

**De la (Non) Démocratie en Amérique (Latine)**  
**A Tocqueville report on the state of governance in Latin America**

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acting as an Assistant to M. Alexis de Tocqueville,  
for a Report commissioned by the World Bank.  
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**Summary:**

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1. Latin Americans compared to the Americans of the North
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3. Of the sovereignty principle in Latin America, or its absence
4. What happened to Latin America, that denied its people an expected progress?
5. What went wrong in Latin American, while Asia-Pacific went forward?
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7. What to expect from (and for) Latin America in the near future?

In a manner of conclusion, promising a full and complete report.

**Abstract:** Within a conceptual framework based on Tocqueville's classic work about *Democracy in America* – freedom, democracy, equality, political organization, government and administrative centralization, etc. – this essay – drafted in the form of a report from Alexis de Tocqueville to the World Bank, at the demand of its Board – deals with the relative backwardness of Latin American countries, in terms of democratic principles, political accountability, insufficient economic and social development, social inequalities, adopting an historical and comparative perspective (with Asia-Pacific countries, for instance). The region has fragmented itself recently between globalizers, reluctant governments (protectionists and nationalists), and the so-called “Bolivarians”. Finally, it tackles the current and future challenges of Latin American countries, also in a comparative perspective with the Asia-Pacific region, and concludes that most of the problems at the source of the backwardness of the continent, and its peculiar difficulties to adapt and to insert into modernity and globalization are due to especially inept and corrupt elites, of all kinds and social origins.

**Key words:** Latin America; Asia-Pacific; comparative analysis; Alexis de Tocqueville; development; globalization; democracy; economic freedom; elites.

**Curricular note:**

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**Note:** Many thanks to Affonso Santos for the improvement of my English.

DE LA *non*  
**DÉMOCRATIE**  
EN AMÉRIQUE *Latine*

PAR

**ALEXIS DE TOCQUEVILLE,**

AVOCAT A LA COUR ROYALE DE PARIS,

*Avec l'aide du rapporteur Assistant*

*M. Paulo Roberto de Almeida*

—  
TOME PREMIER.



**PARIS,**

**LIBRAIRIE DE CHARLES GOSSELIN**

RUE SAINT-GERMAIN-DES-PRÉS, 9.

M. DCCC XXXV.

## Foreword by the Assistant rapporteur

Approximately two years ago, Monsieur de Tocqueville was consulted by the World Bank's Board of Directors about his willingness and readiness to prepare a new report, roughly based on the same model and style as he performed in his brilliant analysis of the political mores of America in the 1830s, but this time focusing the state of the political and economic governance in the rest of the Hemisphere, that is, in Latin America. Before accepting the commission he started to look for an assistant in order to accomplish that new mission. Among his requirements, the person to be selected should be someone not only fluent both in French and Spanish, with some knowledge of English, but also conversant in Portuguese – because of the importance he attributed to the greatest country of the region. That assistant should also be acquainted with the political and economic history of Latin America, as well other matters. It was in this context, that a head-hunter or a scholar, up to now unknown, indicated my name to him, stressing that I was not only an assistant, but one capable of filling that multiple job.

After looking at my *curriculum vitae* and consulting my other published works, M. de Tocqueville wrote me a very kind letter (in French, of course), asking whether I was available to undertake with him a new round trip and the same kind of wanderings and conversations throughout many parts of Latin America, similar to those he and his friend Beaumont made at the beginning of the *Monarchie de Juillet* in various places of the United States and Canada. While I was surprised by this unexpected invitation, I didn't hesitate a second to accept the commission, having returned recently from the United States and benefitting from a new and unwanted leave of duty (because of another unexpected unburdened period from work at my official duties). And I did accept because of my well-known high regard for Tocqueville's work as the main true founding father of my academic background: Sociology. He was among the giants of that discipline, as recognized by one of his successors in the 20<sup>th</sup> century, Raymond Aron.

I also suspect that M. de Tocqueville had already alerted by someone to the fact that, in 2009 – within the series that I conceived to rewrite some past classics of the political literature, among them Marx's *Manifesto*, Machiavelli's *Prince*, and Benjamin Constant's *De l'égalité chez les Anciens...* –, I had already sent him to South America in a imagined travel, from which resulted a first (unauthorized) report called “*De la*

*démocratie au Brésil: Tocqueville de novo em missão*” (cf. References). At that first imagined visit, the French master was sent to a mission in Brazil, already under an assignment by the same World Bank, to examine Brazilian governance, in terms of its democratic institutions and corresponding market economy. Although he arrived very well disposed towards Brazil, in view of the country’s relative success in circumventing the American and international economic crises of 2007 and 2008, he left the country with a less positive attitude, in view of the institutional dysfunctions which he detected at every government body he contacted during the visit. He was appalled, already at that juncture, by the deterioration of the quality of a promising democracy, many years after the renewal of a constitutional system following two decades of a military government, and also because of State encroachments over citizens private lives, features that he presented in his report to the World Bank, upon his return to Washington.

At the beginning of our wanderings throughout most of South America – which Monsieur de Tocqueville called *flâneries* – I recommended him to pay more attention – besides the normal inquiries he would conduct about the political system and the decision-making process in public policies – to the question of corruption, a common plague in other polities as well, but with an exceptional exacerbation in the region. This was the sole suggestion that I dared to advance to such a distinguished scholar. For all other things during our Latin American *flânerie*, I remained a humble assistant, a note taker, an at hand translator and interpreter – in French, Spanish, Portuguese, less in English, of which he had a perfect knowledge – and an attentive rapporteur for him.

For the rest of this report – analysis, arguments, proposals, critiques – the only and exclusive person responsible for its contents is M. de Tocqueville himself, as he came back from a very long absence from public affairs, and confirms that he is still able to deploy his brilliant analytical capacity, in grand style, with a little help from this scrivener. In fact, he never took leave from intellectual debates around democracy, freedom and equality, since the middle 19<sup>th</sup> century, and not only in America.

No doubt about that, Gentlemen: the great Tocqueville *est de retour*...

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## Preliminary Report to the World Bank - Monsieur Alexis de Tocqueville

*Messieurs les Gouverneurs, members of the Board,*

First of all, I would like to thank you for the determined trust that this Board placed upon my humble analytical capacity, this time directed to the Southern part of that immense Hemisphere, *le Nouveau Monde*, of which the Northern part I visited very long ago, in order to prepare a report on its penitentiary system. That previous, and unique, visit to the American nation opened my mind to certain features of its people, already ahead of the Europeans in many matters, to begin with those elementary and spontaneous forms of political and economic organization. America is a world apart: we can refer, above all, to its extraordinary assembly of democratic freedoms, in every manner much larger and disseminated when contrasted with the still aristocratic politics and societies of the Old World, even after the big Napoleonic changes that almost swept out the *Ancien Régime* from many parts of Western Europe.

When we, in the *vieux continent*, think or talk about democracy, we are in fact referring to the old model idealized *par le baron, Sieur de Montesquieu*, which is a system conceived from above, that is, the traditional partition in three branches of government. To give the true meaning of the kind of democracy that grew among the villages and tribes of those old stocks of Britons and Saxons, and afterwards among their descendants *de par le monde britannique*, one has to understand, before the formal organization of a State, a specific way of life, a set of customs, or *mores*, a whole thing much more infrastructural than the upper levels of a political system in the manner we conceive them. That kind democracy manifests itself at the grass roots of each village and counties, in the form of direct elections for the village police authority or the county judge, expressed also in the school boards joining parents and teachers and other forms of associations at every level of the normal life. Democracy in America grows from below, not from above like in Europe, even in our days.

That kind of radical departure between the two meanings of the word democracy that existed between the old Europe from where I came from, and the young America that I discovered during that first and unique visit, I also found now, at your request, between the Northern and the Southern parts of the New World Hemisphere, in the sequence of visits that I made in order to accomplish the mission that you commanded.

Nowhere other than in Brazil is that striking difference more visible than in that country, destined to high degrees of order and progress, in line with the lessons of “positive philosophy” spread out by a colleague of mine, Auguste Comte, still today very much appreciated in that biggest nation of Latin America, especially among the military, who are a kind of moderating power many times called in to settle the political and social upheavals that block either order or progress in the country.

This time, the “letter of instructions” of the World Bank’s Board recommended that I undertake an all-encompassing analysis, a comprehensive report on the state of governance in the whole Latin America, which is an impossible task, taking into account the diversity of the situations, the various political trajectories, and economic structures of that immense territory. Nevertheless, with this mission letter in hand, and before departing to the continent, after choosing an Assistant fluent in their Hispanic languages and matters, I spent some weeks in your good Library, perusing the most recent reports and surveys about the recent progresses in the continent. I took many notes from those readings, and thus, provided with new enlightenments, my next task was to define a proper method for my investigation.

In the absence of explicit instructions from the Board of Directors – besides the general recommendations pointing to the analysis of the state of political and economic governance of that immense region – I decided to adopt in that mission the same conceptual framework that I followed in the two volumes dedicated to America, that is, the country today called the United States. The key concept of my work about democracy in America was equality, but now, Messieurs, I’m not sure that this applies also to the Southern part of the Hemisphere. In the Introduction of the first edition of my famous book, in a section reproduced in the preface to the 12<sup>th</sup> edition that I revised personally in 1848, when France became, once again, a Republic, during which I even served for some months in the government as Foreign minister, I wrote:

The gradual progress of equality is something fated. The main features of this progress are the following: it is universal and permanent; it is daily passing beyond human control, and every event and every man helps it along. Is it wise to suppose that a movement of the society that a movement of society which has been so long in train can be halted by one generation? Does anyone imagine that democracy, which has destroyed the feudal system and vanquished kings, will fall

back before the middle classes and the rich? Will it stop now, when it has grown so strong and its adversaries to weak?<sup>1</sup>

I'm not sure, anymore, that the same judgment can be applied to our days, in either side of the North Atlantic, and probably not in any sense to the Southern shores of that ocean. Everywhere, populism, patrimonial practices, xenophobia and new sources of inequalities are growing and strengthening, or being reinforced in the case of Latin America. Equality is not predetermined or inevitable, a question which my friend Gustave de Beaumont stressed in his studies about slavery and racism in America. While my own intention, besides the study of the penitentiary system, was to examine the functioning of the democratic order in that country, my mind was attracted, as I said in the introduction to the first volume, by the principle of equality among the people:

Among the novel objects that attracted my attention during my stay in the United States, nothing struck me more forcibly than the general equality of condition among the people (...) The more I advanced in the study of American society, the more I perceived that this equality of condition is the fundamental fact from which all other seem to be derived and the central point at which all my observations constantly terminated.<sup>2</sup>

The comparative method was my organizing principle for that study: the democratic system appeared to me to be the future for the old European societies, where the legitimacy of the monarchic regime was still in place, based on the differences

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<sup>1</sup> Cf. Alexis de Tocqueville, *Democracy in America*, edited by J. P. Mayer, translated by George Lawrence in 1966 (New York: HarperCollins, 2006), p. xiii; also p. cv, of the Henry Reeve translation, as revised by Francis Bowen, and corrected and edited, with notes, by Philips Bradley, in the 1946 edition of Alfred A. Knopf. The French original reads as the following: « Le développement graduel de l'égalité est un fait providentiel. Il en a les principaux caractères : il est universel, il est durable, il échappe chaque jour à la puissance humaine, tous les événements comme tous les hommes ont servi à son développement. Serait-il sage de croire qu'un mouvement social qui vient de si loin puisse être suspendu par une génération ? Pense-t-on qu'après avoir détruit la féodalité et vaincu les rois, la démocratie reculera devant les bourgeois et les riches ? S'arrêtera-t-elle maintenant qu'elle est devenue si forte et ses adversaires si faibles ? » ; cf. p. 53 de l'édition préfacé par François Furet, *De la Démocratie en Amérique* (Paris : Garnier-Flammarion, 1981, vol. I).

<sup>2</sup> Cf. p. 3 of the 1946 edition, in contrast to the translation by George Lawrence (1966): "No novelty in the United States struck me more vividly during my stay there than the equality of conditions. (...) So the more I studied American society, the more clearly I saw equality of conditions as the creative element from which each particular fact derived, and all my observations constantly returned to this nodal point." The original French reads: « Parmi les objets nouveaux qui, pendant mon séjour aux Etats-Unis, ont attiré mon attention, aucun n'a plus vivement frappé mes regards que l'égalité des conditions. (...) Ainsi donc, à mesure que j'étudiais la société américaine, je voyais de plus en plus, dans l'égalité des conditions, le fait générateur dont chaque fait particulier semblait descendre, et je le retrouvais sans cesse devant moi comme un point central où toutes mes observations venaient aboutir. » ; cf. p. 57 of the 1981 Garnier-Flammarion edition.

among social orders. At that time, I was somewhat naïve in believing that we, that is the Europeans, or at least the French people, would attain the same condition:

It seems to me beyond doubt that sooner or later we, like the Americans, will attain the almost complete equality of conditions. But I certainly do not draw from that the conclusion that we are necessarily destined one day to derive the same political consequences as the Americans from the similar social state. (...)

So I did not study America just to satisfy curiosity, however legitimate; I sought there lessons from which we might profit. (...) I admit that I saw in America more than America; it was the shape of democracy itself which I sought, its inclinations, character, prejudices, and passions...<sup>3</sup>

Well, dear gentlemen, notwithstanding my naïve belief in the inevitability of attaining true equality among the advanced societies, which we call nowadays market democracies, I expressed a real awareness about the other differences between France and America: there, the principle of liberty prevails over that of equality, which nevertheless is realized in practice by the absence of barriers to competition in market conditions and through the social ascent of the many by the private accumulation of riches; in France, to the contrary, the desire for equality prevails among most of the people, even with harmful consequences for the principle of freedom, which is to be regretted.

Let's now put this debate aside, and focus on the current and future situation of Latin America, which constitutes the core matter of the investigative mission that you have assigned to me. Turning to that, and before starting to present my report in its entirety, I have to express my feelings towards Latin America in general. Those feelings are reflected in the title of this report: *The (Non) Democracy in (Latin) America*, which seems to me more appropriate than the belief in an overall equalization of equality conditions among modern democracies. Current Latin America appears to me as a delayed or a functional equivalent to the *Ancien Régime* in Europe, replacing the aristocratic features and the rigid social estates of the old monarchies with similar marks of social inequality, represented traditionally by the old oligarchies and nowadays by

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<sup>3</sup> Cf. p. 18-19 of the 2006 edition. To be referred to the original French: « Il me paraît hors de doute que tôt ou tard nous arriverons, comme les Américains, à l'égalité presque complète des conditions. Je ne conclus point de là que nous soyons appelés un jour à tirer nécessairement, d'un pareil état social, les conséquences politiques que les Américains en ont tiré. (...) Ce n'est donc pas seulement pour satisfaire une curiosité, d'ailleurs légitime, que j'ai examiné l'Amérique ; j'ai voulu y trouver des enseignements dont nous puissions profiter. (...) J'avoue que dans l'Amérique j'ai vu plus que l'Amérique ; j'y ai cherché une image de la démocratie elle-même, de ses penchants, de son caractère, de ses préjugés, de ses passions... » ; cf. p. 68-69 of 1981.

the new “mandarins of the State”, that influence and reinforce rent-seeking practices, together with special interests connected to big corporations.

Most of the nations that emerged from the Iberian domination that ended at the beginning of the 19<sup>th</sup> century did not accomplish a really successful modernization process in the last two hundred years since then. Caudillos, military coup d'états, populist regimes, even fascist ones, socialist experiments, erratic modernizers and frustrated reformists, the continent knew almost every kind of political systems and many types of authoritarian models throughout the ages, with the former British preeminence of the 19<sup>th</sup> century being replaced by American hegemony in the 20<sup>th</sup>.

I have tried, with the help of a Latin American assistant, Monsieur de Almeida, a Brazilian – who surprised me not just for his good French and Spanish, besides his native Portuguese, but also for his knowledge of my works and the general conditions of Latin America –, to examine the same tensions between liberty and equality that I detected previously in connection with those features in America and Europe, and also many problems of a different nature, that could not be inserted within the same conceptual framework that I had in my original investigations. Even if we can consider that advances in the modernization process point to a common future for most countries in the world – that is, political democracies with equality conditions being created much more by market mechanisms than by redistributive policies of the states –, that is an ideal that is not near to being accomplished in most of developing countries. I still believe, as stated in my introduction to the 1835 text, that a “great revolution is taking place in our midst; everybody sees it, but by no means everybody judges it in the same way” (2006, p. 9). But as another great sociologist, Karl Marx, included by Raymond Aron among the founding fathers of the discipline, wrote, just months after the coup d'état of the then president Napoleon, in 1851, in the first paragraphs of his acclaimed *The Eighteenth Brumaire of Louis Bonaparte*:

Man makes his own history, but he does not make it out of the whole cloth; he does not make it out of conditions chosen by himself, but out of such as he finds close at hand. The tradition of all past generations weighs like an alp upon the brain of the living. At the very time when men appear engaged in revolutionizing things and themselves, in bringing about what never was before, at such very epochs of revolutionary crises do they anxiously conjure up into their service the spirits of the past, assume their names, their battle cries, their costumes to enact a new historic scene in such time-honored disguise and with such borrowed language.

Latin America seems not to have managed to go beyond its Cesaristic tendencies in its political systems, always resorting to a populist figure or Salvationist leaders to bring about old promises of democracy and equality. If we consider, for instance, the total number of revolutions, *coup-d'états* and new Constitutions, what the continent has as its most stable feature is the instability of the political regimes. It is one of the most unequal continents, and Brazil, as one example, has “African levels” of income concentration. All those revolutions and *coup-d'états* left most of the countries of that continent exactly in the same place: an extreme centralization of the political system and the consolidation of the state power over the citizen and the business class.

The Board of Governors seems aware that Latin America has attained a singular phase in its history, half a century after the overall decolonization of the so-called Third World, and the irresistible ascent of Asia-Pacific region, where former poor countries overcame Latin American countries in almost every social and economic indicator. Still struggling between neo-populist tendencies and neo-liberal impulses, Latin American countries were left behind in the competition with them. So, it was with this recognition that we cannot compare America or Europe of the 19<sup>th</sup> century with today's Latin America, but that we can examine the half century evolution of Latin America and Asia-Pacific in parallel, that undertake my mission of prospection and analysis in order to try to devise a new future Eldorado for that region, at least one more realist than the utopic exploration dreams of the ancient Iberian conquerors.

Before concluding this preliminary report I wish to thank the librarians of the World Bank, for providing me with an abundant supply of books, all the political and economic data and official documentation about the countries I visited, as required for my preparation, and above all, the intelligent assistant that I had the fortune to engage for my trips, but relieving him of all erroneous conclusions and faulty arguments that can still be found in this piece of analysis. Waiting for the second part of my honorary payment and the complementary coverage of exceptional expenditures I made in the mission, I wish you, dear gentlemen, a pleasant reading. *À bientôt...*

Alexis de Tocqueville

Done in Washington (temporary), May 15, 2018

## 1. Latin Americans compared to the Americans of the North

The subject that I wished to cover by my investigations is immense, for it includes most of the feelings and opinions produced by the new condition of the world's affairs. Such a subject certainly exceeds my strength, and in the treatment of it I have not been able to satisfy myself. But even if I could not attain the goal towards which I strove, my readers will at least do me this justice, that I conceived and pursued my enterprise in a spirit which could make me worthy of succeeding.<sup>4</sup>

(Last paragraph to the Author's Preface to the Second Part, 1840; Henry Reeve's translation; Alfred Knopf edition, 1946, II-vii).

In the preface to the second volume of my analysis of the political and social life in America, published some five years later, I wrote:

The Americans have a democratic state of society, which has naturally suggested to them certain laws and certain political manners. It has also created in their minds many feelings and opinions which were unknown in the old aristocratic societies of Europe. It has destroyed or modified the old relations of men to one another and has established new ones. The aspect of civil society has been as much altered as the face of the political world. (1946, II-v).<sup>5</sup>

Well, something could be said in respect of Latin American societies if we compare them to their American counterparts, for one side, and European ones, for the other. After having examined, in the first volume of my work, the institutions that frame the shape of the political society in the United States, in the first part of my analysis of democracy in that Republic of the Americas, I started to look, in the first chapter of Part

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<sup>4</sup> The ground I wish to cover is vast. It includes the greater part of the feelings and ideas produced which are responsible for the changed state of the world. Such a subject is certainly beyond my strength, and I am far from satisfied with my own achievement. But even if I have not succeeded in the task I set myself, I hope I shall be credited with conceiving and pursuing the undertaking in a spirit which could make me worthy of success. (George Lawrence translation; HarperCollins edition, 2006, p. 418) The French original reads: « Le sujet que j'ai voulu embrasser est immense ; car il comprend la plupart des sentiments et des idées que fait naître l'état nouveau du monde. Un tel sujet excède assurément mes forces ; en le traitant, je ne suis point parvenu à me satisfaire. Mais, si je n'ai pu atteindre le but auquel j'ai tendu, les lecteurs me rendront du moins cette justice que j'ai conçu et suivi mon entreprise dans l'esprit qui pouvait me rendre digne d'y réussir. » (cf. Garnier-Flammarion, 1981, 2-6)

<sup>5</sup> The French original reads: « Les Américains ont un état social démocratique qui leur a naturellement suggéré de certaines lois et de certaines mœurs politiques. Ce même état social a, de plus, fait naître. Parmi eux, une multitude de sentiments et d'opinions qui étaient inconnus dans les vieilles sociétés aristocratiques de l'Europe. Il a détruit ou modifié des rapports qui existaient jadis, et en a établi de nouveaux. L'aspect de la société civile ne s'est pas trouvé moins changé que la physionomie du monde politique. » (1981, 2-5)

II, at the people who detained the sovereign power, at their pleasure, to abolish or change those institutions, or the men in temporary charge of them. Then, I wrote:

In America the people appoint both those who make the laws and those who execute them; the people form the jury which punishes breaches of the law. The institutions are democratic not only in principle but also in their developments; thus the people directly nominate their representatives and generally choose them annually so as to hold them more completely dependent. (...) In the United States, as in all countries where the people reign, the majority rules in the name of the people. (2006: 173).<sup>6</sup>

North America, that impressive social and political construction that I visited many years ago, is indeed the collective result of the individual energy and hard labor of the pilgrims and religious refugees, who abandoned definitely their birth places in order to start a new life, in completely different conditions. In this endeavor, they achieved an extraordinary success through perseverance in building up a new society, almost totally different from those they knew before, and under which they suffered in the old world. In a certain way, the feverish zeal with which they engaged in that mission, to build that entire new society from virtually nothing, gives credibility to a thesis of a German colleague of mine, Monsieur Weber, who, after my sociological analysis, undertook to explain that success by a religious ethic of a Calvinist nature, albeit I would suggest that those admirable achievements in less than a century also have other structural causes as well. After all, not all of the immigrants were from the Protestant stock of people, and religious beliefs is among many other factors that moved that brave people.

Whatever could be the various explanations for the success in the North, and for the relative failure in the South, almost entirely Catholic one must not forget – and worse, since the Counter-Reformation – those who came to Latin America were for the most adventurers, looking for easy riches, quick gains, which could enable them to return to the motherland with abundant wealth. Brute explorers, gold seekers, slave owners with no pity for Indians or Africans, they went to the new lands not exactly to colonize that unknown territory for their own will, but to respond to their sovereign's design to conquer vast portions of the new continent, either for the major glory of

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<sup>6</sup> French original: « En Amérique, le peuple nomme celui qui fait la loi et celui qui l'exécute ; lui-même forme le jury qui punit les infractions à la loi. Non seulement les institutions sont démocratiques dans leur principe, mais encore dans tous leurs développements ; ainsi le peuple nomme directement ses représentants et les choisit en général tous les ans, afin de les tenir plus complètement dans sa dépendance. (...) Aux Etats-Unis, comme dans tous les pays où le peuple règne, c'est la majorité qui gouverne au nom du peuple ». (1981, 1 : 255)

themselves or the Pope, to evangelize pagans, to enlarge their empires. Conquest, not colonization, was the main aim of the Hispanic enterprise, with a totally different project of social and political organization, not exactly one of a new community in the *Nouveau Monde*.

The basic principle that guided the pilgrims to New England and other parts of North America was that of people's sovereignty, an idea that was linked to the *mores* of the old England since the 1215 Magna Charta, which was somewhat forgotten at its birth place, but which kept living on the other side of the Atlantic. Furthermore, one can add the 1688 Bill of Rights, also strongly reminded by the American colonists when a foolish King, named George (the same of the general that led them into the revolution of the independence), started to tax them abusively for imported goods. The major argument of the 1215 Chart is precisely that no one is above the Law, not even the King, with the result that the sovereign must obtain the consent of the citizens, or even subjects, in order to tax them. The rule of *no taxation without representation* was strongly embedded in the hearts and minds of the American people, as well as the basic rule of the Bill of Rights: the sovereign reigns, but does not govern, which is solely the responsibility on an elected Parliament, the body in charge of the taxation.

These principles are quite contrary to those in place in the Iberian domains, if they could be called principles. They were old practices that arose from the centralist character of the Hispanic kingdoms, which maintained their subjects in an almost serfdom-like condition, a state of living at odds with the colonizers' life in the North. Briefly, the main difference between American colonizers and the Latin American subjects could be described as such: everything that was not expressly, unambiguously forbidden as a normal exercise of an economy activity, was *ipso facto* free and open to the initiatives, to the talents and any kind of private enterprise by the former; at the other jurisdiction, everything that was not an object of a specific permission, a Royal concession, a State decision, was automatically out of bounds of private undertaking, forbidden to everyone not in possession of an *Alvará Régio*, at the King's grace; all economic activities required proper authorization, pending on the payment of a grant, against taxes and duties, stamps and notary documents, but only official, State given.

Those features, starting in colonial times, were thoroughly and entirely preserved during the whole history of Latin American nations, going back and forth across independence, the State building process in the 19<sup>th</sup> century, and remaining as

strong as ever for the entire 20<sup>th</sup> century, up to our days. I know that, a century after my first report about American democracy, an Italian leader, the Duce, proclaimed that everything should go with the State, nothing out of the State, especially nothing against the State. Well, *Messieurs*, Latin America never departed, before or after, from that slogan, either under fascist dictatorships or formally “democratic” conditions. That is my first and most important remark about general political status in Latin America.

## **2. On the social conditions in the two parts of the American hemisphere**

The social conditions of the people, that I analyzed in the third chapter of my first book about democracy in America, is generally the consequence of a process, in certain cases from the laws, or the institutions, in other cases from the experience, but frequently from a combination of those elements. Admittedly, the social status of the North Americans is eminently democratic, as I wrote at the beginning of that chapter (Social State of the Anglo-Americans). Another feature is the relationship between civil and political associations, a question I have examined in the seventh chapter of Part II of the second volume of my work; there I wrote:

There is one country in the world, which, day in, day out, makes use of an unlimited freedom of political association. And the citizens of this same nation, alone in the world, have thought of using the right of association continually in civil life, and by this means have come to enjoy all the advantages which civilization can offer.

In all countries where political associations are forbidden, civil associations are rare.

It is hardly likely that this is due to accident, and it is wiser to conclude that there must be some natural, perhaps inevitable connection between the two types of association. (2006: 520)

Very well, even recognizing certain progresses in their social conditions for the last two hundred years, I would not dare to say the same of the Latin Americans: when they do have political or civil associations – either for a trading enterprise or an industrial undertaking, or even for typical social purposes –, those are strictly controlled from above, that is, by the “Lords of Power”. Some 180 years have passed since I observed directly the social status, and the political system in North America, and I now had the opportunity to observe personally, and directly, the state of affairs in the Southern parts of the Hemisphere. Either by their laws and institutions, or even their practical experience, Latin Americans seem to be a world apart from their Anglo-Saxon neighbors. One can start by the quantity of constitutions – and I will not say anything

about their quality – each country has had to endure under the rule of caudillos, strong men, rightist military or revolutionary leaders, or even under the pen of elite jurists and peaceful oligarchs.

Political itinerary south of Rio Grande, since the independence, is a succession of forward advances to stability and the rule of Law being driven back by unstable and temporary political arrangements, by institutional reverses, and *ad hoc* governments, not counting the many dictatorships, almost always starting a new regime, with a new Constitution. As I said already, political instability is the most stable feature of the political life of Latin America. Of course, this translates into high volatility in the economic policies, erratic commandment at the upper levels of the State – in all three branches – and pervasive corruption at many other levels of government institutions.

In no rare occasions, Latin American countries – even in Argentina, one of the more advanced nations in the continent – have fallen back into despotic regimes, not exactly as a response to reformist attempts, as I have tried to discuss in my second sociological work, dealing with the *Ancien Régime* and the Revolution. I would not dare to compare those authoritarian regimes with the “Oriental despotism” that existed in other parts of the world, even if certain Latin American countries exhibited an abundant proliferation of violent caudillos and populist dictators not refraining from the crudest displays of the State monopoly of force.

Political frictions in Latin America, provoking those bursts of violence and the intervention of the military in the political system, can be explained by the truly high inequality of social conditions, unacceptable income concentration and the lack of equal opportunities for the poorer. I have already explained the democratic state of the North Americans by the relative equality of social conditions in the United States, even if the incredible growth of patrimonial riches in the upper crust does not retain the super-rich of ostensibly displaying the luxury of their lives, their mansions, personal ships and jets. Latin America certainly has no lack of the same super-rich, but there is a fundamental difference between the two ways to attain the same condition: by the way of markets or via the State, that is, political power.

This significant distinct feature has some impact for a sustained process of economic growth and for the proper functioning of the political system, and the whole picture is critical for the democratic stability in each region. It is highly evident that the most famous tycoons and magnates in America derive their incredible riches from their

market activities, irrespective of the sector in which each one has chosen. Even when Latin American tycoons amass their fortune in the markets, most probably their “acquired” riches are linked to some form of State regulated sector or special activity, in transportation, communications, mines, financial concentration, that is, some sort of cartel or legal monopoly, not forgetting crony capitalism and hidden favors. I had in my hands yearly special issues of “Forbes 500 fortunes” covering the richest people in the two parts of the Hemisphere, and the origin of their riches is strikingly opposite: market transactions in one side, government “transactions” in the other side.

A second characteristic that I was able to detect in Latin America is that the most well intentioned attempts to “redistribute income”, that is, to tax more heavily the rich people in favor of those poorer people, almost never, or seldom, have the expected results; in fact, they probably have the contrary effect. Because the “redistribution” is organized and implemented by politicians and professional bureaucrats, those in charge of it are able to divert for their own benefit a sizable part of the added receipts from the new taxation (if it occurs at all). Another consequence from this kind of “action” is tax evasion or capital flight by the rich, by any means available. In the end, good intentions rarely materialize in benefit of the poor.

More important than trying to create equality from above, in fact, is the common sense to qualify the people to make their own money, not to expect redistributed income from the State. The United States continue to attract “brains” from the rest of the world, and that can be measured by the volume of Nobel prizes given to foreign researchers working in American laboratories and innovative companies, big or small. Most of Latin American countries are less prone than the United States to entrust foreigners with research management in national universities and laboratories.

### **3. Of the sovereignty principle in Latin America, or its absence**

I have examined, in the 4<sup>th</sup> chapter of my book on democracy in America, how the sovereignty of the people was a natural feature among the people of New England and other parts of the country. In fact, it pre-existed even before the revolution of the thirteen colonies, and was in practice in the many local assemblies, without the need to refer or consult the laws of the metropolis or a central State, which by the way did not exist at that time. This grass roots, democratic principle was already at work in medieval English villages, materialized in the direct elections for a local sheriff and for a

county judge. It was transplanted to America with the first pilgrims, as a heritage of the Tudor age. As I have written at the beginning of this chapter 4:

If there is one country in the world where one can hope to appreciate the true value of the dogma of the sovereignty of the people, study its application to the business of the society, and judge both its dangers and advantages, that country is America. (2006, 58)<sup>7</sup>

*Voilà Messieurs*, having visited the most important Latin American countries, during this recent socio-political inquiry, I can argue, without hesitation, that if there are countries where the principle of the sovereignty of the people is virtually unknown, either in local assemblies, or in the high spheres of the State, those countries are those of the immense Latin America, where all power is vested in a special class of persons that claim to exert this power on behalf of the citizens – let’s call them subjects – but who concentrate main leverages of the administration on their own hands. A brilliant scholar, in his PhD thesis of the fifties, classified this upper segment of the society as the “bureaucratic estate”, a concept associated with a Weberian approach of the politics.

We can accept that the Latin American sovereignty principle was still in its prehistory when I first visited the Hemisphere, some 180 years ago, as the newly States were trying to build up new institutions and a legal framework to organize and operate the local and provincial administrative structures. Looking now at the extremely concentrated leverages of power – of all kinds: financial, political, bureaucratic –, one can hardly recognize the existence of this central element of a democratic State. Upper classes, either in civil society (entrepreneurs, land owners, bankers) or in the State – the so-called “bureaucratic estate” – have never surrendered to the principle of people’s sovereignty, and have always preserved for themselves political regimes characterized by limited amounts of local and provincial autonomy. Minorities rule in Latin America.

I remember having been presented to annals of local assemblies operating in colonial America since the beginning of the colonization, establishing rules for compulsory education at the village level and for a primitive electoral system. Maryland colony, for instance, exhibited the oldest operating people’s assembly, irrespective of its foundation by aristocrats from England, and “was the first to proclaim universal suffrage and introduced the most democratic procedures throughout its government”, as

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<sup>7</sup> French original: « S’il est un seul pays au monde où l’on puisse espérer apprécier à sa juste valeur le dogme de la souveraineté du peuple, l’étudier dans son application aux affaires de la société et juger ses avantages et ses dangers, ce pays-là est assurément l’Amérique. » (1981, 117-118)

I have written in chapter 4 of my book (2006, 59). In Latin America, certain countries, such as Brazil, have since the beginning had local assemblies in municipalities, but the vote was qualified and limited to landed representatives.

Independent Brazil, during the Empire, continued to limit the vote to owners, and the illiterate people did not have the right to vote until very late in the 20<sup>th</sup> century. This electoral feature, together with the administrative centralization, continues to be the real basis of the political autocracy that still rules in many Latin American countries. I have analyzed this phenomenon in the chapter 5 of my work, where I discovered the many “little sovereign nations who together form the United States”, which are the states (61). The administrative centralization in Latin America is apparently more efficient, because of the uniformity of the norms for conduct, and the homogeneity of treatment for all bodies, but in fact it impairs the free development of local energies, which are the ground basis for a vibrant society, entrepreneurial and innovative, precisely because it is free to decide itself over daily matters.

#### **4. What happened to Latin America, that denied its people an expected progress?**

*Messieurs les gouverneurs*, at this stage of my investigation over the foundations of Latin American problems, when compared with North America’s performance in terms of political system, educational standards, and administrative accountability – what you call, today, good governance –, I believe I can find a few reasons by which the Southern part of the Hemisphere, despite initial conditions not very much different (in some areas even more beneficial, in energy resources, or a great diversity in the natural endowment, as regards the Northern uniformity, for instance), was not able to reach a comparable degree of material achievements and economic advancements, probably due essentially to political and institutional motives.

This diagnostic about the less favorable conditions in the Southern part *vis-à-vis* other conditions in the Northern part – just at the beginnings when I first visited the your American nation, but deepened along the century and notably consolidated over the entire 20<sup>th</sup> century –, I acquired even before my departure to accomplish the mission you assigned me, by reading World Bank and Inter-American Bank annual reports in your library, a study I completed by an attentive observation of concrete manifestations of those features over the *terrain*. I could pursue indefinitely an exercise of this type over many other aspects from one or another part of the Hemisphere, but personally I do

not consider this kind of comparison adequate on methodological grounds, and it is not hard to explain why. Apart from all that I have already referred to previously, it's obviously wrong to compare such distinct, almost opposite, development processes, due to their differing nature, both historically and in structural terms.

For an exercise of this kind, one needs to compare cases that are inserted in the same civilizational context, and pertaining to an equivalent distribution of world power structure, what is commonly referred as geopolitics, or geoeconomy. To that task I directed some of my readings in the weeks that preceded my departure for this mission, a result of which is reflected in the arguments hereto assembled.

Despite having perused more than a dozen works pertaining to my subject in the World Bank's excellent library in its Washington headquarters, I focused my attention on one of those, from a development economist – afterwards prized with the Nobel in economics, as a great scholar in the field – who dedicated most of his efforts in analysis, diagnostics and prescriptions for economic policies directed to countries even more backward than Latin American countries, which were old nations from Southern Asia and some from the Asia-Pacific.

I would like to refer, *Messieurs*, to one of the most famous scholars of economic development, the Swedish scholar Gunnar Myrdal, who foresaw, as a result of an extended research work conducted at the end of the 1950s, and the beginning of the 1960s – published in three volumes some years later, in *Asian Drama* (1968) –, a very pessimistic future for those Asian nations, that is, the preservation of utterly misery and widespread poverty; and that, in contrast with somewhat very positive predictions for Latin American nations, promised a brilliant future, based on a successful catch-up with the advanced countries of the West.

Two years later, Myrdal presented an abridged version of his main thesis in a compact book, *The Challenge of World Poverty: A World Anti-Poverty Program in Outline* (1970), where he confirmed, already in its Introduction, his pessimistic forecasts for those Asian nations, for him condemned, for the foreseeable future, to inevitable misery. Asia was, for him, synonymous with abject misery, for the most just capable to attain a situation of insurmountable poverty. The only countries capable of catching-up with the advanced ones were, for Myrdal, Latin Americans, which represented a kind of “middle-class” in the world context, and were following, at that point, the industrializing policies according recommendations by the United Nations

Economic Commission for Latin America – Cepal, in its Spanish acronym –, and especially the economic policies prescriptions by its director, the Argentinian Raul Prebisch, the first president of Argentina’s Central Bank in the 1930s, and already famous for his introduction of Keynes ideas to a Latin American audience.

I do not need, *Messieurs*, to interrupt my report to tell you about what everyone already knows very well: of the tremendous impact and influence of the *General Theory* – and other ideas of the British economist – over Latin America and all the world during the entire 20<sup>th</sup> century, especially during the decades following the Second World War, “*les trente glorieuses*” as called by François Perroux, the continuous growth of market economies, among them Japan and Germany, the most successful examples of resumption of economic development after the preceding disasters. I just note that, notwithstanding the differing lectures and outcomes that came out of Keynes’ works, and irrespective of the many “schools” of interpretation derived from his diverse phases of economic thought, the fact is that the “Cepalian” doctrine emerging from Keynesian economic policy prescriptions tended to create a developmentalist orientation from what was just counter-cyclical measures adapted to a depressed economic situation, such as the one existing in the 1930s. Economic thought in Latin American faculties became almost entirely Keynesian, in its Prebischian or Cepalian interpretation, with a clear dominance over different regimes – civilian, military, “liberal”, interventionist – everywhere in the region for many decades starting in the 1950s.

Let’s continue with Myrdal. Asian countries, especially those from Southern Asia, could not escape from extreme poverty unless, pursued Monsieur Myrdal, they could follow the example of India, which exhibited a moderate socialism, made of a combination of indicative planning, with a strong emphasis on the State control of strategic sectors of the economy, among many other interventionist and protectionist policies, such as exchange rate manipulation and official subsidies to certain industries and sectors. Otherwise, *Messieurs*, Prebisch and Myrdal recommended to the poor countries from Asia and “middle-class” Latin American ones to follow economic policies and other public policies that were at the opposite of those followed by the former North American colonies ever since, before and after independence, without significant ruptures in their nature or essence, that is, pro-market, free initiative, private investments in an open business ambience.

I take as an example, for instance, the fact that America, during my first visit and enduring up our days, continues to use the same dollars, including counting small cents, while Latin American countries knew very different monetary regimes, opposite exchange rate systems, with successive currencies, always cutting two or three zeroes each time, with very (and growing) depressive effects after the many stabilization plans adopted to fight disruptive inflationary pressures. It was almost a permanent disease, as revealed in the case of Brazil, the only country in the world to having known 8 (eight) different currencies in three generations, with six new ones in less than ten years (from 1986 to 1994, when the “Real” was finally introduced).

The *real* history, though, went the other way than the path predicted by Myrdal. Asian people, with some differences among countries, started to experiment real improvement in their social and economic condition, much more in the Asia-Pacific than in Southern (Indian Ocean) region, with very rapid progresses for a certain number of those which opened themselves to international trade and foreign investment (and they became known as “tigers”). Since Myrdal published his books on the “preferred way” towards development, Latin American countries did not substantively reach to an upgraded status or improved their material conditions in the world ranking of economic advancements; they just followed the average growth rate of the rest of the world, keeping, or even augmenting, the distance between them and OECD countries.

Asian countries, instead, and despite the dire predictions of Myrdal and other “stagnationists”, started a continued path towards higher levels of economic growth, overcoming the “middle-class” status of Latin American countries, and arriving at a acceptable condition among dynamic emerging economies. Worse: Latin America saw its participation in the world trade flows diminish gradually, trading places with the Asia-Pacific group of high growth integration into the new value chains of the global economy; they kept the same structure and composition of exports – a limited number of commodities, agricultural or mineral, and some energy, mainly crude oil, few manufactures – while Asian counterparts took large inroads in the value added world of manufactures, mostly high elasticity-revenue products in modern sectors of the industry (electronics, for instance).

As regards India, the preferred example of “socially inclusive development” for Myrdal, that country preserved – for still many decades after the economic recommendations by the Swedish economist – the same slow rate of growth, and the

same bureaucratic State-led model of development that he prescribed as the way out of her historical miserable backwardness. India only rose to more vigorous rates of growth when, finally, a new responsible leadership abandoned the old formulae and adopted a new model, based on private undertakings, economic opening, (some) trade liberalization, and a reliance on its relative comparative advantages (online services, technologies of information and communications, and related industries), very far from the Cepal-Myrdal model adopted in Latin American countries.

I learned, of course, in my readings, that Mexico and Brazil became industrial economies on the basis of that model, but it is difficult to say that those countries offer a success story in their social development, quality of their public educational systems or productive integration into the world value chains dedicated to high added-value goods. And even taking into account rates of growth, their rhythm was notably erratic, alternating years of high growth with slumps towards inflation and balance of payments disequilibria, as a quick view of annual reports of multilateral banks confirmed to me.

##### **5. What went wrong in Latin American, while Asia-Pacific went forward?**

It is not easy to compare situations substantially diverse, such as the kind of political and cultural institutions of Latin America and those of Asia-Pacific, but we can try to identify some factors that could explain, for one side, the relative backwardness of the Latin American peoples and, for the other side, the success (also relative, we could say *en passant*) of the Asiatic people. Countries of the Asia-Pacific fringe – specially those since long called “tigers”: Taiwan, South Korea, as well as Hong Kong and Singapore – did not hesitate to go after foreign trade and the attraction of technologies of more advanced countries as the central focus of their foreign economic policies; they have made those policies act as the engines of their national processes of economic and social development, opening or associating themselves with multinational enterprises, without the same naïve nationalistic feelings of the Latin Americans. One of the results was the constant expansion of the external opening coefficient – that is, the part of the foreign trade, both exports and imports, in the economic aggregation of value – while in Latin America the ratio of the foreign trade to the GDP followed a diminishing trend, the same occurring with the share of the whole continent in the world global trade.

Indeed, there was a remarkable inversion of shares in the sum of international trade flows between Latin America and Asia-Pacific, which was perfectly reflected in

their productive specializations: while Latin America persisted in its role as main provider of agricultural products, minerals and energy, Asian countries strengthened their leading in assembly, then production, and after also design of manufactured goods of high elasticity for rich countries markets (as well as for developing countries, the same road taken previously by Japan). In this process, Asian countries started to acquire technological capabilities and mastering of marketing circuits, at the same time as those of Latin America preserved their specialization in primary exports and the old trend towards commercial and economic introversion.

Asian countries, of course, did not followed the same industrialization path, as national ways in the modernization process are somewhat different among the region, due to diverse capabilities in their national systems of productive innovation and industrial improvement (patents). A few countries, such as South Korea and Taiwan performed a big leap forward, becoming not only autonomous in those areas, after some period of learning by doing, but also driving engines in advanced industries, dispensing with licensing contracts with most advanced countries and starting to contribute themselves to the global stock of technological innovations.

Other countries though, most of them in Southeast Asia, confirmed their dependency in foreign licensing in more sophisticated industries, and continued to serve as a manufacturing basis for the assembly of imported parts and pieces, due to their relative comparative advantages in low-cost workforce. Special situations can be found in Hong Kong and Singapore, where specialization lead to trade and finance, as hubs for advanced services in those areas, which contributed to a higher expansion of their respective income per head. In all those case, nevertheless, a decisive foreign trade orientation helped them to a higher growth than was the case in Latin America.

*Pardonnez-moi*, Messieurs, if I deal excessively with Asia, in a report that should be concentrated in the situation of Latin American countries, but I feel that a true identification of their problems is better showed by contrasting differing paths in the developmental process; the real issues were not those emphasized by Mr. Myrdal – state control and command of “strategic sectors” of the economy, planning and protection of “infant industries” – but a decisive choice towards economic opening and a selective trade liberalization. Latin America could have experienced more robust rates of growth, both economic in general and social development in special, instead of being plagued by social and economic instability for long periods of its contemporary history. This

situation provoked political anger, and *coups d'état* by *caudillos* or messianic leaders, revolutions led by civilian or military, eventually civil wars, not forgetting the more usual consequences: capital flights, exchange crises, high external debt insolvencies, all those followed by serious disturbances, political ruptures, and a high number of new Constitutions, always followed by new ones after a while (Brazil, for instance, has had eight Constitutions, the same number of its successive currencies). The whole region could have attained, at least, a better situation in its social and economic achievements if exempt from inflationary excessive money printing, fiscal disequilibrium, state intervention, and trade protection.

Political leaders of that America, less acquainted with real freedom more common in its Northern part, are always referring to the search for equality and social justice, objectives that were at the center of Gunnar Myrdal's reflections around ideally-conceived development projects for developing countries, pointing to a State-centered national project, which is at odds with my own political conception. In the chapter 4 of the Part IV ("On the influence of Democratic Ideas and Feelings on Political Society") of the Volume Two of my *Democracy in America*, I have written:

Although all democratic peoples are instinctively drawn toward centralization of power, this attraction is uneven. It depends on particular circumstances, which may promote or restrain the natural effects of the state of society. There are many such circumstances, and I shall mention only a few.

Among people who have long lived in freedom before they have become equals, the instincts engendered by freedom to some extent combat the inclinations prompted by equality, and though in that case the central power does increase its prerogatives, private persons never entirely lose their independence.

But when equality starts developing among a people who have never known or long forgotten what freedom is, as one sees it happen on the Continent of Europe [and one could add: Latin America]; as the former habits of a nation are suddenly combined, by some sort of natural attraction, with the new habits and principles engendered by the state of society, all powers seem spontaneously to rush to the center. They accumulate there at an astonishing rate and the state reaches the extreme limits of its power all at once, while private persons allow themselves to sink in one moment down to the lowest degree of weakness. (2006: 674)

Most Asian countries – except, may be, South Korea and Taiwan, due to a land reform enforced by the American occupying forces – have developed themselves while preserving, or even increasing – this is the case of current continental China – a high degree of income concentration. As I have already observed in that my old book,

Messieurs, Americans are much more attentive to the issue of freedom than to this false question of equality in income distribution, which is still an obsession for most citizens in my own country, who are always ready to denounce the rich and powerful, and less prompt to recognize the objective conditions for the increase of individual riches, even in prejudice of that delusional quest for an unattainable equality of conditions. Most of Latin Americans seem to feel comfortable with this kind of thinking, which has been defended, recently, by a compatriot of mine, Mr. Thomas Piketty, according to whom the true task of the economists should be discover new ways to impoverish the rich people (by means of taxation of course), instead of enriching the poor people.

But there is worse: Gunnar Myrdal, a kind of misguided predecessor of Mr. Piketty, confronted the advanced countries with an species of “moral imperative”, which as development assistance, thus preconizing a strong commitment to technical cooperation and concessional grants directed to the poorest countries, either bilaterally or by means of UNO programs and through OECD development assistance committee. This, of course, is the wrong way to promote real development, and we know it by experience, after more than five decades of exploring this path. Countries that went forward did not sustained their growth as beneficiaries of multilateral aid, but by means of their integration to world economy by the way of markets, as recommended, since 1957, the economist Peter Bauer. Conversely, countries that received plenty of foreign help are still dragging in poverty, while witnessing another kind of growth, that of corruption, as observed by the economist William Easterly, a former World Bank official that became a serious opponent of any kind of development assistance.

Latin America experienced many frustrations and disappointments, as compared to other regions, particularly when confronted with Asian countries, in regard to various issues, either economic, political or social: regional integration, social development, government institutions, economic growth, world trade share, competitiveness, economic freedom. On the other hand, differences in democracy and human rights differences were, and are, minimal, as both regions exhibited, and still show, practices and indicators characterized by low standards, with some exceptions of course.

Still, the situation in Latin America, *Messieurs*, is not always bad, and we cannot deny real progresses achieved in those sectors in recent times, starting by some advancements, albeit modest, in terms of poverty reduction, elimination of extreme misery, and improvements with the equality obsession, even if the picture is very

diverse according to the countries concerned. We have to recognize that this performance was only attained after many decades of high inflation, which has always represented the worst form of taxation over poor people, as they have no means to exempt them from this curse. Low inflation rates, in recent years, could be said to be a victory, or a conquest, by the people, much more than a conquest by governments.

## **6. Progresses and blockages in Latin America: as time goes by...**

Following my readings about this huge continent, somewhat lost in its disturbances over more than a half century, and as a result of my wanderings and talks with important personalities in those countries, I was able to have a more precise idea about the reasons for the current deadlocks in Latin America. I also have some ideas on the conditions by which the region could overcome today's impasses with a view to reach a path of sustained economic growth, and a stable trend in social, economic, and political development. In all of those three aspects shortcomings are obviously evident.

It is worth recognizing, at first, that Latin America, since the great crises of the developed countries in the interwar period of the 20<sup>th</sup> century, engaged sustained rates of growth, with industrialization impulses more or less consistent within various countries, a process that changed substantially the social picture throughout the continent. New opportunities, derived from urbanization and democratization, came simultaneously with high inflation and economic imbalances, causing outbursts of political instability. Deep crises in the context of the Cold War led to military coups very well distributed around the region: great countries, such as Brazil and Argentina, medium ones, such as Chile and Peru, as well as lesser economies such as Uruguay and Ecuador, for instance, went through those sad experiments of political authoritarianism, while others remained with the longest dictatorships in the continent: Paraguay, for example. Big Andean countries, such as Colombia and Venezuela, also experienced short or long military interventions in their political lives. In all countries, traditional oligarchs and urban demagogues attracted or kept the vote of illiterate masses, as the average citizen is politically uneducated, or *tout court* no educated, in the formal sense, at all.

Foreign-induced crises, external debt or oil shocks, accelerating inflation and other factors guided middle classes towards democratic processes, and new types of political governance. That was not enough to reduce economic backwardness of large

fractions of the population, most rural or suburban; many poor people began to vote “with their feet”, emigrating towards the receptive North America that I knew since the beginning of the 19<sup>th</sup> century. A new generation of reformist leaders started to try, at the beginning of the 1980s, another path of economic governance, different from the State led industrialization of the past, the old commercial protectionism, and the vetoes to foreign investment in the so-called strategic sectors, while retracting from large public expenditures in excess of receipts from taxation and extreme interventionism as a rule in most of those countries. Liberalization schemes, privatization programs, economic and trade opening started to be undertaken in some countries, notably in Chile, even amidst a cruel dictatorship, which postponed for a while the need for more economic freedom.

Ten years later, at the end of that decade, sensible economists met at a seminar in Washington, and proceeded to an evaluation of those reforms, clearly showing what had changed for the better, and made a set of prescriptions as a guide for structural adjustments still in need to be introduced, as a new kind of agenda for economic governance. Perhaps in a unwise initiative, from the point of view of Latin Americans always looking for some kind of autonomy and independence in relation to the “Empire”, those small groups of economists, led by John Williamson – a former professor in Brazil and married to a Brazilian – adopted the most unsuitable name to call their ten rules of good behavior in economic policies for reform and adjustments: the “Washington Consensus”. If they had met in Bolivia, and chose another label, something like “Cochabamba Consensus”, perhaps the proposed list of reforms could be accepted more favorably by Latin Americans, especially by those from academia. This is a reminder that the success, or the failure, of big governing projects can rely in the choice of an innocuous and apparently innocent name. *Mais, passons...*

The high tide of liberalizing reforms in Latin America coincided with the implosion of socialism in Central and Eastern Europe, with the final crisis and dismemberment of the Soviet Union, and the transition to capitalism of all those countries, in what was called the third or the second wave of globalization (the previous being that of the belle époque, closed by the Great War and socialist experiments). In fact, when those reforms started to mature in Latin America, a new wave of financial crises started in Mexico, at the end of 1994, propagated to Asiatic region, extended to Russia in 1998 (with an unilateral moratorium), and reached Brazil at a very bad point of its external transactions situation. Despite a huge package of multilateral emergency

support – more than US \$40 billion – the crisis spilled into Argentina and other countries, provoking social unraveling and political changes. Then, a new generation of political demagogues and economic populists started to win elections all over the region: the new enemies were quickly chosen as the “Washington Consensus” and an almost inexistent neoliberalism.

Institutions and policies identified with Washington and Wall Street were designated as the main culprits for all problems, while the failures rested clearly with half-baked reforms and insufficient adjustments to the new global situation. Starting with the third millennium, a new generation of regressive reforms – again the State led economic governance, excessive expenditures, hindrances to foreign investments and many other interventionist devices – were introduced in many countries of the region: not only the Bolivarian ones (Venezuela, Ecuador, Bolivia), but also in Argentina and Brazil, partially in Peru and Uruguay. The scenario pointed much more to the 1950s and 60s, than to the 1980s and 90s. Democratic election opened the way for a new kind of political structure: the plebiscitary governance, pledging much more adherence to Fidel Castro than to George Washington or Thomas Jefferson, that is, the founding fathers whose writings I read extensively when sojourning in America. Economic freedoms, naturally, receded in those countries, and even “capitalist” Brazil went back in many of the economic reports that I perused while in Washington: *Doing Business* of the World Bank (yes, *Messieurs*), the *Competitiveness Study* of the World Economic Forum, and, most notably, the excellent ranking of *Economic Freedom of the World* by the Fraser Institute and the Heritage Foundation.

Those new leaderships, coincidentally identified with a kind of Cuban-made “Cominform”, the so-called *Foro de São Paulo*, started to guide their countries towards the opposite way that I had studied and described in my book about *Democracy in America*. An American standard exhibits at least those following features:

- (1) Total freedom of the press, to the point of offending the political elite;
- (2) Complete autonomy of the magistrates;
- (3) A real federalism, without undue concessions to central government;
- (4) Supremacy of the majority, against special interests;
- (5) Prevalence of private interests, expressed by commercial egoism, but with no opening to corporate arrangements;
- (6) Separation between the state and religions, these totally free, but without any privileges in education or administration;

- (7) Most important, a grass-roots democracy, represented by direct elections for village sheriffs and county judges; boards of education at local level, with total freedom and autonomy, disregarding any “suggestion” from a distant capital.

Those are the main characteristics that distinguish Americans from the North *vis-à-vis* those of the South, the Anglo conception of democracy, and the Latin variety of political governance. In the recent times, though, the situation became still more complicated in Latin America, with attempts to create those plebiscitary forms of governance. Using the same patterns, but opposed to those above, what were the “new improvements” introduced by populist regimes in the region?

- (1) Attempts at control and restriction of the press, under many forms, mostly by official publicity and other kinds of economic bribery, that could go up to fiscal inspections, or direct acquisition and new undertakings, besides “renting” mercenary journalists and opinion makers;
- (2) Replacement of magistrates, especially in high courts, with servile judges, compliant with the interests of those in power;
- (3) Subordination of sub-federal entities to the central administration, either by special programs or the control of national budgetary resources;
- (4) Manipulation of party and electoral mechanisms, fragmenting the congressional representation of those not aligned with the central government, going to blackmail and corrupted schemes to acquire the monopoly of political process;
- (5) Special arrangements with powerful economic groups, using state regulation to achieve cartelization and the control of entire sectors of economic activity by the same lords of power, associated with financial and industrial groups; public procurement and corrupted schemes freely used for those purposes;
- (6) Explicit or implicit agreements with formally religious sects and denominations, but acting in the same manner as already domesticated trade unions, using fiscal privileges and other facilities to conquer large fractions of an humble electorate, and to explore popular beliefs; “liberation theology” and evangelical churches, together with “social movements” serve as channels for those same objectives;
- (7) Intensive resource to publicity, direct marketing and other devices linked to “social assistance”, targeting the poor people, as a means to consolidate political power by apparently “democratic” ways; political recruitment for all levels of official bureaucracy, aiming towards the creation of a new oligarchy, at the limit pointing to the imposition of a new Bonapartist form of political domination.

Those are the most common features of the new Latin American populism, the regimes that represent a revival of the old oligarchic tradition, using new devices to continue the same distributive schemes of the past, equal practices of state control and intrusive regulation, fiscal and budgetary manipulation, over-use of state agencies, official propaganda and the like. In certain extreme cases, such as the Bolivarian ones, for instance, practices and mechanisms are not much different from those that existed in some European countries between the world wars, with the same species of charismatic

and authoritarian leaders. Those were the most terrible “discoveries” of my trip to the region, together with some “re-discoveries”, in the form of: inflation, exchange distortions, expansion of labor informality, return of regressive policies aggravating income concentration, instead of creating, as promised, “redistribution of the riches”, new capital flight, deterioration of public security and rise in the criminality (petty and big, that is, “with collar”), in brief, revival of demagoguery, pointing to ruin and retrocession. Some countries seem only able to learn after big disasters, which was the case with my own country, in the Second Empire or even during the Republic.

Nevertheless, there were some positive changes in some countries, with a new differentiation among the sub-regions; for instance, the globalizers in the Pacific shores of the continent decided to accept new development patterns, adhering to the former “club of the rich”, now the “club of the best practices”, the OECD, an island of economic rationality among many neo-populist trends in various continents. At the opposite side of the continuum, there are the “Bolivarians”, another kind of “club”, but one looking toward the past, old receipts of nationalization of “strategic sectors”, state monopolies and control of foreign trade and banking activities, among other kinds of interventionism. Between the two, some reticent countries, Argentina, Brazil and some others, hesitate in face of globalization challenges and remain half way of the reforms.

## **7. What to expect from (and for) Latin America in the near future?**

Most countries in Latin America, during the entire contemporary era, were addicted to state-led policies, protectionism, interventionism, features normally supported under the banner of one or another type of “national development project”. Timid and recalcitrant reforms started during the 1980s and afterwards, with certain vigor in a few countries only, helped to partially stabilize economies stressed by virulent inflationary trends and fiscal unbalances. But, only a handful of countries followed the whole set of adjustment recommendations, by implementing structural reforms towards complete economic opening, the reduction of State expenditures, building human capital and infrastructural improvements. Countries that persisted in the way of comprehensive reforms were rewarded with more vigorous growth rates, as it was the case of Chile. Recalcitrant countries – either due to a lack of political leadership or a natural resources curse, which is obviously the case of oil exporting economies – were in a large measure penalized by a trajectory in booms and busts, that is, phases of

erratic economic expansion followed by exchange crises, accelerating inflation or a fall in a deep recession. That was a normal scenario in Latin America, from the 1950s up to the 1990s, with some respite for a while (waiting for a new financial or external crisis, as it effectively occurred in the second half of that decade).

Reticent countries, such as Brazil and Argentina, advanced only in an insecure manner, scantily keeping the march, commonly known as “chicken flight”, that is, those frustrated upward and frenzy movements, unable to sustain a regular progress, as their take off fell under the weight of an obese State, lack of domestic savings, a very low rate of investment, and absence of technical innovation and productivity. Those factors push those countries toward an “*éternel retour*” to commodity specialization and heavily concentrated exports in primary products. After the special relationship with European partners and the United States, the same role is confirmed nowadays with China, which became, since many years, the main commercial companion now.

On the best side, Latin America did not went through the many destructive wars that broke Europe to pieces and its long held supremacy over half of the world for the last five centuries; neither knew the humanitarian disasters as in Africa up to our days; nor the extreme misery and extensive famines typical of certain countries in Southern Asia, especially the starvation endured in the Indian subcontinent. It remained in the median of the developing world, but stagnated in that condition, avoiding the blockades of the African continent, although failing to undertake the same route as the Asia-Pacific region, in building dynamic economies. Starting in the 1960s, most forcefully in the 1970s, consolidating the trend in the 1980s, and exploding with the globalization full speed in the 1990s, Latin America and Asia-Pacific somewhat “traded places” in the world economy, either in terms of trade, investments, capital accumulation, growth of personal income, improvements in infrastructure, technological innovation, education and quality of economic policies.

In fact, it was Latin America that recoiled in itself, and that imposed a heavy price in its developmental path of previous decades, in terms of lack of appropriate enhancers for a new type of technological adaptation and economic integration into the global interdependence. Its specialization in low elasticity goods deprived their economies of adequate sources for capital accumulation in greater scale. Old-fashioned nationalism kept interesting sectors out of vision for foreign direct investment; the oil industry is an obvious example, but not only this, of course.

A comparison between the two regions, in some basic indicators – income, investment, inflation and weight of the State –, comes to be indecorous for the self-esteem of the Latin American people and governments, due to the enormous gap in their respective performances. The enormity of the differences arises dramatically in the income per capita columns of the table below, expressed in purchase power parities. Even not taking into account data relative to share of world trade, the distinct role of economic governance appears clearly in the figures related to inflation, fiscal charge and national rates of investment. Even the most important, and relatively advanced, economies in Latin America performed poorly when compared not with the Asian counterparts, but just to the world average or the richest economies (normally progressing at more low rates). In recent times, only Chile and Colombia showed some strength.

<b>Latin America and Asia-Pacific, 1980-2017: income and other indicators</b>						
<b>Countries</b>	<b>\$ 1980</b>	<b>Inflation</b>	<b>Rec.Gov.</b>	<b>Inv./GDP</b>	<b>\$ 2017</b>	<b>2017/1980</b>
<b>Average growth of income in seven Latin American countries, 1980 to 2017 = 4,81</b>						
Chile	2.921,70	4,40	23,48	22,47	24.382,24	8,34
Colombia	2.442,51	6,77	26,73	26,58	14.627,24	5,98
Argentina	4.893,76	30,55	36,57	18,38	22.984,62	4,69
Peru	2.965,32	4,23	20,33	25,99	13.077,16	4,41
Brazil	3.690,60	10,67	31,60	19,68	15.138,98	4,10
Mexico	4.980,77	2,13	23,51	22,72	18.392,29	3,69
Venezuela	5.754,16	180,87	22,35	14,24	14.539,05	2,52
<b>Average growth of income in seven Asia-Pacific countries, 1980 to 2017 = 31,90</b>						
Malaysia	318,76	0,71	22,21	25,09	28.497,68	89,40
China	250,87	1,60	29,16	43,33	16.171,99	64,46
Korea, Rep.	2.302,29	1,62	20,91	27,97	39.156,42	17,00
Indonesia	729,58	3,35	14,82	34,56	12.258,79	16,80
Thailand	1.090,08	-0,85	22,60	24,13	17.454,06	16,01
Taiwan	3.570,61	0,13	15,63	20,87	49.399,52	13,83
Hong Kong	6.790,91	3,03	19,07	21,79	59.997,99	8,83
<b>Emergent and developing countries average</b>						
Values - % GDP	1,100,62	4,68	27,06	31,48	11.504,23	10,45
<b>Advanced economies average</b>						
Values - % GDP	9.960,28	0,58	36,35	20,70	49.587,41	4,98
<b>World average</b>						
Values - % GDP	3.981,89	2,89	30,23	21,76	20.150,11	5,06

**Source:** Economy Watch (<http://www.economywatch.com/economic-statistics>; Inflation, Receipts of governments and Investments/GDP: 2015 data. Income per head, US\$ PPP: 2017 estimation data (<http://www.economywatch.com/economic-statistics/economic-indicators/GDP Per Capita PPP US Dollars/2017/>);

Some poor Asia-Pacific countries, Malaysia and China for instance, performed exceptionally well, ahead and above of most optimistic predictions when compared to

their own departure points in the 1980s. Latin Americans recorded less than half of the growth rates of their counterparts in Asia, and below other developing countries. With the exception of Hong Kong, already exhibiting a higher income than the metropolis before the end of its colonial status, every other Asian country in the selection showed growth rates at double digits, with an honor for those coming from very low starts. Other indicators, relative to literacy and education, life expectancy, poverty lines and the like – not forgetting the quality of economic policies – confirm the tremendous gap between the two regions; also, those directly linked to the business environment in the same countries show similar trends.

**Index of Global Competitiveness, 2017-2018, selected countries (among 137)**

<b>General ranking of the country</b>	<b>Overall ranking: from 1 to 7</b>	<b>Rank of basic requirements</b>	<b>Efficiency enhancers rank</b>	<b>Innovation factors rank</b>
1 Switzerland	5,86	6,39 (1)	5,65 (3)	5,86 (1)
6 Hong Kong	5,53	6,26 (3)	5,58 (4)	4,96 (18)
15 Taiwan	5,33	5,84 (15)	5,25 (16)	5,12 (15)
23 Malaysia	5,17	5,55 (24)	4,94 (24)	4,91 (21)
26 Korea Rep.	5,07	5,77 (16)	4,93 (26)	4,85 (23)
27 China	5,00	5,32 (31)	4,88 (28)	4,33 (29)
32 Thailand	4,72	5,06 (41)	4,62 (35)	3,92 (47)
33 Chile	4,71	5,13 (36)	4,83 (31)	3,86 (50)
36 Indonesia	4,68	4,98 (46)	4,52 (41)	4,29 (31)
51 Mexico	4,44	4,59 (68)	4,43 (47)	3,84 (51)
66 Colombia	4,29	4,33 (90)	4,38 (54)	3,67 (64)
72 Peru	4,22	4,45 (79)	4,22 (64)	3,33 (103)
80 Brazil (75)	4,14	4,08 (104)	4,27 (60)	3,66 (65)
92 Argentina	3,95	4,10 (103)	4,00 (81)	3,56 (75)
127 Venezuela	3,23	3,14 (131)	3,42 (119)	2,79 (133)

**Source:** World Economic Forum, *The Global Competitiveness Report, 2017-2018* (<http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>).

One of the reasons for the superior performance of Asian countries is almost certainly due to the linkages with global economy, sectorial chains of value, opening to foreign investment and the like, besides the obvious fact of higher savings-investment rates, in the context of more responsible fiscal and monetary policies, and also market-induced interest and exchange regimes. Certain Asian countries, such as Korea for instance, were almost as protectionist and interventionist as their Latin American counterparts, and were equally subjected to the great financial crises of the past. What they did not have, probably, was the volatility associated to erratic economic policies and too many populist adventures in the governance realm. Another big difference,

relevant in any sense, was the mass education and technical expertise of the work force, in a degree even superior, for the same figures, to a certain number of European countries. In the overall business environment, as revealed in the annual reports by the World Bank, the scenario can be exemplified with the help of very few indicators, among hundred others available for comparison.

**Doing Business 2018, selected countries and indicators**

Selected economies	Easy doing business	Starting a business	Registering property	Protection of investment	Paying taxes	Foreign trade
Singapore	<b>2</b>	6	19	4	7	42
Korea Rep.	<b>4</b>	9	39	20	24	32
Hong Kong	<b>5</b>	3	55	9	3	31
Taiwan	<b>15</b>	16	18	24	56	55
Malaysia	<b>24</b>	111	13	4	31	61
Thailand	<b>26</b>	36	68	16	67	57
Mexico	<b>49</b>	90	99	62	115	63
Chile	<b>55</b>	65	61	57	72	68
Peru	<b>58</b>	114	35	49	50	92
Colombia	<b>59</b>	96	60	16	142	125
Indonesia	<b>72</b>	144	106	43	114	112
China	<b>78</b>	93	41	119	130	97
Argentina	<b>117</b>	157	117	43	169	116
Brazil	<b>125</b>	176	131	43	184	139
Venezuela	<b>188</b>	190	135	177	189	187

**Source:** World Bank, *Doing Business 2018* (<http://www.doingbusiness.org/rankings>).

Those are the numbers, *Messieurs les Gouverneurs*, that clarify the whole subject of my enquiry about Latin American shortcomings and disappointing results, despite some progresses in terms of democratic stabilization. In fact, military dictatorships must be considered in the context of the Cold War and the menaces presented either by the Soviet Union or by a small Caribbean island. Today, with the exception of very few countries, we have in the region low quality democracies, always menaced by domestic demagogues and economic populists (perhaps like in certain European countries). It is worth noting, nevertheless, that the trend inversion of Asian countries and their Latin American counterparts is a feature of the three of four last decades, a very short span of time, in the historical perspective, to allow for any fatalistic view concerning the developmental trajectory of the “Hispanic people”, as the Americans call them. In two generations more, a new impulse could be able to fully integrate Latin America into some new locomotives of the global interdependent economy.

When I started to draft my first interpretative essay about the building up of the democracy in America, I foresaw a similar trend for old Europe, which was not the case for one-and-a-half century later. Even today, Europe lags behind the United States, because of a more rigid class structure, less open to ascendant opportunities by the low ranks of the population. Latin America is much more similar to the European model than it is similar to American characteristics, which are unique in the world.

At that time, the first three decades of the 19<sup>th</sup> century, America was trying to follow the former mother country in the forges of the first industrial revolution, among locomotives, mechanical devices driven by steam engines and the like. Its real take off was pushed forward after the civil war, and a considerable immigration started soon thereafter. Latin America entered late in the first industrial revolution and stayed away from the impulses of the second, which started perhaps only after the Great Depression of the 1930s. Even so, lack of a proper education for the masses, monopolist and cartelistic features of the industrialization process, and a prejudicial coalition of old and new political elites and State-supported industrialists and backward landowners contributed to the building up of a deformed political superstructure that absorbed and reinforced the old patrimonial traditions of Iberian origins.

Backwardness is not a simple matter; it also depends on the mental backwardness of the elites. Things could be different, if we take into account that, at the beginning of the 1960s, most of Asian countries were behind Latin American ones for many of the social and economic indicators, including the degree of industrialization, and perhaps even insufficiently integrated into world markets. When the small countries in Asia-Pacific started to open themselves to the world economy – well ahead of the two giants that came only in the 1990s – Latin Americans insisted in their developmental model of economic policies, a mixture of Keynesian prescriptions and a mercantilist approach towards world trade. Those small sins of their “national strategic projects” could be circumvented if the elites did not insisted with a clumsy nationalistic movement that cut short other possibilities of linkages with foreign investments and technologies. Worse, some countries insisted with the old protectionist devices established in the 1950s, and continued to adhere to the same State-led “strategic sectors” like in the past.

In Brazil, for instance, under the governments of the Workers’ Party, economic policies put in place by inept economists exacerbated their catastrophic results – aiming

the creation of a “big domestic market for the masses” sustained only on public credit and subsidies, including cash disbursements for the poor and corporate financing for middle classes, State banks and domestic debt channeling huge amounts of budget resources for industrialists and bankers, that is, rich people – with a gigantic operation of sophisticated robbery at every level of the State, including extortion against private companies, duly compromised with the mafia-like new Lords of Power. The effects of those incompetent and corrupt practices ended up being the biggest economic recession in the whole history of Brazil, with millions of unemployed workers, and a total disruption of government accounts. Correction of the Great Destruction in Brazil, as we call it, will take years of sacrifices for the people, especially the poor. *Ah, les naïfs et les criminels...*

### **In a manner of conclusion, promising a full and complete report**

1) América es ingobernable para nosotros. 2) El que sirve una revolución ara en el mar. 3) La única cosa que se puede hacer en América es emigrar. 4) Este país caerá infaliblemente en manos de la multitud desenfrenada, para después pasar a tiranuelos casi imperceptibles, de todos colores y razas. 5) Devorados por todos los crímenes y extinguidos por la ferocidad, los europeos no se dignarán conquistarnos. 6) Sí fuera posible que una parte del mundo volviera al caos primitivo, este sería el último período de la América.<sup>8</sup>

Letter by Simon Bolivar to general Juan José Flores;  
Barranquilla (Colombia), November 9, 1830.

Messieurs, this preliminary report *touche à sa fin*. I would like now to offer some conclusions connected to the task that you charged me, and I have also to thank my competent assistant for all the efforts that he showed in all moments of my journey to the Southern part of this big Hemisphere. After having drafted in the first book that previous adventure to the Northern part, published four years from my return, the large social, cultural and political panorama of that great country still at the beginning of its impressive trajectory toward a grandeur only compared to that of ancient Rome, I tried,

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<sup>8</sup> Free translation: 1) America is ungovernable. 2) Who serves the revolution, ploughs the seas. 3) The only thing to do in America is to emigrate. 4) This country will fall infallibly in the hands of an incontrollable multitude, to pass after this to small tyrants almost undetectable, of all colors and races. 5) [We,] devoured by all crimes and extinguished by [our own] ferocity, Europeans will not dare to conquer us. 6) If is possible that one part of the world comes back to the primitive chaos, this would be the last period of America. Complete text of the letter: [https://es.wikisource.org/wiki/Carta\\_de\\_Bol%C3%ADvar\\_al\\_general\\_Juan\\_Jos%C3%A9\\_Flor%C3%A9s\\_\(1830\)](https://es.wikisource.org/wiki/Carta_de_Bol%C3%ADvar_al_general_Juan_Jos%C3%A9_Flor%C3%A9s_(1830)).

five years later, to examine, in a second volume of my sociological essay, the influence of democracy over the intellectual movements, the sentiments, customs and the political structure of the American society.

I hope that I could offer you a similar scenario for Latin America, in relation to its economic situation, political structure and social condition, but I would not dare imitate here, with respect to that Southern part, the same large interpretation that I endeavored to offer in my well-known essay about Anglo-Saxon America. The true reason is that this undertaking would lack the very substance of a proper subject to examine and interpret, which is the democratic component of that social great structure, singularly absent in almost every society of Latin America.

A task of that sort, facilitated in my original work due to the homogeneity of social conditions of the American nation in construction, is virtually impossible to be done for the whole Latin America, because of the diversity of situations, even if the Iberian traditions have most in common, in their cultural roots and the proximity of their two languages. I know that many foreign scholars, in especial that tribe of specialists in the region, the Latino-Americanists and their cousins Brazilianists – present in every American university – are used to making an assemblage, in their academic works, of all the diverse regions and peoples, that huge continent, within the same *tableau analytique*, taking support in the erroneous assumption that, being all Latin Americans, and Catholic, they should be analyzed in the same way, with similar lenses and scalpels, for they should be similar, if not equal to each other. This approach is, of course, totally erroneous, for anyone who knows the various peoples of the Iberian peninsula, especially those of the great *Hispaniae*, always ready to affirm their regional peculiarities and their particular inclinations, cultural or linguistic.

Let's think about the great variety of scenarios in Latin America, with its many different regions, Andean mountains, high plateau, big hydrographic basins, the vast plains in the south, the hinterland marshes and the dense jungles everywhere, as well as the mosaic of peoples, from primitive tribes, still in the Paleolithic, to the European and Japanese immigrants. It is impossible to join all those situations under the same kind of approach, and pretend to offer a joint and unique interpretation about the misery of the democratic regimes in that immense region. North America also received its lot of slaves and plenty of immigrants, but it seems that the original stock of pioneers were able to integrate all of them (with the clear exclusion of the Black people) into the same

great democratic society that the founding fathers endeavored to build upon solid philosophical grounds, in the tradition of European Enlightenment. Segregation of the former slaves, and the Cavalry for the indigenous stock, preserved the original design, albeit cruel those treatments could be.

Nothing of that sort happened in the Southern part, as the first explorers, the adventurers, even the peasants coming from the metropolis quickly – and readily – miscegenated with the native and the slaves from Africa, originating a new, mixed, people, the mestizos that compose today most of the population in the countries established after their independence from the Spaniards and the Portuguese, at the beginning of the 19<sup>th</sup> century. This amalgam of various races in the Latin part of the Hemisphere formed a new stock, unique in the world, in its melting-pot of customs, religions, languages and cultural traditions, very different from the more homogeneous population – *mis à part* the African component, kept in its own culture and segregated by the Anglo Saxon protestant – that I analyzed in my two books. Simon Bolivar, at the end of his life, twenty years after his leadership in revolutionary wars, and already becoming pessimistic about the countries he helped to liberate from the Spaniards – if not losing any hope to become a new Cesar in an amalgam of the new nations – ended up believing that Latin America was ungovernable: in our countries, “treaties are pieces of paper; constitutions, books; elections, battles; freedom, anarchy.”

Accordingly, it is difficult to offer one single explanation for the backwardness of the democratic tradition in Latin America, which also could be one of the factors for the difficulties and the travails of the democratic idea in other continents, not only in Asia, for instance, but also in Europe itself. I do not even consider including Africa in this sociological examination, due to its exacerbated variety of peoples, languages and historical traditions, perhaps the same occurring in the Indian subcontinent. Look at Western and Central Europe, after 60 years of attempts of integration: it is still a mosaic of people, intentions, with totally disparate projects for the economic organization, the political governance and also the cultural integration always in a working process.

What I would like to stress, it is not only the existence of those contrasted projects among Latin American polities – which is absolutely normal, taking into account all that I have already said – but also the latent trend towards even more structural diversification of the situations, due to different national economic policies, according to lines that I briefly mentioned earlier: there are countries that are committed

to globalization (Chile is a clear examples), there are others recoiling from the global interdependence (as the “Bolivarians”, for instance, who are trying to move backwards the wheel of History), and there are also some others that are afraid of the global markets, and that remain reticent in the corner, such as Brazil and Argentina. In fact, the main characteristic feature of the current process of integration in Latin America is, in short, the real disintegration of the various projects aiming to that end.

Looking at the various attempts made in the last half century, I think I do not need to elaborate more in this respect. Alalc, Aladi, Caribbean and Central America common markets, Andean Group, Mercosur, Andean Community, Alba, IIRSA, Unasur and its derivatives, Pacific Alliance, you can choose, *Messieurs*, all kinds of attempts at integration, each and every one incomplete, failed, abandoned, kept alive for pure bureaucratic reasons, deviated from their original design, transformed, deformed, with some meriting to go to the dustbin of History.

The political leaders of that great continent are always ready to assemble themselves in some beautiful resort, with or without the great Empire of the North, to discuss, for many hours, and even days, new grand suggestions for some “strategic project”, as relevant as the number of pages filled with void rhetoric and baroque statements. They are not advancing the cause of integration, just ingratiating themselves with empty words and volatile projects. Anyway, they are not endeavoring to make Latin America follow the same path, albeit in a slower rhythm, as other countries, in other continents, of economic progresses at world level that we are contemplating in Asia and even in the North Atlantic. Even if they qualify their projects with beautiful concepts – such as popular, direct, or participatory democracy – there is no hope that real advancements can be made in the near future, if Latin America continues to be the grave of a truly democratic endeavor. There are no technical barriers, only social and political impediments. Let’s conclude on that.

In chapter XVI of the first volume of my *Democracy in America*, I tried to identify the causes that contribute to mitigate the phenomenon that I called the “tyranny of the majority”, in the United States. One of the reasons was, and perhaps still is, the absence of a centralized administration. The national majority does not pretend to do everything: it is obliged to employ the town and county magistrates to execute its sovereign will. And I have also pointed out the distinction between a centralized

government and a centralized administration: the former exists in America, but the latter is nearly unknown there. On the basis of this, what to think about Latin America?

Well, *Messieurs*, almost the contrary occurs in Latin America. Not only there exists a centralized administration, but there is also a centralized government. Latin Americans struggle with the “tyranny of the minority” everywhere in the region. This minority is not always a small group of privileged old elites, from the old stock of leaders, big landowners or successful industrialists, or rich financiers. They can be a group of trade unionists, reaching through the political system and conquered the leverages of power, they can be the many corporations active around and inside the State (all powerful, as always in Latin America), they can be the caste of magistrates, at every level of the Judiciary, they are usually the professional politicians, a class in its own, dedicated exclusively to its infinite reproduction and the monopoly of the political power. Those “lords of power” are minorities, joining together or separately in a social construction that one juridical sociologist, Raymundo Faoro, called the “bureaucratic state”, the true owners of the country, that is, the manipulators of the entire society.

*Hélas, Messieurs*, it is not allowed for every people to push harder and quickly the oxcart of History, or replace it with a more rapid vehicle, capable of carrying an entire people to the shores of economic progress and social prosperity. Those kinds of accelerations are very rare in the historical itinerary of a nation. China seems to be, nowadays, an exceptional case of acceleration of the material aspects of its trajectory, but the Asian giant is destined to remain unique and exclusive. Anyway, China is not a model for anyone, for any country in the world, for any other contemporary State, if not because it always has been, and perhaps will continue to be, for the foreseeable future, what is always has been: a monocratic Empire, and its example is out of reach for any other people in the Earth. Even India, the other Asiatic giant that also experiences high rates of material growth in the present juncture, it is not reproducing any imported model, and probably will not be able, in the near or middle term future, to eliminate the huge poaches of misery – in a continent with more than a billion of diverse people –, mostly from inferior castes, that are a compounded problem for that continent.

If I dare a pessimistic judgment, at the end of my mission, I would say the Latin America, with some exception here remarked, is not yet prepared to undertake a rapid pathway toward its own kind of modernity. In the last 180 years since the times when I was preparing my first sociological explanation about America, I can now recognize

that to try *une seconde approche analytique* about the Southern part of the Hemisphere will not result in a comprehensive diagnostics of its situation. Latin America has rested more or less in the same place as before, in terms of economic or social development. I'll try to summarize my views about the reasons of its "stable instability".

The real problem in Latin America, and of the whole continent, but not in the same manner, is that it has been dominated ever since by self-centered predatory elites, focused exclusively on rent-seeking and extractive behaviors, staying all over, and exploiting, a large mass of excluded persons, who are devoid of proper education, and thus only capable of a very low work productivity, because of historically, structural, mediocre levels of education. Anyway, one cannot put the blame of those political shortcomings, the social lacunae, and economic backwardness on external crises, on foreign exploitation or imperial domination. Latin Americans are not excluded from the world, of course, and the world, in the last two centuries, since independence, was almost destroyed by many inter-state wars, two global conflicts, catastrophic each of them, but the continent was marvelously spared from most of those destructions.

All evils, social plagues, economic disasters, political dictatorships and vicious populisms that have afflicted Latin America, and still penalize its inhabitants, are the proper result of its own fault, more exactly deriving from the incapacity and ineptitude of its elites in formulating a correct diagnostics over the nature of its problems, and propose, afterwards, a set of prescriptions adequate and adapted to the specific character of those problems. They are profoundly rooted in causes that are at the opposite sides of the features that I could detect as a part of the American *mores*, that democratic spirit, notably conducting to some equality of conditions of individual people, an unique *mores* that presided the construction of their political institutions, and also a common behavior, largely shared by its people, that was always at the grass-roots of historically solid individual freedoms, and the accountability of the political leaders.

Noting of that sort, Messieurs, exists, or existed historically, in Latin America, due in part to its Iberian past and patrimonial traditions. But most of the reasons are grounded in the incompetence, lack of knowledge, small awareness of its elites – social, economic and political – who are also profoundly corrupt, and genetically predatory. There is still a large road ahead of Latin Americans before they can correct problems that seem intractable nowadays. If I can resume this very interesting project you asked me, with new approaches to the difficulties for Latin Americans to attain modernity, I'll

be able, perhaps in the near future, to offer you, Messieurs, some novel contribution to the task of a proper diagnostics, as indicated above, and, as a consequence, some few prescriptions, in a realistic manner, to try to help in the solution of those problems.

*Je finis ici*, Messieurs, hoping that the harmful and detrimental blockages that I have identified among and inside the various nations of that great continent, could be eliminated not only by the way of improvements in the quality of public policies in the many countries of Latin America, but also with a mental revolution in the hearts and minds of its elites, capable of inserting them in the compass of the modern world. The harsh judgment made by Simon Bolivar in 1830 is, perhaps, still valid nowadays. I hope, Messieurs, that the next hundred years can be, for Latin Americans of the lower strata much more beneficial than the last two hundred years, with plenty of promises but few accomplishments. Brazil, for instance, has not yet reached that point of its history.

I will be attentive to new developments linked to the *histoire immédiate* of this big, and suffering continent, in order to offer to you a final version of this preliminary report. With my reconnaissance for the trust you put on my intellectual capabilities, I remain, Messieurs, your humble *serviteur*...

Monsieur Alexis de Tocqueville  
Washington, June 8, 2018

With the able help of my Brazilian assistant:  
Paulo Roberto de Almeida

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