Latin America: Eight Lessons for Governance

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The “third wave” of democratization in Latin America began thirty years ago in the Dominican Republic. What have we learned since then about democratic governance? This essay addresses that question. Events during the past three decades have often changed how social scientists and policy makers perceive democratic governance, but there have been few efforts to systematize lessons about the political aspects of democratic governance.

Democratic governance is the capacity of democratic governments to implement policies that enhance a country’s political, social, and economic welfare. Successful democratic governance entails maintaining reasonably high-quality democratic practice, promoting economic growth, providing citizen security, and addressing the serious social problems (poverty, income inequality, poor social services) that afflict, albeit to very different degrees, Latin American countries.

Democratic governance is conceptually distinct from the quality of democracy and the quality of governance. Democratic governance is mostly a top-down phenomenon that refers to how well democratic government and the state in a democratic regime are functioning. By contrast, the quality of democracy refers to the “democraticness” of the political regime.1 Most studies of the quality of democracy focus exclusively on democracy’s procedural aspects, whereas good democratic governance also involves policy results. It means governing not only democratically, but also effectively. Our focus also differs from analy-
ses of effective governance in general because we specifically analyze democratic governance—that is, good governance under democracy.

Building effective democratic governance is the greatest challenge facing most Latin American countries today. Since 1978, Latin America has made tremendous strides toward governing democratically. However, only two or three countries in the region—Chile (since 1990) and to a lesser degree Costa Rica and Uruguay (since 1985)—have relatively consistently met the challenge of governing both democratically and effectively. Below we present eight lessons about democratic governance gleaned from the experience of the past three decades.

1) In most countries, creating effective democratic governance has proven far more difficult than most analysts anticipated in the early 1990s. At that time, the Soviet Union had just collapsed. Many countries in Latin America, the post-Soviet region, and Africa were experiencing political liberalization, and a number were transitioning to democracy. These transitions and regime changes generated optimism regarding future prospects for democracy as expressed, for example, in Francis Fukuyama’s 1992 book, The End of History and the Last Man, which heralded the worldwide triumph of the ideal of liberal democracy.

Building democracies that govern effectively, however, has proven difficult in Latin America and in most other third-wave democratizers. In many Latin American countries, the quality of democracy has remained poor, with inadequate protection of rights and weak mechanisms of government accountability. Guatemala, Paraguay, and Venezuela are only semi-democratic, with even more serious limitations on democratic practice. Only three countries—Chile, Costa Rica, and Uruguay—are high-quality democracies with generally solid rule of law, protection of rights, free and fair elections, and effective mechanisms of accountability for state officials (see the Table on p. 118 for Latin America’s 2007 Freedom House scores).

Chile alone has sustained high rates of economic growth and poverty reduction; most countries in the region experienced almost no per-capita growth between 1982 and 2002. Outside Latin America, many countries that in the early 1990s appeared poised to undergo transitions to competitive political regimes have instead degenerated into competitive authoritarian regimes. Moreover, democracies have failed to win the support of large numbers of citizens.

In the greater sweep of the history of democratization, it is not surprising that many attempts at building effective democracy have failed. In contrast to the past, however, very few competitive political regimes in Latin America have suffered overt breakdowns. A new pattern has emerged in the third wave of democratization in Latin America. Governmental instability has been rampant, but even weak competitive regimes have rarely succumbed to breakdowns. Democratically elected presidents or their constitutional successors have resigned under pres-

This combination of glaring deficiencies in democratic governance and the ongoing persistence of competitive regimes is unprecedented in the world history of democracy. The phenomenon of competitive regimes that endure despite poor governance runs counter to the expectations that most policy makers and social scientists held well into the 1990s. For democratic leaders and citizens of the region, the foremost question is no longer how to avoid democratic breakdown or erosion—although these issues are not off the table—but rather how to promote more effective governance under competitive regimes.

2) The outcomes in democratic governance in contemporary Latin America have varied widely. Although this point seems obvious, the variance is generally underappreciated. The large number of countries where democratic governance has been shaky has overshadowed the variation in outcomes. At one end of the spectrum, Chile has built a robust democracy, fostered rapid economic growth, and dramatically reduced poverty. Between 1990 and 2005, Chile’s GDP per capita (GDPpc) grew 4.2 percent per year (in constant 2000 dollars, expressed in purchasing power parity), generating a cumulative increase of 86 percent in fifteen years. Chile had the seventh-highest rate of GDPpc growth in the world during these fifteen years.

At the other end of the spectrum, in Haiti two attempted transitions to competitive regimes were short-lived, culminating in a coup in 1991 and a rebellion in 2004, both of which led to the overthrow of a democratically elected president. The legislature has twice been dissolved (in 1999 and 2004), there have been two international interventions (in 1994 and 2004), and the state has at times teetered on the brink of collapse. Per-capita income fell on average by 2.4 percent per year from 1990 to 2005, worsening the squalor in the world’s poorest country outside Africa. Haiti’s GDPpc fell from $2,136 in 1990 to $1,479 during this same period—a 31 percent drop. This was the tenth-worst performance in the world during these years. The income gap between Chile and Haiti increased from 2.7 to 1 in 1990 to 7.2 to 1 in 2005. If in this fifteen-year period Chile’s economy had declined as much as Haiti’s and Haiti’s had grown as much as Chile’s, Haiti’s GDPpc would have surpassed Chile’s in 2005.

The great disparity in economic growth applies to other important arenas of democratic governance as well. In Chile, between 1990 and 2006, poverty fell by almost two-thirds, from 38.6 percent to 13.7 percent of individuals. In sharp contrast, in Argentina, poverty increased between 1994 and 2006, from 16.1 percent to 21.0 percent of households.
The level of democracy has also varied considerably across countries. According to Freedom House, Chile since 2003, Costa Rica since 2004, and Uruguay since 2000 have consistently earned the best-possible scores for both civil liberties and political rights, indicating high-quality democracy. By contrast, Haiti (even when it has had a competitive regime), Guatemala, and Venezuela have had serious shortcomings in democratic practice. And Cuba, of course, remains steadfastly authoritarian.

A final example of the dramatic variance in democratic governance is the homicide rate, which reflects an important aspect of state capacity. According to the most recent data (circa 2002) available from the Pan American Health Organization (PAHO), Bolivia (with 0.4 homicides per 100,000 inhabitants per year), Peru (3.0), Uruguay (5.0), Chile (5.3), Cuba (6.3), Costa Rica (6.5), and Argentina (6.8) had moderate homicide rates. The homicide rate in Colombia at that time, one of the highest in the world at 79.7 homicides per 100,000 people, was vastly higher. The homicide rates in El Salvador (45.6 per 100,000), Venezuela (34.5), and Brazil (31.7) were also alarming. High murder rates have pernicious effects on the quality of everyday life and reflect the differences in states’ ability to protect citizens from other citizens (and in today’s world, from organized gangs). These differences in homicide rates antedate the democratic and semi-democratic regimes, but in the countries with very high crime and homicide rates, these problems have gotten worse since the transitions to competitive regimes.

Given these differences in regime performance, scholars and policy makers generalize at peril about performance in democratic governance for the region as a whole.

3) Effective states are important for successful democratic governance. Without an effective state, neither democracy nor development will flourish. An effective state is important for democracy because the state must protect citizens, uphold their rights, and oversee free and fair elections. An effective state is also critical for development because the state should provide decent public education, regulate some aspects of the economy, create an infrastructure that enables investors to make good use of natural and human resources, combat corruption, and ensure property rights.

These observations seem commonplace today. But consider the prevailing wisdom from the mid-1980s through the mid-1990s. State bashers were so eager to shrink the state that they failed to appreciate how important it is for democracy and for economic performance. Rather than striving to build a more efficient and effective state, many of the reforms instituted during these years instead dismantled the state. Relearning how crucial the state is for democracy and development has been one of the fundamental lessons of the third wave.

The state in most Latin American countries is lacking in many ways.
As Thomas Hobbes wrote, the state’s primordial task is to protect citizens so that life does not turn into a “solitary, poor, nasty, brutish, and short” free-for-all. In most countries of the region, the state fared poorly at this Hobbesian task. Crime rates are high in most countries. In the 1980s, PAHO has reported, 11 percent of all deaths in Guatemala were homicides, compared to 0.03 percent in England. By this measure, homicides were a staggering 360 times more frequent in Guatemala than in England.\(^9\) Criminal gangs have displaced the state in the shantytowns of many cities across Latin America, and the police enter these areas infrequently and at their own peril.

In much of the region, legal systems are precarious, inefficient, and corrupt. States are not capable of, and in many cases are not interested in, enforcing equal rights for all citizens.\(^10\) The regulatory capacity of the state in most countries is poor, and public investment in infrastructure has lagged. States’ ability to protect and empower citizens through social policy is fragile in most countries.

Daniel Kaufmann and his colleagues at the World Bank have developed six measures of the effectiveness of governance, all based on subjective opinion: rule of law, control of corruption, voice and accountability, regulatory quality, political stability, and government effectiveness. Three of these indicators provide useful measures of perceptions of state capacity: the rule of law, the control of corruption, and regulatory quality (see Table on p. 118).\(^11\)

Based on these indicators, most Latin American states exhibit some areas of pronounced weakness. Of the twenty Latin American countries, in 2006, only Chile scored at least half a standard deviation higher than the world mean on regulatory quality, while seven countries scored at least half a standard deviation below. For rule of law, only Chile and Costa Rica scored at least half a standard deviation above the world mean, and fourteen Latin American countries scored at least half a standard deviation below. Chile and Uruguay were more than half a standard deviation above the world mean on control of corruption, but nine countries were more than half a standard deviation below it.

One contributing factor to weak state capacity in Latin America is inadequate tax revenue. In parts of the region, tax revenue is exiguous. According to recent estimates, in nine Latin American countries, the central government’s tax revenue equaled less than 15 percent of GDP: Haiti (9.7 percent), Guatemala (9.8 percent), Mexico (11.0 percent), Venezuela (12.6 percent), Paraguay (13.0 percent), Ecuador (13.4 percent), Costa Rica (13.6 percent), El Salvador (14.2 percent), and Panama (14.2 percent). Costa Rica compensates for its insufficient federal tax income with reasonable tax revenues from other levels of government. Thus total tax revenues accounted for 20.5 percent of Costa Rica’s GDP in 2005.\(^12\) The other countries, however, have weak total tax shares (that is, central government plus other levels of government).
To place these numbers in comparative perspective, the average total tax revenue for the fifteen European Union countries circa 2003 was 40.6 percent of GDP. Even the United States and Japan—both low-taxation countries—raised 26.4 percent and 25.8 percent, respectively, of GDP in total taxes. High taxes are not necessary for democracy and development, but at the very low levels of tax revenue seen in the countries above, the state cannot function adequately.

Privatizing some state functions was desirable in the 1980s and 1990s, but other parts of the state—such as education and healthcare, the police, the judiciary, regulatory agencies, and infrastructure—need more resources and attention. State policies are crucial to reducing poverty and expanding opportunities for the poor. States can help to cre-

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*For Freedom House scores, see www.freedomhouse.org. This is the combined score for Civil Liberties and Political Rights. The best combined score is 2, and the worst is 14.


***For satisfaction with democracy, see Corporación Latinobarómetro, Latinobarómetro Report 2007, 91.
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ate a friendly environment for innovation, entrepreneurship, investment, and the development of human resources—all key pillars of economic growth and social opportunity. As Alejandro Foxley has persuasively argued, the key question about the state is not its size, but rather its capacity. States must possess sufficient flexibility to respond to opportunities and build effective national networks capable of meeting the rapidly changing challenges of the global market.

Underscoring the positive products of an effective state, of course, does not mean that all state action is beneficial. States can be predatory, and they can create perverse incentive systems that lead to bad collective outcomes. The desire to avoid these pitfalls, however, should not blind anyone to the importance of state building. In fact, state building—not to be confused with a patrimonial expansion of the state—reduces opportunities for predation by creating stronger mechanisms to thwart it.

One of the key questions in contemporary Latin America is how to build more effective states. This issue needs further research, but one conclusion is clear: Adequate tax revenue is necessary, but not sufficient, for a state to be effective. This is not to suggest a blanket prescription of raising taxes and expenditures in all low-revenue countries. In the poor countries of Latin America (and elsewhere), patrimonial practices and public-sector corruption are pervasive. Thus a significant portion of tax revenue ends up enriching politicians and their allies rather than promoting public goods. Under these circumstances, more tax revenue will not guarantee more public goods.

4) Institutionalized party systems facilitate effective democratic governance. It has long been established that parties perform important functions in democracies. The specific idea that the institutionalization of the party system is important for effective democratic governance, however, is a product of the third wave of democratization.

An institutionalized party system has four characteristics. First, patterns of interparty competition are relatively stable. Second, a significant share of voters develops relatively stable attachments to parties. Third, parties acquire legitimacy as the vehicles for accessing state power. Finally, party organizations acquire some solidity; they are not merely the appendages of personalistic political leaders.

Institutionalized party systems provide structure to democratic politics in the electoral arena and the legislature. The same parties are the main electoral contenders over a period of time, and this stability generates moderate predictability in how political actors behave and in the range of policy choices. As a result, it is more difficult for antiparty political outsiders—who are less bound by, or even hostile to, the existing formal institutions and the rules of the game—to come to power. These outsiders manifest their hostility by violating or encroaching upon democratic practice and constraints. Their political style also makes radical policy shifts and erratic leadership more likely. Under such circum-
stances, politicians are more apt to employ a short-term logic that is inimical to deal making and coalition building.

Additionally, institutionalized parties provide short cuts to information about programmatic content in democratic politics. For this reason, when a party system is not highly institutionalized, voters have fewer programmatic cues. Moreover, weak party systems hamper programmatic accountability because it is more difficult to cast a vote on the issues when parties are personalistic, short-lived, or both.

In countries with a stable party system, parties are the primary actors in the legislature, and both parties and legislature are generally stronger because of this. Although autocratic leaders often claim that stronger parties and legislatures are a hindrance to governance, they are an asset to democratic governance. Parties organize support for and against policy proposals in the legislature, which is the most efficient way to govern democratically in anything but a very small legislature. Furthermore, an institutionalized party system fosters greater accountability on the part of political leaders, as they must be answerable to their party.

By contrast, a fluid or inchoate party system can pave the way for populist politicians who characteristically degrade other institutions and weaken democratic governance. Fluid party systems introduce greater uncertainty regarding electoral outcomes. The rate of turnover from one party to another is higher; the entry barriers to new parties are lower; and the likelihood that personalistic, antisystem politicians can become heads of government is much greater. The personalism in weakly institutionalized party systems can set the stage for authoritarian leaders (President Alberto Fujimori in Peru in 1992, for example) or for the erosion of democratic or semi-democratic regimes (as in Venezuela under President Hugo Chávez since 1999).

5) No set of formal institutions is clearly superior to others for promoting successful democratic governance. In the 1980s and 1990s, some pioneering works argued that specific formal political institutions have decisive and reasonably consistent advantages over others for democratic governance. Juan Linz’s work on the perils of presidentialism is a prominent example. Linz argued that presidentialism was inimical to stable democracy and that parliamentary systems were better equipped to foster democratic consolidation. Some of his arguments have ongoing merit, but today there is less agreement that presidentialism undermines stable democracy. One reason for the declining consensus is that all countries in Latin America have retained presidential or quasi-presidential systems, and yet there have been only three full breakdowns of competitive political regimes since 1978—Peru in 1992 and Haiti in 1991 and 2004. In addition, some scholars have argued that the virtues and vices of presidentialism depend on how it interacts with other institutional arrangements.

This emphasis on formal political institutions as a key to development has influenced the actions and approaches of some international
financial institutions, especially the Inter-American Development Bank. Likewise, scholars have explored how changes in nomination rules and electoral systems would change incentive structures and as a result would facilitate or impede democratic governance. Yet two decades of impressive cumulative learning about political institutions have not produced easy recipes about the “best” institutions or institutional combinations. The impact of formal political institutions on large matters such as economic growth and the efficacy of social policy are more conditional and less clear than many political scientists anticipated.

We are skeptical that reforming formal political institutions is the primary key to success in contemporary Latin America. Electoral laws cannot explain major differences in governmental success from one administration to the next when there has been no major change in the institutional rules of the game—for example, from the innovative and relatively successful government of Sánchez de Lozada in Bolivia (1993–97) to the succession of failed governments between 1997 and 2005, or from the poor performances of three Brazilian governments between 1985 and 1993 to the more successful governments of Fernando Henrique Cardoso (1995–2002) and Luiz Inácio (“Lula”) da Silva (2003–present).

The impact of formal political institutions—such as electoral rules, nominating rules, presidents’ constitutional powers, and federal arrangements—on broad outcomes is mediated by other factors. Moreover, formal political institutions do not always yield the results that one would anticipate based on deductive reasoning. Gretchen Helmke and Steven Levitsky present many examples in which informal institutions counteract the effects of formal ones.\(^{18}\)

Moreover, some institutional reforms that were meant to enhance democracy, especially its participatory aspects, have hampered governance capacity. One example is Colombia’s 1991 Constitution. Among its main objectives was to open what had been a restricted democracy to new channels of participation and to open political competition. The new constitution achieved these meritorious objectives, but it paid scant attention to state-building and actually facilitated the erosion of Colombia’s traditional political parties and the growing atomization of the party system.

6) **Historical legacies shape the prospects for the subsequent success of democratic governance; however, countries also have opportunities to break from the past and establish new regime dynamics.** The impact of the past on present-day success can be seen in the three countries that today enjoy the highest level of democracy in Latin America—Chile, Costa Rica, and Uruguay. These same countries also had the strongest and longest democratic heritages as of 1973. After periods of harsh military rule in Chile (1973–90) and Uruguay (1973–84), both countries rejoined Costa Rica as high-level democracies. Their histories of institutionalized party systems, functional states, and democratic political cultures enabled Chile and Uruguay to rebuild democracy after authoritarian rule.
This outcome was not preordained. The military regimes in Chile and to some degree Uruguay had attempted to radically change the two countries’ political systems. Moreover, at the time of the democratic transition in Chile, many analysts warned that the very negotiations that had made a transition possible also shackled the new democracy. Yet in relatively short order, both countries rebuilt democracy. No other country in Latin America except Costa Rica has succeeded equally at achieving high-level democracy.

Other countries’ political regimes exhibit both profound change and some notable limits to change. In the post-1978 wave of democratization, the Latin American countries with strong authoritarian heritages (Cuba excepted) have established competitive and reasonably free and fair elections. But they have not created high-quality democracies, successfully established the rule of law, or reined in corruption. The patrimonial nature of many states when they were under authoritarian rule has impeded the development of high-level democracy today. El Salvador, Guatemala, Haiti, Nicaragua, and Paraguay are among the countries still beleaguered by their authoritarian pasts.

Some other countries have escaped the negative historic legacies of their past political regimes. After more than half a century (1930–83) of shifting between unstable authoritarianism and unstable democracy, Argentina has developed a stable democratic regime, notwithstanding periodic episodes of governmental instability, most notably in 2001–02.

The same is true of democratic reversals. From 1958 until the late 1970s, Venezuela enjoyed a stable and relatively vibrant democracy. However, from the late 1970s on, poor economic performance, corruption, and internecine leadership battles weakened Venezuela’s democratic regime, ultimately opening the door for Hugo Chávez in 1998. Chávez, in turn, has deliberately undermined Venezuela’s democratic institutions. The unraveling of Venezuela’s democracy could not have been predicted based on the earlier solidity of its institutions. With so many profound discontinuities, the story of political regimes in Latin America is not one of clear path dependence.

Contrary to earlier expectations, in the post-1990 period success and failure in most dimensions of democratic governance have gone hand-in-hand. Much of the literature on development has stressed that good outcomes are not always accompanied by other good outcomes and that countries often face steep tradeoffs in accomplishing development goals. Some analysts believe, for example, that democracy might be harmful to economic growth or that authoritarian regimes are better at fostering growth. Most economists have maintained that there must be tradeoffs between economic growth and social programs. The title of a book on Brazil, *The Cruel Dilemmas of Development*, is indicative of this emphasis on tradeoffs.

Tradeoffs among different outcomes certainly exist in principle and in many real-world situations. In post-1990 Latin America, however, high
levels of democracy have gone hand-in-hand with better performance in economic growth, control of corruption, the rule of law, job creation, poverty reduction, and providing greater access to secondary education. For the twenty Latin American countries of Iberian or French colonization, for example, the average Freedom House scores for 1990–2005 correlate very strongly (at .73) with GDPpc growth for the same period, showing that a high level of democracy and good economic performance have in fact gone together. Based on previous careful studies in the social sciences, however, there was no reason to expect that countries with a higher level of democracy would also perform markedly better in economic growth—but that is precisely what has occurred here.

Because of this bundling of good and poor performances across different arenas, a few countries stand out generally as cases of successful democratic governance, while others are in many ways marked by failure. Chile has been the great success story in post-1990 Latin America. On several, but not all, dimensions of democratic governance, Costa Rica, Panama, and Uruguay have also fared well.

Eleven Latin American countries have generally fared poorly in most political, social, and economic dimensions of democratic governance since 1990: Bolivia, Colombia, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, Peru, and Venezuela. The remaining four countries—Argentina, Brazil, the Dominican Republic, and Mexico—have had very mixed records, with relative success in some important aspects of democratic governance and deficiencies in others. (We exclude Cuba from this analysis because it has never had a competitive political regime during this period.)

One potential explanation for why a few countries have performed respectably in so many discrete areas of democratic governance is that, once in place, an effective state in turn supports both stronger democracy and better economic results. Another plausible explanation is that better socioeconomic results serve as a bulwark for democracy. Conversely, countries with a low level of democracy have also performed poorly in economic growth, job creation, and education. This destructive combination may stem from the close relationship between weak democratic institutions and widespread clientelism, corruption, and patronialism, which has negative consequences for the level of democracy and for economic and social performance.

8) Effective democratic governance does not always satisfy popular aspirations. Good governance does not always generate enduring popular support. Moreover, governments that govern poorly are nevertheless sometimes able to capture the public’s backing.

Chile is an example of the former phenomenon. Notwithstanding the country’s successes, in the 2007 Latinobarómetro public-opinion survey, only 36 percent of Chileans stated that they were mostly or very satisfied with democracy. Equally surprising, only 46 percent said that
democracy is always preferable to other forms of government. This second figure is considerably lower than the corresponding figure for Uruguay (77 percent), Costa Rica (76 percent), Argentina (74 percent), the Dominican Republic (71 percent), and Venezuela (70 percent), and it is lower than the Latin American average of 56 percent. Many Chileans do not express satisfaction with the economic model that has produced the most growth by far in Latin America and has lowered poverty at a rate faster than any other country in the region. Furthermore, Chileans’ confidence in political parties is also low.

Chilean dissatisfaction with democracy in the face of many impressive results points to a paradox. When a democratic government succeeds at a series of tasks, this success generates new expectations and demands, and in some cases even new rights. Citizens may take for granted the successes of the recent past and demand new kinds of accomplishments and orientations.

Venezuelan president Hugo Chávez represents a contrasting example of a leader who has produced at best mediocre results for his country in social and economic terms and who presided over the systematic erosion of Venezuela’s democracy. Yet Chávez has garnered strong support among the poor and has prevailed in multiple elections. He won the 2006 presidential election in a landslide, with 63 percent of the vote. His attacks on the oligarchy, his identification with the poor and their identification with him, social programs aimed at the underprivileged (although poorly designed in terms of efficiency), and his personal charisma help to explain his electoral appeal.

Most poor voters in Venezuela believe that Chávez is democratic and committed to their cause. He has also obviously benefited enormously from surging oil prices; it is impossible to explain his popular support solely on the basis of cultural, symbolic, and personalistic appeals and social programs. Although he narrowly lost a December 2007 referendum (50.7 percent voted against it) that would have abolished term limits for the president, Chávez continues to enjoy considerable popularity among the poor. Other populist leaders in Latin America have likewise won widespread popular backing despite substandard governing performance; Juan Perón, president of Argentina in 1946–55 and 1973–74, is a prominent example.

Many theoretical approaches to politics assume that good government outcomes result in voter satisfaction. Morris Fiorina’s seminal work on retrospective voting, for example, posits that citizens vote on the basis of government performance. In contemporary Latin America, the relationship between successful democratic governance and popular support is less clear-cut. Remarkably, at the country level, better Freedom House scores and higher scores for the rule of law, control of corruption, and regulatory quality have no statistically significant impact (even at p<.10) on satisfaction with democracy.
Populist leaders can mobilize broad support and legitimacy despite poor performance. In a region characterized by so much poverty and inequality, it is easy to politicize the shortcomings and failures of even relatively successful governments. Conversely, citizens may not only view poorly performing governments as legitimate, but they may even vote to keep in office the leaders of these ineffective governments, as occurred with Chávez. Identity politics, expressive politics, and presidents’ personalistic appeals sometimes trump performance-based voting. Political outsiders can cultivate popular support by creating mechanisms that seem to empower hitherto marginalized people. The idea that the established system must radically change, even if this change does not bring about promised improvements in living conditions, may deeply resonate with poor people who have suffered indignities at the hands of the elite or of state bureaucrats.

The quality of democratic governance is important to citizens, but it is not all-important. Citizens understandably also care about other issues. And political leaders can use symbols and create leadership styles that win popular support, even in the absence of effective governance. Chávez has accomplished this feat masterfully.

The Combination Is the Key

Many factors combine to produce success or failure in democratic governance. Latin America’s recent experience leads to the conclusion that it is the specific combination of these factors, rather than discrete individual policies or specific formal institutions, that is important. Changing individual policies or formal institutions in an effort to reproduce successful cases therefore does not ensure success. Indeed, it can even lead to failure.

This conclusion runs contrary to the quest for policy prescriptions that can be generalized across cases, as envisioned by the “Washington consensus” in the late 1980s and early 1990s. We cannot recommend a certain approach or set of reforms for one country based simply on what has worked in another, or for that matter based on what has worked for a large number of countries (that is, based on quantitative results), and hope for success. Indeed, eighteen years after John Williamson published his influential work on the Washington consensus, the optimism that general policy prescriptions could pave the way toward success has faded.

Our emphasis on context specificity does not preclude the idea that some policies, practices, and institutions are more likely to foster success than others. In fact, we wonder whether, in some recent scholarly works, the pendulum has swung too far toward emphasizing context specificity. It would be a mistake to retreat completely from the idea that some policies are more apt to succeed than others. For example,
most of Williamson’s ten tenets of the Washington consensus remain sound policy principles today, especially if they are combined with his additional suggestions published thirteen years later.21 Success in democratic governance is not entirely idiosyncratic; certain policies and institutions do indeed have a greater chance of achieving the desired outcomes than others.

Recognizing that the path to success is context-dependent is compatible with arguing that some policies and institutions are more likely to produce success than others, or that successful democratic governance is not entirely context-dependent or idiosyncratic. We have argued, for example, that effective states and institutionalized party systems matter in promoting successful democratic governance. The past thirty years of efforts to build democracy and foster development suggest some broad lessons and orientations, even if the specific applicability of these broad orientations depends on context. A critical challenge for scholars and policy analysts is to discern what general lessons can be distilled about successful democratic governance and when such apparent lessons are resistant to facile generalization.

NOTES


6. See Pan American Health Organization (PAHO), Health Analysis and Statistics Unit, Regional Core Health Data Initiative; Technical Health Information System, Washington DC, 2007. The data for Bolivia and Peru defy credibility; the reported homicide rates are too low. This source gives no data for Honduras, known to have a high homicide rate, and for Haiti. Available at www.paho.org/English/SHA/coredata/tabulator/newSQLTabulador.asp.


13. Of course, high taxes can be a drag on economic growth. Many analysts believe that this is true in Brazil today.


