Globalisation and State-Civil Society Relationships: Lessons from Latin America

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Introduction
In a recent interview, the Venezuelan sociologist Edgardo Lander made an insightful point about state-civil society relationships in Venezuela that offers a starting point for considering state-civil society relationships in countries governed by the new left in Latin America. Speaking about the impact of chavismo on Venezuelan civil society, Lander commented that ‘the social mobilisation set in train by Chavez’s assumption of power has awakened the majorities from their apathy. They feel themselves owners of the country. Millions of people, previously submissive, want to make their opinions known. And they do so in the consejos comunales, the water committees, the open spaces for debating health and education policies.’ However, Lander quickly added that the Venezuelan political process is ‘marked by a profound schizophrenia’ as ‘the mobilisation was sparked off by the state and depends strongly on the state’. By way of example, Lander mentioned that the consejos comunales, the ‘touchstone of the new political process’, tend to take seriously all the proposals put forward by the President. ‘But, what happens when amid an intense debate the members of the consejos turn on the TV and see the President announcing that he has made a decision on the question being debated by them? Isn’t it natural that they would feel themselves mere extras?’ (Martins, 2010).

One of the major characteristics of the new left governments in the region that is widely referred to in the literature is their commitment to deepening democracy (Lievesley and Ludlam, 2009; Panizza, 2009). For example, Rodríguez-Garavito, Barrett and Chavez write that ‘an emerging front on the agenda of the left is the articulation between local participatory democracy and representative democracy at the national level’ (Rodríguez-Garavito, Barrett and Chavez, 2008: 30). Yet, as Lievesley has pointed out, the victory of left-wing parties is both a reflection of the strength of struggle in the continent but also introduces a tension as the governments that have emerged as a result ‘have sought to give this struggle a “state form” as a way of defusing it’ (Lievesley, 2009: 34). The example given by Lander from Venezuela illustrates this tension in a pointed way. ‘It is very difficult for social movements – which aspire to be non-hierarchical – to deal with the power of the state,’ comments Lievesley (ibid.: 34).

These opening observations, then, map the context for consideration of the question being addressed by participants in this panel: Towards strong publics? The concept is taken from Howell and Pearce (2001) which defines a ‘strong public’ as being characterised by ‘a strong associational dynamic and a commitment to inclusive, critical debate’ as distinct from a ‘weak public’ of liberal thinking, stressing the separation of civil society and the state and giving the former ‘a mere opinion-forming and watchdog role’ (Howell and Pearce, 2001: 7). Helpfully, Howell and Pearce move beyond consideration of civil society in the context of democratisation to a characterisation of the dynamics of how civil society relates to the market. In this context, they see a strong public as constituting ‘the realm of emancipation, of
alternative imaginations of economic and social relations, and of ideological contest’ (ibid.: 8). This paper is designed to contribute to our understanding of how strong publics emerge and of the prospects for strong publics in the context of states ruled by the new left. It does this by taking as its starting point a fundamental reality of state-civil society relations, often lost sight of in the academic literature on civil society and social movements, namely that states and civil society mutually constitute one another (Kirby and Murphy, 2009: 154) and that the relationship between both is never fixed but remains a terrain of struggle even where common values and worldviews are shared by many across the state-civil society divide as is the case with many of the new left governments. Yet, this struggle takes place in a wider context that impacts on the actions of both sides of the divide, what in the title of this paper is labeled globalisation. This refers to the wider economic context that shapes the developmental possibilities for states and for civil society actors. If, in the past this was largely a national context, today it has become global so that both state and civil society have less control over the context in which they operate. Just as the civil society and social movement literatures tend to neglect the extent to which states help constitute the nature of civil society, so too the literature on how globalisation impacts on societies tends to focus on the impact on economies and on states while neglecting how it helps shape the terrain on which the state and civil society interact. This paper seeks to consider how the wider context of globalisation shapes this terrain in Latin American countries ruled by new left governments today. In doing this, it hopes to contribute to elucidating the prospects for a ‘strong public’ in the region.

The paper begins by discussing the ways in which state and civil society have mutually constituted themselves in today’s Latin America. The next section draws globalisation into the picture, analysing in particular how it is leading to reshaping the state in the region. This opens the way for an examination in the following section on how globalisation is in practice reshaping the terrain on which state-civil society relations are being constituted. Section four draws conclusions, developing a framework that helps analyse the prospects for strong publics to emerge in the region.

State and civil society in the era of the new left
There are two distinct emphases in the way in which the term ‘state’ is discussed in this paper. The first relates to the state as, in Sørensen’s definition, ‘a centralized system of democratic rule, based on a set of administrative, policing and military organizations, sanctioned by a legal order, claiming a monopoly of the legitimate use of force, all within a defined territory’ (Sørensen, 2004: 14), though it is not necessary that it be democratic. However, much more pertinent for the purposes of this paper are forms of state, namely particular features of this centralised system of rule, which can be defined as ‘the national specific form of capital accumulation and its corresponding political regime’ (Soederberg, 2005: 170); by the latter is meant the specific institutional features that the state develops to service its regime of capital accumulation. The term ‘civil society’ raises more difficult issues of definition. While the term can be easily defined as the associational sphere that develops in an autonomous way between the private sphere of the family and the sphere of the state or the market, it must be recognised that the term has, in Edwards’s words, ‘become a notoriously slippery concept, used to justify radically different ideological agendas, supported by deeply ambiguous evidence, and suffused with many questionable assumptions’ (Edwards, 2004: vi). In general terms, civil society can be seen as the handmaiden of the state (a view congenial to the neo-liberals and actively promoted
by the IFIs in Latin America), a force to challenge the state and the market and therefore to change dominant power (which has inspired the more contestatory actions of civil society in the region, challenging the state and the market) or as a terrain of anti-social activity (prime examples in Latin America today might be drugs mafias or the maras of Central America). The focus of attention here is on the second meaning, namely those organised forces in society that have challenged the state in the name of greater social justice and equality (Howell and Pearce’s ‘strong public’). Social movements can be seen as the principal form in which this type of associational life organises itself and acts. A social movement can be defined in simple terms as ‘an open, collective, sustained challenge to prevailing ways of doing things’: it is open in that there is an explicit statement calling for change, collective in that there is a group doing the calling, and sustained in that it is more than a single event or a small number of events (Markoff, 1996: 23; for a fuller discussion of the history and characteristics of social movements, see Tilly, 2004).

Civil society has been the incubator of the new left in Latin America. Building on the legacy of the social movements that helped challenge dictatorships in the 1980s and led the return to democracy, the latest phase of civil society activism emerged in the 1990s as a challenge to the impact of neoliberal policies on living standards, employment, and economic growth in most Latin American countries. As Lievesley puts it in referring to the ‘intense and widespread popular mobilization against global capitalism and its application of neoliberal privatization policies’: ‘If Latin and Central America are moving leftwards in a substantial and sustainable fashion, then these popular struggles must be seen as vital to the process.’ As an example of the impact of civil society activism on regime change at state level, she cites the forcing of governments from office in Ecuador, Bolivia and Argentina between 2001 and 2004 (Lievesley, 2009: 25). To understand the intensity of civil society activism and the trajectory of the emergence of new left governments, the account here identifies four phases, all characterised by different modalities of state-civil society relations.

The first phase was one in which political leaders were elected on a discourse of resisting neoliberalism but implementing it strongly once they reached office. This phase can be said to have opened in 1988 with the election of Carlos Salinas in Mexico in 1988 and it included the short-lived governments of Fernando Collor de Mello in Brazil (1990-92), Carlos Andres Perez in Venezuela (1989-92) and the more successful governments of Carlos Menem in Argentina (1988-99) and Alberto Fujimori in Peru (1990-2000). This happened at a time when the neoliberal ideological crusade was in the ascendant and when international economic conditions placed a premium on the liberalisation of economies and their integration into the emerging international liberal economic order. Civil society opposition proved too weak to counteract these discursive and structural conditions; however, it must also be remembered that in a number of countries this phase saw the emergence of new political parties or leaders who would later be seen to constitute the new left, most especially Hugo Chavez as leader of a coup attempt in Venezuela and the PRD in Mexico.

The second phase saw the consolidation of neoliberalism among state leaders but the attempt to give it a ‘human face’ with the focus on social programmes. This position has marked the Concertacion governments in Chile since the return to democracy in 1990 (arguably with a growing emphasis on the need for robust social programmes
under the last two socialist presidents, Ricardo Lagos (2000-06) and Michelle Bachelet (2006-10), the government of Rafael Caldera in Venezuela (1993-98), Fernando Henrique Cardoso in Brazil (1994-2002), Fernando de la Rua in Argentina (1999-2001), Vicente Fox in Mexico (2000-06) and Alejandro Toledo in Peru (2001-2006). Arguing that they had no option but to liberalise their economies, these presidents sought to adopt some of the critical discourse about the social impacts of neoliberalism that characterised civil society movements. Presidents like Cardoso, de la Rua and Lagos explicitly identified with the ‘third way’ discourse being promoted by Tony Blair in Britain and Bill Clinton in the US during this period. However, their promise that living standards would increase was rarely realised in practice and support for new parties of the left grew (for example the PT in Brazil and the Frente Amplio in Uruguay, increasingly gaining power at municipal level but still not successful in capturing state power at national level).

The third phase saw the structural conditions of the neoliberal project run into greater difficulties as growth faltered and the challenge of civil society on the streets grew stronger, overthrowing presidents in Ecuador, Bolivia, Argentina and Peru. It also saw a mass popular protest in Costa Rica against the privatization of the state electricity and telecommunications company, ICE, in 2000 out of which emerged a new political party, Pardido Accion Ciudadana (PAC), whose leader Ottón Solís came within a whisker of winning the presidency in the February 2006 election. It was a phase marked by the weakening of parties that had been dominant in some countries (most notably Peru, Venezuela, Ecuador and Bolivia) and the growing appeal of candidates from outside the political system. Examples include the broadcaster Carlos Palenque and the beer baron Max Fernandez both of whom founded political parties in Bolivia in the late 1980s that grew rapidly in popular appeal, the army officer Lucio Gutierrez in Ecuador who had been a leader of the popular uprising against President Jamil Mahuad in 2000 and who won the presidency as a rank outsider in the 2002 elections, Presidents Fujimori and Toledo in Peru, and of course most famously Hugo Chavez who was first elected in Venezuela in 1998. What can easily be forgotten by hindsight was the concern at the time that this phase marked, as Benavente and Jaraquemada put it ‘a profound crisis of governability in Latin America for which no viable institutional solutions are apparent’ (Benavente and Jaraquemada, 2002: 7). It marked the strength of civil society activism which was growing bolder in challenging the state that was finding it harder to defend a neoliberal project that was not delivering growth or social equity. However, few foresaw in 2002 the wave of new left governments that were to be the result of this new phase in civil society-state interaction. Instead, Hugo Chavez was a lone voice and one who looked very vulnerable as the April 2002 coup against him seemed to confirm.

The fourth phase really opens with the election of Lula as president of Brazil in October 2002. As Panizza puts it, his election ‘invoked the image of a radical turn in the country’s politics, perhaps comparable only to the triumph of Chile’s Unidad Popular in 1970’ (Panizza, 2009: 211). It marked, therefore, a major symbolic change in the politics of the region, perhaps best characterised as moving beyond the discredited neoliberal project that had dominated the previous one and a half to two decades though it was far less clear what was going to replace it. Lula’s election opened a phase in which up to ten countries were ruled by presidents and parties of the new left by the end of the decade (though it remains to be seen if the victory of the right in the Chilean elections of late 2009 marks the end of this phase). What united
this disparate group was a discourse very critical of neoliberalism and a pledge to improve the living standards of the poor through active and well-resourced social programmes. But more important than the actual mechanisms used (which were far from radical and which in many cases built on programmes inherited from previous governments) was the symbolic importance of leaders of the left taking state power. This marked a new relationship between civil society and the state in which both saw one another as allies in a common struggle.

In this trajectory of the emergence of the new left and its takeover of state power in many countries of the region, it is accurate to ascribe an important role to civil society activism which generated a discourse critical of the neoliberal project, built movements to challenge it, and provided many of the leading figures that were to win state power. However, the account here also suggests that this activism on its own was not sufficient but that it interacted with the structural and discursive conditions that gradually saw the weakening of the neoliberal project. This helped create the conditions for the success of the new left. With the left winning state power, however, a new phase opens for civil society-state relations. This has two aspects. Panizza draws attention to the first when he writes of the complex dilemmas faced by the left associated with both the sustainability and the quality of democracy which requires ‘a balance between conflict and accommodation that creates the political space for the popular sectors to advance their rights, while avoiding the extreme polarization that has led to democratic breakdowns in the past’ (Panizza, 2009: 198). The second, however, is that the new left governments are committed to a project of more radical democratisation, making the state more responsive to popular needs and engaging with an active citizenry in doing this (as is illustrated by the example from Venezuela with which this paper opens). In many countries of Latin America, with relatively weak states and with a mobilised citizenry, this is going to be a tight balancing act to achieve.

Finally, the account given in this section helps to show how the state and civil society mutually constitute one another. For the emergence of an active and mobilised civil society, incubating what has come to be known as the new left, emerged in spaces vacated by the state as it became captive to the neoliberal project. In this way, therefore, the state left fertile spaces for an activist civil society to fill. However, as will be outlined further below, part of the neoliberal project involved the state drawing sectors of civil society into partnership through the outsourcing of services to non-state service providers but also, in some cases, through drawing civil society into a so-called dialogue (this was particularly true in the three Latin American states that signed up to the HIPC initiative with its poverty reduction strategy, Bolivia, Honduras and Nicaragua) that quickly alienated many of its leaders and turned them in a more oppositional direction. Yet, as has been emphasised earlier in this section, the structural conditions of the global order and the ways the state responded also played an important part in creating the context for the emergence of the new left. The next section examines this structural context in more detail.

**Globalisation and the state in Latin America**

The term globalisation raises complex analytical and definitional issues that are beyond the scope of this paper. It is used here as a label for intensifying processes of transnational interconnectedness across a range of spheres such as the economic, the social, the political, the cultural and the communicational, though the uneven nature
of these processes is acknowledged. Neither does its use imply that globalisation itself has agency; rather, it acts as a shorthand for processes of change where agency can only be determined through empirical examination (see Kirby, 2006, Chapter 4). There has been a very active debate across the social sciences about the impact that globalisation is having on the state, but the starting point for this discussion is the emerging consensus that globalisation is not leading to the demise of the state but rather that the state is changing under the pressures, opportunities and constraints that it presents. As Sørensen summarised it, ‘instead of getting locked into the “state losing” or “state winning” contest, there is a more attractive position: namely, the idea of “state transformation” which is open to changes in both directions’ (Sørensen, 2004: 22). Furthermore, it is particularly interesting to examine this transformation of the state in Latin America since the region has over recent years offered a particularly interesting test of the much vaunted claim that globalisation is restricting the room for manoeuvre open to states. It is the one region of the world in which governments have come to power which are rhetorically very critical of neoliberalism (and in some cases of globalisation) and proclaim themselves committed to moving into a post-neoliberal paradigm or model of development.

In examining how globalisation is transforming the state, various attempts have been made to characterise the new state forms emerging, mostly focused on the weakening of the welfare state such as Jessop’s Schumpeterian workfare state (SWS) which seeks ‘to strengthen as far as possible the structural competitiveness of the national economy by intervening on the supply-side; and to subordinate social policy to the needs of labour market flexibility and/or to the constraints of international competition’ (Jessop, 1994: 24). However, Cerny’s development of the concept of the ‘competition state’ has been more widely adopted and applied to a wider range of states, including some in Latin America. He describes its emergence out of the tensions between the demands of economic globalisation and the embedded state/society practices that characterised the national welfare state as the priorities of policy move away from the general maximisation of public welfare (full employment, redistributive transfer payments and social service provision) to the promotion of enterprise, innovation and profitability in both private and public sectors. These reactions, however, follow no set pattern or master plan: ‘The emerging embedded neoliberal consensus is therefore not simply developing “from outside” or “from above”; it is also a political construction promoted by political entrepreneurs who must design projects, convince others, build coalitions and ultimately win some sort of political legitimacy “from inside” and “from below”’ (Cerny et al., 2005: 19). Tracing this process as they see it happening in western European states and the European Union itself, in North America and New Zealand, in Latin America and in eastern European countries, Cerny et al. identify a process that is ‘almost without exception elite-driven …. based on sustained support from converted academics, policy advisers and consultants both within and outside the public sector, government officials, and firms and other economic actors, especially representatives of employers and business organisations, and, especially consumers and many taxpayers’ (ibid.: 22-23).

Soederberg asks whether the characteristics of the competition state hold true for ‘Third World’ developmental states. Examining Mexico, she concludes that the Mexican state has indeed assumed the defining characteristics of the competition state but that the tensions between domestic and international policy imperatives are more
pronounced in developing countries like Mexico than in industrialised countries. Furthermore, this shift from developmental to competition state has resulted in a paradox – greater integration into the world economy so as to capture more capital flows but with increased rates of poverty and higher levels of financial vulnerability. Thus, though Mexico has proved successful in repaying its international creditors and giving good returns to capital involved in trade and corporate production within NAFTA, ‘it has been equally effective in weakening the thin wire of political legitimacy on which the state continually straddles the ever-widening and deepening divide of rich and poor in Mexico’ thus translating into an uncertain and bumpy ride for its continuity (Soederberg, 2005: 182). Taylor examines a very different Latin American case, namely Chile, which on the face of it seems to have succeeded in integrating itself more successfully and sustainably into the neoliberal order. Tracing the central role played by the state, under military control from 1973-90, in ‘subordinating social phenomena to global market dynamics … [and] fracturing the bases of social action’ (Taylor, 2005: 198), Taylor writes that ‘this wooing of foreign capital through providing optimum accumulation conditions reflects the tendencies noted in Cerny’s concept of “the competition state”’ (ibid.: 194). Furthermore, he argues that the Concertacion governments since the return to democracy in 1990 ‘have found themselves increasingly pressurised to both satisfy the conditions for expanded accumulation through incorporating Chilean accumulation within global circuits of capital while concurrently mitigating the social polarizing tendencies of the former’ (ibid.: 198). The central role played by the Peruvian state in the country’s neoliberal restructuring in the 1990s leads Ruiz Torres to argue that it too fits the description of competition state. However, he argues that it would be more accurate to call the Peruvian state a ‘peripheral competition state’ since it was not oriented towards improving the productive infrastructure or promoting human capital but simply sought to open the economy through liberalisation, privatisation and tariff exemptions (Ruiz Torres, 2005: 217).

The concept of competition state helps to identify some common features of how the state is being transformed in the context of today’s globalisation. The first is the priority given by states to accommodate themselves to the needs of a global regime of open capital markets and to global production chains that are dominated by multinational corporations. The second is the restructuring of domestic financial systems characterised by a move away from Keynesian demand management to a prime concern with controlling inflation, and by reforming taxation systems to reduce taxes on capital and profits. The third is a change in forms of state regulation from public control of sectors of the economy or public services, to a more arms-length or ‘prudential’ regulation designed to enforce general rules for particular economic, financial or service sectors so as to ensure competitive and transparent markets. A fourth common feature concerns the use of more disciplinary mechanisms in the social sphere designed both to contain social spending and to create pressures for market-based solutions to social problems such as through various forms of ‘workfare’. While moves towards forms of reinvented governance along these lines are evident throughout the developed world, this restructuring has taken on particular forms in regions such as Latin America, marked by often acute tensions between the imperatives of capital accumulation and those of social welfare. And these particular tensions need to be seen in the context of the region’s wider economic performance, as summarised by Amsden: ‘Latin America has been unable to exercise its skills to survive in a high-tech world. Growth has taken the form of spurts and slumps, but on
average, as Latin America has followed its northern leader down the path of liberalization, its growth in income, employment, regional trade, and technology has stagnated’ (Amsden, 2007: 147; for evidence, see Urquidi, 2005). Both economically and socially, the advent of the competition state in Latin America failed in wider developmental terms.

While the term ‘competition state’ has been little used in the literature on the Latin American state, its characteristics mirror those that have been identified in the critical literature on the second wave of state reforms in the region. Following a ‘first generation’ of state reforms which had slimmed down the state, liberalised trade and the financial system, and privatised state companies, all under the strong influence of World Bank policy advice, by the late 1990s attention was being focused on a second generation of reforms, this time designed to strengthen the capacity of the Latin American state to ensure greater accountability and efficiency, with particular attention to such issues as guarding against corruption, more focaised social spending, inflation targeting, labour market flexibilisation and corporatist arrangements to coordinate policy development (Zurbriggen, 2007). Again, these were strongly influenced by the World Bank’s 1997 World Development Report on The State in a Changing World (World Bank: 1997) and the influential report on a reform agenda for Latin America and the Caribbean in the following decade (Burki and Perry, 1997). Yet, even as these reforms were being implemented throughout Latin America, questions were being raised about their design, their impact and their deficiencies (Kirby, 2003: 81-91).

A number of emerging themes can be identified. The first is a growing consensus that the reforms to date have largely failed to foster a state that can be effective in addressing the region’s major economic and social challenges. Most tellingly, as Escalante Gonzalbo highlights, even as attempts were being made to address the weaknesses of public administration and state capacity ‘the problems of informality, delinquency, clientelism and corruption appeared to grow’ (2007: 71). Many authors point to the volatility of the region’s growth and the failure to show any substantial advances in reducing poverty and inequality over the decade and a half that these reforms were being implemented (Cornejo Ramirez, 2005; Garrido-Lecca, 2005). The first and second generation reforms were seen largely in technocratic terms, recipes drawing on theoretical approaches developed elsewhere – the Washington Consensus for the first generation and new institutionalism and New Public Management for the second generation. The failure of these approaches has generated a consensus that state reform now requires what Cornejo Ramirez calls ‘a new way of conducting politics’. So the second theme therefore is a return to the political. As he puts it, ‘state reform presupposes new forms of political action … only with a representative state and with political leadership that is respected and credible can important transformations be proposed and made viable’ (Cornejo Ramirez, 2005: 113). The state needs to be seen not as situated above society and outside social relations, but ‘as part of the social order’ (Escalante Gonzalbo, 2007: 72). For Arellano Gault, the application of New Public Management approaches to reforming the public administration has opened an important debate on what the state should be and he expresses the central issue as follows: ‘The good state is not only one that generates and provides efficient services to its citizens (clients, as some call them) but one that has the capacity to balance social interests’ (Arellano Gault, 2007: 98-99). To achieve this, he adds, three types of trust need to be generated: trust by citizens in
their government, the trust of society in their public servants and trust within the administrative apparatus itself (ibid.: 100-02).

The third consensus is perhaps the most surprising of all in this situation where there is a widespread lack of confidence in state capacity. This is a belief, new in Latin America, that the state is necessary. Escalante Gonzalbo points out that traditionally the left saw the state as authoritarian and an instrument of class rule whereas business elites saw it as an instrument of interference, regulation and the politicisation of markets. For a while, all attention was paid to the democratisation of the state but then the newly democratic states began to produce unexpected results – such as the crisis of political parties in Venezuela, Bolivia, Ecuador and Peru, and the governments of Chavez, Bucaram, Fujimori and Menem. ‘Something was not right,’ writes Escalante Gonzalbo: ‘Ever more aggressive forms of clientelism, growth in poverty and the informal economy, increase of delinquency and corruption, mass privatisation of the economy and public services: The problem of the state, or more precisely of the weakness of the state, began to raise its head’ (Escalante Gonzalbo, 2007: 70). He adds, however, that while the right has achieved a state that has been privatised and liberalised, for the left it is going to be much more difficult to turn its idea of the state into concrete policies, as the left’s project is centred on resistance to neoliberalism (ibid.: 76-77).

But if there now is a consensus on valuing the state, the literature being reviewed here only addresses in quite general terms what type of state this might be. As Arellano Gault asks: ‘What type of public administration and of government do we want and for what type of society and with what political dynamic?’ (Arellano Gault, 2007: 108). The literature provides no specific answer to this question but it can be said to provide a general answer in that authors are agreed on two central tasks for the state: productive upgrading and social inclusion with the former being seen as a condition for achieving the latter.

From the survey, it can be concluded that the reshaping of the Latin American state under the impact of globalisation (and of the ideological prescriptions through which this impact was filtered to Latin American elites by the IFIs) laid the conditions for the challenge mounted by civil society from the 1990s onwards. The survey furthermore identifies the central weakness of the Latin American state which created the conditions for the challenge from civil society, namely its ineffectiveness in elaborating a successful project of productive upgrading and thereby generating the resources to improve the livelihoods of its poor masses. The next section turns to linking these characteristics of the Latin American state under the impact of globalisation with the state-civil society relationship that has emerged in the trajectory towards the left gaining political power in these states.

**Reshaping the state-civil society terrain in today’s Latin America**

How, then, do these structural features of the Latin American state, many of them illustrating deeper weaknesses derived from historical legacies but shaped also by the reforms associated with neo-liberal globalisation, impact on the state-civil society relationship that has been drawn in general terms in the preceding section? Answering this question requires a more fine-grained analysis of individual cases to take the particularities of each case into account so as to show how globalisation is shaping the terrain on which state and civil society interact. The examination here limits itself to
what are regarded as the major cases of the new left to illustrate how perceptions of
globalisation and the room for economic manoeuvre that state officials see available
to them shape how the state-civil society relationship has developed. While each case
is distinctive (see Orjuela, 2007 on the complexity and ambiguity of the Latin
American left), two groupings can be identified – Chile, Brazil and Uruguay on the
one hand and Venezuela, Bolivia and Ecuador on the other, with Argentina falling
somewhere in between. It is recognised that this division coincides with the much
criticised division into ‘good left’ and ‘bad left’ made by Castañeda (2006) but such a
normative division is not intended here. Rather the grounds for the division only
overlap tangentially with the bases for the distinction made by Castañeda.

In examining the cases of Chile, Uruguay and Brazil, what distinguishes them for the
purposes of this paper is their lack of the clear comparative advantage that oil and
natural gas offer the second group. What matters for the argument here is that the
insertion of each into the international economic marketplace is contingent on
maintaining the favour of the markets (investors, buyers) and of generating
competitive conditions for the sale of largely primary commodities to overseas
markets (this is less overriding for Brazil because of the size of its internal market). In
her account of the takeover of power by the PT in 2003, Branford emphasises the
important role that market pressures played in modifying the economic plans of the
incoming administration with the real losing value swiftly, rating agencies marking up
the country’s risk rating, and a massive outflow of capital. To gain credibility with the
markets, Lula and his advisors handed the running of the Central Bank to the bankers,
reaffirmed the country’s agreement with the IMF and set a higher target for the public
sector than that demanded by the IMF in order to service the internal debt. But, as she
points out, gaining credibility with international markets had the effect of loosing
credibility with the PT supporters, particularly left-wing intellectuals and economists
(Branford, 2009: 157). In this way, the link between globalisation and the state-civil
society relationship can be clearly seen. Examining more closely the PT’s
participatory budgetary (PB) process at municipal level, a world-renowned emblem of
progressive state-civil society relations, reveals the limits of the process, limits posed
both by the party interests of the PT-led state or municipal government and also the
limits posed by the wider economic situation. As analysed by Goldfrank and
Schneider, PB as implemented by PT administrations served to strengthen the PT
executive as against opposition-led legislatures, as well as widening the party’s base
of support, but it also required ‘fiscal health’ (Goldfrank and Schneider, 2006: 22).
The PT found its ability to generate resources limited by two factors: firstly, it faced
resistance among middle class sectors to higher taxes and, secondly, its ideological
opposition to privatisation and to offering incentives to attract foreign investment
limited its ability to make the progressive social investments being sought by its
supporters. What emerges is a very state-dominated process of civil society
participation limited by wider economic constraints. As the authors conclude about
Lula’s reluctance to implement PB at national level when he finally won power:

If PB were only about deepening democracy, energizing civil society, or
expanding accountability, Brazil’s new PT government would have
implemented it by now. After all, a majority of PT governments at the
municipal and state levels have tried it. Yet Lula’s administration has
managed to construct a tenuous majority in the national congress, and might
see working with the congress as a better option than going around the
legislature and antagonizing it with PB (Goldfrank and Schneider, 2006: 25-26).

The cases of Chile and Uruguay are somewhat different. From the beginning the Concertacion governments in Chile have sought to maintain market-friendly economic policies and have maintained a strongly technocratic discourse on economic matters that contrasts with the more politicised discourse of many other new left governments. Yet, as Patricio Silva points out in analysing the tensions this generates for the state-civil society relationship, despite the success of Chilean economic and social policies, there remains a tension between the technocratic rationale and growing demands for participation by certain civil society actors (under the Bachelet administration these came mostly from secondary school students, copper miners and Mapuche Indians). Yet, he adds, that it is inconceivable that there would be any departure from the state’s commitment to ‘neoliberalism; the provision of a friendly environment for multinational corporations; good relations with the United States and a positive engagement with globalization’. But the economic growth that this brings comes at the cost of ‘increased political indifference’ among the citizenry, aided by memories of the fact that the social mobilisation of the Allende years (1970-73) ended in the brutal 17-year military dictatorship (Silva, 2009: 197). In the case of Uruguay, Luna traces the Frente Amplio’s gradual move to the centre, moderating its policy platform and electing the more moderate Tabare Vazquez as mayor of Montevideo in 1990 (Luna, 2007: 17-18). When the Frente Amplio won national power in 2005 therefore, it was under a leader who had outmanoeuvred the radicals in the grouping. As Lievesley put it ‘his economic policy has not moved far from a neoliberal position and he has pragmatically used his good relations with Washington to enable Uruguay to defend its corner against its much larger neighbours, Argentina and Brazil’ (Lievesley, 2009: 30-31). Here again, the perception of where Uruguay’s advantages lay as between free trade with the US and closer integration into Mercosur played a major role in the moderation of policy. Alongside this, the party’s support base was greatly broadened beyond organised (and left-wing) sectors of civil society so that it ‘has absorbed an emergent constituency that comprises informal sector workers, the unemployed, a middle class suffering downward mobility, rural workers, small merchants, agricultural producers, and even some elite sectors’ (Luna, 2007: 25). In these cases, therefore, the accommodating attitude by the state to the international markets have resulted in limits being imposed on the influence of civil society over the state and on a relationship between both that is very much dominated by the state.

If globalisation exercises a moderating influence on state actions in the cases of Brazil, Chile and Uruguay, it can be said to have the opposite effect in the cases of Venezuela, Bolivia and Ecuador, largely due to the room for manoeuvre given them by international demand for the oil and natural gas reserves they control. However, it was partly the Chavez’s administration’s oil policy when he first took office that helped create this situation. By reversing the Caldera’s administration’s steady liberalisation of the oil industry (with a view to eventual privatisation it was believed) and by strengthening oil prices through an active international diplomacy of co-ordinating production among the Organisation of Petroleum-Exporting Countries (OPEC), Chavez laid the foundations for the large increase in oil revenue that has funded his extensive social programmes. Paradoxically, as Buxton points out, this happened during the first and most moderate phase of his presidency. It was only in the second phase that he began to develop a strong pro-poor policy and ‘protagonistic
democracy in community-level organizations, the *consejos comunales* and technical water committees* (Buxton, 2009: 64). Chavez’s success in turning globalisation to his advantage through his oil policy therefore, helped shape the terrain for a deepening of state relations with civil society.

The space opened by Chavez has subsequently been occupied by both Morales and Correa, both of whom have been willing to confront the IFIs and to seek a new state-market relationship for the benefit of the poor. As Crabtree has written, the self-styled ‘nationalisation’ of oil and gas by the Bolivian state in May 2006 was less a nationalisation in the traditional sense and more a move to reassert the primacy of the state over the foreign companies exploiting the gas fields. The result was that Bolivia achieved a substantial fiscal surplus for the first time in living memory, ‘enabling it also to wriggle free of dependency on IMF conditionalities’ (Crabtree, 2009: 100). This has had a rather more conflictual impact on the country’s highly mobilised civil society as the ‘media luna’ provinces where the gas deposits are situated claimed more of the benefits for themselves, a conflict exacerbated by racial conflict between the country’s indigenous majority, mostly supporting Morales, and the descendents of foreign settlers in the lowlands regions. But this is far from a conflict between the state and civil society – rather it is conflict between a sector of civil society, the indigenous majority, traditionally neglected by the Bolivian state but now supporting the Morales government, and a sector that had long controlled that state, the white elites. Yet, this is but one immediate impact on civil society of a longer-term trajectory of state-civil society interaction in Bolivia in which, as Hunt’s paper to this panel outlines in some detail, organised sectors of civil society have succeeded in occupying spaces opened by the neoliberal reconstitution of the state to eventually reshape that state in fundamental ways. Furthermore, as Hunt’s account makes very clear, this state-civil society interaction took place on a terrain effectively created by a determined effort to re-invent Bolivia in the interests of global capital investors.

The situation in Ecuador bears some superficial similarities to that of Bolivia in that civil society mobilised again and again to contest attempts by state elites to introduce neoliberal reforms. Unlike Bolivia, however, where neoliberal reforms had opened spaces within the state through which civil society could organise (local political participation, national dialogue, and incorporation of social organisations into the administrative system (Haarstad and Andersson, 2009: 13-14)), in Ecuador a broad civil society movement came together in opposition to the state which was under pressure from the IMF to introduce reforms and therefore was more constrained in its ability to offer concessions. In this context, a certain standoff developed in which social movement activism ‘delayed the reforms and, in some cases, mitigated their impact on the popular sectors; but they were unable decisively to vanquish the neoliberal agenda’ (Zamosc, 2007: 18). The overthrow of President Mahuad in a popular uprising in January 2000 marked a turning point in the influence of civil society mobilisation as the military-civil society alliance established a ‘government of national salvation’ that contravened the Constitution and allowed political elites, the military (and the US) outmanoeuvre its leaders to restore the constitutional order. Tensions between the state and the weakened civil society movement were further heightened under the presidency of former coup leader, Lucio Gutierrez, who succeeded in dividing the indigenous movement before he himself was overthrown through popular pressure in 2005. But as Zamosc points out, the main protagonists on this occasion were ‘the urban crowds of Quito’ while the indigenous movement had
been slow to join the movement, offering further evidence ‘of the prostration of the indigenous movement’ (ibid.: 15); the halving in the 2007 constituent assembly elections of the vote for the two parties most associated with the civil society protest movements, the Movimiento Popular Democrático and Pachakutik, is further evidence. This opened a vacuum which was skillfully used by Rafael Correa not only to gain the presidency but to implement a strongly state-centric development model that shows little interest in civil society activism. What Ospina Peralta states of the implication of one government policy can, it appears, be applied more generally to the Correa project which ‘has the real effect of impeding or making difficult the social organisation of the poor’ (Ospina Peralta, 2008: 15). It can be concluded that the pressure of the IFIs on the Ecuadorian state in a context of strong civil society mobilisation against neoliberalism has shaped the terrain that opened the spaces for the present more state-dominated relationship with civil society.

Finally, the Argentine case stands somewhat apart from the neat typology used in this section. Its natural resource endowments are modest compared to the three cases just covered yet it has shown its willingness to assert the authority of the state over markets in a way that bears more similarity to the second group in the account above. As Grugel and Pia Riggirozzi put it: ‘This new role for the state undoubtedly challenges assumptions about a global trend towards policy convergence and the triumph of neo-classical economics based on an extreme interpretation of globalization and global markets’ (Grugel and Pia Riggirozzi, 2007: 100). The economic collapse of 2001-02 had resulted in a marked level of civil society mobilisation, most especially through the new *piquetero* movements but also through a revitalised union movement. The series of Peronist governments that took power since the crisis, beginning with the brief presidency of Eduardo Duhalde (2002-03), followed by Nestor Kirchner (2003-07) and his wife Cristina Fernandez de Kirchner (2007-date) therefore inherited a profound crisis of a deeply entrenched neo-liberal model on the one hand and a highly mobilised civil society on the other. In this context, the project begun by Duhalde, deepened by Kirchner and, it appears, facing difficulties under Fernandez, ascribes a greater role for the state including the renationalisation of the national postal service, water, railways, electrical energy, the national airline, air traffic control, maritime control and military factories. However, this increased role for the state includes what would be regarded as very market-friendly policies of strict fiscal discipline and the accumulation of reserves. Mirroring the social programmes of many of the new left governments, social spending has been targeted towards those most in need in such programmes as the Jefas y Jefes programme, the Familias programme aiming to enhance school attendance by children from poorer families and the Manos a la Obra, supporting the creation of cooperatives and workfare programmes. In dealing with civil society, particularly the *piquetero* movements, the Kirchners have sought ‘to bring confrontational civil society movements into the structures of state-centred governance’ (ibid.: 99). Through subsidies and public spending in neighbourhoods where these groups were strong and through drawing some of their leaders into the state, the movement has been greatly weakened. The Kirchners, therefore, have succeeded in maintaining a balancing act between satisfying the pent up aspirations of civil society for economic growth and improved social conditions, and reactivating the economy in ways that directed the benefits to national society rather than to foreigners. This they have done through ‘the reclaiming of politics as the master tool for changing social reality’ (Vivares, Diaz Echenique and Ozorio, 2009: 212), drawing on the legacies of Peronist
traditions of economic nationalism. However, in doing this they have strengthened the power of the state and disarticulated the social movements.

If the wider economic context of globalisation therefore shaped in different ways the state-civil society relationship in each of these countries, there is one aspect of this wider context that has had a common and, up to now, largely positive impact, particularly the demand by China for the region’s raw materials. As Panizza recognises in the case of Brazil, the extremely favourable external economic circumstances have allowed the government to raise revenue and simultaneously please different constituencies ‘without the need for hard choices: high fiscal primary surpluses have allowed a reduction in the external debt at the same time as increases in current spending have paid for higher wages in the public sector’ (Panizza, 2009: 240-41). A similar point could be made in relation to all the new left governments. As Paus summarises the consensus in the literature: ‘Generally speaking, China’s rise is seen as an opportunity for Latin American development based on the findings that trade relations between many Latin American countries and China are complementary, thus reducing third-market competition, and that China’s demand for resources has fuelled a commodity price boom, thus offering commodity exporters the opportunity to extract rents for development expenditures’ (Paus, 2009: 423). This, therefore, is another way in which globalisation is shaping a terrain in which the state can afford to be accommodating to the demands of civil society thereby taming what could be a much more conflictual relationship.

Overall, this section has illustrated that the state-civil society relationship in the era of new left governments is very much dominated by the state and its project of capital accumulation and social distribution. The only case in which civil society activism maintains a protagonistic role (in the sense that it continues to put pressure on the state and arguably limit its actions) is in Bolivia. One might also point to the mobilisation of farmers in Argentina in opposition to state plans to increase taxes on their produce as a recent instance of civil society protagonism but it remains to be seen if it was largely a once-off action by a strong interest group or an example of more widespread and permanent civil society activism. The apparent puzzle as to why governments which reached power through civil society mobilisation might then seek to muzzle the same movements requires an examination of the wider context of economic pressures and opportunities. As this section has shown, this wider context needs to be taken into account in any consideration of state-civil society relations. For these relations are always contested and contingent but they do not take place in a vacuum but rather on a terrain that places major pressures and constraints on states’ room for manoeuvre. This is often missed by the literature on these relations which can be prone to ascribe too much agency to civil society activism (for an example of such a tendency, see Petras and Veltmeyer, 2006).

Towards strong publics?
What, then, in the light of the three variables already discussed are the prospects for strong publics to emerge in the region? How does the analysis presented here help in answering this question. I identify three contributions it can make:

1) The first is the need to play close attention to what here is labeled ‘globalisation’: namely what is happening in the regional and global economic system and how it impacts on internal state politics within countries. This
proved largely unfavourable to the region under the neoliberal restructuring of the 1990s and it turned much more positive in the 2000s mainly due to the emergence of China. This happened in the context of the decline of the neoliberal project and the distraction of the US by its active involvement in other regions of the world; however, as argued below, this wider context may now be turning less favourable and the region is not doing as well as it needs to. As Feinberg reminds us: ‘Despite undeniable progress, as measured by absolute indicators, Latin America is losing ground in the global competitiveness sweepstakes’ (Feinberg, 2008: 155).

2) The second is the need to focus on the capacity of the state to respond to popular pressures for forms of economic and social development that clearly benefit the majority of the population. It is widely recognised that the emergence of the new left was in part due to the failure of centrist and right-wing administrations to use state power to attend successfully to the needs of the majority, rather than to any major shift in ideology by the majority of Latin Americans (Morales, 2008). There is no reason to believe that if the new left fails similarly that civil society will continue to support it and this could lead in time to a more conflictual relationship than has been evident up to now. However, if strong publics espouse ‘the realm of emancipation, of alternative imaginations of economic and social relations, and of ideological contest’, as Howell and Pearce state (Howell and Pearce, 2001: 8), then it presupposes a state that helps create the conditions for such a realm of emancipation and of alternative imaginations to flourish.

3) The third is a recognition that civil society activism emerges in spaces that are, to a greater extent than may often be recognised, shaped by both of these factors, namely the wider economic context and state capacity. Molyneux, for example, has drawn attention to how the novel principles of participation, empowerment and co-responsibility introduced into social policy in the 1990s as part of the New Poverty Agenda resonated with the ideals of many democratic parties and social movements, promoting ideas of self-determination within local popular movements, and assisting historically marginalised groups. In these ways, she argues, they were ‘important in helping to frame demands for citizenship and inclusion, working both with and, at times, against the state to advance reforms’ (Molyneux, 2008: 789). Similarly, examining the case of Bolivia, Haarstad and Andersson have argued that ‘there are important continuities and mutual constraints between popular mobilization and neoliberal policy’ (Haarstad and Andersson, 2009: 2).

In turning to the question of this panel, therefore, we can conclude that the prospects for strong publics will depend on how we evaluate the three features just outlined. While the demise of the neoliberal project (whatever about the political economy configurations that it so zealously promoted) and the emergence of new markets for the region’s traditional exports have opened a more positive conjuncture for economic growth, neither does it eliminate the longer-term challenges to the region’s economies, characterised as Panizza put it, ‘by low labour productivity, low institutional capabilities and dependency on commodity exports’ (Panizza, 2009: 224). Indeed, as low-cost Chinese manufactured exports not only displace similar Latin American goods in markets such as the US but even within the region itself, it is reasonable to argue that the new conjuncture is a particularly challenging one for governments that aspire to move up the value-added chain as a way of improving the
livelihoods of their citizens. The second feature flows from the first, namely how capable can states become in addressing effectively the twin challenges of productive upgrading and social distribution. Arguably the new left governments have demonstrated some considerable success in the latter; this has lead to many of them being re-elected with solid majorities. However, the success of social policies depends on the productive economy, in producing economic growth and fiscal surpluses for governments but also in producing well-paid jobs in the modern sector of the economy. With the possible exception of Brazil, there is far less evidence to show that the new left is laying the foundations for a high-tech road to development and, as Paus argues, the external circumstances are not particularly favourable for the endeavour (Paus, 2009). The balance of these two factors – the external environment and the capacity of states to maximise their developmental advantages in a sustainable way – will have a major impact on the third factor, namely the shape and activity of organised civil society. In discussing the role of civil society, Panizza insightfully argues: ‘How the leader/president negotiates the chasm between the plebs and the demos is of the essence of democracy. ... A shared sense of citizenship requires legitimate institutions that are able to strike a balance between conflict and accommodation’ (ibid.: 254). In the light of this, therefore, it can be appreciated that strong publics require that balance to be carefully struck: too much conflict undermines the realm of emancipation and means that alternative imaginations may hinder social progress rather than reinforce it; too much accommodation weakens the ideological contest, the critical debate that is one of the principal contributions of a strong public.

Conclusions
This paper has essentially sought to place the issue of state-civil society relationships in the wider context of globalisation, arguing that this shapes the terrain on which the struggles that mutually constitute the state and civil society take place. This has allowed a framework to be developed which identifies the issues to be examined in any consideration of the prospects for strong publics in today’s Latin America. It is to be hoped that the various papers to be given in this panel will contribute to arriving at conclusions that are both theoretically and empirically well informed. While the primary focus is on the prospects for a public realm that holds the state and the market to account and that contributes to creating societies of greater justice and equality, the strength of new left movements and of civil society activism in Latin America today also invites consideration of whether the region holds the prospect of reshaping today’s globalisation in the interests of the poor majority. If this were the case, one could conclude that the region which saw the first neoliberal experiments is now leading the way beyond them.

References


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