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CONTENTS

Governance,

competitiveness

and social integration

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This article seeks to set forth the grounds for an approach integrating political governance, economic competitiveness and social integration as interdependent variables. To this end, it looks at the possibilities for Latin American society to simultaneously increase its capacity for democratic self-government, improve its economic competitiveness and tackle the main problems of social exclusion and poverty, since if this is not done the region will find it more difficult to take its place in the concert of modern democratic nations. In order to analyse the evolution of those variables from a systemic standpoint, each of them is first of all reviewed separately and then an attempt is made to construct an interactive scheme for their mutual relations, bearing in mind the economic and cultural conditions for productivity growth and the need for a social and political matrix which will give a sense of direction to the overall set of variables. This analysis reveals the emergence of a new logic of conflict, which is no longer between the State and the various social and political actors but concerns the cultural direction of governance, competitiveness and social integration; the question is no longer the need for the simultaneous presence of the factors of development but their possible political and cultural directions and leanings. It is concluded that guiding this new type of conflict in the right direction calls both for a prior consensus on some meta-values which will allow the parties to negotiate and deal with arguments using a common language, and for political reforms which include a clear and effective system of sanctions for those parties who do not respect the agreed terms.

I

An experimental hypothesis

Within its multiplicity of individual experiences, Latin America now seems to be living through the end of a period of economic adjustment whose results are rather uncertain, since no-one can be sure that the anti-inflationary policies and fiscal adjustment processes which have been implemented are a real guarantee of economic retooling, social equity and consolidation of democracy.

On the contrary, although substantial advances have been made in terms of economic stability and even export levels, the results on the social and political levels leave much to be desired, since the inflation and adjustment processes have meant greater social inequity and high political costs for the building of democracy.

In order to analyse these processes, it seems appropriate to seek an approach which integrates them and makes them interdependent, since a purely economistic, political or sociological approach entails severe limitations for understanding the situation being experienced and even more so for proposing options to suit the new period that the region will have to live through. With regard to special considerations concerning the disciplines involved, an effort will be made here to carry out a conceptual analysis of the three interdependent variables in question which are important for understanding Latin American development: governance, competitiveness and social integration.

In order to extract the most positive elements from the individual national experiences, it is important to be familiar with the different limit situations that the countries of the region have experienced and are still experiencing: for example, the perverse political and economic effects suffered by Venezuela as a result of the failure of its social policies, the combi-

nation of complex economic factors which have affected the economic stability of Mexico and aggravated the processes of social and political exclusion, or even the risk that, in Chile, the country's economic advances may be adversely affected by the ethical and political conflicts which have not yet been solved by the Chilean transition process. It is within this framework, then, that the following conceptual reflections are put forward on the basis of the Bolivian experience.

Is it possible that, in the light of the current political, economic and social tendencies, Latin American society can increase its capacity for democratic self-government, substantially raise its economic competitiveness, and really tackle the main problems of social exclusion and poverty? Or will Latin American societies continue to fulfill the "Sisyphean" prophecy that prevented Bolívar from sleeping in his moments of doubt and anguish?

Various national and regional studies show that progress has been made in some aspects of political governance, some modest advances have been achieved in competitiveness, but almost nothing has been attained as regards aspects of social integration connected with the substantive improvement of some basic social development indicators and above all as regards the creation of a system of autonomous social actors capable of negotiating and influencing the dynamics of competitiveness and democratization. If this situation continues, Latin America will not be able to take its place in the modern world.

According to the hypothesis followed in this analysis, in order to understand the evolution of these variables it is not enough to apply some kind of particularist rationale: it is essential to apply a synergic and systemic logic in the analysis of their interactions. This does not mean that everything has to be done all at once: on the contrary, the systemic approach assumes the existence of a strategy, with stages, processes, limits and critical appraisals. Any action in any of these areas tends to affect the others positively, negatively or ambiguously, so that the strategy also entails calculations, risks and decisions.

In this article, a conceptual analysis is made of governance, competitiveness and social integration, after which an attempt is made to construct a kind of "interactive model" by seeking the possible relations among these variables, arriving at the conclusion that a new logic of conflict has emerged and that political reforms are therefore called for in the region.

II

Politics and governance

Present-day societies are faced with a kind of hyper-acceleration of political time. In these circumstances, a political approach is called for which reduces uncertainty and seeks to achieve the desirable as a function of the possible, but on the basis of values which permit fruitful links between democracy, the restructuring of the economy, and social integration.

It is therefore of fundamental importance to arrive at a new approach to the possible, bearing in mind the possibilities for the structuring, formulation and synchronization in time of the political elements involved. The quest for the best possible results at all levels of economic and social life is a task involving political time. It includes, for example, the need to surmount the heavy burden of Latin American political culture, which confuses what is urgent with what is necessary and mingles the short term with an infinite future.

From this point of view, politics could be understood as a system of relations which should seek to reduce uncertainty and mediate between opposing interests through a suitably implemented democratic system of decision-making and authority. Naturally, these are values built up in opposition to the new consumerist and impersonal technocratic power, especially in the midst of the tendencies towards crisis being displayed by the systems of political representation and action. In this connection, in order for "government through politics" to be effective and legitimate, the different areas and levels of society must be aware of their options and of the consequences of given political, economic or social actions, and above all they must be able to decide whether those consequences are desirable or not. In this respect, we have assumed that the quest for the socialization and transparency of politics will not only bring elements of rationality and critical analysis into politics, the economy and society, but will also strengthen the social and ethical responsibility of politics.

The question of governance is at the very heart of these dynamics. It is not only a resource for reducing the harsh tendencies of uncertainty, but also an impulse to think, invent, reflect and discover what is possible, probable and preferable; it is a force in politics which works with realism but which not only demands the capacity to adapt to reality but also needs to be borne in mind with a view to changing that reality to bring it closer to the values of freedom and equity.

In this sense, governance is connected with the political capacity of a society and must be seen as a political construct: a construct which involves a set of actions associated with the formation of a system of political relations involving power, leadership and authority. The root of the question lies in the way the actors stand with respect to the political system. While governance in general concerns the construction of an order, however, democratic governance concerns the construction of a pluralistic, conflictive and open institutional order.

The concept of governance is not a theoretically developed concept but has been used rather to describe very specific situations and circumstances. In United States political science, governance has been used mainly in its restricted sense of quality of government management. Originally, just after the war, the concept was associated with the idea of economic instability. [1]

Crozier, Huntington and Watanaki (1975) later developed the concept in relation to political crisis. For them, political participation has given rise to a disaggregation of interests and an excess of demands which the political system is not capable of process-

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[1] See Denis (undated), for example. In his well-known *Diccionario de ciencia política*, Norberto Bobbio (1987) understands governance as the result of negotiations among liberals and democrats.

ing; in this sense, governance would be the capacity to process such conflicts. However, these authors do not analyse whether this expansion of conflicts that cannot be processed is the result of the expansion of capitalist development itself.

From the standpoint of critical sociology, Claus Offe (1982) sees governance as a limit of the capitalist dynamic with regard to social integration: accumulation processes which are not subject to any political regulation lead to ungovernability, and he considers that in capitalist regimes there is an inertial tendency towards such a situation.

In Latin America, the concept of governance has a less elaborate and varied background, and it is very often confused with the idea of political stability. There has been some progress in this respect, however. For example, a project of the Latin American Council for the Social Sciences (CLACSO) on governance strategies in the crisis contrasts governance with ungovernability, which could arise, on the one hand, as a result of the erratic behaviour of entrepreneurial economic actors who may "break" the minimum levels of functioning of the economy or of what has been called systemic governance, or on the other hand as a result of greater social disintegration and exclusion in lower-class urban sectors. More recently, Mario Dos Santos and Marcela Natalicchio (1993) have clarified a certain rather ambiguous view of governance, asserting that "Governance means a good performance by the government in terms of sensitivity to demands, efficient administration and management, and also transparency and accountability, or responsibility to society for the actions of the government. In contrast, governability is a situation of complex systems involving the self-reproduction of the system".

Taking an approach which focuses more on development issues, in its human development reports UNDP holds that a necessary condition for such development is a political pact or commitment directly associated with greater decentralized popular participation. In a recent report on governance in Latin America, a group of analysts sponsored by that institution assert that "democratic governance requires the patient and progressive building of certain minimum agreements; efforts to secure greater convergence of interests, and creativeness in order to make elements that divide subordinate to those that bring greater unity. In short, it depends on proper organiza-

tion of politics and participation" (UNDP, 1993 and 1994b).

The World Bank has also furthered this debate: for example, Edgardo Boeninger has linked governance with the capacity of governments to exercise authority, settle problems and implement policies, which would also imply the strengthening of public and private institutions (World Bank, 1991). Angel Flisfisch (1989), taking a more theoretical view, has related governance to a new type of approach to the dynamics of economic development, the latter being strongly influenced by Albert Hirschman's "strategy of sailing into the wind". Some political studies have also been carried out in the region which link electoral matters with governance (Trinidade, 1991).

In Bolivia, René Mayorga (1992) has compiled a text on governance which focuses on the problems of democratic regimes.[2] The Office of the Vice-President of the Republic, with the collaboration of UNDP, has prepared a governance programme centering both on aspects of good government and on governance proper. This is perhaps one of the most novel projects for the modernization and legitimation of the State that has been embarked upon in the region.

As we recognize the importance of the conceptualization of governance and the advances and problems that this involves, we maintain here that the notion of governance is associated with a certain minimum capacity of effective and efficient management and authority that the Executive must have vis-à-vis the other powers in the State and society as a whole. In a broader sense, governance also implies the democratic nature of the government, because of the need to attain a certain consensus among the members of society in policy formulation and the settlement of problems, with a view to making significant advances in economic development and social integration: in essence, what is involved is raising the quality of government by increasing the self-government capacity of society itself.

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[2] More recently, as a result of various of these efforts, an interesting and controversial compilation has been published, entitled *Buen gobierno para el desarrollo humano* (Toranzo, 1994).

III

Entrepreneurial ethos and competitiveness

The type of competitiveness we have in mind here is, in principle, what Fernando Fajnzylber (1983) called "genuine competitiveness". According to this author, in order to achieve such competitiveness it is essential to strengthen the domestic capacity for industrial creation, in conjunction with growing joint participation by the agents of production and of knowledge: in short, it would mean creating an endogenous nucleus of technological growth. ECLAC subsequently further developed and deepened these concepts (ECLAC, 1990; 1992a and b; 1994a and b). This approach to competitiveness has a shortcoming, however: it does not include the analysis of the State, political and historical elements affecting governance and consensus, or of the cultural dynamics. In reality, the idea of conflict and communication among the actors and that of the entrepreneurial ethos, which are decisive aspects as regards competitiveness and the building of an endogenous nucleus of development, are either totally absent from the new ECLAC thinking, or are dealt with to an extent which has so far been very limited.

In Latin America there is a kind of self-centered culture which leads to lack of understanding and absence of communication among the various social actors, as well as to a marked lack of differentiation of roles, typical of corporative patrimonial systems which have historically limited the possibility of developing an expansionary entrepreneurial ethos and genuine competitiveness. Historically, the logic of social conflict has itself been distorted and reduced to a conflict between the State and the workers, rather than being a system of varied and complex social relations and collective actions (Calderón and Dos Santos, 1995).

As ECLAC has noted, what is needed is to achieve a form of economic growth based on an endogenous logic which promotes the incorporation of technology and the renewable use of human resources, rather than abuse of the labour force and the indiscriminate exploitation of natural resources. If we go beyond a strictly economic logic, however, competitiveness also depends on business management capacity, both for the modern, rational functioning of firms at the national level and for the development of globalization strategies at the international level. [3]

Michael Porter (1991, p. 543 et seq.), taking a functionalist view from the standpoint of the enterprise, has described competitiveness as a dynamic process in which innovation is a significant constant for the development of new products, new kinds of markets and new production processes. This also means the combination of a number of subsystems connected with national forces and objectives, government instruments, competitive environments, strategic decisions, constant learning, and above all national production and support capacity. It also ultimately means looking for competitive advantages. Such competitive advantages require a set of conditions that will allow a nation to develop on the basis of its factors of production, through joint positive motivations in worker-employer relations, domestic competition, improvements in the quality of demand, and training for the establishment of new enterprises. Ultimately, in Porter's approach, competitiveness seems to depend on the quality of the socio-entrepreneurial behaviour of a society. Perhaps the most substantive criticism that can be made of such a view is the evolutionist and teleological nature typical of this kind of thinking, which sees the conflict and historical factors merely as anomalies.

At all events, what is involved here is the need to adopt a broader logic in which the fundamental question is not to find out whether the economy operates on the basis of a State or a private-sector logic, but rather to find out if there is an entrepreneurial dynamic which covers the whole of society: that is to

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[3] Recent research seems to show the importance of a certain positive research and development (R&D) relationship between the industrialized nations and the developing countries. "The results suggest that the total factor productivity of a developing country is a function of the total R&D capital of its trading partners (which is used as a substitute for the amount of knowledge incorporated in the country's trade structure), the openness of its foreign trade with industrialized countries, and the level of training of its labour force" (IMF, 1995, p. 55). In this respect, it would appear to be important to explore the amount of marginal benefit that could be produced in an endogenous nucleus through the effects of foreign R&D.

say, if there is a system of relations among the various actors and institutions which, on the basis of rational arguments and actions and with the risks and flexibility characteristic of the modern world, has shared and negotiated goals. In this logic, which is equally valid for enterprises and for political parties, there cannot be true competition at the national level if modern enterprises exist side by side with traditional parties.

Fajnzylber began to make this logic more explicit when he said: "Linking up with the international economy involves far-reaching changes in institutions at many levels: within the enterprise; in the relations between employers and workers, between government and business, and between government and workers; at the regional level of government; in the political system itself, and in overall human relations. Therefore, opening up an economy to the exterior is much more than merely lowering tariffs. It means embarking on a whole new way of functioning: economically, socially and politically". [4]

It is of fundamental importance, however, to strengthen this type of thinking in a globalized logic. After many studies, Manuel Castells concludes that a new international division of labour is emerging, determined by the greater competitiveness of enterprises, in which enterprises and States, if they are not to perish, have to operate in an international horizon of markets and inputs. In this process, competitiveness (and ultimately technology, especially in the field of information) will determine the level and form of living of the population, the popularity of governments, and the governance of societies. A type of social dynamism would appear to be emerging which is based on the strategic role of knowledge, increased flexibility of the system,

and the transition from big centralized enterprises to decentralized networks made up of many different forms and sizes of organizations. These networks will be the form of organization that will prevail in the new world order. For Castells, societies will fundamentally consist of flows of information among networks of organizations and institutions. Thus, the historical process of transition towards the information society will be dominated on the one hand by the existence of a global economy and worldwide information networks, and on the other by nationalist societies, community-based cultures, and increasingly dispensable States (Castells, 1988, 1989 and 1995).

It is of fundamental importance, then, that there should be a generalized entrepreneurial ethos which reduces the consumerist, rent-seeking and featherbedding logic of Latin American entrepreneurs and of many of the societies of the region, making way for an ethos of modern responsibilities linked with the expansion of production, improvement of the quality of domestic demand, and an ongoing attitude of austerity in keeping with the social, productive and cultural characteristics of those countries. This does not mean trying to impose a form of behaviour slanted in favour of production or distribution, but rather an effort to convince all those concerned that the development of genuine competitiveness will favour both individual interests and those of society as a whole. In the final analysis, it is argued that expansion of production strongly linked with the external market can only succeed if it is based on a broad sense of national cohesion and participation. It is strange to see that, often, the poorer a country is, the more luxury-loving and consumerist its social and political elites are.

IV

Society and social integration

Social integration is one of the richest and most classical concepts in sociology. It originated at the end of the last century as a consequence of the "anomalies" or distortions produced in traditional or community society, in the absence of social control mechanisms, by the industrialization process.

Sociology began to ask questions about the conditions in which order and unity are created and reproduced in society. The various schools of sociological thought answered the questions in line with their own historical conditioning factors. For the Europeans, patterns of social integration were linked to the processes of institutionalization of conflicts and to the development of new forms of organic soli-

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[4] Cited by Lahera, Ottone and Rosales, 1995.

darity; for United States sociologists, they were connected with the power of the political and judicial institutions and the integrative force of colonizing migrations; for the Soviet Union, they were due to the political and participative ideology of the October Revolution and the Communist Party. For the Latin Americans, they were the result –especially in the period after the war– of the articulatory and integrative role of the hacienda and the persistence of a heritage-based and client-based intra-societal pattern. Later on, populism or nationalist-populist regimes were the forms of organization of social integration.

Obviously, these various patterns of social regulation involved the action of social control agents for maintaining given forms of domination, expressed in very specific institutional and normative spaces. However, they also reproduced different forms of social relations and social links. Indeed, any form of integration implies differentiated, conflictive and socially ranked relations. At all events, in many of these patterns a sense of self-reproduction of social control prevailed.

The notion of internal conflict and its evolution was merely peripheral. Only later on did critical sociology begin to demonstrate the persistence of a crisis between the evolution of the new dynamics of production and consumption and social integration. Alain Touraine (1973, pp. 113 and 192) has stressed the idea of a change in the type of domination whereby relations would tend to cease to be based on the exploitation of labour and be based instead on the manipulation of demand, deterioration in living conditions, and monopolization of resources and decision-making power, thus changing the very logic of protest and social integration.

Conflicts due to changes in society –such as the restructuring process and the raising of competitiveness, the hyper-acceleration of political time, the consequent processes of concentration of decisions and the emergence of new types of protest (which affect Latin America too) in respect of issues in the fields of ethics, consumption, ethnico-cultural problems, sex-related issues, religion, local issues, etc.– are emerging with unprecedented force in the areas of social integration, cultural reproduction and socialization. It is perhaps precisely because of this that the most significant problems of present-day society concern the quality of life.

A recent UNDP study notes that in the last five years over 70% of all conflicts developed inside na-

tional boundaries, generally producing further deterioration of everyday aspects on the various planes of social life. The study also mentions that the importance of conflicts between countries is tending to decline, and it says that the weakening of the fabric of society is a central problem for all countries of the world, rich or poor, although this weakening takes different forms and levels, depending on the type of society involved (UNDP, 1994a).

On a theoretical level, Jürgen Habermas (1973) considers that the crisis is associated with experiences of change in the structures of the systemic heritage of a society and the perception that one's identity is being threatened; in other words, that a society is in an integration crisis when the new generations no longer see themselves reflected in a normative order which previously had an organic quality. He also notes that it is important to verify the moment at which problems of self-government arise, since this is where social and systemic integration connect with each other. For Habermas, social integration refers to systems of institutions "in which speaking and acting subjects socialize; here, systems of society take on the aspect of a life-world structured through symbols", whereas systemic integration refers to specific self-government achievements in a self-regulated system (Habermas, 1973).

In the present socio-historical conditions of Latin America, the notion of social integration can be equated with a society's capacity to build active citizenship, eliminate discriminatory barriers in the market, and spread a culture of solidarity.

Citizenship, although individual, assumes a certain sense of belonging to a community through which the individual develops himself and exercises self-determination. The individual is part of a national political community in which he recreates his identity within the ambit of recognized political institutions. Citizenship is also directly associated with social equity and the right to equality of opportunity, which in the present historical circumstances implies the growing socialization of scientific and technological knowledge. In these conditions, citizenship is linked with the self-government of society and with the elective and delegative exercise of political rights in which the different classes and cultural or regional groups must necessarily act as true citizens if democracy is really to work. This assumes recognition of the rights of the "other", different from oneself, whether that "other" is an individual or a group, and

it also assumes autonomy of the actors with respect to the State.

The market reflects a social relationship which implies equal opportunities for work and production in order to make the processes of competition and social mobility functional. It is not in keeping with the persistence of mechanisms of discrimination which limit the integrative capacity of the market to build up both a suitable form of demand by society and a supply structure which is not distorted or non-competitive. The mechanisms of social mobility must be organized as a function of the capacity, efforts and equality of opportunity to compete on the markets, and there must be open channels of social mobility which strengthen integration. Citizens are also consumers.

The culture of solidarity is linked with the quality of the social fabric of a given community, with the mutual links among its members, and with the capacity to tackle common problems and goals. In cases like that of Bolivia, the roles played by diversified family structures, communities and small-scale entrepreneurial units are important examples of solidarity. The culture of solidarity links private and public interests and refers to the capacity of society to reconcile genuine competitiveness with progressive governance. Such a link means the achievement of a "common good" in a society. In this process, the question of poverty is not just something involving a historical social category but is the result of exclusive social relations. Many national and international reports tend to deprive poverty of both its ethical and its sociological dimension, turning it into a mere item of the statistical landscape, without any feelings being involved. From the standpoint of social integration, the poverty problem is above all a judgement to be passed on social relations.

In Latin American politics there is a strong tradition of class and rank which is reflected in a pattern of socialization that makes it more difficult to build up a principle of equity which gives to the "other" different from "oneself" the status of a subject with valid interests and legitimate rights. Spurious competitiveness is intimately associated with this tradition. In reality, it is a subconscious societal outlook which sees poverty as a mark of inferiority and deprecates the exercise of individual rights. For this political tradition, the poor is not a regular citizen but a figure full of inferior attributes, needy and vulnerable, who should be taken care of by private philanthropy, State tutelage or international cooperation.

The most generalized conception of poverty is closely linked to the way in which rights are denied at the level of social relations, and the possibility of overcoming poverty is linked on the one hand to the capacity of society and of the poor themselves to turn their needs into demands that can interact within the political system, and on the other to the expansion of the culture of solidarity.

In this sense, winning citizenship is a vital step towards social integration. It involves policies and societal actions that gradually change the social situation and, above all, public treatment of the problem and its linkage with the issue of equity and development. All this depends largely on the construction within the area of social interests of public spaces in which the problem is legitimated through free debate on what is just or unjust, as part of the democratic practice of ongoing negotiation.

Social integration aims to achieve certain minimum threshold levels of reproduction of the population –the United Nations human development indicators, for example– and to secure the elimination in both legal and real terms of a number of barriers and discrimination mechanisms –by sex, age, race, etc.– in the market, in society, and in public and private institutions. Likewise, in a broader sense, social integration involves a matrix of social actors who mutually interact, using rational and value-based arguments, to reach consensus on objectives of integration, competitiveness and governance. In such a logic, the ends cannot be separated from the means.

In this context, one basic conclusion is clear: unless social trends are reversed, the cost will be very high in terms both of governance and of competitiveness and development.

V

The development triangle, with its surrounding rectangle and its central point

When we look at the synergic and systemic relations between the concepts of governance, competitiveness and social integration, it seems inconceivable that they should operate independently of each other, since they mutually strengthen each other and interact synergically in a positive or negative direction.

Thus, for example, attaining an optimum level of governance will only be possible if at the same time measures are taken to nurture and condition a form of economic growth based on genuine competitiveness and if all this is based on a solid consensus built up by social actors who jointly seek to raise the quality of life of the population. In the same sense, competitiveness will only be sustainable if the quality of society is strengthened in terms of both education and expansion of consumption markets; in this respect, social integration is itself a productive force.
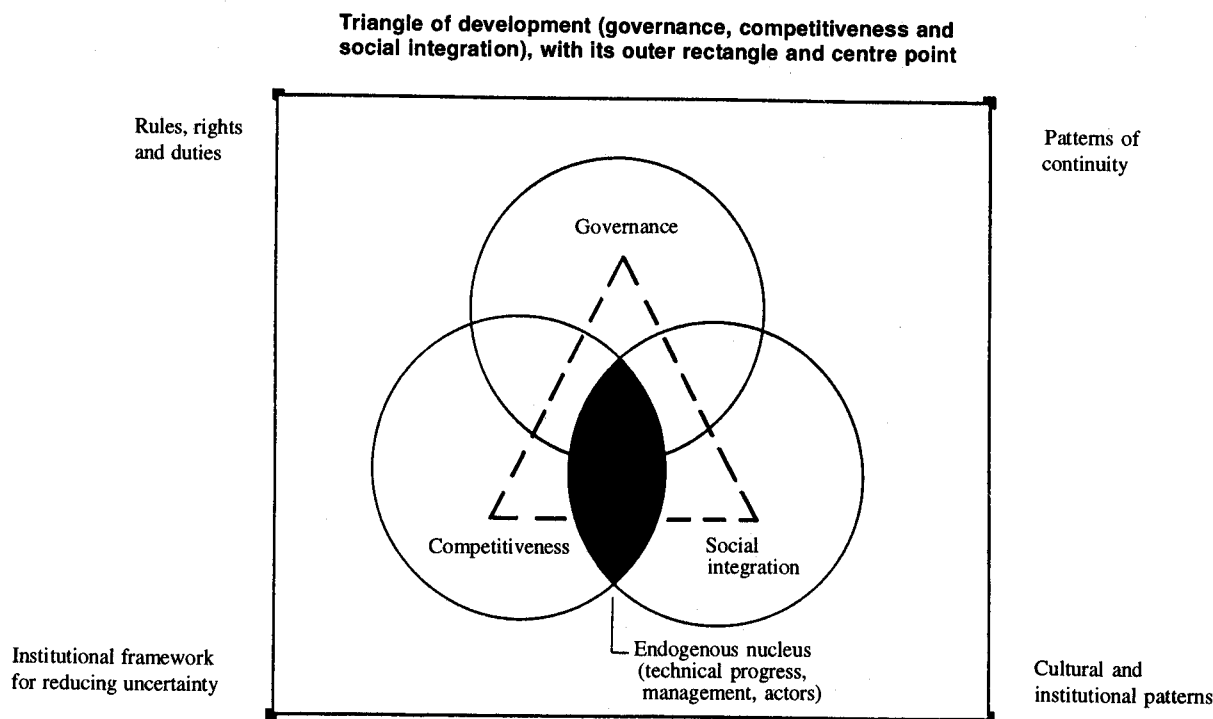
Finally, social integration will not be soundly based unless it is associated with effective, coherent and legitimate government policies and with sustained growth of the economy. All this means heightening a capacity for action in keeping with the evolution of the respective circumstances.

Although this triangle –governance, competitiveness and social integration– is of fundamental importance for attaining some endogenous development capacity (figure 1), however, that capacity will be insufficient and anomalous unless it forms part of an institutional framework which guides the changes and policies under way in the right direction; in the figure in question this is represented by a rectangle which indicates at its vertices, within a context of systemic logic, the functions and characteristics of that framework.

It may be assumed that an institutional framework not only sets out the consensual rules of the game but is also adapted to the historical characteristics of the process of change currently being undergone by the region

FIGURE 1

Triangle of development (governance, competitiveness and social integration), with its outer rectangle and centre point

Rules, rights
and duties

Patterns of
continuity

Governance

Competitiveness

Social
integration

Institutional framework
for reducing uncertainty

Endogenous nucleus
(technical progress,
management, actors)

Cultural and
institutional patterns

as part of a worldwide process of economic globaliz-ation and hyper-acceleration of political time.

The first vertex of the rectangle which represents the institutional framework in the figure corresponds to a set of clear rules, rights and duties regarding competitiveness, governance and social integration. Entrepreneurs, for example, must internalize the institutional frameworks in the light of the possible means and real advantages that will allow them to invest and develop, but they must adapt those rules to corresponding rules for the labour sector which link wage demands with demands for training and increased production.

The second vertex refers to the establishment of patterns of continuity of the institutional framework, so that there may be a kind of institutional sustainability which guarantees to the actors that their investments or political and social actions will likewise have continuity in time.
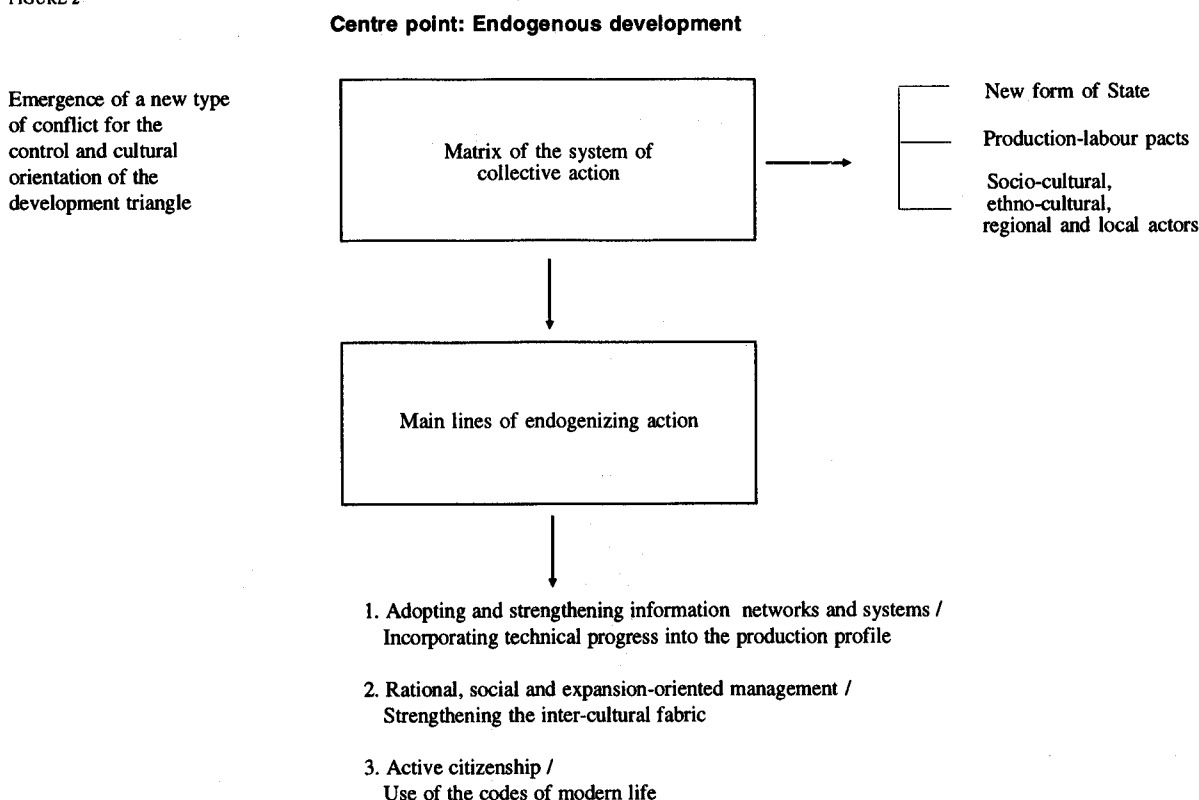
The third vertex corresponds to the establishment of a legitimate institutional framework which seeks to reduce the uncertainty produced by the anomic and inconsistent behaviour of a considerable proportion of the business, political and institutional actors in Latin American societies.

Finally, the fourth vertex refers to the establishment of cultural and institutional patterns for processing conflicts among the various actors and social groups so as gradually to get away from the patrimonial and sinecure-ridden culture that often prevails in both the economy and in politics. In the final analysis, what is involved is the building of political plurality in democracy.

It should be noted that the institutional framework described above is not closed and static, but is continually developing, changing and adapting in line with the internal or external characteristics of the development process, as a function of the formation or expansion of a self-determined development nucleus linked mainly with the establishment and evolution of the country's own domestic capacity. In other words, it involves a number of factors of productivity and governance, but above all a matrix of social actors who share a strategy to further the role of production in the restructuring of the international economy and culture on the basis of the institutional sustainability of the development triangle.

Figure 2 shows a possible and desirable paradigm integrating the triangle of progressive govern-

FIGURE 2

Centre point: Endogenous development

Emergence of a new type of conflict for the control and cultural orientation of the development triangle

Matrix of the system of collective action

New form of State

Production-labour pacts

Socio-cultural, ethno-cultural, regional and local actors

Main lines of endogenizing action

1. Adopting and strengthening information networks and systems /
   Incorporating technical progress into the production profile

2. Rational, social and expansion-oriented management /
   Strengthening the inter-cultural fabric

3. Active citizenship /
   Use of the codes of modern life

ance –which means governance having a synergic relation with economic competitiveness and social integration– and the rectangle of the institutionality which makes that triangle viable in normative terms.

The centre point indicates both a number of economic and cultural conditions for productivity growth and the requirements of an intra-societal and political matrix which guides the nucleus as a whole.

VI

Towards a new logic of conflict

The foregoing proposal naturally involves a logic of conflict different from that prevailing in the cycle of the patrimonial-corporative State. In that cycle, the central elements were the conflicts between the State and the various social and political actors; the desire for greater State power or for the redefinition of the relations between the State and society were the main goals of the respective actors. Thus, the para-State nature of collective action –whether by workers, employers, peasants or regional groups– and the patron-client nature of relations between the State and society automatically led to a system with weak social actors.

According to this proposal, conflict means a dispute among the various actors over the cultural direction of governance, competitiveness and social integration. What is in doubt here is not the unavoidable simultaneity of the factors of development, but their possible political and cultural trends and emphases. It is also assumed that this same logic of change would be accompanied by the redefinition of the political forces of the Left and the Right. The Left might perhaps reaffirm its actions from the standpoint of the vertices of social integration and governance, while the Right would do the same from the standpoint of competitiveness and governance.

There is no magic formula, however, for processing conflicts and moving from one situation to another, especially at times of strong social change. It is of fundamental importance, then, that as conflicts arise they should be clearly stated, acknowledged and processed in a collective manner through negotiation.

For this purpose, it is important to have real channels for the active participation and representation of the various actors, so that when debating

and settling conflicts all the interests, actors and arguments involved are taken into account. This naturally means that the various forms of public spaces must be extended in order to ensure this participation by the whole of society in the settlement of conflicts. In the case of the poorest and most under-privileged sectors, it is essential that they themselves should put forward their needs in the form of institutionally expressed demands: i.e., that they should become autonomous social actors.

Likewise, the various actors should enter into the negotiations with the full awareness that all negotiations reflect the will of the parties to respect agreements and cause them to be respected, and that this involves some mutual concessions regarding the original positions of each actor.

Finally, it is of decisive importance –especially in order to progress from one type of conflict to the other– that there should be prior consensus on some meta-values which will allow the parties to negotiate and exchange arguments in a common language: in this case, meta-values connected with the triangle of governance, competitiveness and social integration. It is also equally important, however, that there should be a clear and effective system of punishments for parties who do not respect the agreed terms. [5]

(Original: Spanish)

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[5] For a detailed analysis of political reform and economic restructuring in Latin America, see Calderón and Dos Santos, 1995.

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