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INDUSTRIAL MODERNIZATION AND POLITICAL CHANGE: A Latin American Perspective

By DAVID COLLIER*

Guillermo A. O'Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*. Berkeley: Institute of International Studies, University of California, Berkeley, Politics of Modernization Series No. 9, 1973, 219 pp., \$3.25.

RESEARCH on modernization and political change is in a period of reorientation. A common criticism of the concept of modernization holds that it is analytically confused and is a value-laden projection of an idealized image of the United States onto the rest of the world.¹ Critics have also questioned some previously accepted hypotheses about the relation between economic and social modernization and the emergence of more stable, democratic political systems.² The belief that modernization leads to greater equality and to an improvement of the human condition has not fared much better.³ However, industrial-

* I acknowledge the helpful suggestions of Ruth Berins Collier, Benjamin Most, Louis Goodman, Abraham Lowenthal, Philippe Schmitter, Alfred Stepan, Robert Kaufman, Alfred Diamant, Jean Robinson, Lila Milutin, Peter Cleaves, and Richard Stryker, as well as the assistance of Jill Baker. This essay is part of a larger study of political change in Latin America, portions of which have been supported by National Science Foundation Grant No. SOC75-19990, the Social Science Research Council, and the Tinker Foundation.

¹ Reinhard Bendix, "Tradition and Modernity Reconsidered," *Comparative Studies in Society and History*, ix (April 1967), 292-346; Joseph R. Gusfield, "Tradition and Modernity: Misplaced Polarities in the Study of Social Change," *American Journal of Sociology*, Vol. 72 (January 1967), 351-62; C. S. Whitaker, "A Dysrhythmic Process of Political Change," *World Politics*, xix (January 1967), 190-217; Lloyd I. Rudolph and Susanne Hoeber Rudolph, *The Modernity of Tradition: Political Development in India* (Chicago: University of Chicago Press 1967); Robert Packenham, *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science* (Princeton: Princeton University Press 1973), chaps. 3 and 5; Dean C. Tipps, "Modernization Theory and the Comparative Study of Societies: A Critical Perspective," *Comparative Studies in Society and History*, xv (March 1973), 199-226. Although O'Donnell employs the term "modernization" as an overall label for the processes of economic and social change he analyzes, he focuses on clearly delimited empirical referents (see below) and explicitly dissociates his discussion from the normative biases associated with the term (p. 27).

² One of many examples of such criticism is found in Charles Tilly, "Reflections on the History of European State-Making," in Tilly, ed., *The Formation of National States in Western Europe* (Princeton: Princeton University Press 1975), 8-83.

³ A recent discussion of the failure of conventional approaches to modernization to achieve these goals is found in Mahbub ul Haq, *The Poverty Curtain* (New York: Columbia University Press 1976).

zation, urbanization, and the related processes often identified as aspects of modernization are occurring in much of the Third World. Many of the fundamental transformations taking place in these societies derive from the interaction between these processes and political change.

A valuable analysis of the linkages between political change and economic and social modernization appears in Guillermo O'Donnell's *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* and in his more recent essays.⁴ These works contribute to our understanding of why—far from leading to democracy and greater equality—higher levels of industrial modernization in Latin America coincide with new and in some cases exceptionally harsh forms of authoritarian rule, as well as a heightening rather than a reduction of inequality—most strikingly in contemporary Argentina, Brazil, Chile, and Uruguay.⁵

O'Donnell's analysis has received wide attention in the work of other scholars and has raised issues of great normative and analytic importance.⁶ The present article builds on the perspective gained since the

⁴ O'Donnell, "Reflexiones sobre las tendencias generales de cambio en el Estado burocrático-autoritario" Documento CEDES/G.E. CLASCO/No. 1, Centro de Estudios de Estado y Sociedad (Buenos Aires 1975), English trans. in *Latin American Research Review*, XIII, No. 3 (1977); "Estado y alianzas en la Argentina, 1956-1976," *Desarrollo Económico*, XVI (January-March 1977), 523-54; "Corporatism and the Question of the State," in James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press 1977), 47-88. See also O'Donnell, "Modernización y golpes militares: Teoría, comparación, y el caso Argentino," *Desarrollo Económico*, XII (October-December 1972), 519-66, English trans. in Abraham F. Lowenthal, ed., *Armies and Politics in Latin America* (New York: Holmes and Meier 1976).

O'Donnell's historical argument resembles that presented in a substantial literature on the "populist" and "post-populist" periods in Latin America, perhaps most importantly in the path-breaking work by Fernando Henrique Cardoso and Enzo Faletto, *Dependencia y desarrollo en America Latina* (Mexico City: Siglo Veintiuno Editores 1969). O'Donnell's innovations in relation to this broader literature include his presentation of a highly detailed and elaborately conceptualized political analysis; his attempt to organize the argument into systematic propositions; his attempt to move toward greater theoretical parsimony by devoting close attention to a small number of critical variables; and his elaborate critique of existing modernization theory and detailed discussion of how the types of comparative analysis commonly employed in tests of modernization theory must be modified if they are to deal meaningfully with the new theoretical perspectives emerging from the research on Latin America.

⁵ In *Modernization*, O'Donnell explicitly restricts the analysis to South American countries (viii-ix); but in "Reflexiones" (fn. 4) he adds Mexico to the analysis (44-53), thereby implicitly broadening his framework to include all of Latin America. Following the emphasis of this more recent study, the present discussion treats his work as applying to Latin America as a whole.

⁶ See Mario S. Broderson, "Sobre 'Modernización y Autoritarismo' y el estancamiento inflacionario argentino," *Desarrollo Económico*, XIII (October-December 1973), 591-605; Juan J. Linz, "Totalitarianism and Authoritarian Regimes," in Fred Greenstein and Nelson Polsby, eds., *Handbook of Political Science*, III, *Macro-Political Theory* (Reading, Mass.: Addison-Wesley 1975); Robert R. Kaufman, "Notes on the Definition, Genesis, and Consolidation of Bureaucratic-Authoritarian Regimes (unpub., Depart

publication of his initial book; it will summarize O'Donnell's analysis of modernization and political change, examine a series of problems posed by his analysis, and suggest how one might begin to resolve these problems.

THE BASIC ARGUMENT

O'Donnell first considers the problems posed by the thesis that economic and social modernization lead to democracy.⁷ He suggests that the type of industrial modernization occurring in Latin America tends, in fact, to be associated with new forms of authoritarian rule. In order to analyze this pattern, he proposes a major refocusing of research on modernization and political change.

ment of Political Science, Douglass College, 1975), and "Mexico and Latin American Authoritarianism," in José Luis Reyna and Richard S. Weinert, eds., *Authoritarianism in Mexico* (Philadelphia: Institute for the Study of Human Issues 1977), 193-232; Susan Kaufman Purcell, *The Mexican Profit-Sharing Decision: Politics in an Authoritarian Regime* (Berkeley and Los Angeles: University of California Press 1975), chap. 1; William C. Smith, "The Armed Forces and the Authoritarian-Bureaucratic State in Argentina," paper presented at the Inter-University Seminar on the Armed Forces and Society (Tempe, Arizona 1976); Kenneth P. Erickson and Patrick V. Peppe, "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil," *Latin American Perspectives*, III, (Winter 1976), 19-44; Collier, "Timing of Economic Growth and Regime Characteristics in Latin America," *Comparative Politics*, VII (April 1975), 331-59, and *Squatters and Oligarchs: Authoritarian Rule and Policy Change in Peru* (Baltimore: The Johns Hopkins University Press 1976); James M. Malloy, "Authoritarianism and Corporatism in Latin America: The Modal Pattern," in Malloy (fn. 4), 3-19; David Collier and Ruth B. Collier, "Who Does What, to Whom, and How: Toward a Comparative Analysis of Latin American Corporatism," *ibid.*, 489-512; Silvio Duncan Baretta and Helen E. Douglass, "Authoritarianism and Corporatism in Latin America: A Review Essay," *ibid.*, 513-524; Alfred Stepan, *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press 1978), chap. 3; and three papers presented at the meeting of the Working Group on the State and Public Policy of the Joint Committee on Latin America Studies (SSRC/ACLS) in February 1977: Albert O. Hirschman, "The Turn to Authoritarianism in Latin America and the Search for its Economic Determinants"; José Serra, "Three Mistaken Theses on the Connection between Industrialization and Authoritarian Regimes"; Robert R. Kaufman, "Industrial Change and Authoritarian Rule in South America: A Concrete Review of the Bureaucratic-Authoritarian Model." An example of the application of this perspective to East Asian politics can be found in Sungjoo Han, "Power, Dependency, and Representation in South Korea," paper presented at the Annual Meeting of the American Political Science Association (Washington, D.C. 1977).

⁷ This thesis has, of course, played a central role in earlier research on political change. Within the large literature dealing with this relationship, three crucial initial studies are Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review*, Vol. 53 (March 1959), 69-105; James S. Coleman, "Conclusion: The Political Systems of the Developing Areas," in Gabriel A. Almond and James S. Coleman, eds., *The Politics of the Developing Areas* (Princeton: Princeton University Press 1960); and Phillips Cutright, "National Political Development: Measurement and Analysis," *American Sociological Review*, XXVII (April 1963), 253-64.

NATIONAL POLITICAL CHANGE

O'Donnell's analysis of national political change can be summarized in terms of three distinct dimensions: regime, coalition, and policy. He implicitly focuses on the structure of the national political *regime* (including freedom of electoral competition, freedom of interest associations, and level of repression); the class and sectoral composition of the dominant political *coalition*; and certain crucial public *policies* (particularly as they relate to the distribution of resources among different classes and sectors of the economy). O'Donnell thus combines a concern for political structure with a concern for who governs and who benefits. From these three dimensions he derives a central distinction regarding whether the system is "incorporating" or "excluding"—whether it "purposely seeks to activate the popular sector [i.e., the working class and lower middle class] and to allow it some voice in national politics," or whether it deliberately excludes a previously activated popular sector from the national political arena (pp. 53 and 55).

O'Donnell identifies three recurring "constellations" (p. 68) in which different patterns of regime, coalition, and policy have appeared in Latin America. On the basis of these constellations, he describes three types of political systems that he sees as representing a historical sequence (Chapter 2).

1. *Oligarchic*.⁸ The scope of political competition is limited. The elite of the primary-product export sector (based on minerals and agricultural products) dominates the state and orients public policy around its needs. Oligarchic systems are neither incorporating nor excluding, because the popular sector has not yet become politically activated (pp. 112 and 114).

2. *Populist*. Although there is considerable variation in the degree to which populist systems are competitive and democratic, they are clearly "incorporating." They are based on a multi-class coalition of urban-industrial interests, including industrial elites and the urban popular sector. Economic nationalism is a common feature of such systems. The state promotes the initial phase of industrialization, which is oriented around consumer goods. It does so both directly, through support for domestic industry, and indirectly, through encouraging the expansion of the domestic market for consumer goods by increasing the in-

⁸ In *Modernization*, O'Donnell refers to these as "traditional" systems (112 and 114). However, this usage could lead to the incorrect conclusion that his analysis is oriented around the widely criticized distinction between tradition and modernity (see fn. 1). The expression "oligarchic" corresponds to the standard usage of Latin American scholars who refer to the period of the "oligarchic state." In "Corporatism (fn. 4), O'Donnell refers to the period of "oligarchic domination" (p. 66).

come of the popular sector (p. 57). O'Donnell devotes particular attention to two widely discussed examples of populism—the governments of Vargas in Brazil (1930–1945 and 1950–1954) and of Perón in Argentina (1946–1955).

3. *Bureaucratic-authoritarian*. Central actors in these systems, which are “excluding” and emphatically non-democratic, include high-level technocrats—military and civilian, within and outside the state—working in close association with foreign capital. This new elite eliminates electoral competition and controls the political participation of the popular sector. Public policy is centrally concerned with promoting advanced industrialization. The cases of bureaucratic-authoritarianism considered by O'Donnell are the post-1964 period in Brazil, 1966–1970 and post-1976 Argentina, the post-1973 period in Chile and Uruguay, and contemporary Mexico.⁹ Important examples from other regions include the late Franco period in Spain and the authoritarian systems that emerged in several Eastern European countries between the two World Wars.¹⁰ O'Donnell emphasizes that bureaucratic-authoritarianism should not be confused with German and Italian Fascism, which he sees as a different political configuration that emerges in a different economic and social context.¹¹

ECONOMIC AND SOCIAL CHANGE

O'Donnell attempts to explain the transitions from one system to another, particularly to bureaucratic-authoritarianism, and explores the dynamics of bureaucratic-authoritarianism. He argues that these political transformations derive from the social and political tensions produced by industrialization and by changes in social structure at both the elite and the mass level. He sees these socioeconomic changes as linked to the growth of the *absolute* size of the modern sector, rather than to the *per capita* level of modernization which was emphasized in many of the earlier comparative studies (pp. 16ff.).¹² The focus on absolute size locates large countries with low per capita levels of modernization—such as Brazil and Mexico—among the highly modernized countries of Latin America, and thus provides a new perspective for explaining their political evolution.

The dialectical interplay among three crucial aspects of socioeconomic modernization receives O'Donnell's particular attention. These aspects are: (1) industrialization, particularly the initial transition to the pro-

⁹ *Modernization*, chaps. 2 and 3; “Reflexiones” (fn. 4), 6; “Estado y alianzas” (fn. 4), 1.

¹⁰ *Modernization*, 92–93; “Reflexiones” (fn. 4), 51.

¹¹ *Ibid.*, 50.

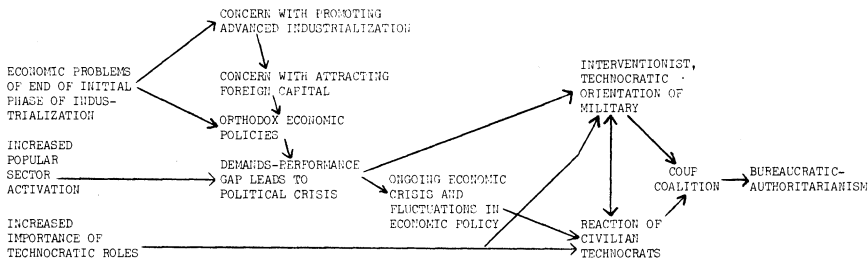
¹² For instance, all of the studies cited in fn. 7 use per capita indicators.

duction of consumer goods and the subsequent "deepening" of industrialization to include production of intermediate and capital goods (pp. 37 ff. and chapter 2); (2) increased political activation of the popular sector (pp. 74 ff.); and (3) growth of "technocratic" occupational roles in public and private bureaucracies (pp. 79 ff.).

1. *Industrialization.* O'Donnell suggests that different phases of industrialization are linked to political change partly because they involve changing economic payoffs to different classes. The transition to the initial phase of production of consumer goods is associated with the transition from an oligarchic to a populist system. Domestically owned enterprises, often with the aid of substantial tariff protection and other forms of state subsidy, begin to produce for an existing local market that has previously been supplied by imported goods. Tariff protection reduces the pressure to be internationally competitive; the leeway enjoyed by economic and political elites regarding wage policy and other benefits to the workers may therefore be fairly large. This leeway, combined with the interest of industrialists in expanding working-class income in order to enlarge the domestic market for consumer goods, creates the opportunity for an "incorporating," populist coalition. In exchange for their political support, workers receive important material benefits and the regime's backing of labor unions. The position of industrialists in relation to the previously dominant export elite is thereby strengthened. From his initial examination of the emergence of populism in Argentina and Brazil, O'Donnell generalizes his findings by noting a broad tendency toward more open, competitive political systems at the intermediate level of industrial modernization in Latin America (pp. 113-14).

According to O'Donnell, bureaucratic-authoritarianism derives from a complex set of reactions to the problems that emerge with the completion of the consumer-goods phase of industrialization. Once the domestic market for simple manufactured products is satisfied, opportunities for industrial expansion become considerably more limited. In addition, the high cost of importing the intermediate goods and capital equipment needed for the production of consumer goods creates or increases deficits in the balance of payments, foreign indebtedness, and inflation. These problems lead to a zero-sum economic situation which undermines the multi-class character of the earlier coalition. At this point, policy-making elites commonly attempt to shift to more austere, "orthodox" developmental policies that de-emphasize distribution to the popular sector (see Figure 1). They seek a long-term solution in the "deepening" of industrialization through domestic manufacture of

FIGURE I



SELECTED ELEMENTS OF O'DONNELL'S ARGUMENT CONCERNING
THE EMERGENCE OF BUREAUCRATIC-AUTHORITARIANISM

intermediate and capital goods. The levels of technology, managerial expertise, and capital needed to sustain growth in this phase require that the smaller, less efficient producers of the initial phase of industrialization be superseded by much larger, more efficient, highly capitalized enterprises—often the affiliates of multinational corporations. Concern with attracting this type of foreign investment also encourages the adoption of orthodox economic policies designed to deal with the economic crisis and to create conditions of long-term economic stability that meet the often exacting requirements imposed by multinational corporations and international lending agencies.¹³

2. *Activation of the popular sector.* The increasing political activation of the popular sector resulting from its growing numerical and economic importance complements the orientation of the populist coalition; in fact, it was encouraged through public policies supported by this coalition. However, the increasingly powerful popular sector is likely to challenge the orthodox economic policies that emerge after the completion of the first phase of industrialization. The result is a gap between demands and performance, widespread strikes, a stalemate of the party system, and a severe political and economic crisis (pp. 70 ff). The popular sector is in some cases strong enough to bring about a temporary return to the policies of the earlier populist period; therefore, populist and orthodox developmental policies may follow each other in rapid succession as the economic crisis continues.

3. *Technocratic roles.* Higher levels of social differentiation which accompany industrialization also greatly enlarge the role of technocrats in society—both in the private sector and in the civilian and military bureaucracies of the public sector. The technocrats have a low level of tolerance for the ongoing political and economic crisis; they perceive

¹³ "Reflexiones" (fn. 4), *passim*.

high levels of politicization of the popular sector as an obstacle to economic growth. The increased community of interests among the technocrats, and their growing frustration with existing political and economic conditions, encourages the emergence of a "coup coalition" that ultimately establishes a repressive "bureaucratic-authoritarian" system in order to end the political and economic crisis. Such a coalition may be reinforced by the appearance within the military of what has been called a "new professionalism," oriented toward active military intervention in political, economic, and social life.¹⁴

EMERGENCE AND EVOLUTION OF BUREAUCRATIC-AUTHORITARIANISM

O'Donnell argues that such crises have played a central role in the emergence of bureaucratic-authoritarianism in most of the advanced countries of Latin America: Brazil in 1964, Argentina in 1966 and 1976, and Chile and Uruguay in 1973. In addition, he identifies an alternative path to bureaucratic-authoritarianism, as exemplified by Mexico, where the end of the initial phase of industrialization occurred within the context of firmly established authoritarian control. The transition to bureaucratic-authoritarianism therefore took place with much greater continuity of political institutions.¹⁵

Bureaucratic-authoritarianism varies over time and across countries. The internal tensions produced by the effort to create political and economic conditions conducive to renewed foreign investment are an important source of these variations. A preoccupation with orienting industrial expansion around foreign and state investment leads to a "denationalization" of the coalition that supports the state, in that the principal economic "class" that sustains the state is foreign capital. Such denationalization becomes difficult to sustain over a period of time. Opposition eventually emerges from groups that may initially have supported the coup coalition—including national entrepreneurs and elements of the middle class—who suffer from the orthodox economic policies and from the emphasis on foreign investments. The result is pressure for a transformation from the coalitional "duo" (the state and foreign capital) to a "trio" in which national entrepreneurs once again play a larger role.¹⁶

The way this transition occurs, O'Donnell suggests, is crucial in influencing the success of these systems in their own terms; he cites the contrast between the post-1964 Brazilian experience and that of post-1966

¹⁴ Alfred Stepan, "The New Professionalism of Internal Warfare and Military Role Expansion," in Stepan, ed., *Authoritarian Brazil: Origins, Policies, and Future* (New Haven: Yale University Press 1973), 46-63; see also *Modernization*, 154 ff.

¹⁵ *Modernization*, 95, fn. 77; "Reflexiones" (fn. 4), 45 ff. ¹⁶ *Ibid.*, 31 ff.

Argentina. Where the pre-coup crises are fairly intense and the new technocratic coalition perceives these crises as a major threat to the established order, as was the case in Brazil, the new coalition is more cohesive and better able to maintain political control in the face of internal pressures. An enlarged role for national entrepreneurs eventually emerges, but only after the long-term guarantee of political and economic stability has insured large infusions of foreign capital.

By contrast, the immediate pre-coup crisis was less severe in Argentina in the 1960's than in Brazil, and the perception of threat was more limited. Elite cohesion after the coup was consequently not sufficient to resist pressure from the popular sector and other groups within the society. The result was a collapse of bureaucratic-authoritarianism, a re-emergence of a populist-type coalition of disaffected groups, renewed economic and political crisis, and failure to sustain growth and attract foreign investment on a long-term basis.¹⁷ The case of Chile suggests that levels of pre-coup crisis even higher than those experienced in Brazil may not further enhance the likelihood of success: the crisis was so intense, the economic disruption so severe, and the post-coup repression so violent that, for a substantial period, the government had difficulty in attracting foreign investment in spite of extreme economic orthodoxy.

With regard to other Latin American countries that may face crises of advanced industrialization, O'Donnell urges caution in assuming that earlier patterns will recur (pp. 110-11). First, the context of modernization for later modernizers within Latin America may be different. Second, special economic or political resources may be available, such as oil revenues in Venezuela or special patterns of party competition in Colombia. It may therefore be possible to avoid the political transformations that occurred in the countries that achieved advanced industrialization earlier. Third, through purposive political action, leaders may find alternative political solutions to the problems and crises of advanced industrialization. O'Donnell suggests that there is thus not just an "affinity" between industrial modernization and bureaucratic-authoritarianism but, borrowing a phrase from Weber, an "elective affinity" (pp. viii and 196).

ASSESSING THE ARGUMENT

O'Donnell has sought to develop a new approach (pp. vii and 110) to analyzing the dramatic political transformations that have recently

¹⁷ *Ibid.*, 36 ff.

occurred in Latin America. He has succeeded, and his approach therefore deserves careful assessment.

CLASSIFICATION OF POLITICAL SYSTEMS

The categories in O'Donnell's classification can be employed in a generic way to refer to the broad topics he is studying. However, they serve poorly for comparative analysis. The definition of each category involves so many traits that similarities and differences that are crucial to understanding the cases he wishes to explain fail to come into sharp focus.¹⁸ They become clearer if one disaggregates the concepts and looks separately at issues of regime, coalition, and policy.

For example, the broad concept of bureaucratic-authoritarianism fails to capture similarities and differences among the industrially more advanced countries of Latin America that are important to O'Donnell's analysis. The crucial role of the popular sector in supporting the contemporary Mexican system may make it misleading to classify Mexico as "excluding" and bureaucratic-authoritarian. The relationship between the state and the popular sector in Brazil may reasonably be described as involving "state corporatism"; in Chile and Uruguay, that relationship more nearly involves pure repression.¹⁹ Electoral competition is severely limited in Brazil and Mexico, but the use of elections in these countries reflects an approach to the problem of legitimating authoritarian rule that is different from the one that exists in contemporary Chile or Uruguay. This use of elections also points to an element of similarity between Mexico and Brazil and the nonbureaucratic-authoritarian experience of Colombia and Venezuela, which have also recently gone through periods of semi-competitive elections.²⁰

¹⁸ The underlying problem with O'Donnell's classification may be summarized in terms of the traditional criteria for evaluating classifications, namely, whether the categories are collectively exhaustive and mutually exclusive. The categories are not collectively exhaustive. Many, if not most, of the periods during which well-defined patterns of regime, coalition, and policy have been established in different Latin American countries, do not fit exactly into any of the three categories as defined. In addition, at least coalition and policy, and in some cases also regime, are highly fluid in many periods. These cases also do not fit the categories. As defined, the categories appear to be mutually exclusive. But because each category has so many defining characteristics, few cases fit the categories exactly. Cases assigned to different categories therefore may not always differ in terms of all of the defining characteristics, and cases in the same category may not be similar in terms of important defining characteristics.

¹⁹ With reference to Mexico, see Purcell (fn. 6), chap. 1. Regarding the other cases, see Ruth B. Collier and David Collier, "Inducements versus Constraints: Disaggregating 'Corporatism,'" (unpub., Department of Political Science, Indiana University 1977).

²⁰ See Daniel Levine, "The Role of Political Learning in the Restoration and Consolidation of Democracy: Venezuela since 1958," and Alexander W. Wilde, "The Breakdown of Oligarchical Democracy in Colombia," both forthcoming in Juan J. Linz and Alfred Stepan, eds., *The Breakdown of Democratic Regimes* (Baltimore: The Johns Hopkins Press 1978).

O'Donnell's categories may lead to an exaggeration of the degree to which the interrelated components of regime, policy, and coalition change with a bureaucratic-authoritarian coup. In Brazil in 1964 and in Argentina in 1966, important changes in regime helped bring into power political coalitions many elements of which had held power previously. These coalitions reinstituted many of the policies that had been tried before.²¹ By contrast, a striking characteristic of Mexico is its capacity to undertake a major shift to the right in economic policy without a change in regime, as occurred after December 1976, following the inauguration of Lopez Portillo.

O'Donnell's use of the expression "bureaucratic-authoritarian" implies, but does not demonstrate, that systems so designated differ profoundly from all others in Latin American political history. But governments that have to varying degrees excluded a previously activated popular sector, pursued orthodox economic policies, held some degree of technocratic orientation, actively sought foreign capital, and, at least to some extent, promoted the production of intermediate and capital goods, have appeared at various levels of industrial modernization.²² Fundamental differences may exist between the cases at lower levels of industrialization which have these traits and the more recent cases on which O'Donnell's analysis concentrates, but these differences do not come clearly into focus in the classification. In one version, O'Donnell adds to the definition the requirement that bureaucratic-authoritarian systems occur in the advanced phase of the "deepening" of industrialization.²³ Rather than resolve the difficulty, however, this

²¹ O'Donnell refers briefly to these elements of continuity (64-65). For a detailed discussion of this type of continuity with respect to Argentina, see Benjamin Most, "Changing Authoritarian Systems: An Assessment of their Impact on Public Policies in Argentina, 1930-1970," Ph.D. diss. (Indiana University 1978), chap. 3.

²² One of the contexts in which earlier exclusionary governments have appeared is in countries such as Peru and Bolivia, where the extraction or production of minerals and agricultural products for export has occurred in isolated "enclaves" of highly capitalized, mechanized, modern economic activity. The concentrations of workers in these enclaves produced a very early and intense political activation of organized labor that was a central element in major episodes of incorporating policies and populist-type coalitions. In turn, they set in motion ongoing cycles of incorporation and exclusion at a time when these countries were at relatively low levels of industrialization—indeed, much lower than one would expect on the basis of O'Donnell's discussion of populism. For a discussion of the enclave pattern in Peru, see Peter F. Klaren, *Modernization, Dislocation, and Aprismo: Origins of the Peruvian Aprista Party* (Austin: University of Texas Press 1973). I discuss the cycles of incorporation and exclusion in *Squatters and Oligarchs* (fn. 6). With reference to Bolivia, see Herbert S. Klein, *Parties and Political Change in Bolivia, 1880-1952* (Cambridge: Cambridge University Press 1969). For a discussion of the role of technocratic orientations and the concern with intermediate and capital-goods industries in what is generally considered to be a populist period in Brazil—the Vargas Government of 1930-1945—see Thomas Skidmore, *Politics in Brazil, 1930-1964: An Experiment in Democracy* (London: Oxford University Press 1967), chap. 1.

²³ "Reflexiones" (fn. 4), 6.

makes his principal causal argument true by definition, and not subject to demonstration.

O'Donnell's description of populism also poses problems. Because his study is primarily concerned with explaining bureaucratic-authoritarianism, the discussion of populism should have two primary goals: first, to highlight the ways in which bureaucratic-authoritarianism is new and distinctive by contrasting it with an earlier type of system that is purportedly quite different; and second, to illuminate the origins of the "agenda of salient social problems and developmental bottlenecks" (p. 79) contributing to the emergence of bureaucratic-authoritarianism. Because the experience with populism has varied so greatly among countries, problems arise regarding both goals.

The contrast between populism and bureaucratic-authoritarianism is in some cases considerably less dramatic than O'Donnell implies. Populism does not necessarily involve a "broad coalition" with "no source of fundamental conflict" among its members (pp. 56 and 59); often, it rests upon a narrow, fragile, unstable coalition. In many cases, the popular sector and the industrial elites are not in the coalition at the same time.²⁴ "Incorporating" periods are commonly brief, and "excluding" periods often follow quickly.²⁵ In some instances, the initiative for the coalition has come from military or civilian technocrats identified with bureaucratic-authoritarianism in O'Donnell's classification. In others, such as that of Brazil, there has been a concern with promoting not just the production of consumer goods, but also of intermediate and capital goods, particularly those related to military security.²⁶ In many instances, it is not clear that the governing elites have made a conscious effort to extend benefits to the popular sector as a means of expanding the domestic market; and in at least one case the initial phase of industrialization coincided with a steady decline in the workers' incomes.²⁷

²⁴ Eldon Kenworthy's "Did the 'New Industrialists' Play a Significant Role in the Formation of Perón's Coalition, 1943-46?" in Alberto Ciria and others, *New Perspectives on Modern Argentina* (Bloomington: Indiana University, Latin American Studies Working Papers, 1972), 15-28, raises serious questions about the role of industrialists in the original Peronist coalition. Another case in point is the split in the Liberal Party in Colombia in the 1930's and 1940's in opposition to populist "Revolución en Marcha." See John D. Martz, *Colombia: A Contemporary Political Survey* (Chapel Hill: University of North Carolina Press 1962), chap. 3; Robert H. Dix, *Colombia: The Political Dimensions of Change* (New Haven: Yale University Press 1967), chap. 4.

²⁵ The tendency for a rapid shift from incorporation to exclusion comes out clearly in the "enclave" cases noted in fn. 22.

²⁶ These themes emerge in the discussion of the first Vargas period in Skidmore (fn. 22), chap. 1. They also appear to be crucial elements in the orientation of a number of the officers who led the 1943 coup in Argentina which initially brought Perón into the government; see Robert Potash, *The Army and Politics in Argentina, 1928-1945* (Stanford: Stanford University Press 1969).

²⁷ For evidence of the decline in real wages in Mexico in the 1940's—a decade com-

The cases O'Donnell classifies as populist and bureaucratic-authoritarian appear to be quite different, but the degree and nature of this difference should be objects of continuing analysis, rather than built into the definition of the principal concepts.

The diversity of "social problems and developmental bottlenecks" that is the legacy of populism is also notable. The pattern of industrialization presumably encouraged by populist governments—involving a subsidy of industry through the extraction of resources from the export sector—is seen by many analysts as leading to serious economic difficulties and as debilitating rather than strengthening the national economy.²⁸ Yet the degree to which this occurred has varied widely among countries. In Argentina, this pattern was followed closely, with a consequent weakening of principal sources of foreign exchange. It may be argued that in Mexico and Colombia a different pattern of sectoral clashes produced more nearly balanced growth.²⁹

Political differences in the populist experience are also important. The intensity of populist episodes and the degree to which populist movements are tied to institutionalized political parties have major implications for control of the popular sector in later periods.³⁰ Such differences led to the emergence of a particularly well-developed system of control in Mexico and of a relatively weak system of control in Argentina. Other political differences are suggested by the experience of Colombia and Venezuela, where the polarization associated with populism became most intense in the 1940's. A period of harshly repressive authoritarian rule followed, after which the principal civilian political parties chose to limit party competition and thereby to avoid future polarization.³¹ Colombia and Venezuela thus entered the 1960's having already experimented with norms for limiting the political expression of the popular sector within a democratic framework. Their experience with populism may therefore have put them twenty years "ahead" of

monly identified as a crucial early phase of industrial expansion—see James W. Wilkie, *The Mexican Revolution: Federal Expenditure and Social Change since 1910* (Berkeley and Los Angeles: University of California Press 1967), 187.

²⁸ For an overview of this issue, see Werner Baer, "Import-Substitution and Industrialization in Latin America: Experiences and Interpretations," *Latin American Research Review*, vii (Spring 1972), 95-122.

²⁹ See, for instance, Kaufman, in Reyna and Weinert (fn. 6). For an interesting discussion of the pattern of more nearly balanced growth in Colombia, see Carlos F. Díaz-Alejandro, *Foreign Trade Regimes and Economic Development: Colombia* (New York: National Bureau of Economic Research 1976).

³⁰ For a discussion of these issues, see Kaufman, in Reyna and Weinert (fn. 6); Marcelo Cavarozzi, "Populismos y 'partidos de clase media': Notas comparativas," Documento CEDES/G.E. CLACSO/No. 3, Centro de Estudios de Estado y Sociedad (Buenos Aires 1976).

³¹ See Levine, Wilde (both fn. 20).

Brazil, Uruguay, Argentina, and Chile; it is possible that the present period of harsh military rule in the latter four countries may likewise be followed, in the 1980's, by the establishment of some comparable "consociational" formula among the principal civilian parties.

In order to deal adequately with these variegated features of bureaucratic-authoritarianism and populism, it is essential to carry out much of the analysis at a disaggregated level. The issues of regime, coalition, and policy should be considered separately. One may find sharp discontinuities, gradual change, or no change at all in any one component. Disaggregation would not neglect the idea that these components appear in certain recurring constellations. Rather, the constellations could be treated as more variegated than the three-fold classification suggests. The use of this method in the comparative analysis of a number of cases would not require more information than is needed for O'Donnell's original categories. The information would simply be presented differently.

A disaggregated approach would, for example, obviate debates about whether contemporary Mexico really fits into the bureaucratic-authoritarian category. It would underscore both the similarities and the differences between Mexico and other "advanced" countries. It would focus on the way in which the transition in Argentina in 1966 differed from those in other countries. It would place Venezuela and Colombia in clearer perspective by facilitating an assessment of differences *and* similarities between them and the cases O'Donnell places in the bureaucratic-authoritarian category. It would also facilitate the analysis of the differences among the populist systems that have appeared in Latin America.

EXPLANATION

O'Donnell's central contribution is his attempt to explain why highly repressive, authoritarian governments have recently appeared in the most advanced countries of Latin America. Yet his explanation is in a preliminary phase of development, as he clearly emphasizes (p. viii). His complex argument links the emergence of such systems to industrialization and changes in social structure; it shows that in a general way, similar crises have occurred in the cases considered. There is, however, no systematic demonstration of the degree to which these changes in industry and social structure constitute a sufficient, or even a necessary, condition for the political transformations. O'Donnell does not account for striking differences in the timing of bureaucratic-authoritarianism in relation to industrial and social change.³² And he does not provide

³² For instance, the 1966 coup in Argentina came extremely late in relation to the

a systematic analysis of what may be a series of additional necessary conditions for its emergence—such as the Cuban revolution, as well as changes in the international economic system that are external to Latin America.

Although O'Donnell argues forcefully that problems of foreign indebtedness, balance of payments, and inflation are the result of the end of the initial phase of industrialization, other explanations exist. In some cases, for instance Argentina, the end of the export boom that provided the resource base for the populist period may be a partial cause.³³

Problems may also arise with the argument that bureaucratic-authoritarianism responds to the specific requirements of the “deepening” of industrialization to include the production of intermediate and capital goods. The transition to the production of consumer durables or to the export of manufactured goods may be equally significant. To the extent that these are important, a distinct set of arguments that are parallel to O'Donnell's analysis may be advanced regarding the need for changes in the scale of production, ownership of production capital, and distribution of income.³⁴

Other supplementary, or possibly rival, explanations of bureaucratic-authoritarianism are political rather than economic. The argument concerning the varied legacy from the populist period of activation of the popular sector has already been mentioned. In addition, the major increases in public spending that often occur in populist periods may be an important cause of the crises that precede bureaucratic-authoritarianism. Albert Hirschman has suggested that populist leaders who promote these spending policies may be considered “victims of the delusions of economic invulnerability” encouraged by the rapid industrial expansion of the initial phase of industrialization.³⁵ This political explanation can also be formulated without reference to the idea of an initial, “easy” phase of industrial expansion. Where populism was triggered not by industrialization but by an export boom in primary prod-

completion of the consumer-goods phase of industrialization, whereas Uruguay is at a relatively low level of industrial modernization in terms of many of O'Donnell's own indicators of the absolute size of the modern sector—a level roughly comparable to that of Ecuador (chap. 1).

³³ Probably the most conspicuous example is the first Perón government in Argentina. For relevant data on export trends in Argentina, see Carlos Diaz-Alejandro, *Essays on the Economic History of the Argentine Republic* (New Haven: Yale University Press 1970).

³⁴ For an excellent discussion of some of these issues, see Kaufman, “Industrial Change and Authoritarian Rule in South America” (fn. 6).

³⁵ Hirschman, “The Political Economy of Import-Substituting Industrialization in Latin America,” in Hirschman, ed., *A Bias for Hope* (New Haven: Yale University Press 1971), 100.

ucts, this "delusion of economic invulnerability" may simply have been caused by the sharp increase in export revenues.

The argument about technocratic roles also requires scrutiny. Whereas O'Donnell's book emphasizes the causal importance of the technocratic roles themselves, one of his more recent analyses pays greater attention to the idea that the international business and financial community in important ways imposes the norms employed by technocrats in selecting developmental policies.³⁶ This new emphasis raises important questions: To what extent is the spread of technocratic roles important in itself, and to what extent are technocrats merely intermediaries who transmit a particular political and ideological definition of what is permitted and what is not permitted? Although O'Donnell's initial discussion of technocratic roles appears to involve an innovative treatment of a "micro" variable commonly used in North American theories of modernization, his subsequent analysis implicitly raises the question of whether these roles have any explanatory content apart from that which is situationally defined in a very immediate sense.

Three factors in the international system deserve more detailed attention: intervention by the United States, the Cuban revolution, and changes in foreign investment. It is not an innovation to suggest that these are important forces in Latin American political life; but O'Donnell has failed to incorporate them systematically in his argument about the interaction between industrialization and political change.

Intervention by the United States relates in part to the period immediately prior to the emergence of bureaucratic-authoritarianism. In Chile, Brazil, and Uruguay, radical populist or socialist movements attempted to shift the political system to the left, as a different means of dealing with the economic crisis. These attempts failed, and there is substantial evidence that the United States played a role in contributing to the failures. On a broader level, increasingly thorough documentation of U.S. intervention over the past several decades—both public and private, direct and indirect—reveals a sustained effort to weaken the left in a number of countries.³⁷ The degree of importance of U.S. intervention as a necessary condition, a "supportive" condition, or a condition of only marginal relevance for the failure of these moves to the left—and for the fact that some countries did not even attempt a move to the left—needs to be determined.

³⁶ "Reflexiones" (fn. 4), passim.

³⁷ For a valuable study that provides useful documentation of U.S. intervention over several decades in Chile and Brazil and uses elements of O'Donnell's analysis, see Kenneth P. Erickson and Patrick V. Peppe, "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil," *Latin American Perspectives*, III (Winter 1976), 19-44.

Indirectly, the Cuban revolution may have been an additional necessary condition for the emergence of bureaucratic-authoritarianism in Latin America. Although O'Donnell notes Cuba's impact on domestic coalitional patterns (p. 72), he does not explicitly analyze its causal importance. The short- and medium-term effects on countries adjacent to those where the most important revolutions in modern history have occurred have often been counterrevolutionary rather than revolutionary. Thus, the present period of right-wing military rule in Latin America may involve the working-out of the counterrevolutionary implications of the Cuban revolution in a regional setting where a "second Cuba" is unacceptable to the United States, as well as to the center and right within Latin American countries themselves. The reaction of the United States played a critical part, both through intensifying the intervention noted above and through its support for the new technocratic, interventionist orientation within the Latin American military.

The changing role of foreign capital in Latin American industrialization may have been as much a result of changes in international investment that were external to the region as of the internal requirements of industrialization. In the 1950's and 1960's, international capital sought new outlets for investment in the Third World. It was a period of major increases in foreign investment in a number of Latin American countries at a variety of levels of industrialization. External "pressure for new investment"³⁸ and other changes in the international economic system may have pushed industrial expansion in directions not determined by the internal characteristics of Latin American industrialization.

A final problem concerns the unity of the argument. As O'Donnell extends his analysis beyond Argentina and Brazil to include more countries and the recent evolution of the initial two, he adds further explanations to account for the additional cases; but he does not fully incorporate these new explanations into his larger model. As a result, the model has lost its unity, and O'Donnell has lost the advantage of the larger comparative perspective to gain further insights into Argentina and Brazil.

A REVISED, UNIFIED ARGUMENT

How can these multiple problems be resolved? Sorting out the economic, social, and political factors that produced the crises of the 1960's

³⁸ Cardoso and Faletto (fn. 4), 140-41. An important assessment of these various external factors that have shaped Latin American authoritarianism is currently being carried out through a collaborative research project supported by the Joint Committee of Latin American Studies (SSRC/ACLS) and directed by Richard Fagen of Stanford University.

and 1970's will obviously require a great deal of additional research, involving both country studies and broader comparative analyses. In the meantime, some progress can be made in refining the argument by simply assuming the existence of a larger context of economic and political crisis and focusing on certain conditions that may have affected the intensity of the crisis and the political response to it in particular countries.

The problem regarding the unity of the argument in fact provides an opportunity to use O'Donnell's building blocks to construct a more unified model. The emergence of bureaucratic-authoritarianism and its initial consolidation can be treated in a single argument. Colombia, Venezuela, and Mexico are not special cases peripheral to the model. Rather, the explanations advanced to deal with these cases suggest additional necessary conditions for bureaucratic-authoritarianism—involving in part the variegated political and economic legacy of populism—not adequately identified in O'Donnell's original analysis. Once these elements are drawn together and the disaggregated approach proposed above is adopted, a more general argument begins to emerge that helps to explain multiple patterns of national political change in Latin America.

A first approximation of this argument might focus on three variables discussed above that appear to play an important role in affecting the intensity of the crises in each country and in shaping the political reaction to them: economic resources, strength of the popular sector, and perception of threat. Figure 2 summarizes this version of the argument. It should be emphasized that the classification of cases reflected in this figure is illustrative rather than definitive; the implied causal argument remains incomplete and at the stage of hypothesis. The argument may be organized into the following steps:

1. *Availability of diversified or special economic resources.* The special role of oil revenues in Venezuela, and the pattern of moderately balanced growth in Colombia and Mexico (which is in part an aspect of the *economic* legacy of the populism they experienced), appear to have led to more moderate gaps between demands and performance. The other four countries appear to have benefitted to a considerably smaller degree from diversified or alternative resources, and therefore to have had more severe gaps between demands and performance.

2. *Political strength of popular sector.*³⁹ The strength of the popular sector, which is an aspect of the *political* legacy of the type of populism

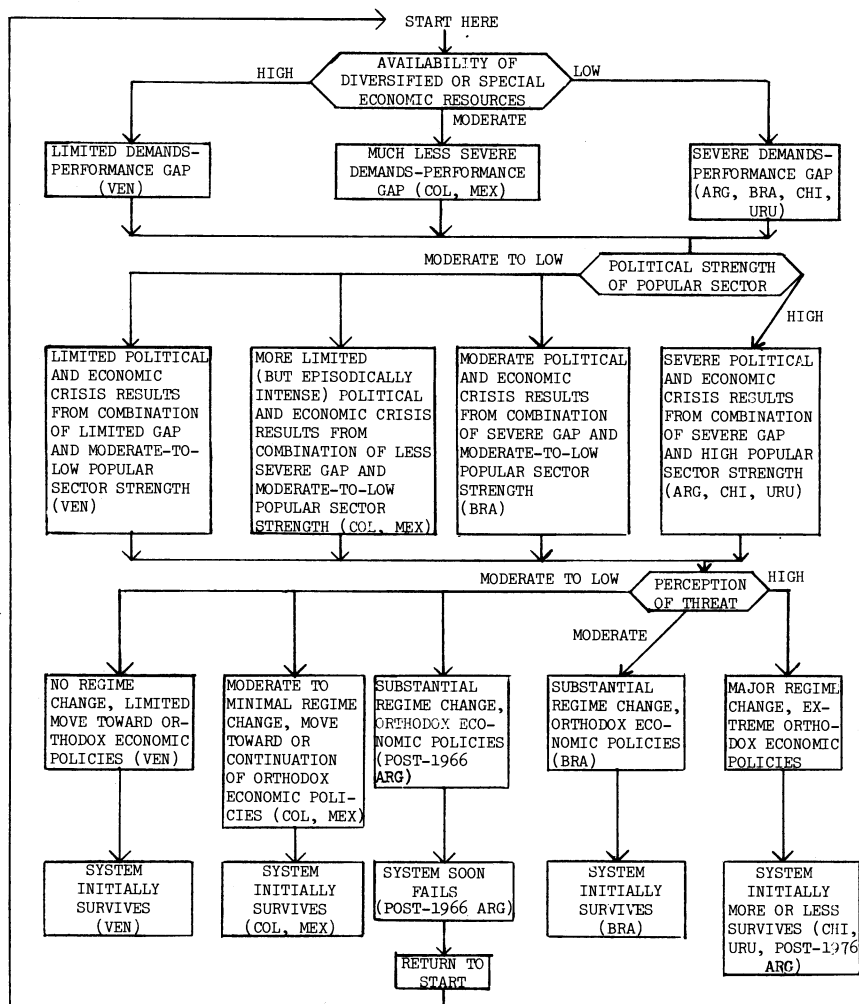
³⁹ The order of the first two variables in the text and the figure is not intended to imply that one is the result of the other. They may vary independently.

experienced in each country, may have a crucial impact on whether the gap between demands and performance leads to severe crisis. In Venezuela, Colombia, and Brazil, the strength of the popular sector might be classified as moderate-to-low. The resulting level of political and economic crisis is more moderate, with differences among these three cases perhaps being due, at least in part, to differences in economic resources. In Argentina, Chile, and Uruguay, the combination of a strong popular sector and more limited resources led to particularly severe political and economic crises.

3. *Perception of threat.* The degree to which technocrats, members of the business community, and the middle class perceive the political and economic crisis as a threat to the existing economic and political order has a crucial impact on the formation of a new, technocratically oriented coalition; on the subsequent change in regime and policy; and on the extent to which the new coalition is able to sustain this change. In Venezuela, Colombia, and Mexico, the moderate-to-low perception of threat has led to shifts in economic policy, tightening of repression and political control, and efforts to sustain some form of agreement among the principal political parties to limit competition and polarization. So far, however, the military coups and other dramatic discontinuities in regime, coalition, and policy that have occurred in other countries have not occurred here.

The other case of moderate-to-low perception of threat is that of Argentina in 1966. Here, the political and economic crisis was sufficiently intense for the military to carry out a coup and to initiate a substantial change of regime. The low degree of immediate perception of threat and of elite cohesion, however, left the new coalition without sufficient unity to withstand extreme pressures from disaffected social sectors, particularly the powerful popular sector. The new coalition soon disintegrated, partly because of this "mismatch" between the underlying strength of the popular sector and the immediate perception of threat. Within the framework of the present discussion, Argentina has in a sense "returned to the start" (see Figure 2) after the failure of the post-1966 government (although she has obviously changed profoundly between the mid-1960's and the 1970's). Once again she had to face the problem of availability of resources as well as the issues that arise from having an extremely strong popular sector. In response to the severe political and economic crisis of the mid-1970's, however, Argentina has conformed to a pattern more similar to that of Chile and Uruguay. A high perception of threat was followed by a major change in regime and a shift to more extreme orthodox economic policies. Although in all

FIGURE 2



**HYPOTHETICAL INTERACTION AMONG
ECONOMIC RESOURCES, STRENGTH OF POPULAR SECTOR,
AND PERCEPTION OF THREAT**

three cases the coalition experienced severe internal and political strains, the high degree of perceived threat has so far made it possible to maintain the new systems.

Brazil may be roughly categorized as intermediate with regard to perception of threat. The dominant coalition faced a popular sector of only low-to-moderate strength, as opposed to the exceptionally strong popular sector in post-1966 Argentina. The new Brazilian system has

therefore not only survived so far, but is more or less "successful" in its own terms.

Although the present governments in all seven countries have initially "survived," they are undergoing important changes. The answer to the obvious question, "what happens next?" is conditioned by many factors. Major differences in the size of the domestic market affect the capacity of these countries for continued industrial expansion, and hence their ability to sustain the pattern of regime, coalition, and policy that has emerged in each case. The size of the domestic market is most favorable in Brazil and Argentina; favorable in Mexico; less favorable in Chile, Colombia, and Venezuela; and least favorable in Uruguay. As in the earlier populist periods, current shifts in international commodity prices are also important. Rising oil prices have doubtlessly facilitated the continuation of a competitive regime in Venezuela; have been nearly neutral for Colombia and Mexico; and have created important economic problems—and hence pressure for a continuation of orthodox economic policies—in the remaining countries.⁴⁰ The rumored discovery of massive oil reserves in Mexico would, if realized, help that country to avoid the severe changes of regime experienced in the southern countries of Latin America; it might even contribute to a move away from orthodox economic policies.

Political changes are also important. The evolving political relationship among local capitalists, foreign capital, and the state has an important impact on coalition, policy, and regime patterns. Experimentation with different types of controlled elections and with a limited restoration of the party system may play an important role in attempts to legitimate authoritarian rule. In the long run, they might play a role in the search for a new political formula that could eventually lead to the restoration of some form of democracy. The experience of Colombia and Venezuela in the 1940's and 1950's—extreme polarization, followed by repressive military rule, followed in turn by a restoration of a type of democracy based on a formal or informal pact among civilian parties to limit future competition and polarization—may lie in the future of some of the countries that currently have the most repressive regimes. The presence or absence of creative political leadership may be a crucial factor in determining whether and when this pattern is followed in Argentina, Brazil, Chile, and Uruguay.

⁴⁰ For a partial summary of relevant data, see James W. Wilkie, ed., *Statistical Abstract of Latin America*, XVII (Latin American Center, University of California at Los Angeles 1976), 286.

What is ultimately called for is not merely a model of authoritarian politics in Latin America, but rather a more general model of national political change. Given the current political patterns in the region, preoccupation with research on authoritarianism is appropriate. Yet it is essential that this preoccupation not lead to as one-sided a perspective on Latin America as scholarly preoccupation with democratization did a decade-and-a-half ago. The reality of Latin American politics appears to involve complex cycles in which periods of authoritarianism alternate with periods of greater political competitiveness and democratization.⁴¹ A principal challenge to students of political change is to understand not only the conditions that lead to the collapse of democratic regimes, but also the conditions that lead to the collapse of authoritarian regimes. Ultimately, one would hope to develop a more complete explanation for this cycle.

⁴¹ See Douglas A. Chalmers, "The Politicized State in Latin America," in Malloy (fn. 4), 23-45.