Latin American "political elites". The decadence of a certain type of social formation which has been called "traditional society" and the appearance of trend announcing new possible formations, appear as background and at the same time as a substantial part of this subject. Since the "Great Depression", or, according to the country, since the 1941 - 1948 War, we are witnessing the emergence of social forces in Latin America - in the first place middle class movements - providing the first indications of the need for a redefinition (many times frustrated) of the old structural patterns. A long and complex process of change is thus initiated reaching all levels of social life. In addition to the critical emergence of the middle classes occur the appearance of new economic elites, the division of the elitarian strata, and popular movements. From then on the crisis - simultaneously of decadence and of growth, according to the sector involved - becomes the distinctive historical note of these countries.

The objectives of this study do not include an analysis of the complicated network of social, political, and economic relations which characterize this stage. For our purposes it will suffice to distinguish two distinct historical moments: the first refers to the beginning of the crisis in the oligarchical patterns of the old political elite affecting the power structure as a whole; the second is the time of emergence of a new power "configuration" (an unstable situation of compromise between different and sometimes contradictory social forces). Although it is true that there are two historical moments it seems only fair to caution against excessive emphasis on their chronological separation. Actually, it would perhaps be better to say that they are simultaneously two different historical moments and two different dimensions of a process of change which is essentially one and the same. Stating the same in other words, although it is possible to distinguish two chronological moments,

/it must

it must be remembered that a considerable amount of the old "traditional" power (particularly its standards of political behaviour and its economic power) is to be found in the new "configuration", just as the beginning of the old oligarchy crisis would not be possible without middle classes forces which, jointly other social sectors, contribute to the establishing of bases of the following stage.

In these considerations as an attempt to locate the elitarian problem in the context of structural change there is something more than a preference for any particular meaning of the controversial concept of "political elites". Actually, it is of less interest to us to select among the different connotations of the term than to use them all in a first approach to the subject of political domination as found in Latin America. On the other hand, changes of political structures we feel definitely belong in the analysis of the Latin American "political elites" whatever significance be given to this concept. Meaning "top strata", "powerelites", "political class", "governing elites" or in any other meaning, the subject of the elite in Latin America will always lead to the other subject of change of the political domination patterns. The "crisis of legitimacy", "crisis of the parties", crisis of the ideologies", "political instability", "weight of the military", etc. are some of the problems referring to this transformation of the political structures which in all spheres cut in the specific subject of the elites. Thus, if a starting point for the analysis must be selected we would pick this one most vigorously assailing us: the "crisis of the political elites" giving this expression the meaning of change in the forms of political domination.

It seems that this starting point would permit achieving a twofold interpretative objective. On the one hand, it would make it possible to recuperate at the political level the general problem of structural change, since the crisis of "traditional society" at the socio-political structure level does not appear completely intelligible without analysing its connections with the socio-economic crisis. It does not seem possible to understand the oligarchical patterns of political behaviour even if they are taken in their main historical period, without

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making a reference to economic behaviour and still further without clearly understanding that different expressions of a same social formation are to be found at any of these levels. By the same token the crisis affects the structural levels as much as their inter-relationships. On the other hand, the attempted search for the significance of the "crisis of the elites" in its connection with the agricultural crisis, does not deviate us from the specific subject of the elitarian problem but it puts us in a position with a perspective which seems to be the most appropriate for the case of Latin America. Change in the forms of political domination affects the basis of formation, recruitment, internal mobility and functional patterns of the dominant political strata, in the same way as it refers almost directly to other subjects related to the political elites, such as the distribution of power within the broadest elitarian group or the connections between political elite and social stratification.^{1/} In other words, concern with the "crisis of the elites" taken as an attempt to interpret change of the forms of domination, would provide a possibility for us to approach some of the most significant subjects within the elitarian problem. However, with respect to the "political elites" the great difficulty is that not only empirical research is necessary but also hypotheses and analytical perspectives. For this reason our references to some of these subjects cannot depart from the level of a general scheme within which we shall attempt to suggest a framework for the formulation of hypotheses useful for subsequent studies.

If the diversity of expressions which the sociologists utilize to describe the old form of political domination in Latin America is taken as a starting point to understand its real significance we discover that it appears still obscure and in certain aspects paradoxical. If a comparative analysis is made of two of the most frequent expressions - "traditional elites" and "oligarchy" or "oligarchical elites" - it

^{1/} Guttsman, W.L. "Pctere, stratificazione sociale ed élites politiche", in Le élites politiche, Ed. Lateza, Bari, 1961.

becomes almost immediately evident that even if they do not necessarily exclude each other, they do not necessarily agree. The first one seems more appropriate for emphasizing the traditional characteristics of the recruitment processes and decision taking in a "traditional society" while the latter would seem to place a greater emphasis on the excluding aspects of the system. In fact the coincidence of traditionalism and exclusion is possible in one form of political domination. However, traditional type elite cannot really be rated as excluding if nobody questions the legitimacy of its domination. On the other hand, an oligarchical elite, that is, an excluding one, must not necessarily follow traditional behaviour patterns.

The absence of a clear characterization of the old elites, not even of a general nature, due to practically inexistent specific studies, is to some extent associated to the interference of the ideological components which is difficult to avoid. It seems evident that emphasis on the oligarchical character of the old system is put on preferably by those political or intellectual sectors which have assumed, in the past or are presently doing so, the point of view of a "counter-elite" (for example the middle class movements at the beginning of the century or the popular movements of later decades). However, this is not the main difficulty. It is believed that this would be found in a certain irreductibility of the situation in Latin America in this respect, as in many others, to the usual patterns of political development inspired "western democracy". It would seem to be the case that in Latin America it is necessary to consider the old elites as a complex of different and in certain respects, contradictory dimensions. The historical conditions under which the national States were formed after the crisis of the colonial system seem to have resulted on the one hand in the incorporation of the liberal ideology in the Latin American countries,^{2/}

^{2/} "... liberalism identifies from the beginning with the substance and reason for existence of the new states". Medina Echavarría, Consideraciones sociológicas sobre el desarrollo económico, Solar/Hachette, Buenos Aires, 1964, page 43.

but on the other hand in the preservation of the essence of structure and traditional behaviour patterns, which continue in full course during the hacienda and subsequently are taken over by the new nations.^{3/} In these historical conditions would be rooted what Medina called "the first great paradox" of Latin American history: "to have maintained the formulas of an ideology during a long time in complete disagreement with the "beliefs" and actual everyday behaviour".^{4/}

The conditions under which the old elites are formed determine that they are at the same time, oligarchical (that is to say, excluding), traditional and liberal at the political-institutional level, and traditional and capitalistic at the socio-economic level. Moreover, it would seem that at both the economic and the political level this duplicity of their behaviour patterns is essential of the elites. In the first level the traditional legitimation of command, associated with the oligarchical exclusivism which the middle class movements have denounced causing the system's crisis, is combined with liberalism inspiring the institutional structure of the States. At the level of the socio-economic connections the elite, appears linked, on the one hand, to a production system of a typical and basic unit - the traditional hacienda (but which at the same time produces for the market) and on the other hand to the trading functions in the city.^{5/}

This is, no doubt, a paradoxical picture combining discrepant social and political characteristics. But in view of these paradoxers an interpretative task would consist of recuperating the "internal coherence" between the different dimensions, that is to say, recuperating the internal structural network, not only of the elites, but also of the whole of the social formation on which they have exercised their dominion. Faithfulness to the history of Latin America makes us recognize that these elites also seem to have been the only ones capable of installing a

3/ Op.cit., page 30 and following.

4/ Op.cit., page 44.

5/ Op.cit., page 30 and following.

relatively orderly system in terms of that time at State and national economy level as well as in regard to the connections between politics and production. This problem has a bearing on the possibility of application of the modernization theories to the analysis of Latin America. The paradoxes which are mentioned with respect to the elites - their traditionalism and their liberal ideology, their oligarchical behaviour patterns and the democratic forms of the regime its connections with the hacienda and with the market and the city - could imply to a certain point the coexistence of modern and traditional criteria of behaviour within the same structure. However, it seems rather significant to note that if this duplicity of behaviour patterns generates tensions, during the period of dominion of the old elites the unity of the whole is more visible than its contradictions. It could even be said that while the bases for this paradoxical situation existed, the Latin American countries were relatively integrated.

Thus, with respect to the subject of the "crisis of the elites" a first question meriting consideration would be a search for the conditions under which the old balance between such contradictory criteria of action is disrupted at the political level. As known, the indicators of crisis of the oligarchical-traditional-liberal order are in many Latin American countries the movements of opinion and even political movements originating fundamentally in the middle sectors. In spite of the existence of other sectors, some of which being popular, others oligarchical, impeachment of the legitimacy of the old elites finds its main supporters and its most important social power among the "middle classes". However, it would seem that such movements, even if they managed to launch the crisis of the "traditional order" at the political-institutional front, have not shown ability to move ahead in order to replace the old elites in the State functions. Through formulation of democraticising demands at the political level - universal and secret voting, enhancement of the political habits and improvement of public administration etc - without offering alternative orientations in the economic and social structural sphere - the "middle class" was able to

pin point the illegitimacy of oligarchical power, but lacked qualifications to knock over the limits which this power had already established in State.

It seems to be that the middle sectors found themselves structurally inhibited for replacing the old elites altogether. In fact, unlike the North American middle classes of the XIX century, such sectors have always occupied a dependent position in these countries based on a large-ownership structure. If some attention is paid to the economic and social organizational methods of these societies, it almost immediately becomes clear that our "middle classes" do not possess the conditions for guaranteeing the democratic behaviour patterns for the sake which they criticized oligarchy. They are not middle classes of small land owners in a system of socio-economic relationships in which small holdings could provide standards of economic and social behaviour, but, on the contrary, they are engaged in activities, (connected with public administration or services) ultimately dependent from the large holdings. The radical movements in the Argentine represent an extreme example of the possibilities and limitations of the "middle classes" as "replacement elites". In spite of having become one of the most important political forces of the country since the revolution of the 90's and of having governed the country from 1916 (Irigoyen) until 1930, they have not achieved an autonomous position in regard to the vicissitudes suffered by the foreign sector of the economy controlled by the oligarchy. They are forced out of the power position in 1930 by the crisis of 1929 and are then replaced by political groups linked with the old elites which establish an oligarchical system (based on fraud) without the traditional and liberal legitimacy it may have had in the past.

Thus even if the substantiation of the crisis of the "oligarchical" system is correct, the persistence of its economic basis and its social and political strength - even though declining because of the redefinition of relationships in the international market cannot be denied. The oligarchical sectors, even though decadent, continue for a considerable period as one of the main supports of State. The explanation for this notorious capacity for persistence of the old elites is to be connected

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with some of the fundamental aspects of the Latin American countries' situation. Its large historical power is related to their connections with the foreign sector of these dependent economies, economies which such elites have helped to create and which until present times have not achieved autonomy. This way, even though separated from political power, they continue in control of the decisive economic sector. In Brazil, the coffee-growing sector, even after the revolutionary movement of 1930 which led to the collapse of the oligarchy, forced the new elites in power to define a coffee depending policy implying its recognition as the core of the national economy.

The importance of the political sectors connected with the foreign sector is explained, on the other hand, by the relative failure of the new economic elites to introduce fundamental changes in the basic orientations of the production process. If the "middle classes" failed politically because of their dependence on structures based on large ownership, the entrepreneurial sectors connected with industry appear to never have been able to transform the industrial economy, which became increasingly important after the 30's, into the fundamental centre of economic activity. It would seem to be the case, even at the present time, that reorientation towards industry, even in such brilliant cases as Brazil and the Argentine, was never able to free this productive sector from a complementary condition with respect to the foreign sector. This means that industrial development, an alternative discovered by large sectors of the economy after the 1929 crisis, remained essentially dependent on the old forms of production both with respect to the creation of a domestic market and the capacity to import. Thus, industrial development was only an alternative for the whole economy precisely in those countries where the foreign sector, now in crisis, was sufficiently strong as to provide the bases for its maintenance.

But in no way is the strength of the old elites limited to its economic connections, but, it is also related to the new forms of its social and political relations. As known, the process of ascension of the new elites receives some kind of social recognition by the old elites; this recognition can be of many kinds, varying from establishment of

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family relationship and the association capital in banking belonging to the same social circles. On the other hand, in view of the inability of the new elites to create a new type of State, the political relevance of the old sectors tends, in some cases, to be greater than their actual social and economic importance. In the majority of the Latin American countries the representation system still preserves some mechanisms which seem fundamental for elitarian selection at the government and parliament level. It suffices to say that the principle of equal representation for member State or for provinces in the Senates of many countries, assures an absolutely disproportionate representation for the most traditional areas even to its actual political power.^{6/}

It would be possible to continue this long enumeration of the conditions for the persistence of the old elites for some time. Nevertheless, to cut the statement short, we could turn to a subject which appears to be essential for the explanation of the problem. These elites have demonstrated not only a considerable degree of persistence but also considerable permeability to change, not only meaning ability to adjust to new situations as a resistance "tactic" but also an ability to associate with forces which at certain times have pushed the process of change. It could be asked then: Where are the roots of power of these elites which, having been decadent for some decades still impose their mark on the history of Latin America? It seems that the answer is to be found in the very conditions under which the national formation of the Latin American countries has taken place. This touches a historical-structural problem on which available information is exceptionally scarce. Nevertheless, some suggestions can be offered for subsequent elaboration of hypotheses.

^{6/} On the economic and political relevance of the persistence of the oligarchical-traditional patterns see Anibal Pinto's analysis on "Aspectos políticos del desarrollo latinoamericano", Santiago 1964, in manuscript. For an analysis of these same subjects with reference to the Brazilian case see Furtado, Celso, "Obstáculos Políticos ao Crescimento Económico no Brasil", Santiago 1964, in manuscript. See also Sunkel, Osvaldo, "Change and Frustration in Chile".

It would seem to be the case that the old elites have managed to install a type of State, or rather a political form of domination, able to adjust in all its basic dimensions, to the type of economic and social structure which is typical of the dependent situation in which they formed and under which these countries still live. And perhaps in this dependent situation the roots of the mentioned duplicity of behaviours patterns can be found. Their liberalism has a great deal to do with the standards of economic behaviour in force in the international system of the XIX century as were imposed on the producers of the Latin American exporting countries. On the other hand, it would seem that some type of stimulation of the internal operation of liberal behaviour can be found in the very situation of these producers, who must be able to institutionally guarantee their equality and freedom of participation - one against the other - in an economic interplay according to the rules of the international market. However, these same producers are also the large landowners securing for themselves as a class the monopoly on a fundamental asset for production - the land - requiring for its exploitation, under the conditions of the epoch, minimization of the economic liberty of the other social strata. In other words, it would seem to be the case that liberalism had to restrict itself, oligarchically to the elite of the big land owners so as to assure their domination and the consequent restriction of the economic and social liberty of the working classes. An oligarchical exclusion which will find support in the traditionalism of the "semi-servile" relations in force at the hacienda.

These points - which are suggestions for the delimitation of the problem rather than hypotheses - have, it seems, a fundamental significance for the analysis of the old elites. They indicate that these elites have managed to install a form of political domination which at a certain stage of Latin American history drew its strength from the deepest roots of our formation as nations. Moreover, they indicate that although the old elites are in crisis and even there have been important changes in the economic and social structure of these countries, the fact of dependency remains, although not exactly in the same way as it originated. Could

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this not be the ultimate reason for the elitarian crisis which is already lasting some decades? Is not the chronic nature of the crisis connected with the fact that not only the replacement of certain standards of political behaviour is imposed on the new elites but also the replacement of the whole social formation which originated them?

The crisis of the oligarchical elites - which as has been seen rests on structures and patterns of behaviour which have very little in common with those operating in pre-industrial Europe - is not characterized, with the possible exceptions of Mexico, Bolivia and Cuba, by a radical and overall disruption of their foundations. Generally speaking, the crisis of the traditional power system has not implied a revolution in the sense modern history attributes to this word of an overall redefinition of ownership and State structures. It would seem to be the case that with the superseding of the oligarchical standards, the Latin American countries have entered a transitional period, with the principal characteristic of what Medina Echavarría has called the "political vacuum", an expression which precisely indicates the absence of the "replacement elites" which might have been able to lead the restructuring of society and State.^{2/}

There begins a period in which instability and compromise appear to be constant. Events occur as if the lasting recognition of the legitimacy of any elite would have been impossible after the breaking up of the oligarchical State. The oligarchical elites having been displaced, the "middle classes" and the new elites being unable to replace them a situation of compromise between the dominant groups arises and the foundations of the State's legitimacy tend to be sought outside, that is to say, among the dominated social strata. Under these conditions the emergence of a type of political leadership which will function as a compromising solution between the elitarian sectors and some of the counter-elite, can be understood. Reference is being made to populism, an expression which

^{2/} The connections between the "political vacuum" and the "crisis of legitimacy" are incisively outlined in Medina's work: "a very serious vacuum because it leaves the roots of legitimacy in the air - without substance". Op.cit., page 98.

is usually applied to the political connections which develop between the State (or rather the elitarian groups represented by it) and the urban popular masses. This phenomenon is particularly noticeable in Brazil and the Argentine - in vargism and peronism. Nevertheless, it seems to be in operation, although under different and certainly less obvious forms, in various other Latin American countries. The crisis of legitimacy of the elites, their division and, at the same time, compromise between the dominating groups, are general characteristics of the region in recent decades. Only Brazil and the Argentine have had definitely populist regimes, but the majority of the political structures in Latin American show, at different times and under different circumstances - some features of the populist type. Gaitanism in Colombia, aprism in Peru, certain sectors of FRAP and of the present Christian Democratic movement in Chile, and MNR in Bolivia are a few of the many cases presented by our recent history.^{8/}

The analysis of populism as a general fact (that is, as an alliance between elitarian groups and the masses) however, presents some difficulties. To begin with the extreme variety of forms this alliance can assume as a function of the different weight the elites and the popular sectors can have in it. Moreover, the populist forms are to be distinguished according to their larger or lesser degree of organization. Or even in terms of the historic circumstances which originated them, particularly if they were formed "from above" that is to say by groups already established within the institutional structure, or they were formed through sectors functioning from the beginning, as a "counter-elite". It would be possible to enumerate still other dimensions which might characterize the particularities of a certain form of populism, this being undoubtedly a relevant subject for analysis. However, we feel that the subject rises a preliminary problem.

8/ Torcuato Di Tella presents in "Populismo y reforma en América Latina" (Desarrollo Económico) a rather comprehensive picture of the different forms of populism. Even in the case of disagreement with some of his hypotheses (for example "incongruence of status" in the elites and "revolution of the aspirations of the masses") its value as the first attempt of organizing available information on this subject must be recognized.

Although the elite-masses relationship covers some significant aspects of the new form of political domination based on compromise between the dominant sectors, it does not manage, it seems, to clarify it completely. The adoption of this analytical orientation leads a perhaps excessive emphasis on the manipulation which the elites as a group might exercise on the masses through one or some of its sectors. And thus the fact, that paradoxically, these same "demagogy aiding masses" have at certain times been one of the principal sources of legitimacy of the State, is forgotten. Besides, not enough importance is given to the fact that, under other circumstances, the elites as a group react before popular pressure (as if they had found their class unit again) as though this pressure was threatening the very bases of their power. This means that in the situation of "political vacuum" and "crisis of legitimacy" through populism, there seems to arise a complicated dialectic between the elites and the "counter-elitarian" forces which, under certain circumstances, threatens to trespass the limits presented by the compromise. We are trying to say that the real nature of the elite-mass alliance cannot be clearly understood if the analysis of the elitarian strata is not complemented with a particular study on the popular masses, including those sectors marginal to this alliance. This touches upon one of the most complicated subjects of the present situation in Latin America which refers to the possibilities of equilibrium not only of the existing elites but also of the system as a whole.

With the crisis of the agricultural-exporting economy, industrialization and, moreover, with the intensification of the urbanization process the popular masses begin to make their presence felt in the political history of Latin America. A presence predominantly passive at the beginning but which has always meant considerable pressure on State structures. The capacity for incorporation in the State and the consequent ability to manipulate of the elitarian sectors, has shown so clearly in the initial stages of the process that the individuality of popular political behaviour was for quite some time considered almost inexistent. Today the facts no longer support such a point of view. The various coups d'etat of a strongly anti-popular nature are suggesting that elitarian permeability,

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which has lasted so long in Latin America, also has its limits. It seems that the possibilities and limitations of the political pressure of the masses in recent decades might be characterized by using the image of a pendular movement. If at one extreme they favor confirmation and legitimation of the State, at the other they would seem to be seeking its overthrowing. Perhaps, observing past behaviour of the masses, it might be admitted that the possibilities of legitimation or negation, each one taken for itself, would have been of less importance than the ambiguity of their coexistence. In other words, if both trends occur at the same time, each will be counteracted by the other: when popular pressure moves towards negation of the status quo it is still compromising with pressure for incorporation into the status quo and the elites connected with it, thus losing the autonomy of its movements; in the opposite case, that is to say when more favourable conditions for incorporation are presented, it continues to be heir to the previous critical phase and if it can then offer a support of legitimacy to the State it cannot assure its institutional stability.

At any rate, it appears to be clear that popular pressure has become one of the most important forces for understanding equilibrium within the elites. Because incorporation or exclusion of the popular masses, even if we know that in general they have not been able to escape this pendular movement, do not in any way signify circumstantial changes, but they basically alter the mode of elitarian compromise. If Brazil and the Argentine can be taken as examples of the general situation existing in Latin America, we would have in the alternative of incorporation the tendency toward configuration of a certain type of "State of masses", leader or party of popular prestige assuming the role of arbitrator in the elitarian compromise. On the other hand, when the masses are excluded, the tendency would seem to be the installation of a new type of oligarchical State relying on force as if it were possible for the elites, when lacking popular legitimacy, to revive the patterns of behaviour operating in the previous stage.

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A question might now be made: if the structure of political interplay grants such relevant position, to the popular masses, is not the real meaning of the "crisis of the elites" undergoing a change? In other words; Although it is true that the absence of "replacement elites" was a characteristic of Latin America, could it not be possible to admit that these are in process of formation within the various types of popular movements? If the low level of permeability of the elites can be an indication of their historical exhaustion, and if the populist movements, even with all their ambiguity, have been able to demonstrate it, it may as well be stated that Latin America is reaching the end of an era.

LABOUR ELITES IN LATIN AMERICA

The first problem to be faced is a definition of what is to be understood by labour elites. Among the many possible meanings of this concept one has been selected which is compatible with the general focus of this study. Labour elite will, therefore, mean group of individuals occupying the highest positions within the power structure of labor unions.

Likewise, it is not possible to analyze the labour elites without referring to the wider framework wherein both their structure and function in the political process become significant. On the one hand, they are conditioned by features of the process of formation of the working class, and on the other hand, this latter process is closely linked to the changing characteristics of the economic-political structure of Latin American countries.

Given these "structural conditioning" elements of the labour elites it is advisable to find out how they operated in the different Latin American countries and how they have created working sectors of such different characteristics.

(a) To begin with, those countries can be distinguished which have achieved a relatively high degree of industrial development in recent decades such as the Argentine, Brazil, Chile and Mexico as compared with the other countries of the area. As will be pointed out later this industrialization process has been accompanied by other of demographic, political and social nature. However, this reference to the industrialization process is being made for the time being just to mention that a large "industrial" working class can be found in these countries which defines the working group in general.

(b) Among the countries economically based on the export of raw materials, a distinction must be made between those whose principal product results from mining (Bolivia for example) and those in which, even though export products are agricultural, the form of exploitation is similar to the organization of manufacturing: this is the case with the "plantations" (in Honduras for example). The mining exploitations and the plantations result in special types of conglomerations of workers, the importance of

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which, especially in the case of the miners, should not be underestimated because of a perspective exaggerating the importance of industrial development as the only factor in the formation of the working class. As will be explained in greater detail towards the end of this study industrial development results in the appearance of working nuclei with special features but in no way does the appearance of important working sectors necessarily imply the prior existence of industrial development. Nevertheless, it is also true that with industrial development the working class attains a relatively high degree of power sufficient to become an indispensable element which may not be left aside in the political alliances.

(c) The importance of the urbanization process in recent decades in the Latin American countries as a result of internal migration, is well known. However, as has been pointed out many times, the industrialization process does not necessarily accompany the urbanization process in a coherent rhythm. Thus, large sectors of this migratory do not find employment in industry and become part of the "tertiary sector" in its many old dimensions forming what has been called "urban popular sectors". The urbanization process frees them, at least in part, from their bonds in "traditional" social relations but do not necessarily continue as an amorphous and disorganized mass. In many instances their incorporation in urban life provides the fundamental framework and orientation of their organization and thus community associations arise which exercise a certain power, even political, on areas of the city; in other instances the nature of the work they perform, even though in the tertiary sector, allows for establishment of unions of a considerable degree of organization. Notwithstanding, the power of their organizations is considerably smaller than that of the other previously mentioned sectors: that of industrial, plantation and mining workers. Summarizing, the overall social structure of the Latin American countries has resulted in different "worker" sectors, since, together with the industrial workers, the mining workers, the "popular urban" sectors and the plantation workers should be taken into consideration as social categories of the same level of stratification. However, it should be mentioned that the latter are still in an ambiguous position as they usually have both some of the features of the industrial worker and some of the more traditional forms of rural work such as for

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example that of campesinos of the typical Latin American land tenure system such as the hacienda-minifundio complex. They differ basically from the latter in that they show with variations, features of their formation as a class such as a certain self-determination and definition of their own interests, a relative level of organization, etc.

These four social categories are not to be found with the same features in the different Latin American countries although some or all of these categories often coexist in a same country. In the more industrialized countries, although the industrial worker sector is predominant the majority of these categories are found (for example in the Argentine plantations are to be found in the sugar cane zone in the Tucuman and Salta provinces and mining concentrations in the zone of the Turbio River and of course "urban popular" sectors in the suburbs of the coastal cities) although less powerful. In other countries, like Chile, there exists a certain equilibrium between the mining sectors (mainly copper and coal), the industrial workers and the "urban popular" sectors, in others, such as Bolivia, the mining sectors are preponderant with respect to the others, and in some Latin American countries the outstanding nucleus is that of the plantation workers (especially banana and coffee plantations). The relative preponderance of each one of the different categories is not only a matter of population volume within each one, but it is determined by the specific social weight of each one within the power structure. This relative preponderance of one or other of the social category is, therefore, related to the fundamental features of the historical process of the different countries where number of factors, not analyzed here, led to the development of different sectors of the economy in the various Latin American countries. This relative preponderance implies that the orientation of the most important sector achieves a penetration, if not necessarily into the other working sectors, at least into the forms and means of ideological expression of the class in general, that when considering these retrospectively there is danger of assuming interpreting the same as the "only" orientation of the working sectors "in general".

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Likewise, the orientation of the preponderant group has a decisive influence on the possibilities of common action between the different sectors and in this sense it conditions the "quantum" of political pressure which it can exercise on the prevailing social system. In other words, if one of the features of the working sectors in Latin America is their heterogeneity -in the majority of the cases some or all of the groups coexisting in the same country- one of the basic elements which must be taken into consideration in the analysis of its significance within the political process is the possibility that the heterogeneous groups may follow a common line of action. Therefore, one of the main leads in a detailed study of the working sectors should be that of the alliances and conflicts between the different groups composing them. In this study only some of the manifestations of this phenomenon will be noted cursorily.

Here particular attention will be given to the changes which occur in the labor union elites of the countries which achieved a relatively high level of industrialization in recent decades and the others will be referred to only briefly. Likewise, as indicated earlier, some of the more general features of the historical framework in which these "elitarian" changes become significant will have to be outlined, particularly those referring to the transformation of the working sectors themselves.

The economic crisis of 1929 profoundly affected almost all the Latin American countries but however in only some of them -especially the Argentine, Brazil, Chile and Mexico- a certain restructuring of the socio-economic system occurred which substantially put them apart from the rest. For this reason it is considered advisable to take this phenomenon, in principle, as a significant break in the historical process which permits a rather crude distinction of two big phases in which the working elites, its orientation, its basis and its corresponding forms of organization change substantially particularly in the previously mentioned countries. Generally speaking, in the other countries, the crisis brings about a series of modifications but somehow the previous system is restructured and, therefore, no essential changes of interest to this study can be observed. It should be made clear, however, that a necessary dependency of the socio-political phenomena on the economic is not being assumed. Furthermore, the moment of the historical break should perhaps be established with more flexibility since there are a

series of phenomena, originally not economic, which occur during the period extending from the second decade of the century until the end of the third decade and which cannot be regarded -at least not easily- as phenomena derived directly or indirectly from the economic crisis. The truth is that the very crisis of 1929 is nothing else but the extreme expression of a phenomenon of economic deterioration which in many countries had clearly apparent in the previous years.

Allowing for the distances involved it could be pointed out that there is a certain homogeneity of features in the first stage -which could be called somewhat, the "pre-crisis"- of the historical process with reference to the labor nuclei in the different countries. The appearance of "mass unionism" in the countries attaining a higher level of industrialization is the aspect which separated them from the rest and becomes a new phenomenon after the 1930's. Therefore, the analysis will be divided into two "stages" and the decade of the 1920's will be taken as the approximate dividing line. Also special consideration will be given -for outlining the hypothesis- to what occurred in countries with a relatively higher level of industrialization. For the majority of the countries which remain outside the perspective of this study there are not -strictu sensu- two "stages" in the development of the labour movement and its elitarian changes; in regard to these countries the statements made here have only a relative validity. However, the opinion is sustained that there does exist a certain homogeneity before the 1920's which is later lost and therefore, the statements which are made concerning the first stage are valid and even current, even though partially, for the countries which did not manage to generate "mass unionism".

In the first stage -called the "pre-crisis" a type of union organization centered around the first professional groups which promoted an aggressive unionism in which the "classist" ideology (anarchic-unionistic and socialistic) plays a very important role in the orientation of labor activity can be identified. But, this is not, however, the only type of existing labour organization since together with it mutualist forms of organization become apparent which in a certain way resemble in their organization, some of the features which will be typical of later unionism to the extent that they attempt to palliate some of the most negative consequences of the process of incorporation into the market. Both forms of union organization are exclusively

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based structurally on the efforts of the militant workers and union leaders are recruited among themselves taking as one of the basic criteria the level of participation within the union. Resistance associations and mutualist associations constitute, therefore, the first forms of organization which precede union organization properly. Given the organizational structure of these unions the separation between leaders and the union bases was not very wide to the extent that both volume of adherents and financial potential were scarce. Organization based on profession or craft and the restricted geographical limits within which unions actually existed, were the basic framework of labour activity. It has been stated repeatedly that both the form of organization -mutualist and resistance associations- and the type of orientation of both follow the development patterns of the European labour movement, and a lineal relationship between the immigration contributions -especially from Italy, Spain and Portugal- to the Argentine and Brazil receive and the configuration of the labour movement in those countries has been assumed. The relationship between the two phenomena is important but it may as well be taken into consideration that in other countries -Chile for example- the European migratory contribution was relatively scarce and nevertheless the same forms of organization and labour activity are to be found there. A detailed study should show that there were basic similarities between the European labour movements and those of some Latin American countries in the first stage of formation, as a consequence of "cultural" contacts -including migration itself- which might explain the noted similarities.

In general terms, the countries which later attained a relatively high level of industrialization were those which in a first stage -although they were orientated and all the economic system functioned in relation to the export of one, or a few staples (coffee, wheat, meat, nitrate, etc.)- achieved a degree of evolution in the system of "outward" development which was, in this scheme, superior to that of other countries. As a consequence of this higher degree of development appeared a series of economic needs -distribution, personal services, liberal professions, etc.- which gave rise to new social categories. As a result, and from the first stage on, together with the first groups of industrial worker important popular strata are involved particularly in the tertiary sector. Their unified action would

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have given them considerable power but they were not usually united in action. There are examples of common action -for example anarchism in the Argentine mobilized sometimes not only urban popular sectors but also groups of campesinos- but in general these popular sectors followed and supported the rise of the middle sectors which began to make their pressure felt in the first decades of this century in their seeking of participation in power. Thus movements of this kind can be found -merging of middle and popular sectors- of "antioligarchical" orientation in the Argentine (Irigoyen, who became president in 1916) and in Chile (the liberal alliance of Arturo Alessandri in 1920) in an effort to participate in the power system. The labour leaders, generally speaking keep out of this alliance, because although its objectives in part included typical demands of an orientation towards "integration in the market", they also implied a denial of the given social plan. In some instances -especially in the anarchistic or anarchical-unionist movements- alteration of the system was felt to be the necessary condition for its "emancipation". To summarize, generally speaking, the labour political parties and the union organizations were unable to create a mass labour party, that is to say, one including the popular sectors. The latter had no organizations of their own nor had they specifically defined their interests and therefore, they had no autonomous leadership, but, why did they follow the leaders of the middle sectors and not the labour leaders? Noting some general hypotheses it can be shown that the working group -both industrial and mining- was strong on the entrepreneurial plane and its claims certainly had features, in many cases, of "professional" vindications. Their larger professional conscience and concentration of action on this plane strengthened them in front of the entrepreneurs but weakened the possibility of a wider vindicative orientation which might include also the popular sectors. Among these latter their low qualifications did not incline to emphasize the professional aspects -they had what is called "scarce professional conscience"- and the very nature of their work prevented their concentrating, their activity, in the entrepreneurial sphere. In the majority of cases what differentiates one sector from another is not so much the orientation of the vindication -according to what has already been pointed out with reference to the different professional conscience- but rather the level at which each one

of the sectors felt most powerful and therefore the "social zone" where it would prefer to exert its pressure. Modifications in the electoral law occurring at this stage are fundamental to the popular sectors permitting their massive participation in the elections as there they find basic instruments for exerting their pressure. The workers could only think of instruments such as strikes or "public demonstrations" since the political labour parties were weak and consequently their possibility of exerting pressure "from within" the State mechanism was very limited. Some leaders of the labour parties became members of Parliament early -Palacios in the Argentine and Recabarren in Chile for example -but for a considerable period of time they remained as isolated "denouncers" in a Parliament hostile to them. At this stage State did not try to make its influence felt in "labour questions" beyond "maintaining order" and therefore, did not attempt to manipulate the union leaders or the leaders of the labour parties and the reason for this seems to be a simple one: in part it was due to the weakness of the labour organizations and in part to the strength of the coalition of groups which were in command of the State at that stage. Summarizing, the State did not attempt to manipulate the labour leaders because they were not an important part in the prevailing political picture, since their action was limited to restricted sectors of the population in the urban zones. Even violence itself, which was so typical of the labour movement in this period, can be understood as a product of its own weakness.

Excepting the case of Chile, where mining and industrial workers coexist and generally act jointly it is common that in countries where industrialization is advanced, there are no important mining or plantation worker sectors. In the relatively less industrialized countries labour pressure is in the hands of these latter sectors, which generally form non-urban and isolated groups; consequently, communication between them and the possibilities of common action are very difficult. Among the labour leaders of these countries an ambiguity of orientation between two alternatives is noticeable: on the one hand maintenance of autonomy of political action and exerting union pressure at any cost or on the other hand entering into political alliances with other social groups; both possibilities clearly reflect the weakness.

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It has already been mentioned that around the decade of the 1920's a series of transformations in the social structure of some Latin American countries occurred -especially the Argentine, Brazil, Chile and Mexico- which have repercussions on the structure of the working class in general and on its elite in particular. The most outstanding aspects of those transformations are the following:

1. From the economic point of view a deterioration of the functioning of the system orientated towards the export of raw products can be seen both in volume and relative price levels. Given the importance which the functioning of the foreign market had on the economic system in general the repercussions of the crisis are enormous in all spheres. As a result of that situation and through economic policies with variable degrees of "intention" conditions are generated which make a process of industrial development possible within the "import substitution pattern", a process which is favoured by the restrictions of the second world war.

2. The State is no longer a mere "guardian of order" and commences to exercise new functions both in financial policy -the creation of the Central Banks may be recalled, for example- and in the sphere of production. In some cases the State deliberately promotes the process of industrial development -within the "substitution" pattern already mentioned- and to exemplify this, it might suffice to mention the economic policy of the Popular Front in Chile and that of President Cardenas in Mexico, both in the 1930's.

3. Since the first decades of this century there has been a migratory process from rural to urban zones but after the 1930's this process is accelerated considerably as a result of the already mentioned deterioration of the primary sector and also due to "attraction" factors of the city. This migratory mass moving towards the urban zones usually winds up in the capital cities where "opportunities" -defined in general terms- are greater.

4. Not necessarily coinciding with the moment of the economic crisis a deterioration takes place in the political equilibrium on which the system of "oligarchical" domination was based. In some countries the system is substantially transformed and traditional domination gives way to new social groups (in Mexico for example), in others the traditional system

manages to maintain its fundamental basis even though the level of political participation is widened and new groups begin to appear within the power structure (Irigoyenism in the Argentine for example). Summarizing, an attempt is being made to point out that a weakening of oligarchical power takes place in all those countries where subsequently there is an industrialization process and therefore a modification of the traditional power structure which must integrate new social bodies which no longer are satisfied with a marginal situation.

It has already been stated that in countries which after the decade of the 1930's achieved a certain industrial development the magnitude of the development achieved in the first stage and some of its basic features -as for example the fact that primary production was in the hands of national producers- brought about an expansion of the economic system and therefore new groups arise which ultimately are those exerting pressure to enter the power structure. In general, in the other countries, that is to say those where there was no industrialization, although the economic crisis was strongly felt, the traditional system had not developed sufficiently -or its expansion was hindered by the characteristics of income distribution- so as to create important nuclei which, even though not sharing the same interests of the dominant strata, might successfully exert their pressure for participation in the system. Therefore, the crisis does not have the same consequences as in the other countries and generally speaking, there are no attempts to defend the income and employment level at the overall level, the process of industrial development (even substitutive) is not promoted intentionally and the inflationary process particularly deteriorates, the situation of the lower income strata. Economic crisis turns into political restriction; this happens in almost all the Central American countries, where the crisis inaugurates a series of governments which exert pressure "downwards" and attempt to make other sectors pay the costs. The few organized labour movements can do little to step this pressure although the resistance of the miners of Nicaragua at the beginning of the 1930's might be recalled.

If attention is now focused on the countries which promoted an industrialization process the question should be put as to what are the consequences which the outlined changes in the social structure have on the working sectors, especially on its union elite.

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Originally the process of industrial expansion produces the emergence of an industrial working sector much larger numerically than in the earlier stage. But besides a volume increase the working strata change as a result of the technological changes introduced in industry. The higher technical level, as known, requires, in an important proportion, less qualified labour, which therefore loses, with respect to the previous labour force, its connection with a profession or craft. The "rotation" possibilities are much larger and the worker lacks a sense of integration in the industrial environment. Among those less qualified sectors "professional pride" so typical of the workers of the previous stage is lost and even the significance attributed to industry is changed. If the industrial workers of the beginning of the century believed that the very process of industrial development could become one of the instruments of their liberation -and, therefore, felt themselves tied to it and its avatars -the present worker does not believe neither in his "liberation" nor in the role which industrial development can play in it. Exaggerating it could be stated that whereas at first the fundamental ideological concepts which were used in describing the "future" of the working sectors were "emancipation", "liberation", etc. now more thought is given to social mobility, particularly within the system, and to the attainment a "reasonable" standard of living. The significance of industry has changed in the mind of the working sectors of the more industrially developed zones; it is no longer an "instrument of liberation" but the means by which the workers can achieve a higher standard of living; therefore it is not by chance that it is common among the workers to wish to "quit" industry and "start on their own". The very process of industrial development has important consequences with regard to the forms of union organization. In countries such as the Argentine or Brazil, for example, unions are organized by industries in large scale "industrial unions" and organization based on profession, craft or enterprise begins to weaken substantially. Collective agreements are reached at the level of branch of industry and therefore unions are able to extend the conflict more easily thus achieving more power in negotiation. In less industrialized countries union organization remains at the level of the enterprise, profession or craft and although there are more complex organizations at a higher level

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(federations, confederations, etc.) these do not usually represent the workers in worker-employer conflicts.

The new role assumed by the State has important consequences for the labour movement. On the one hand, the new entrepreneurial functions assumed by the State imply that a considerable part of the labour force becomes directly subject to the aegis of State as employer on the other hand, the State' concern about industrial development problems presupposes an immediate State concern labour questions, in other words an attempt to control worker-employer relations. But perhaps the most important aspect is the role which the State plays in the organization of the labour movement. This "State intervention in unions" is always rather ambiguous; if on the one hand government regulates their organization, grants them a legal status whereas before they were in a rather precarious situation, protects the leaders and forces the entrepreneurs to recognize them; on the other hand it specifies their structure, limits their power and directly supervises their administration and activities. In some cases it even degrees inability of some sectors to join in unions (typically State employees) and prevents the formation of union central organizations. When analysing State intervention in the labour movement a bit further it can be noticed that behind the obvious phenomenon there is the already mentioned deterioration of "oligarchical" power. The changes occurring in the traditional political equilibrium vest a new role into the working sectors which become important elements in political alliances. These now have a new participant -which previously remained marginated from the political system- and which will begin to exert pressure to exert power from within the system itself. However when the new political alliances -including the working sectors- reach government, the working sectors participate in a peculiar form. In practice the concept of "manipulation" has been used to describe the relationship between the State and the unions; and this manipulation of the working sectors by the State can be considered, because of its multiple consequences, as one of the defining features of the labour movement in this second stage in all those countries which were struggling to achieve a higher level of industrial development (the Argentine with Peron, Brazil with Vargas, Mexico with Cardenas). The phenomenon in Chile is more complex because even though the level of industrial development achieved is lower

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than in the other countries mentioned, it is perhaps also the only example in Latin America of participation of the labour movement in the government (Popular Front in 1938) maintaining its autonomy amongst attempts of industrial development. From this "interventionist" period also stems, generally speaking, abundant social legislation, favourable to the labour movement.

Finally the rural urban migratory process, especially in countries such as Brazil and the Argentine, transforms the features of the working class from a working group of foreign origin -very ideologized in its elitarian nuclei- into one of national rural origin still with remnants of the caudille organization. To the extent that the industrialization process cannot coherently accompany the urbanization process, the population group called "popular urban sectors", expands even more than during the previous period.

The new working sectors do not always mix easily with the old ones; especially in the case of the Argentine, confrontation occurs not only on the entrepreneurial plane and in the unions but also at the overall political level. Unions become subjected to the power of the new groups and there is only a slow assimilation of the old workers in the new organization. The syndicates, during this period, play the role of mediator within the power structure. It is true that in the "populist movements" the "direct" relations of the head of government -the "leader"- with the "masses" is maintained as a significant feature and which has the function of reinforcing the awareness of the masses of participation in power. But unions are usually the smallest cell through which such participation is structured and expressed and which becomes manifest in a defense of the worker at the level of the enterprise, in evenness -and sometimes even in a situation of favouritism- at the labour courts, and in implementation of a social legislation favourable to the same.

Summarizing, the old and relatively small professional unions become "massified" in two important senses: on the one hand the volume of affiliation increases notably and on the other hand they begin to offer a comprehensive series of personal services -medical, recreational, etc. Government supports and promotes this massification by creating obligatory affiliation and by taking the necessary precautions to enable the unions

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to achieve a financial situation enabling them to fulfill their new functions adequately. From this close relationship between government and the unions emerges a special type of union leader whose function is that of connecting one with the other at the medium power levels. He is generally supported "from above" but this fact does not mean that he is rejected from below because often the union leader's previous activities were such that he had gained prestige among his own. It must not be forgotten that even if State promoted the changes within the union organizations these were also reflections of the rise of the working sectors as a consequence of the mentioned structural factors. However, in some cases, the more "negative" aspects of the function of the new union leadership are reinforced - bureaucratization, "pro-officialist" attitude - to such an extent that specific terms are coined to describe these: for example "charrismo" in Mexico and "peleguismo" in Brazil.

When unions are organized at the industrial branch or services level (as in the Argentine or Brazil) a group of union leaders can be found with considerable power, who usually alternate union duties with political ones and become unavoidable guests at any discussion on labour policy problems.

Whereas, when the organization of the unions remains at the level of the enterprise, their structure is weakened because it becomes atomized into a large number of bodies with little power and, therefore, there is also a large number of labour leaders who can exert a scant pressure.

Summarizing, the rise of the working sectors and the structuring of the mass unions is a phenomenon peculiar to governments of a populist nature. There the unions - and their leaders - exchange their role in the political process, particularly living through an actual experience of participation in power. Beyond the possible criticism which can be made regarding their activities during those periods - many of them extremely justified - an important residue remains which cristalizes into powerful organizations and experienced leaders. This residue becomes obvious when, upon the fall of the populist governments, the new regimes cannot ignore the union bodies since these have already become fundamental pieces in the possible political equilibrium.

THE LATIN AMERICAN ADMINISTRATIVE ELITES

Since the objective of this study is that of formulating hypotheses on the administrative elites in Latin America, it must start from the distinction between two fundamental aspects: that of relations of the administrative elite with the political and social groups during the development and change of Latin American societies, and that of State itself in its historical transformations.

In other words, the first aspect refers to integration of the elite in the political framework of State through the type of bureaucratic recruitment, as well as to the frame in which the relation between the public bureaucratic elite and the social groups establishes itself.^{1/} The second aspect refers in general terms^{2/} to the change of the role of State in Latin America.

Both aspects are intertwined in an historical schematic sequence starting from a first stage characterized by the "oligarchical elite-liberal State" complex. A transitional phase follows with some relevant interesting moments in the change of the role of State, leading finally to the third stage - the current one - with a configuration we may call "professional elite - producer State".

The stage of the oligarchical administrative elites

A long historical period elapses before an image of State arises considering the same as a decision-taking center or an entity capable of resource and interests planning in the Latin American countries. The development goals of the liberal State which the independency movements of the XIX century attempted to establish in Latin America took decisional forms characteristic of the prevailing ideological model.

^{1/} A paragraph from Fred Riggs's "Bureaucrats and Political Development a Paradoxical View", in Bureaucracy and Political Development, is taken as a model; edited by Joseph La Palombara, Princeton, New Jersey, Princeton University Press, 1963.

^{2/} See R. Cibotti and F. Weffort, "Características sociológicas del Estado y la planificación del Sector Público", Institute 1965.

The economic concept of the liberal State - of free interplay of forces in the market - once in a political power position inspired the State to take charge of regulations intended to sustain and reinforce a free competition economy. The Latin American countries being located in a structural framework quite different from that prevailing in the areas of origin of such economic idea of the liberal State, these regulations naturally could not be rigorous, if not completely impossible, until very much later in the XX century.

One of the most important previous tasks of the new Latin American States of the XIX century was that of developing the precarious political independence in two ways:

1. Implementing a minimum coercitive mechanism, as well as an appropriate fiscal system to liquidate the debts from the independence wars. Thus it was attempted to achieve certain minimum goals of administrative centralization and of effective territorial control.
2. Attempting to rapidly establish an ample intermediate sector of small owners in accordance with liberal ideas. The vacuum actually existing in connection with this idea was filled over the time by bureaucratic public middle classes and other private sector type sectors in the urban areas, with its inevitable political repercussions.

These two types of decisions with successive advances and backward steps in each case reflect the characteristics of the different national structures. The articulation of means to achieve these goals, especially the second met the main difficulty in the administrative control platform having become emptied which independence could not replenish immediately, excepting in some isolated case (Brazil, for example, under the Empire with the Court previously being transferred from Portugal), without able men to fulfill the higher administrative functions, nor with the necessary experience to rapidly achieve the objective of enforcing patterns to the not always sly pressures of the new and powerful interest groups which emerged.

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Thus, the internal controversies, the localist interests and the civil wars not always permitted the mentioned attempt of regulating - less clear is that of centralization - until the end of the XIX century, that is to say, when the unitary criteria in the collective ends found support in the armies, not only technically disciplined, but with a national political concept and not the economic impulse itself. The effective progressive centralization of economic life in the cities promoted the establishment of a public and private administrative elite.

The field for recruitment was chiefly among the creole oligarchy whose members tried to thus maintain their social prestige aims for which they could no longer rely on the traditional means. Thus, a bureaucratic coincidence of groups corresponding to different degrees of development occurred within a political framework which could not always structure itself in accordance with the model of other political communities that were able to mediate in or assimilate the objectives and the pressures of the different commercial or financial groups.

The administrative elite could not but obstruct the formation of production structures different from those purely oriented toward the external markets, on the basis of exploiting primary resources - mining, plantations and haciendas. Consequently, the conflicts between the oligarchical elite and the other groups became apparent in the various types of taxes levied on the activities of these latter groups.

The transitional stage

These circumstances changed with the emergence of the political parties and the incipient urban medium strata movements - and the progressive transitional transformation of the original liberal structure of State into a form of state with successively larger entrepreneurial activities^{3/} and with the emergence of a "clientele" policy. This process, of course, is not identical in all Latin American countries. Disregarding the historical events of each country any analysis of the nature of the renewal of the administrative elites and of the typical behaviour of each

3/ R. Cibotti and F. Weffort, op.cit.

of them would be meaningless. Upon verification of the hypotheses regarding the formation of the elites the presumption could be advanced that during the first stages - the oligarchical ones - these elites achieve a relatively permanent configuration, and that thus maintenance of the position had the following characteristics:

- (a) In the first place, the requirement of a general technical-administrative background might have been rigorous, but given the conditions of the prevailing social structure the weight of family prestige - of family ties - was undoubtedly decisive.
- (b) In the second place, the framework of political loyalties perhaps was never sufficiently significant to impede renewal forms to some extent almost hereditary. However, the relative stability and the smallness of the bureaucratic area permitted at the same time an administrative "career" and likewise social upward mobility based on personal merit.

The larger importance given to education and the political and economic transformations - political institutionalization and economic growth caused by increasing centralization and urbanization - originated (in some countries more than in others) the appearance of new striving for administrative positions which could not be satisfied in the rest of the occupational structure. This means that an expanding urban middle class emerged with an increased level of education and with larger claims for a more equalitarian distribution of income. When occurring - as did actually happen in some countries - their political ascent as a result of social movements and their actual participation in the power structure necessarily had to occur the very moment at which recruitment of the administrative elites was significantly altered. This occurred because in the political sector loyalty was transferred to the new forms of domination - away from the traditional - and to the objectives and goals their activity would permit to achieve.

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Consequently, during all this time participation of these administrative elites in the changes of "traditional society" transforms these in turn into an heterogeneous group of a transitory nature - unstable - particularly supported by the recent contemporary urban populist movements.^{4/}

However, these statements may not be generalized as an absolute value because transformations of bureaucracy in general and of the administrative elite in particular can only be understood fully in connection with changes in State - especially of entrepreneurial nature - and the different historical conditions under which it takes place. Therefore, in certain Latin American countries it was not always entirely clear and where educational opportunities are cut-off at a certain level it is more appropriate to speak of the transformations of the character of the oligarchical administrative elite and of its infiltration by new members, as a consequence of a clientele policy, especially referring to medium and low steps of bureaucracy.

The extent to which public bureaucracies participate in populist vindications becomes apparent in actual government policies, due to which considerable income transfers occur from the traditional production sectors to the modernized sectors. This, of course, only happened at certain favorable moments. Undoubtedly one of this was the time of incipient semi-autonomous industrial development, another the effects of certain protectionist policies oriented in this sense. And thirdly, the result of certain historical contingencies, for example, that one turning favorable the situation of some countries at the end of the Second World War. At any rate, this was only possible insofar public reserves

^{4/} This is based on Fernando H. Cardoso "El proceso de desarrollo en América Latina", Institute, 1965, page 72, where it reads: "One of the most generalized obstacles to the formation of a technical bureaucracy in Latin American countries is that transition from traditional society operates under pressure by the populist movements... therefore, vindications about income distribution have repercussion at the State level transforming administration into a political clientele mechanism in a different sense from what it had during the period of exclusively patrimonial selection of servants, that is, only the demands of "mass clientelism" are considered and not the impersonal and technical criteria and objectives of a modern bureaucracy".

permitted policies of populist character toward improvement of income levels and real benefits - education, social assistance, etc. - of the non-privileged strata. That is to say, favoring the gradual improvement of the medium sectors in public life and of its social upward mobility possibilities.

The professional stage of administrative elites

When the mentioned change was relatively intensive and education and to adjust to the new technological requirements - a process in some areas reinforced by nationalization policies - it crystalizes in the administrative sphere in a new elite of technical-professional nature finding its role in the formulation of technical development goals.

Its fundamental nucleus and articulation are the technical consultory organisms of national character and it may be assumed that that is the place where the progressive separation of the "technocratic" element from the purely "political" occurs. However, the vertex of the national administrative hierarchies continues maintaining this latter character, notwithstanding its larger "technicism", because its recruitment operates in accordance with loyalties of political nature and in accordance with the demands of the official political programmes. The "technicians" properly occupy the second step achieving a larger stability in their positions and better "career" possibilities.

Such elites objectively take form in accordance with government plans and by their own experience in the new fields opening to them. Maintenance of public order, enforcement of juridic norms established by the various codes, administration of justice, national defense, taxation system, education, public services and public finance are indeed the classical fields of action of State, recently being enlarged by other such as for example that of production of certain goods, the national banking system, etc. Following the thread of this evolution the significance of this new stage could be further analyzed and this would bring out at the same time the new types of relationship between the professional elites and the rest of society.

In Latin America industrial entrepreneurs of the new type do not always have an easy access to the political sphere due to the different degrees and permeability of the domination system or due to the still non-precise mechanism of regulation. Connection between bureaucratic elite and society is found in the norms issued by the real organization entity - the State.

When bureaucracy as a whole takes interest in income distribution and in participating in it ad hoc manipulation of these norms permits compensating the deficiencies of an inadequate distribution system.^{5/} Institutionalisation of bribe seems to be common in some countries, but in the majority the influence of prestige, social position or political connections usually has more weight. The bureaucratic elite is capable of exerting pressure in this direction thus assuming a favorable position in regard to the political decisions on development, very particularly when coexisting with an extensive clientele system.

The advance toward the professional type of elite limits, if it does not entirely eliminate, the effects of the mentioned tendencies or channels these through the bureaucratic grades which are more closely connected with the exterior. These transformations become much more visible when access to the professional group is through certain organizations, both national and international.^{6/}

Where such form of professional recruitment takes place the official dependency - not always free from a political shade - tends to become more and more impersonal and is oriented by the technical demands of the development formulations as to its resources and goals, notwithstanding the persistence of superpositions and dualities of public function. This does not mean in any way that the mechanism of the clientele system in its different levels ceases to operate in the public sector as such, in one way or other conditioning the behaviour and even the attitudes of the elite members.

^{5/} Riggs, Fred. op.cit.

^{6/} The most accomplished example is CEPAL and the present national planning organisms in each country.

Another type of connection occurs when the public sector is forced to fulfill the "vacuums" occurring in the private sector. When these are very large the emergence of State monopolies is possible and that of a new type of "State entrepreneur" in the more advanced countries - Mexico, Brazil, Argentine or Chile - that is, in the countries where government fosters exploitation of certain sectors, an ideal field for monopolies, as in the case of fuel and power. These autonomous enterprises originated as an answer to certain juncture situations in which it was attempted to give more dynamism to public administration, because although these enterprises continued connected to certain ministries or to presidential organisms^{7/} an attempt was made to grant them a larger or lesser autonomy in their financial operations. But, this did not really prevent some duplication of functions and the formulation of somehow contradictory or conflicting goals.

It occurs precisely that when the new discretionary power of certain sectors of the administrative elite and its consequent higher prestige become associated with the prevailing clientele system, in the long run an excessive bureaucracy comes into existence, more than an improved distribution of administrative functions, accompanied by the consequent budgetary deficit or by stagnation of productivity of the public sector as compared with the other sectors.^{8/}

Political changes in government usually also affect the mentioned stability due to removal of officials of the higher ranks and the parallel widening of the bureaucratic base. Thus, participation of a professional elite in Latin American public administration has customarily been threatened by these possibilities of political removal. When the interplay of political pressures is very intensive - as frequently happens - the higher level of the administrative elite usually becomes disarticulated

^{7/} R. Cibotti and F. Weffort, op.cit., page 15.

^{8/} R. Cibotti and F. Weffort, op.cit.

making its internal turn over process extremely rapid. (In the Argentine or Brazil, for example, in recent times and within a two-year period a substantial number of high rank officials were separated from their positions.^{9/} This has also occurred in Peru and Uruguay, although with a different characteristic).

It is advisable to complete this picture by expounding what happens when military revolutionary coups take place. In such cases violent substitutions of the bureaucratic elites are involved temporarily being replaced by the trusted officials of the new regimes who try to secure effective control of the general administrative mechanisms of State.

The typical and repeated phrase "saneating public function" reveals that at the same time an attempt is made to conceal the reality of such temporary substitution.

It could be believed the permeability of the elite displaced by outside interests disappears almost entirely at the top. However, its essential character reappears on the basis of a new regulation of the administrative functions which, initially assigned in accordance with more rigid criteria, after a time follow the habitual ways. Articulation of decisions on development continues operating through connections between the high officials as members of the bureaucratic system and representatives of the different interest groups. This usually occurs according to two fundamental patterns:

- (1) Through juntas and institutions joined by public officials and entrepreneurs who directly manage or have some influence in the setting of prices and in production and marketing of certain staples (coffee, meat, wheat, sugar, etc.)^{10/}
- (2) Through the central banks, to the extent that their boards have a distinct tendency to consider themselves powerful representatives of the private sector.^{11/}

^{9/} Reference is made to the Primera Plana magazine of January-December 1965, published in Buenos Aires.

^{10/} R. Cibotti and F. Weffort, op.cit., page 19.

^{11/} R. Cibotti and F. Weffort, op.cit., page 19.

The results naturally depend in each case on the degree of actual representation held by such associations, and on the distribution of power being such that it will incline the decisions taken toward one or the other side represented, public or private. The statements contained in the foregoing pages are really a series of propositions of a validity which can only be determined by means of particular empirical research.

THE MILITARY ELITES

The present Latin American army is the product of a society which develops unevenly after the breaking of the colonial tie and which, in the formation process of its institutions, is affected as much by its peripheral position in the international system as by the internal relations and conflicts of its social groups. Militarism is spoken of as the cultural residue of the wars of independence and of the civil war after that period; violence has been a factor of Latin American political life and the army, entrenched in the social structure, discovered new reasons for its participation in the process of change of recent decades.

With the division of work operating in present society, technification and specialization of the social functions have also affected the army^{1/} which increasingly comes to adopt the form of a complex bureaucracy with hierarchical levels at the head of which a minority takes the decisions which are so important in the social life of the Latin American countries; this elite^{2/} is a product of the recent bureaucratization trend of present society and through this mechanism it is possible to detect its structure and functioning. Usually, research on the army is confused with that on the phenomenon of "militarism" which is a recurrent fact in the political life of developing countries or also, with the elitarian subject, with aspects relating to the so-called "crisis" of the power elites, and more generally with changes in the forms of domination.

In general terms it can be said that within the armed forces changes have occurred which have redefined the objectives of the institution and a readjustment to technological innovations in the art of war has been sought, resulting in a type of leader more resembling a manager or businessman than the old military "hero".

1/ "Army" is used in the sense which also includes the navy and the airforce, that is to say the armed forces as a whole.

2/ On speaking of elite, an institutional position or a position within the social structure is considered, that is to say, institutionalized positions which depend on the level reached by the person occupying it, in this case personal qualities being of less importance.

/The changes

The changes have been possible because the army as an institution is easier to modernize, in a transitional society, than other institutions or forms of social structure^{3/} and also partly due to contributing factors derived from the international situation or due to the internal zeal of the high ranking officers to be up to date in techniques and in modern methods of application of force. The process which has led to the modernization of the Latin American armies and to their bureaucratic organization is also linked to factors connected with the corresponding process of affirmation and constitution of the national states. Actually, the army has always been an institution advanced in the adoption of modern forms of organization, and even more, in those technological aspects which are connected directly with the defensive capacity of the institution. In the developing society it has been proved empirically that the rate of change is greater in those sectors where technological aspects predominate rather than social or cultural values. Already at the end of the last century practically all Latin American countries possessed regular armies and a continuity of objectives and command. During that same period military academies and schools, were established from then on guaranteeing military selection, recruitment and training, at least for certain levels and/or specialities.

The reorganization of the academies has had scientifically aims for many years in a society orientated almost exclusively toward the liberal professions. Specialized military science had been transmitted in Latin America through the formation of a professional spirit which did not exist at the beginning: arising as a body which educated its members in the spirit of patriotism and defense of nationality, the military have created an esprit de corps in which the values of discipline, efficiency and order are inserted in an implicit moral code and in a tradition of honour and glory.^{4/}

3/ Lucien W. Pye, "Armies in the Process of Political Modernization", which appears in The Role of the Military in Underdeveloped Countries, Ed. J. J. Johnson, Princeton University Press, 1962.

4/ The point of honour is an even better expression of "loyalty", "honour" and "self-esteem" of the military which they utilize constantly as heirs to that tradition. "The Military", Lyle N. McAlister in Continuity and Change in Latin America, Ed. J.J. Johnson, Stanford University Press.

Military professionalization was a step already achieved by those countries like Mexico, Chile, Brazil and the Argentine, having a more diversified economic and social structure; that situation is also to be observed in those branches in which modern technology is more advanced and is connected with the contemporary ways of war making, such as aviation, for example. The phenomenon of military professionalization is distinct from but parallel to bureaucratization. Professional status is reached when, in general, legal protection of the specialization acquired is obtained by a qualifying body of knowledge and skill. Monopoly of professional practice assumes at the same time formal State sanction, a recognized degree of autonomy in the selection, recruitment and preparation of the candidate, as well as the possibility of country on a number of rules and norms facilitating training of the future professional and his socialization. Such conditions are accentuated within the armed forces particularly as promotion in the hierarchy operates. With respect to the military - says Van Doorn - the leaders of modern armed forces are unmistakably professionals,^{5/} such a role including elements of experience, specialization, competition, public responsibility and formal authority.^{6/}

Bureaucratization of the armed institution permits identification of its ruling elites more easily, as well as establishing its recruitment and functions. At the top of the staff offices of the Navy, Army and the Air Force, in the Higher Defense Boards, in the Ministries of Defense and in the high level technical and bureaucratic positions that minority can be found which more than due to its social origin, because of its thorough training and organizational requirements has facilitated the distinction which necessarily is to be made between those in command and the other.

5/ J. Van Doorn, "The Officer Corps: A Fusion of Profession and Organization", European Sociological Records, Volume VI, 1965 - 2, page 262 and following.

6/ In the same sense see S.P. Huntington, "The Soldier and the State" in The Theory and Politics of Civil Military Relations, Cambridge, Harvard University Press, 1959, page 469 and also Janowitz, op.cit.

Within the army the commanding groups are differentiated because the distance established between the officer and the simple soldier, apart from the already traditional socio-economic separation, is reinforced by a noticeable difference in technical knowledge, in training and in world experience, putting it briefly, in the most important aspects of modern life. It is true that this professionalization contributes to recuperate in part the prestige of the Institution to the extent that it becomes technical and modern. The different social origins of officers and enlisted men as it strengthens the self-image of the first as a privileged group, it also facilitates or causes greater isolation from civil society, as indicated further on. Van Doorn keenly notes that isolation is a functional requisite of the "armed establishment" since the high social status of officialdom is parallel to the social structure of the armed forces.^{7/}

There are also other factors not always noted in the modernization of the Latin American armies connected with the so-called "demonstration effect" which produces known effects in this institution. High officialdom lives dependent on what is done and obtained by other armies of the zone; the constant comparison of foreign achievements in equipment or levels of specialization produces an obvious rivalry and finally an armaments race up to present days undisclosed for reasons of secret strategy non-revealed even to the civil powers of each nation. Only within the ordinary budget of each country, the Ministry of War and the Armed Institution are allocated 15 to 25 per cent; in some countries it reaches 35 per cent. There are expenses of which the confidential detailed items are not published and which refer to the purchase of military equipment abroad.^{8/}

7/ J. Van Doorn, op.cit.

8/ Every year more money than ever is spent in Latin America on weapons and the recent Ninth Inter-American Conference had to postpone for the third time the important Chapter on Disarmament in the Zone, according to E. Lieuwen, "Neo-Militarism in Latin America: Kennedy Administration's Inadequate Response", in Inter-American Economic Affairs, Vol. XVI, N° 4 page 9.

/The result

The result of this has been the formation of a modern institution, internally efficient, but alien and even divergent with respect to the problems and needs of the (under developed) society in which it operates. The "modernity" of the army on the one hand, is alien to the requirements of economic and social development, and on the other hand, constitutes a heavy burden task in view of its practical results.

A problem to be solved in empirical research refers to whether a modern bureaucracy in a backward context is a factor which retards or stimulates development. It is certain that the separation which can be established has important political and social consequences in Latin America. On the one hand, not having to adjust itself to the requirements of society and of the environment (nor do its commanding elites have this worry) the Institution becomes even more closed isolating itself from civilian life and the rest of society. On the other hand, the specialization of the different armed forces and their modern equipment, their functions in general, grow more distant from their supposed reason for existence: the application of force (understood as the carrying out of war for reasons of defense). Never before has the army of these countries attained such high levels of equipment and technification, but never farther away from the "line of combat".

Such a situation, which to a considerable extent conditions the behaviour of the military elites in Latin America, originates a contradiction for which at times a solution is sought in the abandonment of strictly military functions.

It should be noted that reference has been made to two distinct phenomena of the same process of change affecting the armed institution, that is, their own objectives different from the global society and the functional isolation mentioned by Van Doorn, which is to be explained by needs derived from the social composition of the troops in an institution which needs to function as a closed bureaucratic model to maintain itself.

The sociology of bureaucracy moreover, assumes the hypothesis that when perception of external prestige at a low level is predominant it would produce a reinforcement of the group spirit. In Latin American society the social recognition granted to the armed forces varies from one country

/to another

to another or from one social class to another. It also depends internally on the different hierarchical levels involved. But imbalance of internal and external prestige of the armed forces with respect to society can become acute and is likely to produce the known stereotype of the military versus the civil which is reciprocally reinforced as a basis of anti-military prejudices, especially in those countries where political crises are more frequent.

However, the Latin American military elite cannot be described if mention is made only of its institutional position; its social origin is another important explanatory element. The basis for recruitment has varied from one period to another, from one country to another and even from one armed force to another becoming successively wider. Although the middle classes have provided the majority of the officers of the Latin American armies, the Navy on the contrary, as a privileged force, has been joined by the sons of the oligarchical aristocracy, putting barriers to equalitarian access with a bearing even on the social origins or physical appearance of the candidates. The aristocratizing force of the Navy is less than that of the army. Since, as has been established through many empirical studies, after the first world war the social origins of the officers began to reflect precisely the changes taking place in the social structure of many of these countries,^{9/} Thus, the sons of immigrants or sons of parents of non-traditional social origins (new crafts or professions), in brief of the new urban middle class, enter the army regarding it as a fast and effective means of social upward mobility.

Such was the situation at least in the first decades of this century. When the process of economic development is slow and not sufficient to alter the bases of traditional and rigid social relations, the possibilities of social upward mobility are likewise scarce or inexistent; under such

9/ E. Meuwén, "Militarism and Politics in Latin America", in The Role of the Military in Underdeveloped Countries, Ed. by J.J. Johnson, op.cit.; Lytle N. McAlister, op.cit.; G. Germani and K. Silvert, "Politics, Social Structure and Military Intervention in Latin America", Archives Européennes de Sociologie, Volume II, N° 1 1961; José Luis de Imaz, Los que mandan, Eudeba, Buenos Aires, 1964.

conditions the armed institution, whatever the access door may be, is considered as a means of facilitating the acquirement of new positions in the social structure, by means of a new professional career; the social basis of recruitment widened successively even though with the economic differentiation achieved by some Latin American countries, the validity of that proposition was restricted to those backward contexts, where the army continued being a means of social upward mobility. At any rate, the institution in Latin America has a predominantly middle classes composition with all its contradictions or ambiguities of cultural and political behaviour. Analysing the so-called military "coup" in this zone J. Nun considers that the armed forces appear to be one of the better if not the most structured of middle class institutions.^{10/}

In some countries (Mexico, Nicaragua, Bolivia), the armed forces have been totally reorganized in the present century on popular bases; the fact that two of these have the traditional behaviour similar to that of some Latin American armies proves that in all these countries there are social and cultural factors which make such behaviour standard and that "democratization" of social origin does not necessarily lead to democratization of professional attitudes.^{11/}

For a considerable period - in the past - in the upper hierarchy of the army command was disputed between the officers trained in national and/or foreign academies and those who made their way up starting as enlisted men and/or as recruits from obligatory military service. Although at present such type of recruitment continues, access to the highest echelons of command is reserved to those exhibiting a record of capability and knowledge acquired over a long period of academic training.

10/ "A Latin American Phenomenon: the Middle Class Military Group", J. Nun, in Trends in Social Science Research in Latin American Studies, a conference report, University of California, March 1965.

11/ Armed Forces in Western Europe: Uniformity and Diversity, M. Janowitz, A.E. de S., Volume VI, N° 2, 1965.

The type of "self-appointed general", the local caudillo with more luck than schooling and with more experience in guerrilla (warfare) than in the complicated art of strategy has disappeared. This phenomenon has contributed substantially to the elitarian composition of the Latin American army commands; the selective mechanism of academic training and intellectual formation today is usually being extended at foreign schools or fields, preferably North American. The French influence until the end of the First World War and the German or British in the first decades of this century have disappeared. From a certain hierarchical level on, as mentioned, the recruit entering through obligatory military service or special courses (mechanics, telegraph operators, artillery, infantry, etc.) has no career possibility whatsoever.

Promotion of academy graduate officers is thus facilitated; in addition, to their natural talent, the curriculum becomes increasingly important, and so does social origin and influences of other kind. Formally, promotion follows strict institutional rules; the possibility of promotion exists for everybody, but few reach the highest ranks and few are those of these ranks who manage to secure the positions of highest prestige and/or command. This could help to explain the phenomenon of the inter-elitarian struggle which will be mentioned further on and which recurrently appears in the armed forces of some countries of the continent. The retirement and pension system facilitates that in the course of time a substantial percentage of officers retires, discontented for different internal reasons or because of mere service necessities and in fact a very complicated system of selection operates in which political pressure, professional prestige or family origin, etc. are intertwined. In some countries Parliament makes appointments to fill the highest positions.

The result of all this is the cumulative formation of a positional elite which concentrates power and influence beyond the limits of the actual institution and which eventually supports or grants access to political power, wealth and social prestige, although such a proposition does not void the hypothesis that the opposite might be true. This first aspect has important social and political consequences; through the high positions of command some members of the military elites sometimes

/obtain access

obtain access to other spheres of activity; their power opens - from the summit - the way to close relationship with the other ruling groups of society, also through the immediate communication always existing between the highest ranks of the economic and political spheres. A community of interests, orientations, and general perspectives may thus gradually crystallize at such levels explaining both military activity in politics and the congeniality sometimes expressed to them by the financial groups.

The military elites today are engaged in manifold activities some of which are not exactly of a military nature. Bureaucratization, as has been noted, is the result of an evolution released both by exogeneous factors and diversification of functions derived from growth, has expanded these activities and/or spheres of action. Together with modernization of equipment the institution needs additional services (hospitals, clinics, laboratories, research equipment, etc.) grocers, and "commissaries", to solve housing and residential area problems of its members, sports and social clubs, schools, factories, libraries and its own jurisdictional agencies; military statutory autonomy has a long tradition in Latin America.

Nowadays those functions carried out by the army as administrating "agency" of public works or services and regional development projects are no longer regarded as extra-military. In this respect the listing could be endless; the institution carries out activities at least in three well known spheres, which could be grouped as follows: (a) the execution of actual military tasks (and internal administration); (b) as entity responsible for the administration of public services and/or the execution of public works and (c) as interest group or pressure group.

This systematic presentation does not diminish a feature pointed out by those who have taken the army as a research unit as to the undefined contents of the role played by the institution after the changes of the recent decades. This refers to the external defense function, which was until very recently the reason for existence of the armed forces. During the last thirty years the possibility of war has practically been written of as a viable way of solving disputes between countries in

/Latin America;

Latin America; such a resort becomes impossible due to the improvement of diplomatic instruments and the new orientation of Public International Law in regard to international relations. Although in modern society goals proliferate for the army they become more diffuse in spite of the bureaucratization process, which could have a contrary effect; referring to the European context Janowitz^{12/} assumes that with the advent of nuclear technology and new tasks, the armed forces are entering a cycle of transformation in which important elements of functional differentiation are emphasized but new and different ties are established with society as a whole.

Another important fact should be distinguished: the political activity carried out by the Institution or its leading groups (sometimes isolated individuals or rival groups); definition of the army as "a political group" by L.N. McAlister^{13/} is too general, since it refers to the deliberate participation of this group in the process of government with aims beyond the interests of the service; it is possible to participate in the process of government in a manifold manner and applying legitimate norms; activity in the so-called Civic Action field for example, has little to do with the abstract formulation of the "interests of the service". Or rather, it is possible to participate in the process of government acting as an interest group or not within or outside such participation. It is rather in decision making where the political-military activity of the elite is most easily localized.

Military interference which in the sphere of civil government and in general in the political field, normally means a transgression of the legal order, has a historical continuity stemming from the independence wars. It has been assumed hypothetically that as economic and social diversification increases a functional differentiation of the society is established which ultimately limits the military sphere to its strictly professional functions.^{14/} This is a proposition confirmed by historic

^{12/} M. Janowitz, "Armed Forces in Western Europe: Uniformity and Diversity", op.cit.

^{13/} Op.cit.

^{14/} G. Blankstein, "The Aspirations for Economic Development", in R.N. Burns, Ed. Latin American's Nationalistic Revolutions.

reality in Latin America, which since the Second World War has experienced two waves of "militarism" until present day.^{15/}

In agreement with Blankstein, S.P. Huntington also states his belief that professionalization is the most important factor keeping the military out of politics; it seems that such an hypothesis is only valid for certain developed contexts located outside the area.^{16/} Huntington speaking of "professionalization" as the centrifugal force of military activity, states that the profession has three components: (a) the military are "experts" in their speciality; (b) they possess social responsibility and loyalty to their colleagues or rather they are experts in administration and/or application of violence and they feel responsible for their client (the State) and (c) they have a powerful corporative tradition. All this, he states, calls for the military to limit themselves to the exercise of their strictu sensu functions.

The contradiction of such hypotheses or their inapplicability to certain contexts is based on the assumption that a military man is a professional only insofar he is apolitical while maintaining his loyalty to military ideals (a subjective aspect). If he interferes in such sphere of activity, the loss of loyalty that this implies, pushes the military man far away from the fulfillment of his professional duty; that is to say, he no longer is a military professional. One professionalization was achieved in the Latin American armies it can be said that by itself it has not been sufficient to render their elites politically sterile or neutral.

^{15/} In 1936, half of Latin America was governed by the military; in 1945 the wave began to recede to rise again after the Korean War; thus in 1954, 13 republics had military presidents; a relative decline in the 60's (perhaps inspired by the philosophy of Kennedy on inter-american relations; which coincides with the announcement of the Alliance for Progress) has been followed by a notable revival of military interference. Since 1962 there have occurred coups d'état in Brazil, Ecuador, the Argentine, Guatemala, Honduras, Santo Domingo, El Salvador and Bolivia.

^{16/} S.P. Huntington, "The Soldier and the State", Harvard 1957, also L.N. McAlister, op.cit. is of the same opinion.

J. Nur^{17/} considers that the sociological explanation can be found at the level of the Institution as such, that is to say at the military sub-culture and in terms of society as a whole. The social composition (middle class) of the army favours military interventionism, in which the contradictions and vacillations of that class are reflected. Another author, on the contrary, explains the repeated military interventions by the circumstances that the absence of war has left the military groups with modern weapons which have been utilized for extra-military ends.^{18/}

The facilitation for military activity to prosper in politics is also due in part to the weakness of civil power and to the fact that, from the point of view of the armed forces, these exhibit three well-known advantages: superior organization, a highly emotional symbolic status and the monopoly of armaments.^{19/}

But the activity of the military elites may not only be regarded as a natural consequence of endogenous mechanisms; the analysis must start from recognition of the fact that the position of societies located in the periphery of one of the great international power centres conditions the influence - sometimes directive - of that centre. Another aspect deriving from this is the dependency of the army, both on grounds of a continental strategic necessity and due to reasons of a technical and equipment order, assuring that such a dependency should have implications in the social and political order of these countries.

On the other hand, military sub-culture, inclined toward a conservative and authoritarian view of the world, considers that every change disrupts order and views the forces advocating change as a threat. Perception of such danger moves the supporters of the status quo to support or stimulate the military groups in its defense. In recent years different interests entrenched in the current order of things have appeared backing themselves up mutually.

^{17/} "A Latin American Phenomenon", op.cit.

^{18/} J.J. Johnson, "The Military and Society in Latin America", Stanford University Press, 1964.

^{19/} S. E. Finer, "The Man on Horseback, the Role of the Military in Politics", Pall Mall Press, London 1962.

The military elites, linked to the great political bureaucracy or the oligarchical groups, have practically set up a pact of common defense.^{20/} But generally they do not exhibit a solid organization nor do they form a vigorous common front; they are, usually, divided in lodges, service bodies, or mere groups with personal rivalries. More than by rivalry after the V. Alba trichotomy (rank, academy and soldiers) they have been split by antagonistic laboratory loyalties, various degrees of impatience and, basically, the dilemma of acting as professionals or as anointed for the fulfillment of a messianic destiny. Although this is true in general, or for some countries, the most recent events indicate, as has been stated, that the highest military hierarchies sometimes act as if moved by the same defensive interest or concerned with the same interest.

Nothing permits foretelling changes in the behaviour of the military elites. The roots of such behaviour are outside the field of popular reality and the background facilitating the emergence of that phenomenon not only has not disappeared but seems to have been reinforced in the recent decade. The belief that a strong executive power is a guarantee for order and a condition for ensuring the success of a programme of reforms, together with the noted reasons, leads to think that more than a pressure group, the high military command at the head of the armed institution, acts in some countries as a real power factor.

But military intervention is only part of the political and social crisis which in a recurrent manner affects these countries: Does disorder exist in Latin America because of such over-stepping of functions or is it due to the actual state of affairs? Even though political instability, for example, is dramatically expressed in the military coup d'etat against constitutional civil government, it is not sufficient

^{20/} Since 1959, with the Cuban revolution the alliance of the army with the conservative sectors seems to have been sealed when that social movement needed to liquidate the old army to be able to reorganize that society on new bases.

to explain such instability which has other non-excluding dimensions "continuism" in power, fraudulent elections, corruption and violence, and in general, a precarious participation of the masses. Such phenomena even occur in those countries which have more structured political institutions.

Susana Prates

THE INTELLECTUAL ELITES

I. Introduction

The problems related to intellectuals and their role in the formation of new states and the economical and social transformation of underdeveloped areas is a topic of permanent discussion at present times and reinstates the problem of the role of the intellectuals worked out by classical authors of the sociology of knowledge.

Considering the historical process - not only the Latin American - it can be noted that the intellectuals have been always present at the time of definition of the social transformation toward a more open social structure, with more autonomy and participation of larger sectors of the population, as heralds of social vindications. And the universal validity of it is stressed when we consider the so-called third world. This phenomenon requires an interpretative effort to identify the social fundamentals of this group in historical moments different from our economical and social process. So, it is necessary to go on searching for a definition for the possibilities of the past, the present and the future, for the creative manifestation and the action of the "intelligentsia" and its contribution to the process of transformation of the Latin American societies.

In this frame it is necessary to analyze the generational and social renovation of the intellectuals, their relationship with the power and institutional channels of society, their participation in the conflict and their possibility to achieve a consensual vision of society.

These elements form the interpretative layout we are trying to define; which with the intention of finding a meaning permitting to understand the general lines of a given phenomenon.

To make an analysis, we propose an interpretation starting from a given moment of the Latin American states.

/That idea

That idea is now new and follows the tipology proposed by G. Germani. We now consider four movements: colonial liberation, the oligarchic state, the state of compromise and the state of development. Nevertheless, when we think of moments of the states, we must clarify that one does not always imagine a time sequence and that historically these moments are overlapping in part and, therefore, in these terms, the roles, functions and different intellectual generations also coexisted and coexist.

Nevertheless, thinking in terms of a process, the indicated tendencies correspond to a sequence of possible social movements, considering the structural conditions of the environment. The proposed scheme does not try to reflect the particular reality of any Latin American nation, though sometimes it coincides with countries whose historical and social processes can be seen more clearly. Therefore, the interpretative validity of the example is not intended to be based on any particular reality, but is supposed to be a methodical arrangement of tendencies of the whole and the possibility of applying it to each national reality will depend on an adjustment and a verification of its historical sequence, of its political and social structure and of its cultural background, and at the same time of its actual institutional configuration. Some countries and movements are mentioned as examples, when these particular cases are more projective historically in their definition of the beginning and the end of the several phases.

II. The intellectual process in Latin America

When we try to analyze the dynamic and creative possibilities of the "Latin American intelligentsia", according to its social origin and to its structural context, one has to formulate an interpretative principle which implies that the action possibility of the intellectual is connected with the macro-social elements of the context.

In this perspective, one must bear in mind two dimensions of the analysis. On the one hand, the intellectual process as such, which means its formation and the elements that compose and permit its formation, and on the other hand the different historical moments as they are expressed by this intellectual process.

/The libertarian

"The originating constellation of Independence occurred under the sign of liberty and therefore liberalism from the beginning identifies with the essence and reason for existence of the new states.

This will be the official ideology of the liberation movements expressing in libertarian and constitutional ideas appearing particularly in France and the United States giving rise to formulas so alien - in view of the realities and origins of the new historical bodies - as the federalist conceptions which were to have such a bearing, sometimes tragically in subsequent years."^{1/}

Latin America therefore starts its autonomous life combining phases that belong to several historical periods in the European evolution.

Liberalism in Europe, is a result of a large historical evolution, where the emerging of urban middle class sectors combine with an effective national integration that precedes the formalization of the national States. That is, there is a previous institutional structure capable of supporting a liberal State, and at the same time an economy needing liberalism to enforce itself.

In Latin America, the liberalism is not a result of a formation process and historical evolution, but of formation of an intellectual elite following European models, which influenced by the trends of thought existing there, will import it to Latin American, where the economical, social and political reality is in absolute disagreement with the liberal ideology.

The independent history of Latin America starts therefore with a big contradiction, that of "maintaining for a long time an ideology in absolute disagreement with the 'beliefs' and actual behaviours of everyday existence in a body of rural structure and traditional life, on which a thin layer of a predominantly liberal and urban doctrines is superimposed".^{2/}

^{1/} José Medina Echavarría, "Consideraciones sociológicas sobre el desarrollo económico de América Latina", CEPAL, 1963, Santiago de Chile. Pág. 37.

^{2/} José Medina Echavarría, op.cit., pág. 38.

The ecologic context in which intellectuality moves is the city, an appendix of the rural structure and its scenery of intellectual and political action, the state apparatus which, in its ideal constitutional shape, had little to do with the real power groups, the farmers, but who saw themselves represented directly in the state through the action of their sons and protegés, the "doctors" who in direct compromise with the landowners, manipulated the state bureaucracy and the political power. The political and social configuration as the base of the libertarian period explains, to a large extent, the role intellectuality plays in this phase, and its action as revolutionary ideologists. It is the understanding of how this social structure is maintained after the independence period that may indicate the fundamentals of the change of attitude of the intellectuality and the transformation of the liberal ideology, from a revolutionary instrument into the ideological justification of the oligarchical states.

Within a colonial scheme, the political functions and those of higher prestige are reacrued for those groups that either came from the metropolis or according to an adscription criteria (metropolitan familiar origin, titles granted by the crown, etc.) are qualified, in terms of loyalty to the metropolitan interests. Nevertheless, the colonial process, as it occurred in Latin America, implied the formation of groups with local interests, economically powerful, that were in disagreement with the metropolitan interests. In other words, the colonial process, in view of its specific characteristics, has generated its own negation, so far it permitted the creation of a powerful landowner class, which while manipulating the economical power, did not have the possibility of manipulating the political power. Even in the case of enclave economy, where the economic basis of the native elite is not the rural power, its power in the mining exploitations bears the same contradiction. This high colonial class will constitute the primary context of the Latin American intellectuality.

Looking after the prestige and power that the colonial power denied them, they sent their children to study in Europe, in order to acquire this distinctive sign, culture, which until then had been patrimony of the metropolitan groups.

/These elites

These elites formed in Europe will return to their countries of origin, where an increasing frustration process will begin, ultimately producing the germs of rebellion.

We do not intend to say with this (this interpretation should be prevented) that the role of the revolutionaries, of this "culturalized" youth is the result of a psychological process of frustration of the created expectations, and in no way that the independence revolutions are caused by this frustration.

The possibility of its revolutionary role is given by structural factors in the society, but the element that connects these structural factors to the actual revolutionary behaviour, is the process of disconnection between the cultural background of this group and the possibilities of acting in the roles for which they were theoretically prepared.

Its function, then, is to deny the established power. Therefore, it explains, in a certain way, the adoption of liberalism. Liberalism shows itself as a reaction in Europe to the absolute monarchy and is taken in Latin America as the origin of the French Republic. The revolutionary ideal in Latin America is interpreted then as the fall of the colonial power, the image of which is perceived in terms of absolute monarchic power. The "revolution" goal is misunderstood, then, in its intention and in its conception, when transferred from France to Latin America. But, exactly because of this superposition of different historical phases (the Latin American and the European, by the same ideology), the work of this elite will not be only that of a mere transmitter of an ideology formulated in Europe, but in the effort of its implantation in the colonial countries, will have to transform itself and adjust ideology, structuring therefore a function of creators of social images - the fundamental image, which is that of the structure and functioning of the Latin American States.

/The State

The State conceived theoretically "in this golden century of thought and action of America, in the independence stage with the 'supermen' character",^{3/} will have little to do with the reality of the oligarchical State which actually functions.

So, the liberal ideology, used primarily as an instrument of revolution, will be transformed into a conservative ideology, justifying the oligarchical state, and the intellectuality will play the role of ideologists either in theory, or in political action in this State of just one class. So, after the libertarian period, the oligarchical state is born which with large variations, will be able to survive until the first decades of the XX century in various countries. This process is possible to the extent that the liberal conception develops independently from the State structure and this latter remained unaltered after the moment of revolutionary efervescence.

The oligarchical period

The maintainance of the social structure provides the conditions for the intellectuality, of the same social origin and with the same kind of cosmopolite formation, to pass from one historical moment to another, from revolutionary to the justifier of the "statu quo".

At the first moment, it is inserted in a situation that places it in front of one unique alternative, its participation in the higher levels of the prestige scale or the manipulation of the political power, the revolution.

At this moment, the intellectual elite is the social elite of the colonies and, therefore, its action is in terms of its social class origin.

After the libertarian period has passed, the social stratification of the countries, now independent, does not suffer modification, in the sense of tending toward a larger complexity.

^{3/} J.A. Silva Michelena, "El estado actual de las ciencias sociales en Venezuela". Centro Latinoamericano de Pesquisas em Ciências Sociais, Rio de Janeiro, Brasil, 1960.

Practically, there is no middle class, and when one exists, it is directly dependent in occupational terms on the structures of oligarchical power.

The lower levels of bureaucracy, the incipient scholar activities, etc., compose their occupational possibilities. Without an economical basis of their own, small rural property, etc., that would give them a possibility of ideological opposition to the landowners,^{4/} it will be a supporting group of the oligarchical structures favouring them through the clientele policy. The incipient continuing urbanization and the economic basis of power are located in the large landowner groups from whom the intellectual group stems. Education and culture are symbols that distinguish and give prestige and are only offered to the economical-social elite and to some "beneficiaries" that come from the small middle class.

The characteristic interesting us in this period is the institutional adjustment existing between the occupational structure and the cultural dimension, which in some cases was defined by the formation of intellectual and professional groups at the Latin American universities and, in other, with persons having studied in Europe.

To say the truth, there has been a gradual transfer process of intellectuality formation from Europe to America, and this meant a larger importance of Latin American universities, the consequences of which we shall discuss later.

Returning to what was stated above, this adjustment will define the conservative role of the intellectuality.

Compromise with power marks the beginning of the autonomous life of the Latin American intellectuality, and this compromise is not casual, but was intended for identification of their interests with those of the large landowner class socially and economically. This identification persisting at the level of social origin, it can be explained why this intellectuality, now with even more rights after the political power is

^{4/} F.C. Weffort, "Estados y masas en el Brasil", INSTITUTO, Santiago, September 1964.

conquered offering them a large field of action, will still be compromising with the central values of society and therefore with the political power, that in various cases is shared by themselves.

The social elite, composing intellectuality, will find its occupational possibilities in the political field and particularly in diplomacy. This is the period which is called "consular".^{5/} The lower social groups, fundamentally those of the middle class, will be placed in the bureaucratic structure of the State, that grows to serve the clientele politics of the oligarchical state.

But, it is the continuing expansion of these middle sectors, resting on the oligarchical structure, that is going to make institutionalization of a national system of education necessary in the countries where the pressure of the middle class sectors is not given by the immigrants. The appearance of this system is going to open possibilities for the larger middle class sectors to participate in the cultured world with formal qualifications providing hopes for a social reward. The demands of these groups must be listened to by a society trying to adjust to the safety limits of its "conscience" to avoid creation of tensions. A new leading strata arises coming from a new emergent middle class - sons of other professionals of perhaps more humble origin - or from families of a certain wealth in the field of industry and trade... thus, "gradually the cosmopolite elite of oligarchical origin is being complemented first, entirely or almost entirely substituted, in the last years of the recent past, by a new group of leading elements."^{5/}
The "compromise" period

This almost complete substitution occurs during the first decades of the present century and, in these first decades, the fall of the oligarchical state leads to the raise of the compromise state. This substitution is not made without previous struggling either latent or manifest.

This new intellectual group, with more professional orientation than the preceding one, will raise at a given time, and will be one of the intervening causes of disadjustment between the occupational

^{5/} José Medina Echavarría, op.cit. pág. 42

possibilities for university graduates and the actual number and specialization of the professionals.

Bureaucracy, which had been by tradition the "reservoir" for "doctors", has a tendency to exhaustion and the adjustment instruments of oligarchy seem to collapse. On the other hand, the university, whose function is to prepare professionals, acts in terms of forming intellectuals, with the exception of the Medical and Engineering Schools, etc.

The oligarchical society raises, therefore, her own contradiction that will provide the dynamic element for social change. The educational research done at Córdoba University was a step forward, in a society where the immigrant element has an initial bearing in the transformation process of the Latin American world and in the meaning of great reformist movements that will take place all over Latin America in the period between the First World War and the great crisis of 1929.

In Brazil, for instance, the army is the one that will combat against large land ownership, supporting the each day stronger demands of the medium urban sectors, for actual participation in politics.

This Army followed an old intellectual tradition and its movement will have the characteristics of an intellectual role, as it conquers the social sphere in terms of an ideology constituting an effective social image, even if it does not have as yet an expressed formulation. Its role is not that of creators of a social image but rather that of transmitters of the latent demands of the medium sectors.

This reformist intellectuality, also revolutionary, is the expression of the expansion of the urban world demanding its autonomy from large land owner prepotence.

The take over of Latin American situation by its intellectuality, leads to criticism and in some instances to rebellion; in brief, intellectuals will begin to play the role of a "protesting" generation in the social and intellectual Ibero-American scene.^{6/}

6/ José Medina E. op.cit., pág. 43

Which is the social basis, the structural context of these "protesting" generations? What makes them return to a revolutionary and political compromise of a "libertarian" generation? It seemed that, at the level of the global society, there is a very important change in the configuration of Latin American reality. There is a change from an equilibrated configuration, in which each dimension of the social structure had the political power correspondent to its decision-taking power, to an unbalanced configuration, in which the emergence of the social importance of the medium sectors, of the urban centres, is not accompanied by a new distribution of power and prestige according to the new reality.

That is, the social configuration in structural terms, in regard to the imbalance on which the "protesting" generation is based, and compromise in the political struggle, is in a certain way the same, allowing for the difference of level, than that preceding the "libertarian generation". On the other hand, the emergence of a cultured public, made possible by the extension of the national education systems, opens the possibility for a literature of social criticism to develop. It is a literary public, of course, and not scientific, an element that perhaps can explain the delay in the development of social sciences in our societies. A science minded public is that of the limited university environment and therefore, the university is, in the oligarchical period and the compromise period, a self-sustained structure, with rules and personal values which in a certain way, will create a system relatively autonomous from the rest of society.

A public willing to pay for its compromised literary creation and an autonomous university in regard to the central system of values prevailing in society, are perhaps the intervening variables producing the emergence of the "protesting" generation. In fact, university is the system that offers at the beginning the possibility of achieving a higher social level, needed by the medium groups. This way, in a first moment the university creates a system based on success and performance that is, a competitive system which at this moment is capable of corresponding with the outside, because the medium sector participating in it is sufficiently small so as to have a place in the occupational structures but does not represent a menace

/to the

to the oligarchical elite. Nevertheless, constant increase of middle class participation in universities and, therefore, in intellectuality, begins to place the problem of occupational pressure, of demands for power and prestige never before experienced by the oligarchical society. The maintenance of the competitive system in the university, compatible in its first moments of existence with global society, is now presented in "decalage", with the adscriptive system of the society as a whole, principally referring to distribution of trades formerly endowed with power and prestige.

Therefore, a reform movement begins at the university, more oriented toward professional training, toward specialization rather than toward formation of "doctors". In fact, these movements were useful to society, as they tried to solve the conflict within the rules of the game of existing reality. Seeking reform of the university, in order to orient the latter more toward professional and technical training, in fact provided the possibility of superposition of different prestige scales that would permit the maintenance of the former system. Summarizing, the former system is not broken, but opens to the acceptance of new systems, permitting its maintenance. Perhaps this represents the ability of the oligarchy, which permitted the condensation of systems, modification of the central values, so as to maintain, in fact, under any compromise, its power position.

So the university, as an institution, supports the movement of intellectuality and the student class creation, transforming to reality its image of a technical, professional and specialized society. This permanently institutional character of intellectual activity in Latin American countries, makes it a central force in the political sphere and in decision taking.

University, in the long run being an "institutional dimension reflecting a social structure and which therefore adjusts its trends of change to those of global society", in the short run constitutes a relatively autonomous element in the political and social scenery and "can eventually exert relatively independent influences on society".^{7/}

7/ Jorge P. Graciarena, La Universidad y el desarrollo de un estrato profesional urbano en la Argentina, Instituto de Sociología de la Facultad de Filosofía, Ciencias y Letras de la Universidad de Buenos Aires, pág. 1

Summarizing, it is this dialectic relation, university-global society, and this interdependency feature which will give the Latin American university a central role, within the institutional framework of society. And, it is also this interdependent and relatively autonomous nature that can explain why a middle class may, in one of the institutional dimensions of society, have such influence while the power structure is manipulated by the traditional higher class.

The nature of the class that is raising politically and socially in the urban medium sectors gives this group the necessary strength for the formulation of an utopic thought, as Mannheim says, setting the goals which, if reached, would make up a fairer society. If, on the one hand, in structural terms, this could be the truth, on the other it is also true that at the level of the individual composing the larger unit, there would have to be specific elements that would cause this "utopic" thought.

In this sense, under the interpretative scheme appears the necessity for introducing variables not so global, useful for relating the whole to particular action.

Which elements explain the "inside orientation" of this medium group?

To state better something said before, the social situation of this group is an "inconsistent configuration of status".^{8/}

The inconsistency in the "configuration of status" of this group is expressed by a high position in the cultural dimension that is, in education, and a low position in the occupational scale and in the political dimension of society. This means that society is not sufficiently integrated so as to offer correspondence of positions. As we said before, university creates a competitive composition in which these medium sectors have the opportunity of achieving higher positions. Therefore, the barriers preventing them from succeeding at the global society level are felt by them as expressions of an unfair social order, which must be changed, in order to achieve correspondence in their situation. It is

8/ Peter Heintz, Tipos de sistemas de hipótesis y la sociología del desarrollo", in Curso de Sociología, 2a ed. Eudeba, Buenos Aires, 1963.

understandable, therefore, that being those who operate symbols and values of society, as creators and transmitters, they tend to an ideological formulation expressing a "political potential", forming at the universities.

This medium group, after achieving its goal in global society, will try to stabilize, within the clearly professional possibilities, with the new prestige scales that society ascribes to these. The political affirmation of the medium sectors, inside and outside the university (by university reform and secret voting, for example), marks the beginning of a new phase in Latin American intellectual life.

The "national" moment

The importance of this new phase is that during it will be planted the first seeds of a new ideological formulation - development - that will characterize the great "national" moment of Latin America. This period, which comprises the first years after the First World War and the first decade after the Second, approximately, will be a transitional period both for society and university, and the different elements of the social structure in it will engage in an effort for institutional adjustment. The intellectual generation of this period, therefore, will be a generation of creators, of formulators of social images attempting to define the necessity of an autonomous society, open and dynamic, modern and industrial, characteristics that will culminate in the development ideologies, in each country and in some international organizations trying to provide a guideline for industrialization efforts.

The development ideologies became associated with the image of a rational state, never becoming true, in institutional terms meaning the creation of bureaucratic and technical contexts integrated into the task of planning, for which a great number of technical staff and, in a minor scale, intellectuals are required. The opening of these new occupational possibilities, not just academical as the university chairs were, it conditioned by a change in the ideological dimension of the Latin American societies: the basis of the power legitimation was transferred from the symbolic valorizative level, which was relatively banished to the level of the "technical plan". The big problem is exactly that this symbolic and valorizative level continues to be the backside of the theoretic plans.

/This ambiguity

This ambiguity in the theoretical activity will provide the elements that compose or that will compose these new technical planning organizations the possibility of hiding themselves in a position that we can call the "scientific asceticism".

The possibilities of assuming that attitude vary, evidently, according to the context, national or international, and also to the level of the research technician.

In the international environment, where the individual is relatively free from the daily pressures of the local environment, this possibility is much more factible, principally in the intermediate and lower levels, and not so much in the decision making levels, where the promotion of a plan, or its refusal obviously has not only technical considerations to take into account but also political implications.

Referring to the national contexts, this alternative (the technical, bureaucratic and scientific position) is not only the recent tendency, but it is not effective. The reasons are fundamentally the necessity of making a value selection, under the pressure of several contradictory and conflicting elements involved in a national scenery. Nevertheless, as barriers are being overcome in the development process, the consensus reached on certain goals, creates for the "intelligentsia" connected with the technical bureaucracies of planning and research conditions of self identification under terms of participation more in a scientific community than in an ideological national community. This is the necessary step for the enlargement of its frame of reference for an international scientific community, increasingly acting as a transmitter of rules being accepted as legitimate by the technician and the scientist. Within the national scenery, another intellectual context also should be mentioned, the student movement, where this tendency has noticeable repercussions on to the institutional adjustment at the society level. For the student movement, this adjustment tendency, on the one hand meaning opening of professional possibilities and on the other stabilization of the middle class within the power structure, would seem to change its orientation: the latter becoming more professional and less political, more technical and less intellectual, and this will mean the emergence of the "political apathy" on the student scenery.

Nevertheless, it

Nevertheless, it has been seen that the political movements of students have acted as powerful political forces, as pressure groups, etc. How could we then understand this contradictory process? Actually, in the social and global level, the intellectual in view of the "roles" he will have to play, will move toward an increasing bureaucratization inside the universities and in the student movement, where it is still the expression of social and intellectual unrest, it will be maintained by an intellectualized student elite, that needs to be bureaucratic, that is, needs to institutionalize the student movement so that it may persist.

This necessity is even more imperative in those countries where the student movement intends to be autonomous in regard to the political parties, and at the same time, intends to act in the political sphere. Therefore, on the stage of Latin American universities appears the role of the "professional student", devoted to union activities, acting, formulating and proposing schemes and political thoughts, directly or indirectly linked to his situation of university student, from which he starts out to define his role in the political game and of which he makes use so to speak as the university "bases", each time less militant and each time more (to the extent that they tend to clarify the occupational possibilities) concerned with his professionalization. The tendency toward institutional adjustment at the level of global society and the perspective that is adopted toward equilibrium of the configuration of the university student status, and of the professionalized intellectual, has important implications in regard to the political scenery.

Institutional adjustment and equilibrium in the configuration of status works out in a correspondence of society to the intellectual's and university student's expectations.

This correspondence will mean at the level of concrete behaviour of the intellectual groups, acceptance, real or disguised, of the rules of the game of society incorporating into it its technical and political staff's tending toward society, absorbing intellectuality within the institutionalized channels.

/The result

The result of this absorption of specialized professionals and technicians would seem to be the diminishing of intellectual radicalism, which even though leftist operates within the socially defined limits. On the other hand, specialization implies a process of adopting a sui generis language, not accessible to the cultured public within the general patterns of society. Distantiation from the public, caused by this, leads to the increasing need for mediation by the politician, who transforms "the plan", "the programme" "scientifically" elaborated by the "expert" into political and concrete goals, to be carried out under his directive action. The intellectual as such, therefore, tends to disappear from the political ground and the political of action tends each time less to be an intellectual, being an implementator of goals and not a creator. The translation of collective goals into concrete ones, specified under a technical plan, leads to the reduction of the antagonic tendencies to a common denominator - for instance, economic development - that would seem to lead to a gradual disappearance of the basically ideological formulation of the political scenery.

This tendency is the expression of the disappearance of an intermediate group, located between science and politics. Summarizing, society trying to become rationalized by planning, tends to specify the fields, on the one hand scientific knowledge of reality, in regard to its necessities and possibilities, with solutions proposed by the "expert" after investigation and, on the other hand, the effectiveness of the plan, corresponding to policy.

"Thinking" of reality always implying a valorative perspective, tends gradually to be substituted by "knowing" reality which is supposed to be scientifically neutral and this would seem to indicate the "secularization process" which the society is currently experiencing. And, this scientific knowledge of reality, substituting purely ideological knowledge, or manifestly ideological, implies that the "social, cultural structure must include - at least in what refers to science and its institutions, its methods of status and roles - the institutionalization of change, acting by reason determined choice (instead of acting by tradition) free examination and permanent control of scientific proposals".^{9/}

9/ Gino Germani, La sociología en la América Latina: problemas y perspectivas. Editorial Universitaria de Buenos Aires, 1964, pág. 40.

Even in the case of political regimes with official ideologies, these tend to move progressively toward a fundamental plan of the political area, the political actions defined and supported by a technical plan in fact contributing to the realization of the political goals at short time. In this sense, the intellectual will have his place increasingly defined within the "status and roles systems", into organizations (political, bureaucratic and cultural) corresponding to a technical "staff". The specificity of his "role", therefore limits his action and the function he must carry out.

Some final considerations

From everything that was said, it should not be inferred that we envision the existence of a purely technical intellectual with an absolute valorative neutrality starting from conceptual systems free from any value contamination. That is not the case. What we tried to define is the larger possibility of freedom in research which the intellectual can have, derived from his relative aloofness from environment, by his search for an alternative community. This community, transcending the national limits and integrated by a cultural and scientific tradition common to the whole world.

The fundamentals of that scientific freedom are found principally in the development of the scientific thought in general and specially in the increasing development of new techniques, the value of which stand by itself, independently of any ideological appreciation. On the other hand, it would be necessary to mention the raise of specialization at the level of the global society, which continuously structures new systems of "status" for each professional category, leading, therefore, to an always larger specificity of social roles. In the third place, the social heterogeneousness of the intellectual groups tending to create a cultural and intellectual community, relatively independent from any class in particular, and which permits much more the adoption of a consensual perspective.

/At last

At last, in connection with the future element which will integrate the "intelligentsia", the university students, the larger correspondence of society to the professional expectatives, with the opening of larger occupational opportunities, makes them act more in technical and professional terms and more specialized within its own profession to meet the society's demands (society, for each theorist in general sociology, needs ten or more specialists in industrial, rural, political sociology, for instance, and so in other branches of social knowledge).

All these factors, but specially the last one, tend to separate the intellectual from reflectioning about the society as a whole, taking it as an analysis unit.

This arrangement, even it is not derived from logic, raises an isolation from the more political and ideological plan (when it looks for sectorial explanations, it can be more isolated and left to the valorative problem, that comes more intensively when we try to define the entire society), limiting with the properly scientific area. Therefore, to all these internal factors, one must add the relative loss of the intellectual function in the national sceneries. The compensatory alternative, then, of the cultural international community becomes stronger. The seeking of this new point of reference is another element which permits the relative freedom of intellectual creation, transposing the national barriers, and permits seeing the national problem integrated within an international scheme: it is capable to start from there, then, and to arrive at the generalization and the formal conceptualization of the intuitive relations in the immediate compromisesituation. These modifications in the intellectual's position in what refers to the internal situation, just as the affirmation of this international community and the development of the scientific domination properly, leads to the development of the social knowledge in terms of a search for objectivity and valorative neutrality.

Although there are evident merits in this attempt to secure neutrality, its counterpart is found in the proposition that if isolation is attempted of the valorative connotations, social knowledge tends to restrict itself each time more to specific fields where empirical verification is feasible.

/The other

The other alternative is the development of descriptive theories, in which formulation of dynamic and explanatory principles is banished to a second plan. The development of these scientific-intellectual orientations is not new to the academic centres, principally in Western Europe and the United States. Importation of this kind of knowledge by some university centres of Latin America has also been done since former decades.

The new element aggregated is the social possibility of the academic groups developing these tendencies starting from the "development" movement.

In fact, the development effort, insofar it takes as analysis unit knowledge and the valorative orientations, the nation tends to create a minimum basis for ideological consensus under which it becomes necessary to create a theoretical body and an instrumental apparatus instead of an elaboration at a symbolic level.

Knowledge of reality at this moment does not imply its ideological transformation in order to evaluate steps of opposite social groups: the conflictive potential is extremely small. In fact, society almost as a whole faces an exterior pressure group and internal elements configurated as heralds of this exterior group.

The policy of transferring the conflict to the international area is the basis internal unifying element.

Theoretical and intellectual activity consists, then, of internally searching for sectorial solutions to the problems brought up by the development effort.

The aggregate of factors we have been indicating marks, then, the possibility of transforming the intellectual from an ideological theorist, in the best meaning of the term, into a scientist-theorist.

