BEYOND NEOLIBERALISM IN LATIN AMERICA?
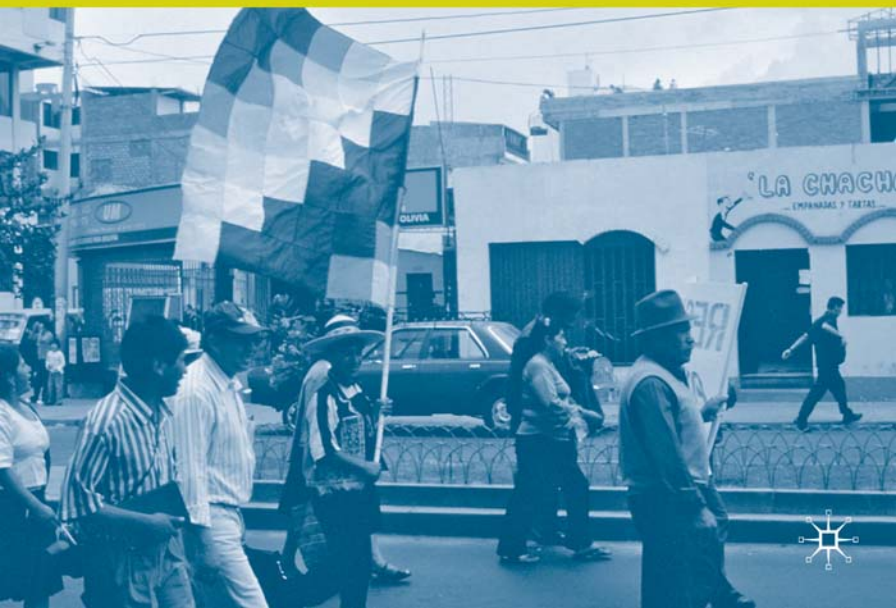
Societies and Politics at the Crossroads

**Edited by
John Burdick, Philip Oxhorn,
and Kenneth M. Roberts**

Studies of the Americas

edited by
James Dunkerley
Institute for the Study of the Americas
University of London
School of Advanced Study

Titles in this series are multi-disciplinary studies of aspects of the societies of the hemisphere, particularly in the areas of politics, economics, history, anthropology, sociology, and the environment. The series covers a comparative perspective across the Americas, including Canada and the Caribbean as well as the United States and Latin America.

Titles in this series published by Palgrave Macmillan:

Cuba's Military 1990–2005: Revolutionary Soldiers during Counter-Revolutionary Times
By Hal Klepak

The Judicialization of Politics in Latin America
Edited by Rachel Sieder, Line Schjolden, and Alan Angell

Latin America: A New Interpretation
By Laurence Whitehead

Appropriation as Practice: Art and Identity in Argentina
By Arnd Schneider

America and Enlightenment Constitutionalism
Edited by Gary L. McDowell and Johnathan O'Neill

Vargas and Brazil: New Perspectives
Edited by Jens R. Hentschke

When Was Latin America Modern?
Edited by Nicola Miller and Stephen Hart

Debating Cuban Exceptionalism
Edited by Bert Hoffman and Laurence Whitehead

Caribbean Land and Development Revisited
Edited by Jean Besson and Janet Momsen

Cultures of the Lusophone Black Atlantic
Edited by Nancy Priscilla Naro, Roger Sansi-Roca and David H. Treece

Democratization, Development, and Legality: Chile, 1831–1973
By Julio Faundez

The Hispanic World and American Intellectual Life, 1820–1880
By Iván Jaksić

The Role of Mexico's Plural *in Latin American Literary and Political Culture: From Tlatelolco to the "Philanthropic Ogre"*
By John King

Beyond Neoliberalism in Latin America?

Societies and Politics at the Crossroads

Edited by
John Burdick, Philip Oxhorn, and
Kenneth M. Roberts

palgrave
macmillan

Contents

Part IV   Transnational Migration

Part V   Conclusion

Figures and Tables

Figures

Tables

This page intentionally left blank

Preface

John Burdick

In early fall of 2004, a rambunctious group of Syracuse University faculty from a wide variety of disciplines, all associated with the Program on Latin America and the Caribbean (PLACA) of the Moynihan Institute, in the Maxwell School of Citizenship, held a series of informal meetings to flesh out a common theme around which to organize a major national conference. In these meetings it became evident that faculty working on Latin America in geography (Tom Perreault, Jamie Winders, Gavin Bridge, Beverly Mullings, David Robinson), sociology (Arthur Paris), anthropology (Hans Buechler, John Burdick), history (Karin Rosemblatt), political science (Francine D'Amico), public administration (Melvyn Levitsky), and Spanish (Gail Bulman) had in common the recognition that the politico-economic model of neoliberalism on the continent had entered into crisis, but was not yet superseded. The participants in those meetings finally agreed that the complexity of the current conjuncture made of the diversity of our disciplinary perspectives an essential resource. Shouldn't this moment in Latin American history, we asked, be examined from the point of view of actors all the way up and down the scale, from elite policymakers to the mobilized masses? Might not the confluence of methods—from quantitative survey to intense life historical interview—create a vantage point from which we could see a broad landscape of agency, force, and constraint, including the social and cultural motivations both of the "people" and elites?

Out of these meetings emerged a national conference in April 2005 in which the faculty just mentioned participated as contributors, participants, commentators, and fellow travelers. Nationally we garnered the involvement of eight major scholars, whose work is represented here: Karl Zimmerer, Keith Slack, Katrina Burgess, Jan French, Benjamin Goldfrank, Patricio Navia, Antonio Jose Lucero, and Margarita Cervantes. James Derham, deputy assistant secretary of state for Western Hemisphere Affairs, also attended and offered much appreciated comments. Ken Roberts and Phil Oxhorn were kind enough to agree to serve as editors of the chapters that would emerge from the conference, and to help craft them into an edited volume.

A word on the volume's focus. We invited participants doing advanced work on the impacts and responses to neoliberalism in Latin America in

four different areas: environmental governance, identity politics, migration, and electoral politics. Our focus on these areas derived from the intersection of the strengths of our resident faculty at Syracuse and the availability of nationally renowned scholars. Other conferences and other volumes can and will make other choices. But we are pleased that the choices we made generated robust and searching discussion, and we are convinced of their social and political consequence. In addition, we aimed to get as much geographical coverage as we could, within the constraints of organizing a national conference. In the end, we were pleased to have work on most of the continent represented, though we were of course aware that some areas were better represented (e.g., Bolivia) than others (Venezuela and Argentina).

In addition to all of the working group from PLACA and the participating scholars, I would like here to thank the following hardworking graduate students who helped make the conference a reality: Carlos Tovar, Maria Fernanda Ariceta, Marcela Guerrero Casas, Lisa Jarvenin, and Dina Cedano Garcia. The conference and book were made possible throughout by the support of Margaret Hermann, director of the Moynihan Institute. In addition, PLACA was supported during this process by the Dean of the Maxwell School, Mitchel Wallerstein. To all of these individuals, I extend my heartfelt thanks.

Working on this project with scholars from so many different disciplines has made me aware both of the challenges that such interdisciplinarity creates—for example, the models of analysis of the political scientist do not always fit neatly with the dense description of the ethnographer—but also more convinced than ever that the future of the best social and political analysis lies in the unexpected turns that conversation across disciplines makes possible.

Chapter 1

Beyond Neoliberalism: Popular Responses to Social Change in Latin America

Kenneth M. Roberts

In recent years voters in Latin America have elected a series of left-of-center presidents, starting with Venezuela in 1998 and continuing (to date) with Chile, Brazil, Argentina, Uruguay, Bolivia, Nicaragua, Ecuador, and Paraguay. Although this political "left turn" has bypassed a number of countries, and the new governments that are part of it comprise a remarkably heterogeneous lot, there seems little doubt that the political winds have shifted in the region. The turn to the left has followed a decade-and-a-half of free market or "neoliberal" reform, when technocrats throughout the region—with staunch support from the U.S. government and international financial institutions—forged a powerful policymaking consensus around the virtues of free trade, deregulated markets, and private entrepreneurship. Since it is not clear whether the region's new leftist governments have identified, much less consolidated, viable alternatives to market liberalism, it is far too early to claim that Latin America has entered a post-neoliberal era of development. What is clear, however, is that the shift to the left signals a "repoliticization" of development issues in Latin America—that is, a demise of the "Washington Consensus" (Williamson 1990) for free market capitalism and the onset of a highly contested search for alternatives that lie "beyond neoliberalism."

In short, Latin America is no longer (if it ever was) suspended at "the end of politics" (Colburn 2002), where technocratic consensus is complemented (or secured) by a combination of social demobilization, political resignation, and mass consumerism. The repoliticization of development has both policy and process dimensions. On the policy front, it signifies that neoliberalism is no longer the only game in town; although predefined socialist alternatives to capitalism have long since evaporated, vigorous debates have emerged around non-neoliberal "varieties of capitalism" that envision a more active role for state power in asserting national autonomy, shaping investment

priorities, ameliorating inequalities, and providing social services and other public goods. In terms of process, repoliticization entails the emergence or revival of popular subjectivities that are contesting the technocratic monop- olization of policymaking space—in some cases at the ballot box, in others on the streets. Repoliticization, therefore, involves a reciprocal interaction between the rise of new actors and an expansion of the issue agenda to include a broader range of alternatives.

This book tries to make sense of these new subjectivities—that is, to iden- tify some of Latin America's new social and political actors and to explain the origins, inspirations, and interests that lie behind their activation. In contrast to much of the emerging work on Latin America's left turn, we look beyond the rise of left-leaning governments and their policy choices to focus attention on the socioeconomic and cultural terrain in which new political options are being forged. Individual chapters thus explore how neoliberalism has shaped and constrained popular subjects by breaking down some tradi- tional actors, transforming others, and providing a stimulus for the emer- gence of new ones—at least some of which bear the seeds of potential social orders beyond neoliberalism.

Our approach starts with the recognition that neoliberal "structural adjustment" programs represented much more than a simple change in development policies. By slashing tariffs and other trade barriers, privatizing state-owned enterprises and social services, and deregulating markets to encourage the free flow of capital, neoliberal reforms realigned existing rela- tionships among states, markets, and societies in fundamental ways (Garretón 2003a). As such, they transformed the social, political, and cultural land- scapes that had developed during the mid-twentieth-century era of state-led import-substitution industrialization (ISI). Initially, this meant breaking down the popular collective subjects of the ISI era—in particular, organized labor and labor-based parties—and imposing market discipline over ever- larger swaths of social life. As labor unions weakened, however, new popular subjects, such as community-based organizations and indigenous move- ments, that rejected the insecurities of market individualism and its com- modification of social relationships began to emerge. Their diverse attempts to reweave the social fabric are the primary focus of this volume.

The essays included here trace many of the contours of this rapidly evolv- ing, neoliberal social and political landscape. Collectively, the essays explore three basic sets of questions. First, what are the new patterns of social interaction generated by the process of market restructuring, and how do these reshape the ways in which societal interests and identities are articu- lated, organized, and represented in the political arena? Interests and identi- ties are often redefined as market reforms create new economic niches (or destroy old ones), commodify social relationships, alter traditional uses of land, water, or natural resources, and shift the scale or locus of public policy- making. Second, what new social and political actors have emerged, and how do they respond to the multifaceted changes associated with market restruc- turing? Traditional actors may enter into decline, but new ones invariably

arise; we must ask, then, how these new actors are constituted, how they adapt to market opportunities and insecurities, and what strategies they follow when they try to enter the political arena, redefine the policy agenda, and contest public authority. Third, and finally, to what extent do these actors and their responses provide the building blocks for new paths of social, economic, and political development that might be more equitable and inclusive than those that have characterized the neoliberal era? What lies "beyond neoliberalism" is unlikely to be determined by grand ideological visions or political blueprints; instead, it will be constructed piece by piece, from below, through the grassroots participation and decentralized experimentation of new popular subjects.

This volume offers no simple answers to these complex questions, much less a new theory of neoliberal politics. Instead, it offers a series of portraits written from a variety of disciplinary perspectives about how people adapt and respond—both individually and collectively—when their economic moorings shift and the social fabric is torn asunder. These portraits are hardly comprehensive; they do not cover every country in Latin America, much less all the stations in the region's heterogeneous and fragmented sociocultural landscape. The editors do not claim that the particular set of actors and issues included in this volume is the best or the only one that could have been chosen. Nevertheless, we have selected topics based on their importance and the quality of research they have generated, and we believe our portraits jointly illuminate the diverse experiences of social actors during the neoliberal era.

These portraits provide compelling evidence that capitalism is, as Schumpeter (1950) aptly characterized it, a force of "creative destruction" that simultaneously breaks down and reconfigures various fields of social interaction. Our chapters are replete with examples of the dialectical interplay between capitalism's advance and the social, cultural, and political responses it elicits—though not, as will become evident, in the manner classically envisioned by Marx. These responses, whether deliberate or reactive, bear the seeds of what may in fact lie beyond neoliberalism, a horizon that remains opaque but is increasingly being sketched by a diverse array of popular movements in the region. As explained later, the various dimensions of this dialectical interplay lie beyond the scope of any single academic discipline, making an interdisciplinary approach vital to a more comprehensive understanding.

An Integral Approach to Economic Reform, Social Change, and Political Response

Social and political changes in Latin America have long been conditioned by patterns of economic development. This can be seen, for example, in the nineteenth-century association between oligarchic politics and agro-export development models, or in the rise of populist social and political mobilization during the early stages of industrialization in the middle of the twentieth

century. A long and venerable tradition of scholarship on the region explores how economic, social, cultural, and political fields intersect and mutually constitute one another (see, e.g., O'Donnell 1973 or Garretón 2003b).

Clearly, these interrelationships are not iron-clad and deterministic, as each domain contains its own dynamic properties that provide a measure of relative autonomy. Too often, however, academic specialization leads to scholarship that exaggerates this autonomy, compartmentalizes social fields, and downplays the multidimensional character of societal transformation. Thus economists may study market reforms while scarcely glancing at their social and political implications, political scientists analyze actors and institutions with little regard to the social and cultural fields in which they are embedded, and sociologists and anthropologists sometimes explore the social construction of new identities without assessing their location in political and economic power structures. In general, we know more about the political *conditions* for market reform than its political *effects*, and we understand the adaptation or demise of established social and political actors better than the rise of new ones.

By adopting an interdisciplinary approach, this volume seeks not only to identify the multiple dimensions of contemporary social change in Latin American, but to shed light on the reciprocal interactions among them. This requires scholarship that is sensitive to the process by which different social fields shape, constrain, and overlap one another. To say, for example, that neoliberal reforms weaken labor movements or foster an ethos of individualism and consumerism is not merely to identify some major social and cultural shifts associated with modern capitalism. It is, more fundamentally, to sketch the outlines of a new political landscape, one that is likely to revolve around a different set of actors, issues, and competitive dynamics.

Our interdisciplinary approach thus encourages readers to locate specific changes within larger, multidimensional fields of social development. Additionally, it allows us to employ a range of methodological tools and work at different levels of analysis where distinct pieces of a larger puzzle can be best identified. Thus the ethnographic methods of the anthropologists in this volume, along with the community-based ecological analyses of our geographers, explore the responses of local communities and individuals to larger forces of social and economic change—in essence, allowing readers to study microcosms with the contextual detail and subtleties that are too often obscured in macro-level analyses. The aggregate measures and comparative methods employed by the political scientists, on the other hand, complement these ethnographic tools by illustrating more generalizable patterns of interaction and the possible causal mechanisms that undergird them.

What emerges from this interdisciplinary cross-fertilization, hopefully, is a more integral portrait of a multilevel and multidimensional process of societal transformation. This process of transformation has important dialectical properties, whereby market-induced social dislocations elicit a series of individual and collective responses with diverse political implications. In particular, the contributions to this volume highlight three major, and sometimes

interwoven, patterns of social dislocation engendered by market restructuring in Latin America: material hardships and insecurities, threats to cultural identity, and challenges to community or political autonomy. Some of the responses to these dislocations, such as individual-level economic migration, represent social adaptations to the market logic of the neoliberal order. Others, such as the development of new indigenous movements, leftist parties, and local channels of popular participation, represent attempts to construct social and political networks for an ill-defined, post-neoliberal social order. The latter, to be successful, requires that actors weave together diverse interests and identities rooted in social class, ethnicity, and community—a process of integration that is eminently political and, therefore, inherently contingent.

To understand these contingent political processes, this volume redirects attention downward, toward the grassroots levels where individuals and local communities struggle to cope with the social changes that impinge on their daily lives. Latin America's transition to neoliberalism can hardly be understood in the absence of attention to power elites and large, often impersonal social forces; thus political leaders (Weyland 2002), technocratic policymakers (Teichman 2001), business interests, international financial institutions, and transnational market pressures figure prominently in scholarly accounts of the market reform process. The view from above, however, provides a limited vantage point for understanding the effects of market reforms on the ground. Beyond the reach of official statistics, what is the impact of market reforms on employment opportunities, wages, public services, economic security, and environmental sustainability? A bottom–up perspective can provide insight into these and other problem areas, exposing the uneven effects of economic trends that may be masked or leveled out in aggregate figures. Such a perspective also makes it possible to identify the small slices that comprise larger and more complex wholes, or the sequential links in a long causal chain—as, for example, when changes in land and labor markets alter the organization of civil society and, eventually, the logic of electoral and policy contestation (see Kurtz 2004).

Indeed, a bottom–up perspective is vital for understanding what is arguably the most important linkage between market reforms and political change—namely, the conditioning effects of economic liberalization on collective action in civil and political society. Import substitution industrialization was linked to populism historically because it facilitated collective action and thus stimulated the construction of new popular subjects—namely, mass labor and party organizations. Collective action in the workplace, for example, was stimulated for two primary reasons. First, ISI brought large numbers of workers together in factory environments that provided for close social interaction and structurally similar economic positions. This helped to resolve coordination problems and foster the social construction of class-based interests and cultural identities by labor unions. Second, as states expanded their developmental, regulatory, and redistributive roles, they became the focal point of demands made by newly mobilized working and

lower class groups. These demands were typically funneled through the corporatist intermediary channels of mass party and union organizations, which brokered exchanges between states and organized societal interests.

In short, ISI encouraged groups—defined primarily in terms of class categories—to self-organize in order to advance their interests in a policy-making environment where states increasingly penetrated and regulated social and economic relationships, including labor markets and land tenure arrangements. Together, these two processes encouraged strong labor and, in some cases, peasant movements to develop, which in turn provided a social foundation for Latin America's first mass party organizations. The social, cultural, and political construction of popular subjects during the ISI era was thus anchored in the favorable combination of rapid industrialization, state interventionism, and social reform.

These linkages between state-led industrialization and grassroots organization were frayed, however, by economic pressures and political polarization in the 1960s and 1970s (O'Donnell 1973), and they were largely severed by the debt crisis of the 1980s. While neoliberal structural adjustment policies helped restore economic stability in the aftermath of the debt crisis, they exacerbated—indeed, they often institutionalized—the social dislocations wrought by the crisis itself. Changes in labor markets—in particular growing informalization, a greater reliance on subcontracting and temporary labor, and flexible rules for hiring and firing—made collective action in the workplace increasingly difficult to sustain, leading to a sharp decline in trade union density in most of the region. Likewise, the parcelization of landholdings and the penetration of market relations in the countryside undermined historic patterns of peasant mobilization for land reform in much of the region (Kurtz 2004). The retreat of the state subjected new sectors of the economy and society to market discipline, undermining the rationale and effectiveness of collective action aimed at eliciting state redress. Historic labor-based parties entered into decline or adapted in part by distancing themselves from labor and other organized mass constituencies. This trend that was propelled both by the structural conditions of neoliberal capitalism and by technological advances in political communication (most prominently, television) that rendered mass party organizations increasingly dispensable for electoral mobilization. Following the restoration of democratic rule in most of Latin America in the 1980s, U.S.-style media-based advertising and campaign tactics diffused rapidly across the region, allowing candidates to appeal directly to voters without the mediation of mass membership party organizations.

Latin America entered the new millennium, then, largely devoid of the mass social and party organizations that dominated the landscape during the populist/ISI era. Labor movements had been downsized and politically marginalized, and they were less capable of representing the diverse interests and identities of a precarious and informalized workforce. Likewise, where they survived at all, mass parties were transformed into professionalized or patronage-based electoral machines (see, e.g., Levitsky 2003); elsewhere, they were displaced by independent personalities and populist outsiders. The

dominant trends pointed toward a fragmentation and pluralization of civil society—with a multitude of interests, identities, and decentralized groups struggling to make their voices heard (Oxhorn 1998a)—and a deinstitution-alization of political representation, as evidenced by extreme levels of electoral volatility and the rise of personality-based, antiparty candidates.

A bottom–up perspective is thus essential to understand how the demise of ISI and the transition to neoliberalism realigned the social landscape in ways that disarticulated the class-based popular subjects of the ISI era. Such a perspective is also essential, however, for explaining popular responses to market liberalization and the openings that eventually emerged for the con-struction of new types of collective subjects that bear the seeds of what may lie beyond neoliberalism. Neoliberal reforms are directed—indeed, often imposed—by state officials in collaboration with (or under the pressure of) transnational power centers, but civil society and grassroots actors are hardly passive bystanders (Arce 2005). These actors invariably seek to exploit, resist, evade, or cope with state initiatives, and their responses often produce out-comes that are quite different from those envisioned by policymakers and economic elites. In particular, grassroots actors employ a variety of measures to alleviate material hardships and reduce exposure to market insecurities; as Karl Polanyi (1944) argues, there are social and political limits to the com-modification of social relationships, and these limits may be quickly breached in contexts of egregious inequalities such as those prevailing in contempo-rary Latin America. Popular responses thus attempt to reweave a social fabric torn by economic crisis and market dislocation. These responses are often local, decentralized, and territorially based, building on traditions of com-munity-based organizing, or focused on ethnic and cultural claims rather than the class/corporatist patterns of interest representation that were hall-marks of the ISI era. Although new popular subjects may not initially target public authorities or policymaking arenas, grassroots activism often becomes politicized over time, posing the formidable challenge analyzed by Benjamin Goldfrank in chapter three—that of translating local initiatives into national-level political alternatives. This challenge highlights the importance of a bottom–up perspective in the construction of new popular subjects in the neoliberal era.

The primary objectives of this volume, then, are to develop an interdisci-plinary perspective on the multiple forms of societal responses to market liberalization and to assess their effects. We do this in four principal fields where neoliberalism has altered the social landscape: electoral politics, ethnic mobilization, environmental governance, transnational migration. In each area we explore new patterns of social interaction, identify various responses, and analyze the potential impact of emerging popular subjects.

Overview of the Volume

Societal responses to market liberalization can be either individual or collective in their level of behavior, and they pose widely varying challenges

to prevailing political and economic power relations. We start in chapters two and three with collective responses in the sphere of electoral politics, where potential challenges to power relations are especially transparent. These chapters focus on elected left-of-center governments at the national and municipal levels in Chile and Brazil, respectively. Although civil society is often the original site of grassroots activism contesting neoliberalism, alternatives that lie beyond neoliberalism will be limited in scope if popular subjects are not able to penetrate more institutionalized arenas where political authority is exercised and public policies are formulated. In chapter two, political scientist Patricio Navia offers a comparative perspective on the administration of Ricardo Lagos in Chile, a Socialist president at the head of a center–left governing coalition from 2000 to 2006. Lagos was elected in the Latin American country with the longest and most thoroughly consolidated neoliberal experiment, and also the most successful track record of sustained growth and financial stability. As such, his government combined social democratic commitments to tackle problems of poverty and inequality with relative continuity in neoliberal macroeconomic policies. In comparison to other presidencies in the region, Lagos was strikingly successful in his management of the Chilean economy and his high public approval ratings, factors that clearly contributed to his ability to turn the reins of power over to an elected Socialist successor, Michelle, in 2006. The Lagos government successfully legislated a series of social, economic, and political reforms, including new initiatives in health care, poverty relief, unemployment insurance, civil service professionalization, trade promotion, and campaign finance reform. While the Chilean experience under Lagos does not illuminate a macro-level alternative to neoliberalism, it is nevertheless instructive for identifying areas where the neoliberal model can be reformed to address its "social deficits" without triggering either political polarization or economic instability.

In chapter three, political scientist Benjamin Goldfrank tackles the complex issue of Latin America's turn-of-the-century leftist revival, which has confounded earlier diagnoses of its terminal decline. Far from burying the left, Goldfrank argues that aspects of the neoliberal model actually created opportunities for diverse leftist parties and movements to reformulate their platforms and revitalize their electoral appeal. In particular, neoliberalism's social and democratic deficits allowed leftist parties to mobilize support through appeals to social justice and grassroots participation, while decentralizing reforms adopted as part of neoliberalism's attempt to downsize national states provided municipal-level channels to put these ideas into practice. Goldfrank thus provides a comparative analysis of leftist municipal governments in Mexico City, Porto Alegre, Montevideo, Caracas, and Lima, examining innovative practices in areas such as participatory budgeting and reforms designed to improve service delivery and address social deficits. Although some of these experiments were hampered by resource constraints and factional infighting, in other cases they allowed leftist parties to strengthen their democratic credentials and demonstrate their capacity for

responsible and effective governance. As such, municipal governance can be an effective training ground and springboard toward eventual national office. Most important, it provides opportunities for the left to nurture alternative visions of the state, civil society, citizen participation, and democracy that challenge neoliberal postulates for a minimalist state, market individualism, and technocratic governance.

Chapters four through six shift attention from the electoral sphere to civil society and construction of cultural identities around race and ethnicity under neoliberalism. Although class-based identities and collective action were disarticulated during the transition from ISI to neoliberalism, new forms of ethnic-based social and political mobilization sometimes emerged to fill the void, often interweaving material and cultural claims. Political scientist José Antonio Lucero adopts a comparative perspective on indigenous social and political mobilization in chapter four, exploring how neoliberalism created new material threats and political opportunities for indigenous organization in Ecuador, Peru, and Bolivia since the 1980s. The chapter is framed around the puzzle of why the "lost decade" of the 1980s actually made possible new gains in indigenous sociopolitical organization, and why such gains were so unevenly spread across countries. As such, the chapter provides new insight into the heterogeneous forms of indigenous politicization in the Andes. Market reforms threatened the economic security of indigenous communities by eliminating agrarian reform and rural assistance programs, and they shredded corporatist systems of interest representation embedded in ISI-era political institutions. Nevertheless, they spawned highly diverse patterns of indigenous mobilization, with widely varying local and national expressions related to distinct cultural constructions of indigeneity and the differential opportunity structures embedded in globalized market economies. Lucero concludes with a critical assessment of scholarly debates over official multicultural policies and the tensions they pose between political integration and indigenous mobilization for redistributive reforms (Hale 2002b).

In chapter five, anthropologist Hans Buechler analyzes the syncretic articulation of ethnic, religious, and class identities among urban Aymara political and intellectual leaders who stand, in a sense, at the intersection of Bolivia's highly differentiated social worlds. The chapter explains how the social revolution and agrarian reform of the early 1950s sought to assimilate Aymaras into the dominant *mestizo* culture while imposing class-based identities and organizational forms on indigenous communities. As neoliberal reforms in the mid-1980s undermined labor and peasant unions, however, material claims became increasingly infused with indigenous cultural symbols and demands, which had developed along parallel lines through a variety of *Katarista* and *indianist* movements. Subsequent patterns of social and political mobilization thus syncretized a complex array of influences, including class and ethnic demands, rural and urban interests, and Catholic, Protestant, and Aymara spiritual traditions. Likewise, they sought to revive traditional, indigenous-based *ayllu* community authority structures at the

same time that they increasingly targeted national political institutions in campaigns for political and economic reform.

The debate over multiculturalism is also engaged in chapter six by anthropologist Jan Hoffman French in her study of the political recognition of African-descended Indian villages and communities of fugitive slave descendants in Northeast Brazil. As critics of "neoliberal multiculturalism" contend, states that adopt neoliberal reforms may also grant political recognition of cultural rights to subaltern racial and ethnic groups, potentially separating claims made on the basis of race or ethnicity from broader struggles for social and economic justice. The villages studied by French, however, suggest that struggles for ethno-political recognition and economic redistribution are often too interwoven to be compartmentalized; indeed, the village movements at the forefront of struggles for racial and ethnic rights began by making claims related to land or labor. As the legal framework for making land claims changed, however, these movements experienced "identity transformations" and increasingly articulated their interests not as peasants or rural workers but as indigenous or black descendants of fugitive slaves. French explores the possibility of a convergence of cultural and class-based claims, as well as the potential for ethno-political recognition to promote change in political and economic power relations.

Chapters seven through nine examine popular responses to environmental and natural resource governance under neoliberalism. These chapters shed new light on the tensions between market liberalization and community control of natural resources. They also chronicle the patterns of social mobilization and protest that often arise from these tensions, and the policy and institutional reforms that may result. As Keith Slack argues in chapter seven, privatization policies and the liberalization of foreign investment laws have made foreign-owned natural resource extraction "the face of neoliberalism" in many Latin American countries. Mining and natural resource extraction have also become flashpoints of political contention, as they frequently impose severe environmental costs on local communities that are not offset by significant economic improvements. The chapter dissects the inherent tensions between environmental protection and the investment provisions of free trade agreements, as well as the conflicts of interest that exist when mining ministries established to foster productive activities are also charged with regulating its environmental consequences. Likewise, it explores the singular dependence of the mining sector on state regulatory capacities that are typically emasculated by neoliberal reforms. A comparative analysis of community-based resistance to the destruction of land and water resources by mining activities in Peru, Honduras, and Guatemala illustrates how civil society may seize the initiative when states abdicate responsibilities to regulate foreign investment in accordance with broader social and environmental concerns. Local initiatives have also received backing from international NGOs in their efforts to obtain technical information and monitor extractive activities. The linkages between local and transnational environmental networks are not a substitute for enhanced regulatory capacities of national

states, but they may provide one of the more promising forms of leverage for inducing states to strengthen and enforce national standards for environmental protection.

In chapter eight, geographer Thomas Perreault examines the politics of water resource management under neoliberalism in Bolivia. This case provides a paradigmatic example of the social and political limits to the privatization and commodification of a resource that is widely available in nature and popularly viewed as a public good or collective right. The privatization of water resources thus triggered a series of popular protests by urban and rural users who objected to rate hikes and restrictions on communal water use practices. Residents of Chochabamba launched marches, road blockades, and strikes that eventually forced the government to retract a municipal water concession made to a U.S.-led private consortium. The Cochabamba "water war" was quickly followed by a national mobilization of farmers to defend customary irrigation rights and local autonomy in the management of water resources. These protests spawned new local and national organizations with linkages to NGOs that successfully proposed a number of legal reforms in water resource management, and they ultimately fed into a broader national mobilization against neoliberal reforms that toppled successive Bolivian presidents in 2003 and 2005. Once hailed as a showcase neoliberal reformer, Bolivia now stands as an exemplar of the tensions that exist between market liberalization and communal norms for the management of natural resources as a collective good.

Nevertheless, geographer Karl Zimmerer provides an insightful corrective in chapter nine to facile assumptions that neoliberal policies supporting privatization and market deregulation invariably produce negative environmental externalities. Drawing on case studies from the Cochabamba region in Bolivia, Zimmerer demonstrates that second-stage neoliberal reforms have incorporated environmental concerns and adopted measures to enhance environmental sustainability. Prominent among these measures are initiatives for community-based resource management, such as the "Laka Laka" multiple-use water project in the Cochabamba region. In contrast to traditional, internationally funded large dam projects, which often imposed significant environmental costs on local communities and offered few channels for decision-making input, the new community-based projects provide for higher levels of grassroots participation and control. Such projects are often supported by international aid agencies and NGOs, and they largely conform to neoliberal prescriptions for administrative decentralization. These measures are complemented by the expansion of designated protected areas for nature conservation, which now comprise nearly 20 percent of Bolivia's national territory. Zimmerer argues that these initiatives demonstrate the viability of "soft" variants of neoliberalism, under which private sector and market-driven development are reconciled with the interests of environmental governance, local autonomy, and ecological sustainability.

Finally, chapters ten and eleven direct attention to one of the most striking individual-level responses to changing economic opportunities and

constraints—that of transnational migration. Migration is a time-honored recipe for economic advancement in Latin America, but it is one that has achieved even greater salience in the neoliberal era. Peasants displaced from their land and workers in search of new employment opportunities or higher wages often relocate to larger urban areas or foreign labor markets. The prevalence of international immigration highlights a central paradox of Latin American neoliberalism: although market reforms have been explicitly designed to integrate national economies more thoroughly within transnational circuits of production, finance, and exchange, the United States and other wealthy countries have been politically averse to the de jure (as opposed to de facto) transnationalization of their labor markets. Simply put, in the absence of significant immigration reform in the United States, capital is mobile, whereas labor markets (legally) are nationally bounded.

The presence of an estimated eleven million undocumented workers in the United States, however, attests to the legal fiction of nationally bounded labor markets. In her study of labor migration and remittances in chapter ten, political scientist Katrina Burgess dissects the economic rationale and impact of transnational labor flows from Mexico and other Latin American countries. Burgess documents the growth of transnational labor migration from the region in the 1980s and 1990s and agues that this migration is a symptom of the socioeconomic dislocations wrought by economic crisis and market reforms, including declining wages, job security, and agricultural support systems. At the same time, the explosive growth of remittances has exerted significant macro-and micro-economic effects, to the extent that remittances are increasingly hailed as "the new development finance." Remittances now comprise a substantial share of foreign exchange revenues in countries such as Mexico and El Salvador, and they provide a major source of income for many poor households and communities (even if migration separates families and drains communities of some human resources). Migration itself is vintage liberalism, in the sense that it relies on private initiative and market positioning to alleviate economic hardships, rather than collective action targeted at public authorities. Nevertheless, migration is encouraging the development of new financial institutions to channel remittances toward micro-level savings, investment, and enterprise opportunities, and it has led to the formation of "hometown associations" in the United States that raise collective remittances to invest in demand-driven social and development programs in their communities of origin. While these responses are not a substitute for national policies promoting more integrated forms of economic growth and employment opportunities at the local level, they provide financial leverage that has increasingly attracted the attention of national governments. In the process, they have augmented the political influence of migrant communities.

In chapter eleven, sociologist Margarita Cervantes-Rodríguez analyzes a different pattern of transnational migration, that of Nicaraguans who have relocated to South Florida in recent decades. Cervantes-Rodríguez locates this migration within a longer historical process of displacement and

transnationalization that was intensified by the social upheaval accompanying revolutionary and counterrevolutionary violence in the 1970s and 1980s. Nicaraguan migration thus possesses a political as well as an economic logic, and it includes representatives of elite as well as popular sectors. Market reforms beginning in the late 1980s generated new displacements internally while creating new transnational entrepreneurial opportunities that increasingly linked Nicaragua's domestic economy to expatriate communities in South Florida. Cervantes-Rodríguez chronicles the challenges confronted by Nicaraguan migrants in the United States, including economic discrimination and the problem of securing legal status, as well as the social differentiation that has occurred inside Nicaragua as a result of unequal opportunities for social mobility. Business interests with linkages to South Florida stand in a privileged position relative to domestic entrepreneurs in the competition to innovate and accumulate capital. The chapter thus sheds new light on the transnational reproduction of both capital and labor under neoliberalism, as well as the articulation of interests in relation to national states and transnational policy fields.

As Philip Oxhorn explains in the conclusion to this volume, the joint efforts of our contributors shed new light on the transformation and interweaving of social, economic, cultural, and political fields during Latin America's neoliberal era. By employing a multidisciplinary set of methodological and analytical tools, they attest to the extraordinary diversity of popular responses to globalized market liberalism at the level of individuals, local communities, and national polities. Whether these responses culminate in defensive adaptations to "market society" (Polanyi 1944) or more ambitious attempts to construct an alternative social order, the region has clearly left behind the alignment of social forces that characterized the era of state-led capitalist development in the twentieth century. In light of recent political trends in the region, it is apparent that Latin America stands at a crossroads in its path of development; this volume provides a bottom–up, multidisciplinary perspective on how it got there. While it offers no blueprint for what might lie beyond neoliberalism, it modestly attempts to identify some of the building blocks for a more equitable and inclusive course of political and economic development—a permanent aspiration in the region, too long in gestation.

This page intentionally left blank

Part I

Electoral Politics

This page intentionally left blank

Chapter 2

The Chilean Left: Socialist and Neoliberal

Patricio Navia

As Latin American countries increasingly show symptoms of discontent with neoliberal policies and support grows for leaders opposed to neoliberalism, the Concertación coalition that has governed Chile since 1990 constitutes an example of successful, popularly supported leftist commitment to neoliberalism. Its success has inhibited the emergence of a stronger popular challenge to neoliberalism in Chile. The Concertación's implementation of neoliberalism with a human face—despite shortcomings—has reduced the appeal to Chilean voters of anti-neoliberalism. The presidential election of Michelle Bachelet in early 2006 and the overwhelming electoral victory for the Concertación in the legislative elections show that when neoliberalism is complemented by policies that promote social and economic inclusion, popular responses against neoliberalism lose appeal. Here, after examining the performance of both Ricardo Lagos and Bachelet as socialist presidents, I discuss the reasons for the Concertación's success. I then discuss the lessons that can be drawn by other leftist leaders in the region.

The Concertación Leftist Governments

Between December 2005 and December 2006, eleven Latin American countries held presidential elections. Altogether, 80 percent of the Latin American population went to the polls—about 250 million voters. In addition to Brazil and Mexico, the two largest countries in the region, Colombia, Peru, Venezuela, Chile, Bolivia, Ecuador, Haiti, Costa Rica, and Nicaragua chose new leaders or reelected incumbents. With the election season over, some have suggested a tension between a "good" and a "bad" political left (Castañeda 2006; Corrales 2006b; Navia 2006b). Others have highlighted the prevalence of populism (Corrales 2006a; Schamis 2006; Shifter 2006; Shifter and Jawahar 2005), and some have pointed to the strained relations between the United States and Latin America in the aftermath of the events of September 11 (Valenzuela 2005). Still others have highlighted how

incumbency, run-off rules, and other institutional features have affected electoral results (Latinobarometro 2007). Despite different approaches, most analyses agree in that 2006 showed signs of leftist growth and increasing levels of dissatisfaction with neoliberal economic policies in much of the region.

The socialist governments of President Ricardo Lagos (2000–2006) and Michelle Bachelet (2006–2010) are notable examples of popular leftist commitments to a social democratic adoption of neoliberalism in Latin America. As the leader of one of the countries with the strongest economic growth in the region, Lagos combined social democratic rhetoric and practice with strong fiscal discipline. After being elected on a platform of economic continuity and bottom–up democracy, Bachelet has moved forward with the policy of neoliberalism with a human face, the trademark of the Concertación, the center–left coalition in power in Chile since the end of the Pinochet dictatorship in 1990.

There can be no question that Latin America is in the process of democratic consolidation. But that process is not unfolding evenly across the region. Chile is undoubtedly one of the more successful cases. Figures 2.1 and 2.2 show the advance on civil and political liberties in Latin America since 1972, with lower scores indicating more liberties. The red line indicates the average level of liberties for the eighteen largest continental countries, plus Cuba, Haiti, and the Dominican Republic, and the blue line indicates those values for Chile. Comparing the lines reveals something striking: while Chile consistently had lower levels of civil and political liberties than the rest of the region during the 1970s and 1980s, after its transition to democracy in 1990, the country has performed substantially better than the Latin American average. Moreover, since Lagos became president in
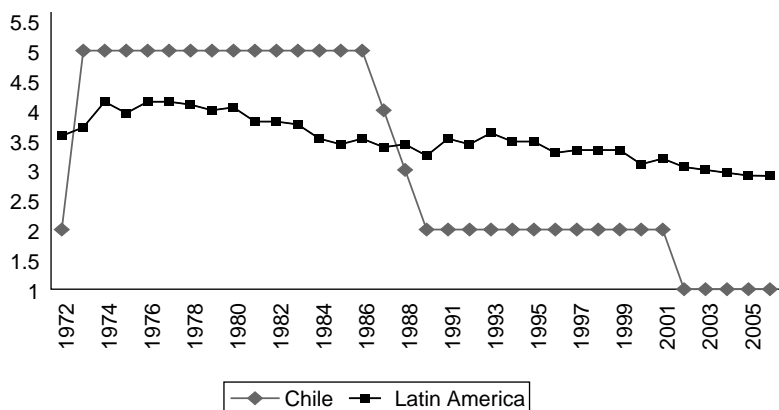

Figure 2.1 Civil liberties in Chile and Latin America, 1972–2006

Source: By the author with data from Freedom House, http://www.freedomhouse.org/template.cfm?page=276.

Edition *	Jan.–Feb. 1973			Jan.–Feb. 1974			Jan.–Feb. 1975			Jan.–Feb. 1976			Jan.–Feb. 1977		
Year(s) covered	1972			1973			1974			1975			1976		
	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Argentina	6	3	PF	2	2	F	2	4	PF	2	4	PF	6	5	NF
Bolivia	5	4	PF	5	4	PF	6	5	NF	6	5	NF	6	4	PF
Brazil	5	5	PF	5	5	PF	4	4	PF	4	5	PF	4	5	PF
Chile	1	2	F	7	5	NF	7	5	NF	7	5	NF	7	5	NF
Colombia	2	2	F	2	2	F	2	2	F	2	3	F	2	3	F
Costa Rica	1	1	F	1	1	F	1	1	F	1	1	F	1	1	F
Cuba	7	7	NF	7	7	NF	7	7	NF	7	7	NF	7	6	NF
Dominican Republic	3	2	F	3	2	F	4	2	PF	4	2	PF	4	3	PF
Ecuador	7	3	PF	7	4	PF	7	4	PF	7	4	PF	6	4	PF
El Salvador	2	3	F	2	3	F	2	3	F	2	3	F	3	3	PF
Guatemala	2	3	F	2	2	F	4	3	PF	4	3	PF	4	3	PF
Guyana	2	2	F	4	2	PF	7	7	NF	4	3	PF	3	3	PF
Haiti	7	6	NF	6	6	NF	6	6	NF	6	6	NF	6	6	NF
Honduras	7	3	PF	6	3	PF	6	3	PF	6	3	PF	6	3	PF
Mexico	5	3	PF	4	3	PF	4	3	PF	4	3	PF	4	4	PF
Nicaragua	4	3	PF	5	4	PF	5	4	PF	5	4	PF	5	5	PF
Panama	7	6	NF	7	6	NF	7	6	NF	7	6	NF	7	6	NF
Paraguay	4	6	PF	5	5	PF	5	5	PF	5	5	PF	5	6	NF
Peru	7	5	NF	7	5	NF	6	6	NF	6	4	PF	6	4	PF
Uruguay	3	4	PF	5	5	PF	5	5	PF	5	5	PF	6	6	NF
Venezuela	2	2	F	2	2	F	2	2	F	2	2	F	1	2	F

| | 1978 | | | 1979 | | | 1980 | | | 1981 | | | 1982 | | | 1983–84 | | |
| Edition * | 1977 | | | 1978 | | | 1979 | | | 1980 | | | Jan.1981–Aug. 1982 | | | Aug. 1982–Nov. 1983 | | |
Year(s) covered	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Argentina	6	6	NF	6	5	NF	6	5	NF	6	5	NF	3	3	PF	3	3	PF
Bolivia	6	4	PF	5	3	PF	3	3	PF	7	5	NF	2	3	F	2	3	F
Brazil	4	5	PF	4	4	PF	4	3	PF	4	3	PF	3	3	PF	3	3	PF
Chile	7	5	NF	6	5	NF	6	5	PF	6	5	PF	6	5	PF	6	5	PF
Colombia	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Costa Rica	1	1	F	1	1	F	1	1	F	1	1	F	1	1	F	1	1	F
Cuba	6	6	NF	6	6	NF	6	6	NF	6	6	NF	6	6	NF	6	6	NF
Dominican Republic	4	2	PF	2	2	F	2	3	F	2	3	F	1	2	F	1	2	F
Ecuador	6	4	PF	5	4	PF	2	2	F	2	2	F	2	2	F	2	2	F
El Salvador	4	4	PF	5	5	PF	5	4	PF	5	5	PF	4	5	PF	4	5	PF
Guatemala	3	4	PF	3	4	PF	4	5	PF	6	6	PF	6	6	NF	6	6	NF
Guyana	3	3	PF	4	4	PF	4	4	PF	5	4	PF	5	5	PF	5	5	PF
Haiti	7	6	NF	7	6	NF	7	6	NF	7	6	NF	7	6	NF	7	6	NF
Honduras	6	3	PF	6	3	PF	6	3	PF	4	3	PF	3	3	PF	3	3	PF
Mexico	4	3	PF	4	4	PF	3	4	PF	3	4	PF	3	4	PF	3	4	PF
Nicaragua	5	5	PF	5	5	PF	5	5	PF	5	5	PF	6	5	PF	6	5	PF
Panama	6	5	NF	5	5	PF	5	5	PF	4	4	PF	5	4	PF	5	4	PF
Paraguay	5	6	NF	5	5	PF	5	5	PF	5	5	PF	5	5	PF	5	5	PF
Peru	6	4	PF	5	4	PF	5	4	PF	2	3	F	2	3	F	2	3	F
Uruguay	6	6	NF	6	6	NF	6	6	NF	5	5	PF	5	4	PF	5	4	PF
Venezuela	1	2	F	1	2	F	1	2	F	1	2	F	1	2	F	1	2	F

Edition *	1984–85			1985–86			1986–87			1987–88			1988–89		
Year(s) covered	Nov. 1983–Nov. 1984			Nov. 1984–Nov. 1985			Nov. 1985–Nov. 1986			Nov. 1986–Nov. 1987			Nov. 1987–Nov. 1988		
	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Argentina	2	2	F	2	2	F	2	1	F	2	1	F	2	1	F
Bolivia	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Brazil	3	3	PF	3	2	F	2	2	F	2	2	F	2	3	F
Chile	6	5	PF	6	5	PF	6	5	PF	6	5	PF	5	4	PF
Colombia	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Costa Rica	1	1	F	1	1	F	1	1	F	1	1	F	1	1	F
Cuba	6	6	NF	6	6	NF	6	6	NF	6	6	NF	7	6	NF
Dominican Republic	1	3	F	1	3	F	1	3	F	1	3	F	1	3	F
Ecuador	2	2	F	2	3	F	2	3	F	2	3	F	2	2	F
El Salvador	3	5	PF	2	4	PF	3	4	PF	3	4	PF	3	3	PF
Guatemala	5	6	PF	4	4	PF	3	3	PF	3	3	PF	3	3	PF
Guyana	5	5	PF	5	5	PF	5	5	PF	5	5	PF	5	5	PF
Haiti	7	6	NF	7	6	NF	5	4	PF	6	5	PF	7	5	NF
Honduras	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Mexico	3	4	PF	4	4	PF	4	4	PF	4	4	PF	3	4	PF
Nicaragua	5	5	PF	5	5	PF	5	6	PF	5	5	PF	5	4	PF
Panama	4	3	PF	6	3	PF	6	3	PF	5	5	PF	6	5	NF
Paraguay	5	5	PF	5	5	PF	5	6	PF	5	6	PF	6	6	NF
Peru	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Uruguay	5	4	PF	2	2	F	2	2	F	2	2	F	2	2	F
Venezuela	1	2	F	1	2	F	1	2	F	1	2	F	1	2	F

Edition *	1989–90			1990–91			1991–92			1992–93			1993–94			1994–95		
Year(s) covered	Nov. 1988–Dec. 1989			1990			1991			1992			1993			1994		
	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Argentina	1	2	F	1	3	F	1	3	F	2	3	F	2	3	F	2	3	F
Bolivia	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Brazil	2	2	F	2	3	F	2	3	F	2	3	F	3	4	PF	2	4	PF
Chile	4	3	PF	2	2	F	2	2	F	2	2	F	2	2	F	2	2	F
Colombia	3	4	PF	3	4	PF	2	4	PF	2	4	PF	2	4	PF	3	4	PF
Costa Rica	1	1	F	1	1	F	1	1	F	1	1	F	1	2	F	1	2	F
Cuba	7	7	NF	7	7	NF	7	7	NF	7	7	NF	7	7	NF	7	7	NF
Dominican Republic	1	3	F	2	3	F	2	3	F	2	3	F	3	3	PF	4	3	PF
Ecuador	2	2	F	2	2	F	2	3	F	2	3	F	2	3	F	2	3	F
El Salvador	3	4	PF	3	4	PF	3	4	PF	3	3	PF	3	3	PF	3	3	PF
Guatemala	3	3	PF	3	4	PF	3	5	PF	4	5	PF	4	5	PF	4	5	PF
Guyana	5	4	PF	5	4	PF	5	4	PF	3	3	PF	2	2	F	2	2	F
Haiti	7	5	NF	4	4	PF	7	7	NF	7	7	NF	7	7	NF	5	5	PF
Honduras	2	3	F	2	3	F	2	3	F	2	3	F	3	3	PF	3	3	PF
Mexico	4	3	PF	4	4	PF	4	4	PF	4	3	PF	4	4	PF	4	4	PF
Nicaragua	5	5	PF	3	3	PF	3	3	PF	4	3	PF	4	5	PF	4	5	PF
Panama	7	6	NF	4	2	PF	4	2	PF	4	3	PF	3	3	PF	2	3	F
Paraguay	4	3	PF	4	3	PF	3	3	PF	3	3	PF	3	3	PF	4	3	PF
Peru	2	4	PF	3	4	PF	3	5	PF	6	5	PF	5	5	PF	5	4	PF
Uruguay	1	2	F	1	2	F	1	2	F	1	2	F	2	2	F	2	2	F
Venezuela	1	3	F	1	3	F	1	3	F	3	3	PF	3	3	PF	3	3	PF

Edition *	1995-96			1996–97			1997–98			1998–99			1999–2000			2000–01		
Year(s) covered	1995			1996			1997			1998			1999			2000		
	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Argentina	2	3	F	2	3	F	2	3	F	3	3	F	2	3	F	1	2	F
Bolivia	2	4	PF	2	3	F	1	3	F	1	3	F	1	3	F	1	3	F
Brazil	2	4	PF	2	4	PF	3	4	PF	3	4	PF	3	4	PF	3	3	PF
Chile	2	2	F	2	2	F	2	2	F	3	2	F	2	2	F	2	2	F
Colombia	4	4	PF	4	4	PF	4	4	PF	3	4	PF	4	4	PF	4	4	PF
Costa Rica	1	2	F	1	2	F	1	2	F	1	2	F	1	2	F	1	2	F
Cuba	7	7	NF	7	7	NF	7	7	NF	7	7	NF	7	7	NF	7	7	NF
Dominican Republic	4	3	PF	3	3	PF	3	3	PF	2	3	F	2	3	F	2	2	F
Ecuador	2	3	F	2	4	PF	3	3	PF	2	3	F	2	3	F	3	3	PF
El Salvador	3	3	PF	3	3	PF	2	3	F	2	3	F	2	3	F	2	3	F
Guatemala	4	5	PF	3	4	PF	3	4	PF	3	4	PF	3	4	PF	3	4	PF
Guyana	2	2	F	2	2	F	2	2	F	2	2	F	2	2	F	2	2	F
Haiti	5	5	PF	4	5	PF	4	5	PF	5	5	PF	5	5	PF	6	5	NF
Honduras	3	3	PF	3	3	PF	2	3	F	2	3	F	3	3	PF	3	3	PF
Mexico	4	4	PF	4	3	PF	3	4	PF	3	4	PF	3	4	PF	2	3	F
Nicaragua	4	4	PF	3	3	PF	3	3	PF	2	3	PF	3	3	PF	3	3	PF
Panama	2	3	F	2	3	F	2	3	F	2	3	F	1	2	F	1	2	F
Paraguay	4	3	PF	4	3	PF	4	3	PF	4	3	PF	4	3	PF	4	3	PF
Peru	5	4	PF	4	3	PF	5	4	PF	5	4	PF	5	4	PF	3	3	PF
Uruguay	2	2	F	1	2	F	1	2	F	1	2	F	1	2	F	1	1	F
Venezuela	3	3	PF	2	3	F	2	3	F	2	3	F	4	4	PF	3	5	PF

Edition *	2001–02			2003			2004			2005			2006		
Year(s) covered	2001			2002			2003			2004			2005		
	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Argentina	3	3	PF	3	3	PF	2	2	F	2	2	F	2	2	F
Bolivia	1	3	F	2	3	F	3	3	PF	3	3	PF	3	3	PF
Brazil	3	3	PF	2	3	F	2	3	F	2	3	F	2	2	F
Chile	2	2	F	2	1	F	1	1	F	1	1	F	1	1	F
Colombia	4	4	PF	4	4	PF	4	4	PF	4	4	PF	3	3	PF
Costa Rica	1	2	F	1	2	F	1	2	F	1	1	F	1	1	F
Cuba	7	7	NF	7	7	NF	7	7	NF	7	7	NF	7	7	NF
Dominican Republic	2	2	F	2	2	F	3	2	F	2	2	F	2	2	F
Ecuador	3	3	PF	3	3	PF	3	3	PF	3	3	PF	3	3	PF
El Salvador	2	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Guatemala	3	4	PF	4	4	PF	4	4	PF	4	4	PF	4	4	PF
Guyana	2	2	F	2	2	F	2	2	F	2	2	F	3	3	PF
Haiti	6	6	NF	6	6	NF	6	6	NF	7	6	NF	7	6	NF
Honduras	3	3	PF	3	3	PF	3	3	PF	3	3	PF	3	3	PF
Mexico	2	3	F	2	2	F	2	2	F	2	2	F	2	2	F
Nicaragua	3	3	PF	3	3	PF	3	3	PF	3	3	PF	3	3	PF
Panama	1	2	F	1	2	F	1	2	F	1	2	F	1	2	F
Paraguay	4	3	PF	4	3	PF	3	3	PF	3	3	PF	3	3	PF
Peru	1	3	F	2	3	F	2	3	F	2	3	F	2	3	F
Uruguay	1	1	F	1	1	F	1	1	F	1	1	F	1	1	F
Venezuela	3	5	PF	3	4	PF	3	4	PF	3	4	PF	4	4	PF

Notes and Clarifications

The table lists all country scores since the annual Freedom in the World survey was first compiled for the year 1972.

Methodological changes have been effected periodically. For discussions of these changes, please consult the methodology essays for various editions of the survey.

For a full explanation of the current methodology, please consult the most recent edition of the survey.

"PR" stands for "Political Rights," "CL" for "Civil Liberties," and "Status" is the Freedom Status.

Political Rights and Civil Liberties are measured on a 1–7 scale, with 1 representing the highest degree of Freedom and 7 the lowest.

"F," "PF," and "NF," respectively, stand for "Free," "Partly Free," and "Not Free."

Until 2003, countries whose combined average ratings for Political Rights and for Civil Liberties fell between 1.0 and 2.5 were designated "Free"; between 3.0 and 5.5 "Partly Free"; and between 5.5 and 7.0 "Not Free."

Beginning with the ratings for 2003, countries whose combined average ratings fall between 3.0 and 5.0 are "Partly Free," and those between 5.5 and 7.0 are "Not Free."

Ratings for territories are not included in this table.

Several countries became independent, split into two or more countries, or merged with a neighboring state. Scores for these countries are given only for the period of their existence as independent states.

Turkish Cyprus, which declared its independence in 1983, has been listed as a territory of Turkey since the 1992–93 edition of the survey.

For 1972, South Africa was rated as "White" (2,3 Free) and "Black" (5,6 Not Free).

For Yugoslavia, ratings from 1993 to 2002 were for the country that remained following the departures between 1991 and 1992 of Slovenia, Croatia, Macedonia, and Bosnia-Herzegovina. In February 2003, the Yugoslav parliament adopted a constitutional charter

Thus, beginning in 2003, Yugoslavia is listed as "Serbia and Montenegro."

The former Zaire is listed under Congo (Kinshasa), and the former Western Samoa is listed under Samoa.

* These refer to the various editions of *Freedom in the World*, except for Jan.–Feb. 1973 through Jan.–Feb. 1977, which are from the bimonthly journal *Freedom at Issue*.

The first *Freedom in the World* book-length survey was the 1978 edition.
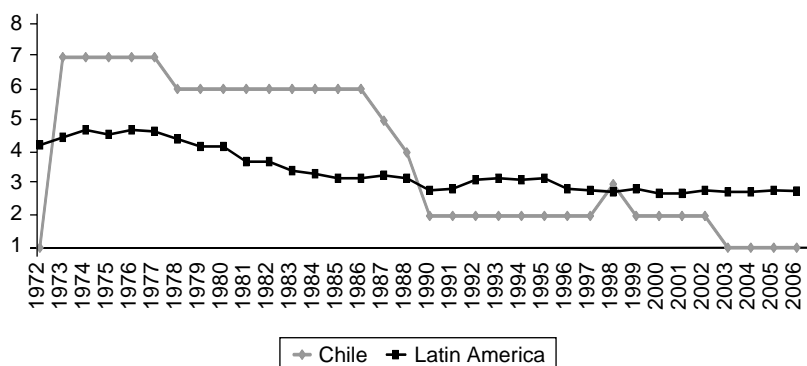
Figure 2.2 Political rights in Chile and Latin America, 1972–2006

Source: By the author with data from Freedom House, http://www.freedomhouse.org/template.
cfm?page=276.

2000, the country further advanced in securing civil and political liberties to
what Freedom House defines as an optimal level.

These figures also reveal that Chile achieved the lowest level of restraints
upon liberties during leftist administrations (i.e., after 2000). Whereas
Chilean democracy undoubtedly has many flaws, just as most democracies
do, it should go without saying that Chile is far more democratic today than
when Pinochet left office in 1990. Moreover, even those who have outlined
some of the challenges faced by Chile's democracy acknowledge that Chile is
a consolidated democracy (Valenzuela and Dammert 2006). Most of the
authoritarian enclaves that were still in place in 2000, when the Lagos admin-
istration took power (Garretón 2000), have now been eliminated (Siavelis
2006). Because Chile consistently ranks best in terms of civil liberties and
political rights, we safely conclude that Chile is a consolidated democracy and
that it is even more democratic after the Lagos administration than when
presidents Aylwin (1990–1994) and Frei (1994–2000) were in office.

Some might object to classifying the Lagos and Bachelet administrations
as leftist. To be sure, the definition of left is a highly contested concept.
Some authors have suggested that there are two lefts (Castañeda 2006;
Castaneda and Morales 2008; Petkoff 2006). Others have even claimed that
there are three lefts (Walker 2006). In the case of Chile, some have passion-
ately argued that the Lagos government was not leftist (Claude 2006; Fazio
2006; Fazio et al. 2006). Admittedly, their argument is based on a narrow
definition of what "left" is. For them, neoliberalism is incompatible with left.
Yet, others authors have identified the Lagos government as being leftist
(Alcántara Sáez and Ruiz-Rodríguez 2006; Funk 2006; Ottone and Vergara
2006; Siavelis 2006; Squella 2005).

If we are to accept that left is a contested concept, we cannot a priori
disqualify certain leftist experiences. Instead, precisely because left is a
contested concept, the appropriate way to approach it is by accepting a self-
definition and the recognition of others within the country. Thus, provided

that the Lagos administration and the political parties that comprised it defined themselves as leftists and that a large majority of the political actors in Chile accepted that definition, it is appropriate to consider the Lagos administration as leftist.

To disqualify the Lagos or Bachelet administration as leftist, it does not suffice that some authors, or even a political party, challenge that definition. It is always conceivable that there will be someone more to the left. Yet, left should not be equated with "the most leftist" but rather with "left-of-center." Presumably, left might even mean different things in different countries, but in every country there will be parties that will advocate centrist policies and goals and there will be those who considered themselves and are recognized by others as to the left-of-center. Thus, rather than starting out with a priori definition of left and then classifying political parties and regimes accordingly, I start out by accepting self-definitions. This way, I can map out the left-leaning parties of the region, and analyze commonalities and variations among the parties.

The terms "socialist" and "leftist" tend to be used to refer to parties that advocate, defend, and promote ideals of social justice and equality, even when using the tools of moderate conservatives. Chilean socialists may thus be viewed as leftists. Indeed, although the Chilean Socialist Party (PS) has championed economic policies similar to those of moderate conservatives elsewhere in Latin America, it would be inaccurate to define it as a nonsocialist party. The PS defends ideals historically associated with the left in the hemisphere, and other leftist parties recognize Chilean socialists as their ideological partners. Thus, even if we can easily find a political party to the left of the socialists, both the administration of Ricardo Lagos and that of Michelle Bachelet can be safely regarded as leftist governments.

The Socialist Government of Ricardo Lagos (2000–2006)

Since 1990, Chileans have voted to keep the same center–left multiparty coalition in power. The *Concertación por la Democracia* was formed in 1988 by Christian Democrats, Socialists, and other center and left-leaning parties to oppose the rightwing military dictatorship headed by General Augusto Pinochet (1973–1990). After the Concertación was formed, Pinochet was defeated in a plebiscite in 1988. In the democratic elections held a year later, Christian Democratic (PDC) Patricio Aylwin, the Concertación's presidential candidate, easily won the election.

Because constitutional provisions created by the outgoing dictatorship gave the forces loyal to the military a majority control of the Senate, the Concertación was forced to bargain with conservative parties for all legislative initiatives and most of the policies it sought to implement. In addition, Pinochet's success in remaining in charge of the Army slowed progress on issues such as bringing about justice to human rights violations, reducing existing high levels of inequality, and eliminating constitutional constraints

on the democratic system. Left-leaning parties, acutely aware of the limits of maneuver in this political environment, exercised restraint in pushing social and political demands (Boeninger 1997; Drake and Jaksic 1995).

The first Concertación government (1990–1994) helped produce economic growth, with significant reductions in inflation, unemployment, and—most importantly for left-leaning parties—poverty. The Concertación proved it could manage the economy better than the outgoing dictatorship. It also promoted democratic reform and reduced the scope of the "protected democracy" framework established by the 1980 Constitution. As the Aylwin government neared its end, the two main leftist parties, the PS and Party for Democracy (PPD), nominated socialist leader and PPD founder Ricardo Lagos as their presidential candidate. Lagos challenged the PDC's candidate Eduardo Frei for the Concertación's 1993 presidential nomination.

Although initially formed by seventeen center and left parties, by 1993 the Concertación was comprised of four parties that survived the merging and fusion process that took place during the transition to democracy, with the PDC remaining the only centrist party in the coalition. The other members were the left-leaning PS, PPD, and PRSD (Radical Social Democratic Party). The PPD was formed in 1987 when the PS was proscribed by the 1980 Constitution. Created as a mainly instrumentalist party, the PPD took on an ideological life of its own as many left-leaning voters showed uneasiness toward the PS. The PS had undergone ideological change in the 1980s, but continued to be the home of many Marxists.

Lagos had emerged as a natural leader of both parties during the Pinochet dictatorship, and, together with Aylwin, became was the most visible Concertación leader. Having earlier withdrawn his presidential bid in favor of Aylwin, Lagos went on to an unexpected defeat for the Senate in the 1989 elections. Appointed minister of education, Lagos led an aggressive reform aimed at increasing government spending in education, regulating the private sector in education, and increasing funding for education for the poor. In 1993, he again sought the Concertación's presidential nomination; but the overwhelming popularity of PDC candidate Eduardo Frei (son of the president of the same name) stood in his way. Primaries between Lagos and Frei were held in May of 1993, with party activists automatically eligible to vote and Concertación sympathizers eligible only if especially registered, allowing for an open contest within the Concertación between centrist PDC and left-leaning parties. Frei won handily, but leftist Concertación parties were strengthened by the fact that voters, rather than party leaders, chose the coalition candidate.

During the Frei government (1994–2000), leftist parties grew stronger. Lagos used his post as minister of public works to launch a new presidential bid. He also carefully brought the private sector into the process of infrastructural developments. Through a Build-Operate-and-Transfer (BOT) scheme, the socialist leader helped raise billions of private investment dollars to develop new roads and other infrastructure projects. The model was that public projects would be built with private funds, and paid for with user fees.

The government could thus use its scarce resources to develop infrastructure in places private investors did not find it profitable. In this way, not only was much more infrastructure developed, but the government was able to target funds to those areas most in need, thereby promoting government spending in a way that reduced existing inequalities. At the same time, Lagos developed a platform that made it possible for the left to take a leadership role in the Concertación. The creation of the Chile 21 Foundation, a leftist think-tank, created a space where new ideas could be discussed in a setting related to, but independent of, the PS and PPD.

In mid-1998, Lagos resigned his cabinet post to pursue a new presidential bid. Concertación parties agreed to hold presidential primaries open to all voters—except those who were activists of non-Concertación parties. The expectations were that more people would participate and that preferences reported in polls would be more easily reflected in the results. Notwithstanding Lagos's popularity, Andrés Zaldívar—who had narrowly defeated Lagos in 1989 in a senatorial race—was the PDC candidate. Lagos went on to win the May 1999 primaries by a 71.4 to 28.6 percent margin, with almost 1.4 million votes (about 18 percent of the registered voting national population). His victory led many to expect an easy win in the December 1999 presidential elections.

Chilean politics had become complicated, however, by the October of 1998 arrest of Augusto Pinochet during a trip to England, after a Spanish judge issued an international warrant for him for having committed crimes against humanity. Pinochet had given up presidential power in 1990, but had assumed a lifetime post in the Senate. Despite allegations of diplomatic immunity, the British government denied a request to release Pinochet. Inevitably, the 1999 presidential election was influenced by the arrest. Among other things, the conservative candidate Joaquín Lavín benefited indirectly from the arrest. As a member of the Independent Democratic Union (UDI), Lavin had been a supporter of the dictatorship during the 1980s, and had reinvented himself as a moderate conservative mayor of Santiago's wealthiest district. The UDI was the strongest conservative party in the multiparty Alianza coalition. Pinochet's arrest helped Lavín distance himself from the dictatorship and present himself in no uncertain terms as a moderate candidate. Because Lagos was the Concertación's presidential candidate and, unlike previous elections, no PDC candidate was in the field, Lagos found in Lavín a direct competitor for moderate votes. Lavín captured more support from moderates than any previous conservative presidential candidate. In addition, in 1999 Chile was experiencing its first recession after fifteen years of continuous economic growth.

The 1999 presidential election was, as a result, hotly contested. Lagos, the early favorite, was forced into a run-off with Lavín, who proved to be a tough campaigner with an intelligently designed strategy that exploited the discontent produced by the recession. After narrowly edging Lavín by a 48 to 47.5 percent margin in the first round vote, Lagos won the run-off by a 51.3 to 48.7 percent margin. The tightness of the race had much to do

with the widespread discontent caused by recession. In September of 1999, 58 percent of Chileans believed the country was headed in the wrong direction, according to a poll conducted by the Centro de Estudios Públicos. Yet Lagos was also the first Concertación candidate who was not a member of the centrist PDC. As the first leftist presidential candidate since Salvador Allende, Lagos had a difficult challenge. Many observers expected that moderate Concertación sympathizers would be reticent to support a leftist candidate. Although moderates had overwhelmingly supported Aylwin and Frei, the presence of a leftist presidential candidate made it easier for Lavín to lure moderate voters away from the Concertación.

Lagos took office at a very difficult time in March of 2000. Unlike Aylwin and Frei, who started their terms with the country in good economic shape and with most people sensing the country was headed in the right direction, Lagos's presidency began with the country only slowly emerging from a recession (see table 2.1). To make matters more complicated, Lagos was inaugurated just one week after Pinochet returned to Chile from his house arrest in London (Eduardo Frei had lobbied the British to free Pinochet on humanitarian grounds and promised to try him in Chile). Among Lagos's immediate challenges, then, along with struggling to consolidate economic recovery, was what to do about Pinochet, and to prove wrong the idea that Chilean socialists could not govern effectively (Ottone and Vergara 2006).

At the end of the day, despite being affected by a variety of economic woes and corruption scandals (Navia 2004), the Lagos government achieved numerous successful legislative and policy initiatives, including long-anticipated free trade agreements with the United States and the European Union. A comprehensive health care reform (scaled down to secure legislative approval), a far-reaching labor union reform (including an unemployment insurance scheme), a state modernization initiative (with the creation of politically independent civil service professionals), campaign finance reform (government financing for political parties), and a number of economic modernization initiatives, all

Table 2.1   Selected economic indicators in Chile and Latin America, 2000–2007

Indicator	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GDP growth Chile	3.2	−0.8	4.5	3.4	2.2	3.9	6.0	6.3	4.4	4.0
GDP growth Latin American countries (average)	2.5	0.2	3.9	0.3	−0.5	2.1	6.2	4.6	5.6	5.6
Unemployment Chile	6.4	9.8	9.2	9.1	9.0	8.5	8.8	9.2	7.7	7.0
Unemployment Latin America (average)	10.0	10.7	10.2	9.9	10.8	10.7	10.0	9.1	8.6	8.0
Inflation Chile	4.7	2.3	4.5	2.6	2.8	1.1	2.5	3.7	2.6	7.4
Inflation Latin America (average)	10.0	9.7	9.0	6.1	12.2	8.5	7.7	6.1	5.0	6.1

GDP: Gross domestic profit.

Source: Compiled by author with data CEPAL 2006, 2007.

contributed to widespread acknowledgment that his tenure significantly improved the Chilean polity. It also reconfigured widespread notions on the Chilean left that a commitment to social justice was inevitably tied to wholesale rejection of neoliberalism.

The Lagos administration combined neoliberal economic policies with democratic consolidation and distributive social justice policies. Political reforms that brought greater accountability and transparency in government were regarded as progressive by the left. For example, Lagos secured the direct election of municipal mayors and a comprehensive set of constitutional reforms that eliminated most pending authoritarian enclaves from the 1980 Constitution. These reforms were instituted alongside successful redistributive measures, such as a program aimed to combat poverty by targeting government resources to those most in need—the Chile Solidario program. Yet, the Lagos administration also championed some standard neoliberal economic reforms. Alongside free trade agreements, the government adopted a draconian 1 percent surplus rule to the fiscal budget. Highways and other infrastructure concessions attracted foreign investment. The percentage of children attending privately owned schools using a voucher-like program reached an all-time high. In addition, Lagos's aggressive commitment to the international rule of law, including his opposition in the U.S. request to the UN to use force to remove Saddam Hussein, burnished his reputation as an independent, democratically minded leader (Alcántara Sáez and Ruiz-Rodríguez 2006; Funk 2006).

It can be inferred from table 2.1 that the Chilean economy under Lagos performed better than average in the continent. While the 1999 downturn affected Chile more than other economies in Latin America, the national economy eventually outperformed the region. While Latin America grew at a 3.7 percent rate, Chile's economy expanded by 4.5 percent in 2000; in 2001 and 2002, while Latin America stagnated, Chile grew by 3.5 percent and 2 percent, respectively. And as other Latin American economies began to recover in 2003, Chile recovered with a stronger 3.3 percent rate. In 2004, as Latin America in general experienced its best year in almost a decade, Chile's economy expanded even more, by 5.8 percent. In 2005, Chile achieved a 6.3 percent growth rate, compared to the region's 4.5 percent average. True, Chile's growth has slowed down in 2006 and 2007. Latin American grew in average more than Chile did. But Chile's strong anti-cyclical economic policies will likely help the country better weather out a future downward trend in the economic cycle.

Of course Chile's economy was not problem-free. Unemployment continued to be a problem after 1999. Although the economy expanded at a decent rate, unemployment levels remained almost as high in Chile as in the rest of Latin America. Inflation, on the other hand, was kept under control. In 2003, the country experienced its lowest inflation on record and in 2004 the inflation rate was kept considerably low despite the upsurge of economic activity. In 2005, the last year of the Lagos administration, inflation increased slightly, but it was still below the Latin American average.
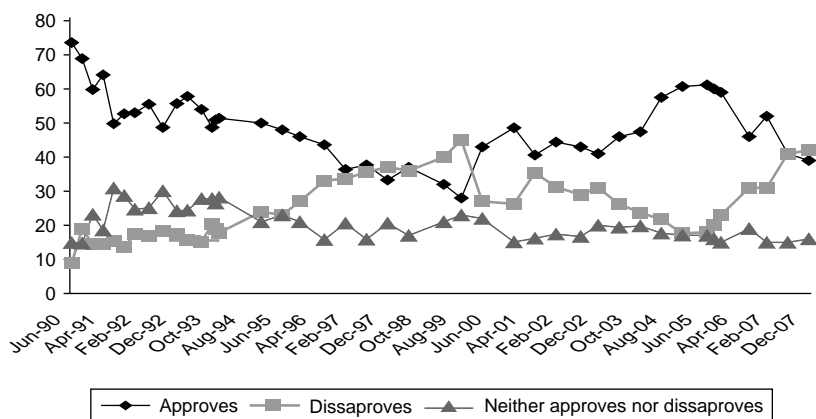
Figure 2.3   Presidential approval ratings in Chile, 1990–2007
Source: Built by the author with CEP poll data.

When compared to the rest of Latin America, then, Chile's overall economic performance during the Lagos administration was clearly successful. Chilean public opinion agreed with this assessment. While 63 percent of those polled by a Centro de Estudios Públicos (CEP; see figure 2.3) survey in 1999 believed that the country was headed in the wrong direction, that number had fallen to 30 percent by late 2004. Those who believed the country was making progress increased from a low of 22 percent in mid-1999 to 58.6 percent in late 2004. President Lagos's approval ratings reflected this upbeat feeling. With a 43 percent approval rating during his first month in office, by mid-2005 Lagos's approval ratings had increased to 60 percent. Lagos was the first president since transition to democracy to experience a higher approval rating during the second half of his government than during the first, and completed his term with an approval rating higher than when he came in. Aylwin, the first democratic elected president after Pinochet, will likely go down in history as the architect of Chile's transition to democracy. Frei, who led the nation through a period of growth, will be remembered for his economic modernization efforts. Ricardo Lagos successfully combined successes in those two fields. His policies of infrastructure development, state modernization efforts, transparency initiatives, and health and educational reforms put him in the same general camp as Eduardo Frei. Yet Lagos's legacy was broader than this. Because he was the first socialist president since Allende, his success put to rest suspicions that leftist governments were inevitably ineffectual. After Lagos, no leftist presidential candidate had to face doubts about the left's ability to govern.

In addition to high poll numbers for Lagos, voters rewarded the Concertación with victories in most elections held during his term. The 2000 municipal elections were an off note, as the Concertacion's internal disputes kept it that year from translating its national majority into a commanding majority among local governments. The 2001 parliamentary election also saw

the Concertación lose seats in the Chamber of Deputies, but the center–left coalition still managed to get more votes than the rightwing opposition. But Lagos's personal popularity was in the long run a boon to the governing coalition, contributing to a victory in the 2004 municipal election. And of course the results of the 2005 election constituted a clear popular endorsement for Lagos, giving the center–left coalition an unprecedented four consecutive victories in presidential elections. Indeed, the Concertación's tenure will be the longest serving democratically elected party or coalition in the history of Latin America. The fact that such stability has occurred in a country led by a coalition comprised of socialists is notable, and reveals the capacity of Chilean socialists to realize effective economic policies and improvements in the quality of life.

The Lagos administration was not only successful—it was leftist. Although the PS has championed economic policies associated with moderate conservatives elsewhere in Latin America, it would be unfair to label it or Lagos as nonsocialists. There can be no doubt that many of Lagos's policies were distinctively neoliberal in character (Claude 2006; Fazio 2006; Fazio et al. 2006; Winn 2004), yet he and his party unapologetically identify themselves as leftists. Numerous analysts agree (Alcántara Sáez and Ruiz-Rodríguez 2006; Angell and Reig 2006; Funk 2006; Winn 2004), and other parties in Chile do as well, though the Communist Party, not surprisingly, regards Lagos as more to the right than they are. Other leftist parties in Latin America recognize Chilean socialists as their ideological partners.

The Bachelet Government

Although Michelle Bachelet's victory understandably made news around the world for the fact of her gender, the fact that she was elected as the candidate of longest ruling coalition in the country's history is actually more revealing of recent political developments in Chile. Because Bachelet successfully combined a message of change (her being a woman) with a message of continuity (promising to retain the policies of her predecessor), she won the run-off election on January 15, 2006, defeating a moderate right-of-center candidate (Izquierdo and Navia 2007; Morales 2007; Siavelis 2006). It is very likely that had she not been a candidate of the popular Concertación coalition, the fact that she was a woman would not have been sufficient to carry the day. At the same time, although a lifelong socialist, Bachelet's election should not be seen as just one more in the recent wave of leftist victories in Latin America. As the fourth consecutive Concertación president, she represents much more continuity than change. Because she promised to maintain the economic policies that made Chile the most successful economy in Latin America, her election was as much an approval of the neoliberal model implemented by the Concertación than a call for change in favor of Bachelet's promise of a more participatory democracy.

The first Concertación president, PDC Patricio Aylwin (1990–1994), announced a "free market social economy" while vowing to give neoliberalism

a human face. The remarkable thing is that in the following ten years, Chilean poverty was reduced from 40 to 20 percent, and the economy's rate of growth more than doubled. Yet the policies adopted by Aylwin and Frei were squarely in tune with those promoted by the Washington Consensus and international lending institutions. Lagos only deepened the Chilean state's commitment to neoliberalism. In addition to signing free trade agreements with the United States and the European Union, Lagos adopted a conservative fiscal policy, with a structural fiscal surplus of 1 percent of the GDP into the national budget. Even in 2005, an election year, and despite soaring copper prices (Chile's main export commodity), the Lagos administration showed remarkable fiscal restraint. The absence of lavish spending did not mean lack of focus on social programs. Ambitious and well-designed programs to promote access to health and education, and infrastructural development, have transformed Chile.

Bachelet's rise to power is closely associated with the Lagos government. First appointed minister of health in 2000, Bachelet was one of five women to be appointed in Lagos's first cabinet. She received wide press attention soon after Lagos's inauguration when she was given a ninety-day limit to end lines in public health clinics. Because health reform had been a major component of his campaign, Lagos promised rapid solutions. When faced with the ninety-day impossible assignment, she offered to resign, an act of honesty that made her very popular. Although her accomplishments as minister of health for the two years of her portfolio were questioned by conservatives, she became one of the most popular ministers in Lagos's cabinet (Insunza and Ortega 2005).

In January of 2002—following a midterm parliamentary election—Lagos appointed Bachelet as minister of defense. Though trained as a pediatrician, her personal interests led her to develop a parallel career as a defense expert. The daughter of an Air Force general sympathetic to the socialists, and who served under Allende, Bachelet was arrested and tortured after the military coup of 1973. Her father died while held by the military and her mother was arrested and tortured. After her father's death, Bachelet and her mother left for exile in Australia and East Germany. She married and returned to Chile in the early 1980s, where she completed her medical education. When Pinochet left power in 1990, Bachelet was an activist in the Socialist Party. Her interests in defense issues led her to take classes in military academies, including a one-year stint at the Inter American Defense College in Washington D.C., and obtain a masters degree in military sciences in Chile (Insunza and Ortega 2005; Siavelis 2006).

As the first woman and the first socialist to serve as defense minister since 1973, as a woman, and as a victim of military repression, the symbolic and historic value of Bachelet's appointment cannot be overstated. The manner in which she conducted herself as defense minister and her ability to personify the national desire for reconciliation made her a very popular minister in the Lagos cabinet. Although the idea of having a woman as presidential candidate had been floated in the Concertación when Foreign Affairs Minister Soledad Alvear, a Christian Democrat, emerged as a leading presidential contender, to

say that the idea of putting forward Bachelet—a divorcee, mother of three, socialist, agnostic, and former political exile—as the Concertación standard bearer was novel would be an understatement.

As Lagos's term came to an end, Bachelet's popularity continued to grow. By late 2003, she was the most popular Concertación presidential hopeful, more than Alvear, her ministerial colleague. In September of 2004, Lagos reorganized his cabinet and, given their presidential intentions, accepted Bachelet's and Alvear's resignations. They campaigned heavily for Concertación municipal candidates and contributed to a strong victory by the government coalition in October. Soon thereafter, Bachelet was proclaimed presidential candidate by the PS, PPD, and PRSD. Because Alvear was nominated by the PDC (the largest party in the Concertación) in January of 2005, presidential primaries within the Concertación were scheduled for July 31. In June, seeing Bachelet's poll numbers grow, Alvear decided to withdraw from the race and throw her support to Bachelet. For the first time in its history, the Concertación had a woman as its presidential candidate (Siavelis 2006).

Because of the economic success and political stability of the Concertación sixteen-year old government, because conservative parties were too closely identified with Pinochet's authoritarian legacy, and because of Lagos's superb performance, the Concertación ended up winning the presidency in 2005. With more than 51 percent of the vote, the center–left coalition secured not only its twelfth consecutive electoral victory, but a majority in the Chamber of Deputies and the Senate as well. Bachelet obtained 46 percent in the first round, and went on to obtain 53.5 percent in the run-off.

A significant feature of this victory was the fact that Bachelet attracted voters who had historically been reluctant to support leftist candidates. Men have traditionally supported candidates of the center–left more strongly than have women. In all elections since 1990, conservative parties captured a larger share of the female vote than has the Concertación. In 1999, Lagos became president with a 54.3 percent among men and 48.7 percent among women voters. In 2005, Bachelet captured 53.3 percent among women and 53.7 percent among men. This trend promised good things for the Concertación's electoral future.

Bachelet's Bottom–Up Approach to Politics

Although the central focus of her campaign was the strengthening of a social safety net to complement Chile's buoyant economy, Bachelet also made participatory democracy a priority. In addition, she promised that her government would bring about gender parity in top governmental posts, and promised new faces. Yet implementing those promises from the La Moneda palace has proven difficult.

Bachelet's central message during the campaign was the strengthening of the social safety net. After sixteen years of successful economic policies, Bachelet shifted the focus to building a net to help those who fall behind and

those who, having left poverty, fear falling back into it if and when they lose their jobs, become ill, or grow old. Fortunately, other candidates also placed a strong emphasis on issues of inequality and lack of opportunities in Chile. UDI candidate Joaquín Lavín campaigned on a platform that promised to reduce inequality.

Because Bachelet centered her campaign on building a strong safety net, some criticized her for not focusing enough attention on economic growth. Moderate rightwing candidate Sebastián Piñera, seeking to court centrist voters, made economic growth central to his campaign. But because the country's economy was expanding rapidly in 2005 and unemployment was decreasing, Bachelet's and Lavín successfully shifted the focus away from economic growth into building an adequate safety net of educational, housing, infrastructure, pensions, and health services. More than any other proposal, Bachelet best-known social sector promises were a profound reform to the private pension system and the expansion of preschool education to low-income families.

The low 4.4 percent economic growth that Chile experienced in 2006—the lowest in Latin America—forced Bachelet to shift her focus back to the economy. Although she promised to introduce legislation in 2007 to overhaul the pension system and moved forward with comprehensive educational reform, her government was overwhelmed with calls to bolster economic growth. The downturn of 2006 made it harder to focus on the safety net. Then, in 2007, the government was negatively affected by the disastrous implementation of a major overhaul of the public transportation system in Santiago. Designed under the Lagos administration but implemented under Bachelet, the Transantiago proved to be a major embarrassment for her government. Everything that could go wrong with the new system did. Long lines of people waiting for late and overcrowded buses came to symbolize the worst public policy failure in the history of Concertación governments. President Bachelet was forced to reshuffle her cabinet in March of 2007. But the lingering legacy of discontent with Transantiago dissuaded the government from implementing other major new policies and reforms.

By the end of 2007, as problems with Transantiago continued to haunt the government, the economic situation had again deteriorated. Inflation had increased and growth had slowed down. Unforced errors and the difficulties of carrying out government initiatives led Bachelet to reshuffle her cabinet for a third time in less than two years in power. The new cabinet, sworn in early 2008, was charged by Bachelet to carry out her agenda more successfully in the "second half" of her government. The government had tacitly admitted to a discrete performance during the first two years, the first half, in power.

Nonetheless, after the disastrous implementation of Transantiago, the government did pass a couple of path-breaking reforms to strengthen the safety net. After fierce negotiation with Congress, Bachelet signed an educational reform that created a stronger regulatory framework over privately run—and publicly funded—voucher schools. The reform also introduced

additional subsidies for private schools that serve low-income students. A major pension reform was passed in late 2007. The reform will modernize the privately run pension fund system and introduce more competition among private operators and better government oversight. In addition, a "solidarity" component was introduced to subsidize mothers who take time off their working careers to care for their families and low-income younger workers who have recently joined the labor force. The pension reform also introduced a minimum guaranteed pension to those whose mandatory contributions to the private pension funds will not produce enough savings for a minimum pension. The guaranteed minimum pension constitutes an effective safety net provision to help the elderly who are overrepresented among the poor.

During her campaign Bachelet began to move the center of political debate in Chile beyond the classical narrow argument between right and left about being "for" or "against" neoliberalism. The political goals need to be recognized as entering a new political territory for Chile—and for Latin America. In a variety of ways Bachelet moved the agenda of Chilean politics "beyond neoliberalism." She effectively introduced noneconomic issues into mainstream political conversation, repeatedly speaking of "a different way of doing politics."

To begin with, campaigning as a noncareer politician, as a physician who had not spent her life working her way up through the political party structure, she could credibly make participatory democracy a central theme of her campaign. Running a "citizen's campaign," it turned out, was one of her strong selling points. She claimed that her good standing in polls, not favor with party elites, was the reason for her candidacy. When she was appointed minister, she said, she had not intended to end up Concertación candidate. Her campaign sought to promote a bottom–up, non-technocratic approach. "Just as medical treatments will not work if you fail to engage patients, the policies Concertación governments implement will work better if you promote participation, inclusion and diversity," she once said during the campaign.

Yet Bachelet did not have a clear plan to introduce bottom–up democratic mechanisms. Although she did express a preference for mechanisms such as referenda and plebiscites, her government did follow through on such ideas because they require constitutional reforms. Moreover, when Bachelet suggested, in mid-2006, that there should be a plebiscite to decide the fate of the electoral law left in place by the authoritarian government, she was widely criticized from all sides for undermining ongoing negotiations to introduce electoral law changes.

During the campaign as well, Bachelet spoke in favor of popular legislative initiatives, that is, that citizens should be allowed to introduce legislation. Although many liked the idea, the Constitution gives the president sole power to introduce legislation that implies government spending (Siavelis 2000). The Constitution also allows the executive to control the legislative agenda. Thus, introducing mechanisms for popular legislative initiative would empower citizens while sidestepping Congress, a measure no one is likely to support.

Bachelet did push the idea of participatory and citizens' democracy during her first months in office; but she found her commitment to the idea seriously challenged when students took to the streets in May and June of 2006. They demanded improvements in the educational system and an end to unequal access to education. With many students from well-to-do schools joining the protest movement, it began to assume the character of a nationwide movement for educational reform. The government was slow to react and lost control of the situation. Streets were filled for days with students, and others, protesting against inequality in education but eventually also complaining, ironically, against the government's slow response. Because Bachelet represented a coalition that had been in power since 1990, her government could not easily blame previous administrations for the shortcomings in education. Eventually, Bachelet was forced to fire several ministers, including the minister of the interior, the most important post in Chile's cabinet. Her first cabinet reshuffle, occurring only four months after she took office, pretty much buried the idea of participatory democracy.

Indeed, as figure 2.4 shows, Bachelet's approval ratings suffered as a result of the protests. After she fired her cabinet, her approval ratings increased again over 50 percent in late 2006. When she abandoned the idea of participatory democracy and adopted a more traditional Concertación top–down approach to government, her approval increased. Partially, this was because the Concertación parties felt uneasy about Bachelet's initiative to bring about more popular participation. When Bachelet abandoned that initiative, the Concertación parties also began to collaborate more with her government.

The implementation of Transantiago negatively affected Bachelet's approval ratings. In fact, her disapproval increased constantly after the new transportation system was implemented in February of 2007 and surpassed her approval ratings by mid-2007. Transantiago also undermined the perception that
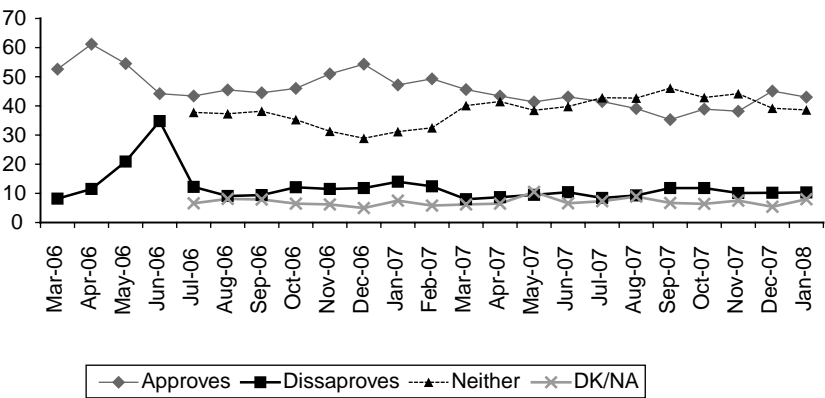
Figure 2.4   Michelle Bachelet approval ratings, 2006–2008

Source: Compiled by author with data from Adimark polls.

Bachelet was in fact in favor of bottom–up democracy. Because the major overhaul to the Santiago public transportation system was adopted without extensive consultation with the population, the perception that the government continued to rely heavily on a top–down approach to new public policies weakened Bachelet's image as a president who promoted a bottom–up approach to democracy. True, Transantiago was designed under Lagos, but it was implemented after Bachelet had completed eleven months in office. The absence of popular participation in the implementation of Transantiago hindered Bachelet's ability to continue pushing for more bottom–up mechanisms of democracy.

Another promise related to a more participatory and inclusive democracy that was eventually abandoned was her commitment to gender parity and new faces (ten of the twenty cabinet ministers she first appointed were women). Initially, she actively embraced the idea of gender parity. In part, that initiative was first championed by President Lagos when he appointed five women to his first sixteen-member cabinet. Bachelet was among those women appointed. She was the first woman to head the ministry of health in Chile's history. Yet, as president, Bachelet went further in adopting initiatives to promote gender parity, and promised to introduce legislation to provide for gender quotas in Congress.

Despite her strong commitment to gender parity, Bachelet was forced to abandon this principle when she reshuffled her cabinet for a second time in early 2007. In that new twenty-two-member cabinet, there were only nine women. In her third cabinet reshuffle, men again outnumbered women. Yet, Bachelet successfully introduced the issue of gender equality as a permanent item in the public agenda. Although the cabinet was no longer evenly divided among men and women, it will be impossible for Chile to go back to those early 1990s years when there was only one woman in a twenty-two-member cabinet. Lagos had incorporated more women to higher posts, but Bachelet's commitment to gender equity will undoubtedly give women a greater role in future Chilean politics.

Finally, Bachelet also promised to bring about a renewal in the Concertación leadership. She promised during her campaign that nobody *would have seconds* ("nadie se repite el plato"). When she appointed her first cabinet, only two among the twenty ministers had served as ministers in previous governments. Her first and second cabinet reshuffles forced her to bring back to power some of the old Concertación leaders. In mid-2007, six of the twenty-two ministers occupied important posts in previous Concertación governments. The number of old faces increased again after Bachelet's third cabinet reshuffle in January of 2008. Yet, Bachelet has successfully forged ahead with the promotion of new faces in government, although she has relied more heavily on old faces than when she first took office.

At the time of this writing, in early 2008, it was still too early to know whether Bachelet would succeed in implementing all of her new goals—all of which would move her government to a political space beyond that of being for or against neoliberalism. Although some reforms have been implemented

that will help build a stronger safety net—including the pensions reform and the educational reform—the economic performance in the coming years will determine the extent to which a stronger and more comprehensive safety net for all Chileans can be sustained over time. If the economy grows fast, a stronger safety net will be built, and this will in no way be regarded as a rejection of neoliberalism. Participatory democracy seems to have a tougher road ahead. Because the government is not clear as to what it means when it calls for more participatory democracy, it is unlikely that institutional changes that promote participatory democracy will be introduced. Gender parity will probably not come back to the forefront in the remaining of Bachelet's term, but the position of women in society will be significantly stronger after Bachelet completes her four-year term. Finally, the fate of the renewal within the Concertación will depend on the success of her government. If Bachelet improves her approval rating and the government has more successes than failures, the "renewal of faces" may become a permanent feature of Chilean politics.

Beyond Neoliberalism?

The circumstances that helped Lagos and Bachelet retain their leftist identity, while also allowing them to move the political center beyond the argument of being for or against neoliberalism, are not easy to reproduce in other countries. Economic fundamentals in Chile are strong; the Concertación has produced especially capable leaders; and the parties that make up the coalition enjoy clear and robust political structure. Without these factors, it is more difficult for leftist presidents in other countries to move the political debate beyond neoliberalism.

The absence of large, stable, professional leftist parties in other Latin American countries makes it difficult for leftist presidents to build personal support without falling into the trap of being labeled as populists. The government that could perhaps draw a lesson from the Lagos experience is that of Uruguay, where Tabaré Vázquez was inaugurated in March of 2005 as that country's first leftist president. Facing harder economic challenges than those faced by Lagos when he first came into office, Vázquez now seems about to adopt Lagos-type policies. Vázquez enjoys majority control of the legislature. His *Frente Amplio Encuentro Progresista Nueva Mayoria* controls fifty-two of the ninety-nine-seat Chamber of Deputies and seventeen seats in the thirty-one-seat Senate. If he can successfully lead his leftist multiparty coalition to support his legislative initiatives and fund his public policy programs, he will consolidate, as have Lagos and Bachelet, a new leftist politics of moving beyond the denunciation of neoliberalism.

Lagos's and Bachelet's success in moving beyond neoliberalism is partially attributable to the strength of the Concertación coalition, and partially due to the basic strength of the Chilean economy. The absence of strong leftist parties in Peru and the lack of stable multiparty coalitions in Brazil make it difficult for those leftist presidents to do likewise. Lula's ability to begin moving in this direction is mainly due to the strength of the Brazilian

economy. In the cases of Argentina, Bolivia, and Mexico, leftist presidents have either remained locked in the old anti-neoliberal discourse or have been forced to dilute or abandon their leftist social democratic principles. The main factor at work in these three countries is the weakness of their economies.

The two Concertación administrations of Ricardo Lagos and Michelle Bachelet stand out as successful cases of "neoliberalism with a human face" in Latin America. Because the Concertación led a period of unprecedented economic growth and democratic consolidation, there has been very little political room for reaction against neoliberalism. In the 2005 election, the only candidate openly opposed to neoliberal policies, Tomas Hirsch of the Communist–Humanist coalition, barely received 5.4 percent of the vote. In the 2004 municipal election, the Juntos Podemos coalition (communists, humanists, and other leftists critical of the Concertación) received only 9.7 percent of the vote. The anti-neoliberal left that has grown strong in other Latin American countries has failed to grow in Chile precisely because the leftist version of neoliberal policies has proven to be successful in terms of consolidating democracy, generating economic growth and reducing poverty. The major frontier for this coalition, in terms of classic issues for the left, is how to reduce inequality. This will remain one of the great challenges for the Bachelet administration. Yet judging from the political process of the last seventeen years, the Chilean left's approach to reducing inequality will unlikely find its ideological footing in a renunciation of neoliberalism.

This page intentionally left blank

Chapter 3

Neoliberalism and the Left: National Challenges, Local Responses, and Global Alternatives

Benjamin Goldfrank

Introduction

One of the most interesting developments in Latin America in the early twenty-first century has been the (re)appearance of important political parties and figures on the left. The arrival to power of Hugo Chávez in Venezuela, Lula da Silva and his Workers' Party (PT) in Brazil, and Tabaré Vázquez with the Broad Front (FA) in Uruguay delighted progressives region-wide while alarming conservatives in the United States, who see an emerging Latin American "axis of evil." What surprised many about the left's new-found electoral success is that until recently political parties on the left were often assumed to be moribund or irrelevant. Most scholars viewed the spread of neoliberal reforms in the 1980s and 1990s as the final nails in the coffin for left parties; some now insist that the new left-leaning presidents will not significantly alter the neoliberal market model. This chapter presents a different perspective, one rooted in the left's experiences in city government. The local perspective helps in understanding how major parts of the left survived the neoliberal era, how many left parties changed their prior revolutionary goals of smashing the state to those of democratizing the state, and how they might still challenge neoliberalism despite multiple constraints.

After evaluating different versions of the thesis that left parties are irrelevant, I argue that neoliberalism opened new opportunities for the left, present examples of failed and successful turns in city government, and suggest ways in which the left's local-level experiments in participatory democracy contest prevailing neoliberal orthodoxies. The final sections explore the effects of the left's local governments on national-level electoral outcomes and policies and question the mainstream view that the left is destined to reproduce the neoliberal model or fail with any alternative. Much of the sections on local politics draw on five case studies: the United Left (IU) in Lima, 1984–1986; the PT in Porto Alegre, 1989–2004; the FA in Montevideo, 1990–present; the

Radical Cause (CR) in Caracas, 1993–1995; and the Party of the Democratic Revolution (PRD) in Mexico City, 1997–present (Chavez and Goldfrank 2004).

The Latin American Lefts: From Irrelevance to Resurgence

The title of Forrest Colburn's book *Latin America at the End of Politics* (2002) neatly summarized recent conventional wisdom that with the fall of the Soviet model, liberalism decisively triumphed in the region. All other competing ideologies died. As liberal democracy (*liberté* without *égalité* and *fraternité*, in Colburn's formulation) and a less fettered style of capitalism swept Latin America, the left's ideas dissolved into the current. For Colburn, the left had "all but vanished, having been swallowed by electoral politics, consumerism, and nihilism" (72).

The widespread notions of crisis and lack of initiative on the left, which were widespread prior to the elections of Lula and Vázquez, did not lack some foundation. Central America's revolutionary movements were defeated or had signed peace agreements maintaining the status quo. In countries such as Argentina and Chile, traditional communist parties clinging to older versions of Marxism performed miserably in elections. And where parties claiming left or center–left credentials won office, they continued their pre-decessors' neoliberal economic policies while offering little new politically.

The implication of Colburn's Fukuyama redux argument that the age of political struggle over ideas has ended—that the left is headed to extinction—finds partial reinforcement from an unlikely source. James Petras (1999), who has long announced that Latin America's left is "staging a major comeback" (13), agrees with Colburn that the major left parties are insignificant, having moved to the center and given up their fight for the poor. For Petras, radical peasant movements represent a new and more important wave of left struggle. These rural-based movements find inspira-tion not only in Marxism but also in claims based on ethnicity, gender, and ecology. Most importantly, new peasant movements engage in direct action—protests, land invasions, and the like—rather than electoral politics. Becoming immersed in elections and parliaments is precisely the sin of most left parties, which thereby lost touch with the daily battles of the popular classes. Alternatives to neoliberal capitalist democracy will thus most likely emerge from the countryside, as peasant movements construct alliances with urban unions. In Petras's view, this wave represents the best hope for the left in an era of aggressive empire building by the United States.

Petras's and Colburn's partially competing and partially overlapping visions do not present a complete picture of the Latin American left, which has always been and remains quite heterogeneous. While a few formerly socialist and social democratic parties did adopt some version of neoliberalism, particularly the Chilean Socialists and the Brazilian Social Democrats, other parties on the left remain critical and continue—mostly unsuccessfully thus

far—the search for other options, such as Brazil's PT and Uruguay's FA. And while peasant organizations such as Brazil's Landless Workers' Movement, Mexico's Zapatistas, and Bolivia's *cocaleros* are undoubtedly significant political forces, many of the left's most important new ideas and programs have been generated and/or implemented in major cities, including not only those examined later, but São Paulo, San Salvador, Brasília, Asunción, Belém, Rosario, and Bogotá, among others. Not all political forces on the left—even urban-based parties—vanished, abandoned their ideals, or ran out of ideas in the neoliberal era. The resilience of Chávez, the elections of Lula, Vázquez, and more recently Evo Morales in Bolivia and Rafael Correa in Ecuador, the leftward slant of Néstor and Cristina Kirchner in Argentina, and Andrés Manuel López Obrador's near victory in Mexico all underscore this point.

In response, however, some scholars now argue that despite the appearance of a regional leftward tilt, the neoliberal model is in no real danger, the new political leadership is not pursuing truly left policies, and any alternatives to neoliberalism will fail (Weyland 2004a). Like Colburn, Kurt Weyland (2004b) sees neoliberalism as "sealing the political defeat of radical populists and socialists" (142). And he provides persuasive structural and psychological–attitudinal arguments that neoliberal reforms weaken the left and contain self-reinforcing mechanisms that will prevent change in "the foreseeable future" (Weyland 2004a: 313). The structural constraints on neoliberalism's challengers include the decreasing size of the left's traditional union constituency due to opening trade relations, deregulating labor markets, privatization, and public-sector downsizing (Weyland 2004b: 142; 2004a: 302). While hurting their detractors, the distributional effects of neoliberal reforms simultaneously tend to strengthen those sectors that benefit from and support such reforms (Weyland 2004a: 302). Also, as many scholars recognize, international financial institutions (IFIs) push for, and private investors punish deviance from, neoliberal economic policies (304–305). Furthermore, predispositions toward maintaining the neoliberal model in countries that enacted structural reform hinder the left's ability to pursue alternatives. Weyland describes a "status quo bias" in favor of neoliberalism as resulting from two sources: fear of hyperinflation and desire to give market reforms time to work after the "sunk investment" represented by short-term losses during the transition to neoliberalism (298–301).

Weyland is correct that neoliberalism poses challenges to the left, especially in terms of implementing national-level economic alternatives. However, neoliberalism has not yet sounded the death knell for the left, and can be seen, rather, as having had at least three positive effects on the left. First, in their drive to reduce the weight of the central state and debt burdens, neoliberal reformers called for decentralization, which opened local spaces for the left and made municipal governments more relevant as potential showcases. Mayoral elections in major Latin American cities returned with democratization (Brazil, Uruguay, Perú) in the early 1980s or debuted for the first

time at the end of the decade (Venezuela) or in the late 1990s (Mexico City, as well as Buenos Aires and Santiago). While revenue transfers and taxation powers granted by national governments were not typically generous, the decentralizing trends at the end of the twentieth century did begin to reverse decades of centralized control.

Second, the failure of neoliberal reforms to go beyond reducing inflation to either produce strong economic growth or decrease poverty and inequality has lowered public support for such reforms and for the politicians associated with them (296, 306), thus opening the way for left candidates for higher office. Neoliberalism has also frequently been associated with politicians widely despised for some combination of authoritarianism, corruption, and mendacity. Obvious examples include Chile's Augusto Pinochet, Mexico's Carlos Salinas, Brazil's Fernando Collor de Mello, Venezuela's Carlos Andrés Pérez, Peru's Alberto Fujimori, and Argentina's Carlos Menem. In *Neoliberalism by Surprise* (2001), the latter three exemplified—in Susan Stokes' polite phrase—"policy switchers," or politicians who promised not to implement drastic market reforms and proceeded to betray their mandates. Furthermore, Collor and Pérez were impeached on corruption charges, Pinochet faced charges of corruption and human rights abuses, and Fujimori, Menem, and Salinas fled their countries to avoid trials and/or public contempt.

Third, neoliberalism provided the left with a common enemy, facilitating alliances across parties, between parties and social movements, and across countries. Left parties always held divergent views on capitalism and the role and size of the market. Anti-neoliberalism helped as a rallying cry because it allowed different ideological tendencies to downplay disagreements, especially over eventual economic models. This rallying cry worked better before the recent rise of the left to national power in several countries; with the move from opposition to government, disputes over economic models have come to the fore (see later). Many scholars use anti-neoliberalism as the defining characteristic of the left (Harnecker 1995; Sader 2005). Because neoliberal economic policies are connected in many ways to undemocratic or weakly democratic politics, as well as to the United States, the banner of anti-neoliberalism imparts two other important (noneconomic) meanings for the left: deepening democracy and anti-imperialism. In the absence of concrete economic alternatives, these symbols have become significant markers of what "left" means. The left label is now associated not only with (perhaps vague) ideas of wealth redistribution and a strong state but also general ideas about participatory democracy and Latin American unity rather than submission to U.S. interests.[1] These symbols of deepening democracy and anti-imperialism contribute to the left's appeal in a region where dissatisfaction with how democracy works is high (Lora and Panizza 2003: 124) and where public opinion of the United States is worsening, especially since 2000 (*The Economist* October 30, 2003: 33–4).

Of these two symbols, deepening democracy has been more important for most of the left, and has even been called the left's "master frame" (Roberts

1998: 3). As part of the left's ideological evolution away from dismissing or instrumentalizing democracy, the notion of deepening democracy implies a more responsive, accountable state and an active citizenry with institutional opportunities to participate in politics beyond elections.[2] It was at the local level, beginning in the mid-1980s and spreading along with the waves of democratization and decentralization, that left parties first had the chance to put the idea of deepening democracy into practice.

Despite claims that the left is irrelevant or relegated to the countryside, then, the left in the city still matters, and arguably matters most. True, the left has not arrived at a new grand theory or utopian model to explain capitalism's impending demise and what will replace it. Yet the city-level experiments with popular participation and inverting economic priorities described later represent important steps toward challenging the current orthodoxy of neoliberalism and liberal (or minimal) democracy. They also provide at least some elements for building a new democratic socialist project.

Several scholars identify recent experiences in municipal government as representing a major breakthrough for the Latin American left. Jonathan Fox (1995) was one of the first to notice the trend toward electing left-leaning mayors in major cities and their adoption of participatory institutions. Marta Harnecker (1995) recognized the fundamental importance of these "popular participation governments" since their conception. In *Utopia Unarmed* (1993), Jorge Castañeda called on the left to make municipal democracy the "centerpiece" of its agenda, arguing that it "constitutes a stepping-stone for the future" (366). And Kenneth Roberts (1998) suggests that the left's post–Cold War future would not likely see a refashioning of social democracy from the top down, but rather a "process of decentralized, bottom–up reform that could potentially build from the municipal to the national levels of power" (276–7). As these authors acknowledge, the focus on municipal government does not guarantee the left's electoral success at either the local or national levels. The attainment of power at the municipal level can be seen, however, as a watershed for the left. Some parties moved beyond proving their commitment to democratic politics to demonstrating that the left can be trusted to govern without provoking chaos, sometimes governing better than its adversaries by introducing policies that improve the quality of life for the poorest members of society and indeed strengthen the collective capacity of the poor.

Lessons from the Left in the City

The research summarized here presents a common set of challenges faced by left parties seeking to deepen local democracy. Principally, the challenges include: divisions within the left over political strategy, opposition from rival political forces that sometimes wield national-level power, lack of sufficient municipal resources in the face of severe deficiencies in public services (the "urban social debt"), uneasy relations with popular movements voicing a diverse array of demands, and—perhaps most significant in that it is affected

by all the others—designing participatory institutions that work. Each challenge was present in all of the cases examined here, but to varying degrees of importance, and hence with varied outcomes.

In Lima and Caracas, although the left made some advances toward expanding opportunities for citizen participation, the combination and severity of the challenges proved too much for the IU and CR. By failing to win reelection, these parties could not guarantee the continuation of their participatory projects. In Mexico City, the challenges were just as severe, and the PRD's first term, under Cuauhtemoc Cárdenas, appears just short of being a disaster even though a new participation law was passed. Still, despite losing half of its electoral support, the PRD barely managed to hold on to local office, giving its recent presidential contender, López Obrador, an opportunity to rescue the party's fortunes in its second term (which López Obrador did more on the strength of redistributive programs than through participatory programs). In Montevideo and Porto Alegre, the FA and the PT faced less difficult obstacles, particularly with regard to municipal resources. In these cities, the left opened new channels of participation, improved public services, and expanded popular support, at least until the PT's narrow loss in 2004 after four terms in Porto Alegre.

More important than summarizing the outcomes is using these experiences to examine what the left has learned or might learn about surmounting the challenges of local office. The first challenge, strategic internal divisions, has faded over the years. In the 1980s, debates over strategy still consumed left parties, especially concerning whether revolutionary change could be gradual or immediate and whether using violence was justified. When the left won municipal office, these debates took the form of whether city governments should be viewed as an arena for creating a dual power situation, in which the political and social left could confront the national government from the local level in order to accelerate the revolution, or as a site for demonstrating capacity to govern effectively while redistributing resources and promoting citizen participation in order to consolidate local power and eventually win national office. Some saw this debate as that between a classic Leninist strategy and one based on the left's adaptation of Gramscian ideas for Latin America, in which inclusive and participatory decision-making processes would stimulate gradual cultural change. As Gerd Schönwälder (2004) argues, the clashes between parties within the IU endorsing revolutionary and radical–democratic approaches undermined the IU's ability to govern and campaign coherently in Lima. Similar dynamics plagued left administrations in other cities as well, including the PT's first administration in São Paulo (1989–1992).

When factions espousing the revolutionary line won office, as in the PT's victory in Fortaleza in 1985, the resulting administrations were even more chaotic. Maria Luisa Fontanelle, the PT mayor in Fortaleza, was also a member of the PCO (Party of the Workers' Cause). Partially as a result of her battles with the state and national governments, her administration lost funding and thus not only failed to make significant improvements but could

not maintain day-to-day functioning of city services. The popular councils that Fontanelle envisioned as "embryos of revolution" failed to materialize (interview with Fontanelle, July 1997). Fontanelle did not want to co-opt community organizations with official participation channels, but without encouragement from above or the possibility of making concrete demands, most community organizations did not unite to form popular councils. The revolutionary line's failure, complete with the absence of popular participation and administrative inaction, even in the face of a garbage collectors' strike, combined with the PCO's intransigence, led the PT to expel Fontanelle and her supporters at the end of her term.

These strategic debates were present in Porto Alegre, Caracas, and Montevideo as well. In these cities, however, the more gradual, radical–democratic approach eventually won out. In fact, the PT and the FA took institutional steps to reduce internal conflicts. Both parties expelled factions that justified armed struggle, and the PT abolished the practice of allowing separate parties within its own structure (organized factions are still permitted). Generally, by the mid-1990s, and with the end of Cold War, the revolutionary strategy was abandoned by most of the left. This does not mean that the left is free of internal divisions, as Arturo Alvarado and Diane Davis (2004) show in the case of the PRD. But the spectrum of ideological positions has narrowed, and strategic debates over local politics, at least, no longer cause major internal discord.

The left's eschewal of armed struggle and adoption of radical democracy, in turn, have contributed to defusing to some degree the second challenge: opposition from political competitors. In much of Latin America, it is no longer persuasive for voters when parties on the right charge the left with fomenting chaos or revolution. This is especially true in areas where the left has won local office and shown it is capable of effective government. On the other hand, the left's political rivals have obstructed the design and operation of new participatory institutions, as research on Caracas, Montevideo, and Mexico City points out emphatically. In the latter cities, the FA and the PRD dedicated much effort to negotiating with the opposition and ultimately permitted changes in the participation projects that weakened their appeal. In Caracas, the CR fought with the opposition for two years before passing a participation law of its own, but the opposition overturned the law as soon as the CR's term ended. The PT in Porto Alegre for the most part evaded the attempts of its rivals to hinder the party's most important project, participatory budgeting, by refraining from pursuing "institutionalization" of the process in the city council. Unlike in the other cities, Porto Alegre's participation process was never codified. Some PT officials argued that participatory budgeting should be institutionalized so that it would remain in place even if the party lost office. Yet, as the case of Caracas shows, legislation can be reversed. And in Porto Alegre, the PT's opponents maintained participatory budgeting, something they promised in the 2004 campaign as part of their vague slogan of "keeping what works and changing what doesn't." One potential

lesson here is that efforts should be focused on the practice of participatory projects rather than on debating their legislation.

The urban social debt remains an enormous challenge for the left in local office. Even in Montevideo and Porto Alegre, the left's best examples, living conditions are still not ideal. There is, after all, only so much municipal governments can do. Yet some advances in the capacity of local governments under the left have occurred. The political decentralization that helped the left into power in the 1980s by creating elections in major cities began to be matched in administrative and fiscal decentralization in the 1990s, albeit to varying degrees across Latin America. Left parties campaigned for increasing responsibilities and revenues of local governments. Despite these reforms, however, the resources available to the region's municipal governments remain insufficient in the face of social demands.

One of the keys to success for the left in local government, then, is creating a positive feedback loop between meeting social demands and raising tax revenues. In the left's most effective administrations, citizens saw public services improve and became more willing to pay taxes. This was clearly the case in Porto Alegre, as Gianpaolo Baiocchi (2004) argues, and tax revenues increased in Montevideo as well, despite the FA's inability to reform the tax structure. The left's administrations did not dramatically improve public services, by contrast, in Caracas and Mexico City (at least in the PRD's first term under Cárdenas), and poor government revenues remained of central concern. In Caracas, the CR raised property tax rates significantly, but since the quality of city services stayed roughly the same, citizens rejected the tax increase and voted the CR out of office. Something of a "catch-22" is evident here: to improve services, the city government needs money, which is primarily done through raising taxes; yet citizens will only accept higher taxes if they see that services are improving. The first PT administration in Porto Alegre benefited from the 1988 Constitution, which increased national transfers and thus allowed the PT to jump-start the positive cycle of expanding service provision and encouraging tax collection. The FA in Montevideo may have benefited from a rare condition in most of Latin America: a citizenry already accustomed to paying taxes. Tax evasion is rife throughout the region, and attempts to enforce collection are not politically popular, as the CR discovered in Caracas.

The left governments addressed the fourth challenge—building and maintaining the support of diverse popular movements—with different tactics and varying degrees of success. One concern was to avoid charges of interference with movement autonomy. Employing a nonintrusive stance meant different things to different administrations. The IU in Lima turned over virtually entire government programs—particularly the *Vaso de Leche* program—to local volunteer groups. The administrations in Montevideo, Porto Alegre, and Mexico City all opened participatory channels to a wide spectrum of movements. Facing a more hostile neighborhood movement with close ties to traditionally dominant political parties, the CR took the additional step of encouraging neighborhood associations to hold new elections.

Each of these approaches yielded but drawbacks as well. Privileging certain groups with control over resources meant that the IU relinquished some ability to ensure openness to the "unorganized" (to use Baiocchi's phrase) and to gain recognition for the program. In other cases, not privileging particular organizations led to complaints by some movement leaders that the administration did not recognize their importance. In Porto Alegre, for example, after losing its fight to control participatory budgeting, the union of neighborhood associations (UAMPA) refused to endorse the process for several years, and the PT lost a potential ally. The CR's campaign to democratize neighborhood associations was not welcomed by association presidents, who in any case were highly critical of the CR's participation program. Overall, the "neutral" stance of being open to all movements seems to have become predominant.

Finally, the participatory experiments in the five cities suggest three lessons about how to design institutions that attract and sustain participation. First, the programs should focus on public projects and services that the government has the resources and jurisdictional scope to implement. This focus minimizes the generation of unattainable goals and subsequent frustration. Second, multiplying layers of representation should be avoided and direct participation should be encouraged. Emphasizing elections and representatives invites political party interest and thereby limits the appeal to many movement activists and unorganized citizens. Third, as much as possible, decision-making power should be delegated to participants. Enthusiasm for participation fades when the new institutions lack the ability to influence the city's projects and policies.

Contesting the Neoliberal Model
of Minimal Politics

Although the champions of the neoliberal model at the World Bank and other mainstream development agencies have adopted participation, decentralization, and municipal government as slogans, the city administrations examined here contest neoliberalism in several ways. In particular, the left's local-level experiments represent alternative approaches to the role of the state, civil society, citizen participation, and democracy.

One of neoliberalism's central tenets is a minimal state role in the economy. Neoliberal reforms include privatizing state-owned firms, relaxing or eliminating state regulations on finance, commerce, and production, firing public employees, and increasing reliance on the private sector for the provision of previously public services, including water, electricity, health care, and education. In the neoliberal perspective, the state is a sort of necessary evil that should be limited as much as possible. The left's city administrations, by contrast, have attempted to strengthen the state. A key task has been trying to improve public perceptions of the state, such that it is viewed as an ally for citizens, not an enemy. This is especially important for post-authoritarian contexts where the state had repressed popular demands, often violently. The

progressive local governments not only tried to extend formerly neglected urban services, but adopted important new roles that national states were abandoning, particularly in the area of social welfare, which Daniel Chavez (2004) highlights in his Montevideo research. Crucially, in both traditional urban services and new welfare functions, the most successful city governments emphasized a strongly redistributive approach. In the drive to relegitimate the state, the left's model is not the old, impermeable, and all-powerful bureaucratic Soviet-style state. Instead, the state is intended to be transparent, open to social demands, and under constant monitoring by civil society. The redistributive aspect of participatory budgeting helps explain its popularity, but the mechanism is also more easily legitimated than traditional Left redistribution policies because of its democratic and transparent qualities. These qualities appeal to middle-class voters who do not benefit from redistribution but typically favor honest, accountable government.

Whereas the neoliberal model is premised on a society of individuals competing in the marketplace, the left's participatory programs encourage collective formulation and pursuit of goals in a context of cooperation. Rather than prizing individualistic responses to poverty, these programs strengthen collective actors by offering them institutional access to public decision-making and creating incentives to form groups among those who are not already organized. Voting in public assemblies demonstrates to unaffiliated individuals the benefits of belonging to organizations with large memberships. For example, participatory budgeting contributed not only to the democratization of existing neighborhood associations but also to the creation of new associations and other civil society organizations (Abers 2000; Baiocchi 2002). Given that the left's most important urban allies of the past—trade unions—have declined as powerful collective actors, the potential of local-level participatory programs to stimulate or reinforce other popular movements is critically important.

In the past decade, international financial institutions have added citizen participation to their neoliberal recipe for poverty alleviation in the developing world. The version of participation they prescribe, however, significantly differs from the left's participatory ideal. The World Bank views citizen participation in terms of clients providing information about their needs to technocrats who make the decisions and who designed the instruments of participation in the first place, such as participatory poverty appraisal. For the left administrations in cities such as Porto Alegre, on the other hand, participation involves true deliberation.[3] Organized groups of citizens, not clients, debate and decide on neighborhood and citywide priorities. Indeed, as hinted earlier, one intention of the left's participatory programs is to expand the collective decision-making power of the lower classes and the politically excluded.

Last, analysts of neoliberal economic reforms have argued that in order to implement such reforms, policymakers must be insulated from democratic politics (Haggard and Kaufman 1995). Successful neoliberal reform is seen to require either powerful presidents willing to override congress or

bureaucratic agencies that are shielded from popular pressure. In other words, neoliberalism presupposes a minimal democracy at best. This is the antithesis of the left's goal of radical democracy. In the local governments examined here, the left intended its policies and policymakers to be exposed to popular pressure. Democracy did not mean simply occasional electoral contests between elites, but ongoing debates, demand making, and construction of proposals on the part of the popular classes.

From Local Fortunes to National Fates

Given that challenging neoliberalism at the local level is incomplete at best, what effect did the parties' local experiences have on their national-level chances? A quick glance at parts of the region provides some initial evidence that successful city governments may have been stepping-stones to positive national outcomes. In addition to Lula's victory for the PT, Tabaré Vázquez, the FA's former mayor of Montevideo, came close to winning Uruguay's presidency in 1994 and 1999, and finally won in 2004. The FMLN's gradual expansion across El Salvador's municipalities and successive terms in the capital city preceded the party's winning a substantial number of seats in the national legislature in 2003. At the same time, the case of the CR in Caracas seems to offer evidence that a left party's failure to establish itself as a credible alternative at the local level—especially in the capital city—may doom its national fate. After losing in Caracas and other key cities and states in 1995, the CR divided in 1997 and then lost importance.

Nonetheless, a closer look at these and other cases shows that the relationship between success in administering local governments and advancing to national power—and even achieving municipal reelection—is murkier than this quick glance suggests. Probably the least successful municipal administration examined here, under the CR in Caracas, ultimately had a profound effect on national politics in Venezuela. Both the CR's rhetoric of participatory democracy and its policies of decentralized popular participation in Caracas[4] were adopted by Hugo Chávez. For example, Venezuela's "Bolivarian" constitution, written in Chávez' first year as president, contains provisions granting citizens new powers of participation that were foreseen in the CR's experiments, such as the ability to recall elected officials (which was present in the CR's attempt to legislate participation) and new "local public planning councils" that closely resemble the CR's parish government program. Moreover, the Chávez cabinet has included several former members of the CR's team in Caracas, including former mayor Aristóbulo Istúriz, who also played a key role in the constituent assembly that adopted the participatory language. Istúriz and others left the CR in 1997 to form *Patria Para Todos* (PPT), a party with little electoral strength but significant weight in Chávez' administration.[5] Despite the CR administration's relatively poor showing and electoral failure, its participatory experiments helped party figures maintain political visibility and, more importantly, laid the groundwork for future national-level reforms.[6]

On the other hand, as Schönwälder's (2004) research on the IU in Lima shows, even when a left party competently manages local government, increasing municipal autonomy and resources and opening avenues for participation, other factors may impede repeated electoral victories and expansion to higher levels of office. In Peru, the presence of a strong populist alternative to the center (APRA) *and* a guerrilla movement to the left (the Shining Path) presented the IU with difficult strategic terrain, in which distinguishing itself from other political options was complicated (especially for an electoral alliance made up of distinct parties with conflicting goals). After losing Lima's 1986 municipal elections, the IU divided in 1989; subsequently, the Peruvian democratic left as a whole has virtually disappeared.

The PRD's first experience in Mexico City presents a nearly opposite case: although the Cárdenas administration achieved comparatively little, the electorate returned the PRD to the mayor's office with López Obrador. Still, the lack of concrete results under Cárdenas may have negatively affected his presidential run, and the vitality of López Obrador's administration positioned him favorably for the national race in 2006. Clearly, many factors impinge on electoral success both at the local and national levels besides the party's record in municipal office.

The Case of Brazil

The most encouraging example of the bottom–up strategy to national power appears to be that of the PT in Brazil. Questions remain, however, as to whether the party's local experiences were actually important in propelling Lula to the presidency. My answer would be a qualified yes. While no direct, mechanical relationship exists between the PT's performance in subnational government and Lula's national victory, the local experiences did play some role.

It is true that over time the number of municipal and state governments under PT control expanded. The party started with 2 city governments in 1982, grew to 36 in 1988, to 84 in 1992, to 111 in 1996, and to 187 cities in 2000. The PT even won a few state governments, up to six in 1998 if the list includes states where they formed part of a coalition. Thus the percentage of Brazil's population under PT government gradually rose prior to Lula's election. However, this was not an even progression. The PT lost control of many cities along the way. In the municipal elections of 2000, for example, the PT suffered defeat in nearly half of the cities where it had held the mayor's office. In addition, the 187 cities with PT mayors in 2002 represented only a minor fraction of Brazil's more than 5,500 municipalities. The populations of those cities correspond to about 20 percent of Brazil's population. But it is not the case that the majority of voters lived under PT local government, approved of it, and accordingly decided to vote for Lula.

Further evidence of the absence of a direct correlation between local and national success is that in the 2002 presidential race, Lula won overwhelmingly throughout the country. In the second round, he won twenty-six of

twenty-seven states. And Lula's massive vote tallies occurred even in cities and states where the PT had never governed. Furthermore, Lula earned 46 percent of the vote in the first round, whereas just three PT candidates for state governor reached close to that level. And while the PT won the largest percentage of the national vote for Congress, this was only 18 percent. In other words, the vote for Lula was separate from the vote for the PT. Voting for Lula meant neither that one necessarily approved of PT local administrations in the past nor that one wanted to be governed by the PT at the local level in the future.[7]

However, despite the absence of an immediate correlation between the local and the national, the PT's experiences in local government *did* help Lula and the party achieve national power in less direct ways. If one looks at analyses of the 2002 presidential election, two general positions stand out. One is that millions of Brazilians wanted a change, that they were anxious to retire Fernando Henrique Cardoso and try an alternative. Indeed, the persistence of inequality and poverty, the devaluation of the *real* (after the *Real* Plan had been Cardoso's major innovation), and the erosion of confidence in Cardoso's administration because of constant news of corruption within his party alliance all turned public opinion against the incumbent PSDB. By early 2001, polls showed that voters would reject any candidate associated with Cardoso's administration and that Lula was in the lead.

The other major stance is that Lula won because he moderated. He convinced voters that a PT government would not introduce radical change and particularly that he would not lead the country to chaos, which is what his opponents had successfully argued in previous elections. Both views have merit. As Lula said after the election, "hope conquered fear," and the PT's experiences in local government helped. In terms of calming the electorate's fears, the local experiences contributed to the PT's gradual moderation, allowing the party to show frightened middle and upper class voters that it would not necessarily threaten their interests. Attaining municipal office also gave the party the opportunity to experiment with innovative programs showing that it differed from traditional parties, thus offering hope for further progressive change.

From its founding in 1980, the PT has been composed of a heterogeneous mix of ideologies, but the party had a clearly left orientation early on, calling for revolution, rupture, and socialism. In Lula's initial presidential run in 1989, his platform included a moratorium on debt payments and nationalization of strategic industries. Yet when the PT's mayors took office, such traditional left objectives as taking control of the means of production or engaging in massive income redistribution were outside the realm of possibility. The party had to come up with smaller steps toward making local society less unequal and unjust. The PT was frequently successful at coming up with innovative policies to do this, and even won several international awards for urban government. The basic formula for what became known as the *modo petista de governar* ("PT way of governing") includes three major elements: popular participation,

"inversion of priorities," and transparency. Popular participation means allowing citizens a real voice in government decisions. Inverting priorities means focusing on programs for the poor rather than the upper or middle classes. And transparency means that the government is open, honest, and free from corruption. After implementing policies based on these notions, such as participatory budgeting, the *bolsa escola* (school grant program), and *mutirões* (collectively built housing), among many others, the party discovered that these smaller steps toward social equality could be meaningful. In addition, they often helped the PT win over voters who had previously considered the party to be "too radical."

Even though the PT was not reelected everywhere, the party garnered a reputation of providing "good governance." Prior to the major corruption scandal involving the PT's top leadership in 2005 (discussed later), the PT's image was that of the most trustworthy party in the country. Poll results showed the PT as viewed to be the most honest Brazilian party by a wide margin and indicated that the PT's positive image might be linked to respondents' positive assessment of the party's local administrations (*Jornal do Brasil* November 11, 2001: 1, 4; *Veja* July 4, 2001).

All this is not to suggest that the PT's experience in municipal governments was the primary motivation for its move to portray itself as a less threatening political force. The desire to expand its electoral base and the narrow range of economic policy options allowed by international financial institutions and investors were probably more significant. Prior to Lula's written statement endorsing IMF budget targets and promising debt repayments, Brazil's currency and its bond ratings plummeted as Lula's poll numbers rose. The PT's own opinion polls showed that those who did not vote for Lula in the past associated him and the PT with conflict, and that they worried electing him would lead to economic crisis. For the 2002 campaign, then, Lula consciously adopted less strident slogans—such as calling for job creation and ending hunger—and rescinded his old demand for a moratorium on debt payments in order to ease the concerns of the broad swath of the electorate that viewed a possible PT victory with alarm. The PT's city governments helped make this transformation convincing. As Lula has said, he could point to the PT's local administrations as evidence that the party was credible. Voters could trust that the PT had evolved from an opposition party that only made demands and criticisms to a competent governing party with concrete, tested proposals.[8]

Overall, the PT's experiences in local government helped Lula reach national power by providing the party with an image as honest and capable administrators who could make tangible changes, rather than as wild-eyed, dogmatic revolutionaries who could lead the country to chaos. In its most successful city administrations, the PT achieved a delicate balance, making concrete improvements in the quality of life for the poor and increasing the political power of the lower classes without provoking a conservative backlash. This kind of balance has proven much more difficult for Lula as president given the greater scope of national government

and its corresponding abilities to empower the poor and inflict more harm on conservative interests. In its first term, Lula's government erred more on the side of caution.

Until now it appears that Lula has not capitalized on the range of PT policies successfully tested at the local level. His administration has expanded social spending on the poor through the *Bolsa Fámilia* (family grant) program that is based on the PT's *bolsa escola* program mentioned earlier. However, popular participation has not been a hallmark of the Lula presidency, despite his campaign platform that included national participatory budgeting as a goal. And doubts about the government's honesty and transparency arose first in 2003 with the news of illegal campaign financing by unauthorized gambling establishments and then more dramatically in the 2005 *mensalão* (big monthly pay-off) scandal. The *mensalão* refers to charges that the PT illegally financed its own campaign in 2002 and that of other parties, and subsequently continued funding allied representatives in Congress. The scandal ended the careers of several party leaders.

Even before the *mensalão*, both long-standing PT members and the party's social movement allies in the Landless Workers' Movement (MST), parts of the Unified Labor Central (CUT), and the progressive wing of the Catholic Church had begun to question and, in some cases, abandon the party because of positions Lula's government took on land reform, pension reform, and economic policy, particularly decisions to maintain high interest rates and to devote a high percentage of the budget to debt payments. One group of ex-PT members, punished for voting against the pension reform, founded the Party of Socialism and Liberty (PSoL) well before the *mensalão*, and other former PT factions and a few CUT leaders subsequently joined it. The MST has not publicly broken with the PT, but two months before the *mensalão* scandal broke, the MST did resume its previously suspended tactic of land invasions in order to pressure Lula's administration. Since then, the PT held internal elections that reinstated the majority faction, which supports Lula uncritically. In sum, since taking national power, two divisions within the PT family have surfaced: one is the division between the more moderate, market-friendly, majority faction tied to Lula and other factions more aligned with the party's historical economic positions and its local-level participatory traditions; the other is the division between social movement activists that prize the PT government as an ally, opting for pressure but not divorce, and those that have chosen to split.

Conclusion: TINA versus AWIP

Does the moderation of Lula's government mean that Colburn, Weyland, and others are correct when they insist that neoliberalism has triumphed, there is no alternative, and the left is dead? Perhaps oddly, such a conclusion would appear depressing to Weyland (2004a: 294; 2004b), who argues not only that "the economic performance of the neoliberal model has proven

mediocre" in Latin America, but also that neoliberalism is weakening the quality of democracy, even if making democracy more stable at the same time. For Weyland (2004b), neoliberalism diminishes the quality of democracy by weakening unions, social movements, and political parties, and by restricting voters' choices because elected governments cannot change economic or social policy for fear of generating a backlash from foreign investors (143–9). As Weyland (2004b) writes, "No wonder electoral abstention has increased in many Latin American countries while satisfaction with democracy and trust in democratic institutions has diminished" (146). The TINA conclusion—that "there is no alternative"[9]—would seem to condemn Latin America to eternal poverty, inequality, and feeble democracy. But it is not the only conclusion one might draw.

Even if mainstream political scientists are right that major changes to the market model are not on the immediate horizon, if one looks locally (yet again), regionally, and transnationally, there are signs that the neoliberal wave is slowing, if not stopping, and that other options might yet emerge.[10] At the local level, the early twenty-first century has witnessed both massive protests in many cities against privatization or free trade agreements, such as those in Arequipa, Quito, San Salvador, and El Alto (some organized or supported by mayors on the left), and diffusion of the left's participatory policies, particularly participatory budgeting. Yves Cabannes (2004: 27) estimates that 250 cities use some form of participatory budgeting worldwide whereas Leonardo Avritzer (2003: 16) estimates that in Brazil alone there were 300 such programs during the 2001–2004 period, growing from 140 in the prior period (*O Estado de São Paulo* March 5, 2001), and the numbers continue to grow. Since 2003, all of Peru's 1,821 municipal districts, 194 provinces, and 25 regions are required by law to use participatory budgeting and in 2007 the Dominican Republic passed a similar law mandating the practice in the country's 154 municipalities. Participatory budgeting has spread to African and European cities as well, including Johannesburg, Seville, Naples, St. Denis, and several British cities.

The widespread diffusion of participatory budgeting may only partially represent an indicator of alternatives to neoliberalism, as both the agents of diffusion and the resulting practices on the ground vary considerably. Promoters of participatory budgeting include left parties, particularly the PT, which requires its mayors of large cities to implement the practice and sends representatives around the world to provide advice and encouragement to allies adopting it. Yet IFIs are the other major endorsers of participatory budgeting, and they have more resources to spend promoting it and a different agenda. It is in the cities governed by left-leaning and indigenous mayors that participatory budgeting has more often resulted in genuinely democratic, deliberative decision-making processes and the strengthening of collective local actors (Goldfrank 2007).

Regionally, while the U.S.-inspired Free Trade Area of the Americas failed to meet its target start date and seems lifeless despite the signing of CAFTA, the (traditionally empty) talk about Latin American and particularly South

American integration has begun to be complemented by concrete cooperation, and not always or only along market lines. New collaborative ties can be seen in the expansion of Mercosul to include Venezuela, in the numerous deals Chávez has made throughout Latin America exchanging oil at subsidized prices for various services (the most widely known being the health care services performed by Cuban doctors), in the creation of Telesur (a joint Argentine–Brazilian–Uruguayan–Venezuelan television station), and in the creation of the Bank of the South, a multilateral lender with government funds from Venezuela, Brazil, Uruguay, Argentina, Paraguay, Bolivia, and Ecuador, which offers loans throughout South America without IMF-style conditionality.

More promising developments are occurring at the transnational level. Most important was the creation of the World Social Forum (WSF) in 2001 as a transnational space/movement/network for those opposed to neoliberal globalization and united around the slogan "another world is possible" (or AWIP). Since its inception, the WSF convened in Porto Alegre each January at the same time as the World Economic Forum, a gathering of those who benefit from neoliberal globalization in Davos, Switzerland.[11] In 2005, over 150,000 activists representing 6,872 organizations from 151 countries presented more than 400 proposals for what the other possible world should include and how to get there (see the "Library of Alternatives" on the WSF web page: www. forumsocialmundial.org.br). Although the proposals discussed at the WSF are incredibly diverse—ranging from anti-war to debt cancellation to alternative media—and impossible to summarize adequately, one of the major themes running throughout the forum's events is that of deepening democracy in all spheres: IFIs; political parties; social movements; workplaces; the WSF itself; and local, national, and international governing bodies. It is no accident, then, that the WSF's Brazilian and French architects chose Porto Alegre as the original host city. Bernard Cassen (1998), editor of *Le Monde Diplomatique* and founder of Attac (an international organization advocating the Tobin Tax on transnational capital flows) and cofounder of the WSF, suggested Porto Alegre after praising participatory budgeting as "an experiment in direct democracy like no other in the world" in his influential journal.

While external constraints certainly limit the left's national governments at present, local, regional, and transnational trends suggest that TINA and end of history arguments are exaggerated and that another, post-neoliberal, world is possible. It is difficult to imagine that these trends could exist had elements of the left not succeeded at the local level.

Notes

This chapter is based on my concluding chapter to *The Left in the City* (Chavez and Goldfrank, 2004); my thanks go to all of the contributing authors.

1. Different scholars have advocated deepening democracy (Castañeda 1993) and anti-imperialism (Petras 1999) as defining ideas for the Latin American left in recent years (see also Ellner 2004).

2. On the left's ideological transformation, emphasis on local politics, and interpretation of deepening democracy, see Castañeda (1993), Fox (1994, 1995), Roberts (1998), and Goldfrank (2002: 8–10, 50–61).

3. Critics of participatory budgeting have claimed that the process is illusory because the focus is on the investment budget, which represents only 5–20 percent of annual spending. City officials typically responded that budgetary laws and fixed spending items restrict the parameters of the discussions, and that the amount and kind of spending allocated to personnel—which represents some 65 percent of the budget—and to administrative costs cannot vary too widely from year to year (see Goldfrank 2002: 221–2).

4. Similar language and programs were carried out with greater success in the CR-run Ciudad Guayana (López Maya 1999).

5. Under Chávez, the PPT has held several key positions: Istúriz was minister of education; Maria Cristina Iglesias, Istúriz' deputy mayor, was minister of labor and of light industry; Julio Montes, former municipal services director in Caracas, was minister of public works and ambassador to Cuba and Bolivia; Bernardo Alvarez serves as ambassador to the United States; and Alí Rodríguez served as minister of energy and mines, general secretary of OPEC, president of PDVSA (the national oil company), minister of foreign affairs, and ambassador to Cuba. At the polls and in the legislature, however, the PPT is a minor party, winning just 11 of 167 national deputies in the 2005 legislative elections.

6. At the same time, and contradicting its participatory elements, the 1999 Constitution also centralized power in the office of the presidency even more than the previous centralized constitution had done. While the mainstream view in the United States depicting Chávez as an autocrat is exaggerated, his rhetoric about participatory democracy has often been more advanced than the practice of it in Venezuela.

7. These results suggest that many voters chose Lula as a leader per se rather than as head of the PT. That his popularity declined less than that of the party after the "monthly pay-out" scandal of 2005 is consistent with this interpretation.

8. For Lula's vision of the importance of the PT's municipal governments, see the special edition of *Caros Amigos*, at http://carosamigos.terra.com.br/outras_edicoes/grandes_entrev/lula.asp.

9. This acronym seems to have been invented by Margaret Thatcher and her followers.

10. While the constraints on the left appear greatest at the national level, even then some signs of alternative policies have emerged, particularly in Venezuela. Some of these policies, especially those related to popular participation such as the local public planning councils and now the communal councils, are partly based on the practices of the left at the local level. Of course, the most direct challenges to neoliberal orthodoxy were the renationalizations or increased state participation in the telecommunications, energy, oil, steel, and cement industries.

11. Porto Alegre hosted the WSF in 2001, 2002, 2003, and 2005. In 2004 and 2006, the WSF was held in Mumbai and Caracas, respectively, and since then it has decentralized by holding multiple simultaneous forums.

Part II

Identity Politics

This page intentionally left blank

Chapter 4

Decades Lost and Won: Indigenous Movements and Multicultural Neoliberalism in the Andes

José Antonio Lucero

Many scholars have demonstrated that the causal relationship between the "losing" and "winning" decades can be understood in terms of the opportunities and threats that came with crisis and reform. Deborah Yashar (1997) offers a clear and influential statement of this view:

> In contemporary Latin American indigenous movements, the political liberalization of the 1980s provided the macropolitical opportunity for organizing...But the incentive to organize as Indians lay in state reformsthat left Indians politically marginalized as individual citizens, disempowered as corporatist peasant actors, and confronted with a challenge to local, political, and material autonomy. The capacity to organize, however, has depended on transcommunity networks previously constructed by the state and other social actors. (31)[1]

Even this bare-bones summary of her argument reveals that indigenous movements do not arise simply in response to economic pressures. Indeed, Yashar (1997, 2005) emphasizes that it was the combination of political liberalization, the pressure of state reforms, and the existence of rural networks that explain the coincidence of "lost" and "won" decades. Thus, neoliberalism is no simple or single "cause" of indigenous mobilization.

Yet, as this chapter will seek to show, it is important to underline that neoliberalism is not simply about economics; it also involves a particular set of political and cultural dynamics. Accompanying transitions away from authoritarian political regimes, neoliberalism reinforced a general restructuring of Latin American state–society relations, or what Yashar (1999, 2005) elsewhere calls "citizenship regimes." As neoliberalism displaced the populist and inward-looking models of economic development, it took the form of Washington Consensus policies such as structural adjustments, privatizations, and trade liberalization. As economic crisis and reform

crippled the structures of state corporatism that had mediated state–rural relations for many years, indigenous people found the political space to reconstitute themselves politically. Simultaneously, the withdrawal of the state in the form of disappearing agrarian reform, declining rural subsidies, and the absence of credit threatened the precarious livelihoods of indigenous communities and sparked indigenous protest. Yashar (1997, 2005) also notes that in addition to the all too real material effect that neoliberal policies had on indigenous livelihoods, it also served as a "symbolic target" against which to mobilize. Throughout the social movements of the Americas, neoliberalism is a word tainted with blood and hunger. Sub-commandante Marcos, the voice of the Zapatistas, has borrowed from the metaphors of Eduardo Galeano by describing neoliberalism with images of open veins and vampire capitalism. Thus the neoliberal moment in Latin America, understood as one providing new political opportunities, increased economic threats, and clear targets, provided the conditions and catalysts for a new wave of indigenous mobilization throughout the region. However, this wave, like all waves, moved unevenly.

The structural and configurative approach advanced by Yashar and others,[2] which combines various levels of analysis, has been valuable in understanding the timing and patterning of protest. Yashar (1997) employs it well to explore the contrast she describes in the following way: "What conditions have enabled the formation of new indigenous movements in Ecuador, Bolivia, Guatemala, and Mexico but not in Peru" (30).[3] An abbreviated version of the answer given to this question is that Peru had a less permissive political environment due to the violence of Sendero Luminoso and the authoritarian response of the government of Alberto Fujimori. Additionally, the decades of war and dictatorship made it more difficult in Peru than in many other places to build the NGO and church transcommunity networks that were the infrastructure for later supra-local indigenous political organizations. Thus the large Peruvian exception is explained largely by the political environment. This absence is all the more striking due to its geographical location between Ecuador and Bolivia, where liberalizing state and supra-communal networks have enabled the emergence and consolidation of indigenous movements strong enough to topple neoliberal presidents.[4]

While this kind of structural view of opportunity and capacity is a valuable approach, if it has a flaw, it is in its cultural thinness. Though it accepts that indigenous identity is socially constructed, a structural view of social movement emergence tends to assume a rather static notion of indigenous identity, one that had remained hidden during corporatist times (disguised as "peasant communities"). Thus, "real" ethnic identities seemed simply to be awaiting the right conditions in order to emerge through the cracks of uneven states. Even a quick review of the central Andean case reveals important cultural politics of neoliberalism and indigenous movement that a structural approach does not, nor is meant to apprehend. An important part of the cultural politics of indigenous movements can often be obscured by scholarly models of movement success.

Inevitable in the comparative political approach to indigenous movements is the coding of cases as "strong" or "weak," thus allowing scholars some handle on the complex empirical realities. In the Andes, the scholarly consensus has clearly identified high profile national successes such as movements in Ecuador and Bolivia where mobilizations have toppled unpopular presidents. At the other end of the spectrum lies Peru where, in Enrique Mayer's words, "there is no Indian movement" (Mayer 1994 quoted in Yashar 1997). Such a formulation, of Ecuadorian and Bolivian success, and Peruvian failure, privileges a certain model of social movement as well as a certain conception of indigenous identity. As Garcia and I (2007) have argued, this model of success assumes that movements evolve move from local to national scales and must shift from class to ethnic identities.

I would suggest that we be skeptical about teleological views that see movements and identities converging in particular directions. Indeed, "Indianness" in all three countries is extremely heterogeneous. Even if we remain on the "national" level in all three countries, the diversity of possible indigenous political positions is remarkable. In Ecuador, in the last decade of indigenous contention, one finds not only the language of indigenous "nationalities" advocated by the Confederation of Indigenous Nationalities of Ecuador (CONAIE), but also the intercultural "peasant, indigenous, and Afro-Ecuadorian" leftist stance of the Federation of Black and Indigenous Peasant Organizations (FENOCIN), and an even more "unorthodox" National Council of Evangelical Indigenous Peoples (FEINE). Bolivia also reveals a broad range of indigenous political ideologies that include the Aymara nationalism of Felipe Quispe and the highland Confederation of Rural Workers (CSUTCB), a call for a "return" to pre-Colombian *ayllu* structures (CONAMAQ), an anti-imperialist and electoralist Movement toward Socialism of Evo Morales and the cocaleros (MAS), and the lowland Confederation of Indigenous People of Bolivia (CIDOB).[5] In Peru, one also finds an "Indianist" Confederation of Indigenous Nationalities of Peru (CONAIP), a more pragmatic and ethnically mixed national organization of communities affected by the mining industry (CONACAMI), federations of cocaleros, and lowland indigenous federations (e.g., AIDESEP).[6] All these organization are even more differentiated internally, though in ways that the language of success and failure cannot adequately apprehend.

This suggests that it may be more helpful to view the case of Peru not as a case of "absence" or "failure," but rather as a different set of indigenous articulations. Examining indigenous articulations invites us to consider a broad range of political performances that draw on preexisting class-heavy categories (such as peasant and worker) but also incorporate people-making stories that emphasize language, territory, and ritual. De la Cadena's (2000) notion of "indigenous mestizos" is one version of how a more dynamic view of articulations can break down old dualisms. García (2005) provides a similarly nuanced view of various scales of indigenous politics in the multilayered politics of indigenous education that involves local communities, states, and transnational development actors. As neoliberalism has only increased

the role of NGOs in the countryside and in development more generally, the cultural work of "authenticating" indigenous actors is in even greater need of scholarly attention. Indeed, as NGOs, the World Bank, and other actors make decisions about which indigenous organization to work with and which indigenous project to support it become even more clear that, as Arturo Escobar (1995) put it, "development operates as an arena for cultural contestation and identity construction" (15).

Contesting (Multicultural) Neoliberalism

It is no surprise that the responses of indigenous people to neoliberal projects have been complex and varied. Indigenous people today continue a long tradition of resistance and accommodation that scholars have identified from the colonial period to the present (Stern 1982, 1987). This section will review both resistance and negotiation, as indigenous people in each country have both mobilized in opposition to neoliberal elites, and negotiated to shape new institutional frameworks and compromises.

With regard to the neoliberal economic reforms of the 1980s, Bolivia was the most aggressive reformer, followed by Peru, with Ecuador lagging behind. The full variety of reasons for this variation cannot be explored here, but as Conaghan and Malloy (1994) have demonstrated, in Bolivia the severity of the crisis (where hyperinflation passed an annual rate of 20,000 percent), the cohesion of technocratic policy teams, and distance from business sectors enabled a neoliberal policy approach that at the time was comparable with Chile's. Neoliberal policies in Bolivia and Peru in the 1980s and 1990s, despite facing indigenous and popular opposition, still included some of the strongest stabilization and reform measures in the region. To borrow the expression of one Bolivian policymaker, during the time of aggressive measures, governments in nominally democratic Bolivian and Peru "behaved like authoritarian pigs" (quoted in ibid.: 149). Ecuadorian neoliberal elites during the same time were less able to assemble coherent policy teams, and indigenous protests were more successful in creating obstacles for neoliberal reforms. The turn of the millennium has meant something of a re-articulation of indigenous protest and neoliberal policymaking. Bolivian indigenous resistance has already forced the ouster of a neoliberal president and the election of an anti-neoliberal indigenous one; Peru has not been without anti-neoliberal mobilizations, though they have had less impact; and Ecuadorian organizations are in the midst of an internal reorganization, if not crisis. In terms of policymaking, the new millennium has also seen new and continued efforts on behalf of states to combine neoliberal and multicultural reforms. New ethno-development paradigms from the World Bank and constitutional reforms have ostensibly softened the antagonisms between neoliberalism and multiculturalism. As we will see later, however, official recognition of indigenous peoples by states is not without dangers. Classification is always a form of power (Tapia 2000; Wade 1997: 104). Briefly we review some of the dynamics of multicultural development in each country.

From Neoliberal Multiculturalism to Neoliberal Backlash: Bolivia, 1985–2005

In 1985, President Victor Paz Estenssoro, one of the architects of the Bolivian corporatist state of 1952, oversaw the dismantling of the state he had helped build.[7] The now infamous Supreme Decree 21060, part of his New Economic Policy (NEP), introduced a series of stabilization and free-market reforms that succeeded in ending world-record hyperinflation. However, recovery came with painful side effects. Massive lay-offs in the public sector euphemistically dubbed "relocations," caused open unemployment to soar. The restructuring of the state mining company, COMIBOL sent twenty-three thousand miners (out of thirty thousand) to find work elsewhere, thereby dealing a devastating blow to the Bolivian labor movement and to the left, including the highland indigenous confederation, the CSUTCB, and Katarista indigenous activists who had sought to synthesize "class" and "ethnic" discourses (Conaghan and Malloy 1994; Kohl and Farthing 2006).

In the wake of the crisis in highland organizing, the altiplano also revealed more fissures stemming from the long-standing tensions between union and *ayllu* traditions. After 1985, according to an official of the main confederation of indigenous rural unions (CSUTCB), the state capitalist and labor movement system "simply no longer functioned" (Montevilla, interview, 1999). It is in this context that a move toward a more "authentic" and less class-based alternative went "national" as Confederation of Ayllus and Markas (CONAMAQ) began.[8] Meanwhile, in the western inter-Andean valleys and tropics, "dislocated" mineworkers added to the growing ranks of the coca growers. Cocaleros have shown an impressive ability to mobilize protests against eradication plans and make electoral inroads. Evo Morales, the cocalero leader and national deputy, ran for the presidency in 2002 and came in a close second to the main architect of Bolivian neoliberalism, Gonzalo Sánchez de Lozada. In 2005, as we have noted, Morales exceeded expectations as he won the presidential election with 53.7 percent of the vote, more than any other presidential candidate in modern Bolivian history.

As the highland labor-linked groups were in crisis in the 1990s, the center of indigenous protest moved to the Amazon. The lowland confederation CIDOB saw the possibility of going from a purely regional confederation to one with national aspirations. Of all the "indigenous" organizations, CIDOB has had most success in dealing with various governments and attracting international support. This success is in no small measure a result of the neoliberal attack on labor organizing in the highlands and the internal crisis of the CSUTCB. It is also a product of the official multiculturalism that accompanied the neoliberal policies of Sánchez de Lozada (also known as "Goni").

In the mid-1990s, sweeping decentralization, bilingual education, and agrarian legislation accompanied privatization in what Goni called the "Plan for All" (Plan de Todos). This plan provided new recognition to indigenous people who could now hold political power in local municipalities, develop

curricula in their own languages, and obtain titles recognizing their territories. It is also worth noting that Goni's choice of vice president, the Aymara leader Victor Hugo Cárdenas, provided an additional connection between neoliberal and multicultural state-making. Indigenous concerns were also reflected in changes to the constitutional fabric of the country (Article 1 of the reformed constitution recognizes the pluricultural nature of Bolivia) and the framework of the state (at both the ministeria.l cabinet level and on local municipalities, indigenous people had new spaces of representation). The articulation of official multicultural and neoliberal Bolivia had the effect of opening opportunities for indigenous actors such as CIDOB (and initially the ayllu federation CONAMAQ) that accepted the terms of the new laws and did not challenge the new economic agenda of the government. The new regime of the "pluri-multi" disadvantaged (at least initially) the more radical element of indigenous actors such as Morales and Quispe whose anti-imperial and anti-neoliberal stance make it an unlikely partner for the government. Victor Hugo Cárdenas flatly announced that the only national organization that has the capacity to carry out development programs is CIDOB (Cárdenas, interview, 1999). The effect of these official multicultural policies, as many scholars argue, has been to divide indigenous actors into pragmatic and radical categories, and thus co-opt and further divide movements.[9]

Since 2000, however, a series of "wars"—first over the privatization of water in Cochabamba, then over taxes, and finally over the exportation of natural gas—have changed the dynamic in Bolivia. The cycle of protests began with the ill-considered privatization plan that resulted in some cases in a 400 percent increase in the cost of water to local communities.[10] Subsequent protests occurred in the valleys by the cocaleros led by Evo Morales, in the altiplano led by the radical Aymara Indianista leader of the CSUTCB, Felipe Quispe, and subsequently by the Quechua leader of another faction of the CSTUCB, Román Loayza.[11] The waves of protest continued as Sánchez de Lozada returned to the presidency in 2002 and pursued unpopular tax hikes and an even less popular plan to export gas through the historic national enemy (Chile) to the contemporary imperial center (the United States). Hundreds of thousands of protesters took to the streets and demanded Sánchez de Lozada's resignation. Deadly violence from the state only made matters worse and the president was forced to step down from office and leave the country in October 2003. His vice president, Carlos Mesa, became the new chief executive and moved cautiously, calling for a national referendum on national gas. Though he was able to get support for a plan to export natural gas, increasing fuel prices and greater calls for regional autonomy from lowland elites unleashed protests from both Left and Right. Indigenous leaders continued to pressure the state, though in different ways. Cocalero leader Morales, positioning himself as a pragmatic presidential contender, was initially willing to given Mesa time and remain open to dialogue over how to deal with multinational natural gas corporations. Meanwhile, Quispe escalated his

rhetorical assaults by calling for an independent Aymara state. Mesa was unwilling to resort to violence and instead used the threat of resignation to stoke support especially from the middle class who were worried about the chaos that might come in his wake. While the strategy bought Mesa some time, in June 2005 indigenous and popular organization came together in a united opposition that ultimately forced Mesa to tender his resignation for the last time.[12]

Congress chose Eduardo Rodríguez, the former president of the Supreme Court, as interim president. Wisely, Rodríguez announced early presidential and congressional elections, in addition to elections for a constituent assembly that would revise the Bolivian constitution, all moves that were seen as victories by protestors. Rodríguez also announced a referendum for regional autonomy, which was seen as a gesture toward placating the elites of the eastern lowland department of Santa Cruz. These actions brought a cease to weeks of upheaval, but there was tremendous uncertainty as the large contentious questions of natural resource extraction, indigenous rights, and regional autonomy remained unresolved.

As the December 2005 election approached, most analysts saw the race as a contest between Evo Morales and Jorge Quiroga, who had been Hugo Banzer's vice president before he became president when cancer cut Banzer's term and life short.[13] In time of anti-neoliberal fervor, even the U.S.-educated technocratic Quiroga found himself forced to use the language of nationalization to appeal to voters; Quiroga spoke of "nationalizing the benefits" of natural resources (*La Razón,* La Paz, October 24, 2005). Morales, however, had the final say. With 53.7 percent of the vote, Morales became the first indigenous president of an indigenous-majority country. Though his success was clearly related to his politicization of indigenous ethnicity, it is also important to note that the political indigeneity he articulates brings together various currents. Evo's indigenous appeal is broad ethnically (he has connections to both Aymara and Quechua peoples), regionally (he was born in the Aymara highlands of Oruro but came of age politically in the Quechua valleys of Cochabamba), and politically (as Morales' anti-imperial message appealed to many).

His coalitional MAS has had a mixed record in government, but there is no question that Evo's presidency is a historic development and a sharp turn away from the policies of the past. To cite the most dramatic example, on May 1, 2006, Morales fulfilled his promise of "nationalizing" the hydrocarbon sector with the high-profile assistance of the Bolivian armed forces that secured many fields where Spanish, Brazilian, and other transnational firms were working. The overall process, though, was pragmatic as "nationalization" did not involve the expropriations of past nationalizations, but rather the renegotiation of contracts. The move did signal a dramatic change in the distribution of resources in Bolivia.

Higher international prices and improved terms with foreign capital mean that Bolivia, though still one of the poorest countries in the continent, found itself at the end of 2006 with a budget surplus, something that none of the

neoliberal governments of the 1980s or 1990s ever accomplished. The new incomes from natural gas, oil, and other natural resources also translate into greater resources generally and specifically for local-level development initiatives (La Razón 2006: 30). While Morales faces significant challenges especially from the eastern departments, in which much of the hydrocarbon wealth is located, he has managed to chart a political economic course that contrasted with the previous two decades of Bolivian history and that of its neighbor Peru.

Postwar, Post-Fujimori Indigenous Re-Articulations: Peru, 1990–2006

Peru's experience with turbulence and social unrest is in many ways more extreme than that of its neighbors.[14] The 1980s were a time of internal war between the state and Sendero Luminoso, and a time of great economic crises, especially under the disastrous presidency of Alan Garcia. After the crises of the 1980s, Peruvian administrations abandoned corporatist, although not populist, forms of governance.[15] When Alberto Fujimori became president of Peru in 1990, and despite his campaign rhetoric against the openly neoliberal Mario Vargas Llosa, neoliberalism became further entrenched. Moreover, increasing counterinsurgency efforts meant that the military controlled almost two-thirds of the national territory. In the capital, the "auto-golpe" of 1992, which closed down the National Congress, signaled the erosion of civil and political rights. A turning point in this political climate came in September 1992 with the capture of Abimael Guzmán, the head of Sendero Luminoso, and the subsequent arrest of most of the Sendero leadership. With the war officially over, by 1993 Peru began a slow and uneven transition toward democratic rule.

Notably, however, Peru adopted a new constitution that among other things, "recognizes and protects the ethnic and cultural plurality of the nation" by guaranteeing the right of all people to use their own language before the state (Article 2). The constitution also recognizes and "respects the cultural identity of rural and native communities" (Article 89), and protects communal property, though it makes exceptions for land the state deems abandoned. While there is much skepticism about government commitment to these cultural policies, the growing presence and financial support of international actors such as NGOs and the World Bank have helped institutionalize a multicultural development agenda.

While the changes that Fujimori oversaw during the drafting of a constitution finally contained some encouraging language for indigenous people, in the fine print and subsequent investor-friendly legislation exceptions were carved out that facilitated the expansion of mining activities on community lands. In 1992, before the legal changes, approximately four million hectares had been claimed by mining industries. In the years after Fujimori's legal reform, mining claims skyrocketed to cover over twenty-five million hectares. "Of the 5660 [legally recognized] communities in all of Peru,

there exist mining claims (*denuncios*) in 3200 of them" (Miguel Palacín, interview, June 4, 2002).

Foreign investment may have pleased the economic planners in the government, but for many communities the effects of these investments were disastrous. Populations have been displaced, productive agricultural lands have been dramatically reduced in size, and water sources have been taken over by mining interests. In addition, environmental contamination has provoked the outcry of communities such as Choropampa where a mercury spill resulted in widespread reports of sickness and inaction by the company and the state. To make matters worse, according to anti-mining activists, none of the profits or rents generated from the mining activities benefited the affected communities. Extractive industry, remarks activist Miguel Palacín, is part of the "ficticious development" that has trapped Peru. "Before mining, [the northern department of] Cajamarca was the fourth poorest department in Peru, now it is the second poorest" (ibid.).

In the mid-1990s, Miguel Palacín and others began to organize protests against this unequal exchange in which state and industry profited while highland communities suffered. Mining companies however used the legal system, already tilted in their favor, to denounce Palacín and accuse him of criminal activity. In Peru, criminal charges can often result in a situation in which the accused is effectively presumed guilty and often detained indefinitely if he or she lacks adequate legal or financial resources. Palacín was forced to leave the highlands and go into hiding on the coast. Emblematic of the double-edged nature of globalization, however, Palacín received unexpected aid from the north. Canadian First Nations formally requested that the charges against Palacín be investigated by the state. The state attorney looked into the Palacín case and found that there was no basis to any of the charges, which were subsequently dropped. With this brush with the law, Palacín realized that "the only weapon is organization." Thus, in 1998 he led organizing efforts throughout the central and Southern sierra to bring communities together. In October 1999, the first congress of a new national organization—CONACAMI—was convened and Palacín was elected president.

Other indigenous leaders organizing around economic activities have not fared so well. The cocalero movement in Peru, which has significant social bases among Quechua communities, has not fared as well as its Bolivian counterpart. Unlike Bolivia's Evo Morales who has been able to become a legitimate and highly successful political player in electoral politics, Peru's Nelson Palomino spent several years in prison, though the charges against him for being involved in "subversive" activities have been dropped (Rojas 2003). That a national security ideology remains in place even after Fujimori left office and Sendero was militarily defeated suggests that not much has changed since then.

After fighting off the electoral challenge of Alejandro Toledo in 2000, the Fujimori administration was rocked by the release of videos that showed Fujimori's spy-chief Vladimiro Montesinos bribing an astonishing number of politicians. The "vladivideos" unleashed a scandal that forced Montesinos

and Fujimori out of the country. The sudden reversal of fortune (what I can't help but call a shift from "Fujirambo" to fugitive) meant new elections and a new transition. In the interim, someone had to govern. The task fell to Valentín Paniagua, the president of the Congress, who oversaw the caretaker government that would rule until the 2001 elections.

Paniagua, who died in 2006, governed for a short but significant period for Peruvian indigenous politics. He created spaces for continuing negotiations (*mesas de diálogo*) that would discuss, among other things, the reform of the constitution. To many, the actions of Paniagua represented the opening of a window of opportunity that had been closed for decades. Yet, with elections on the horizon, there existed the real possibility that "the window of opportunity [would] close on July 29, 2001 [the day after the inauguration]," if the next president did not follow through on institutionalizing the recommendations of the commission (Smith 2001: 86).

Initially, it appeared that Alejandro Toledo, who had made much of his Andean ancestry during the presidential campaign and emerged victorious over former (populist) president Alan García, would keep that window open. Toledo made powerful symbolic and diplomatic gestures including an inauguration ceremony at the ancient ruins of Machu Picchu. He greeted the nation in Quechua and Spanish, and, with the presidents of the neighboring Andean states, signed the Declaration of Machu Picchu, a document that pledged the defense of indigenous rights throughout the region. However, since these early moments of promise, Toledo's tenure was largely a disappointment in the eyes of many indigenous leaders and Peruvians. Popular discontent with Toledo also grew in 2003 as popular protest halted attempts to privatize electric power in Arequipa. The Toledo administration ran into opposition in its formulation of its own form of multicultural neoliberalism.

To understand the sources of disappointment, it is important to look at the very visible role played by the president's Belgian-born wife Eliane Karp. Karp, who speaks Quechua and has studied anthropology,[16] became president of the new National Commission for Andean, Amazonian, and Afro-Peruvian Peoples (CONAPA). Karp was severely criticized for her personalism and paternalism, which many saw as threats to the autonomy of indigenous organization. In June 2003, she resigned her post partly in response to these criticisms. The departure of Karp did not mean the end of CONAPA, or of criticisms of state indigenous policies. CONAPA was restructured as a national institute, not as a commission (thus the name change, INDEPA), and was given higher institutional status and more autonomy. Yet state officials were still criticized by many indigenous organizations for working "behind the backs" of indigenous organizations and further weakening the institutionalization of indigenous politics in the state (SERVINDI 2003).

Peru, as noted earlier, has a tradition of indigenous political organizing that goes back to the 1960s in the Amazon. In the highlands, however, the familiar complaint was heard that indigenous people mobilized as peasants or even mestizos and not Indians. There is reason to doubt such a neat

cultural separation as the work of Peruvian anthropologists Marisol de la Cadena (2000) and María Elena Garcia (2007), among others, has demonstrated that indigenous identities in Peru, as elsewhere, are able to articulate multiple urban and rural identities and connect with broader transnational indigenous networks. Since 2000, this has become even more apparent as the new anti-mining indigenous federation CONACAMI joined with the older Amazonian federations of AIDESEP and CONAP in a National Coordinator of Indigenous People of Peru (COPPIP). Some see COPPIP as the sign that Peru has "caught up" with its neighbors in forming a national organization. I would resist this evolutionist formulation, especially since there are indigenous actors organizing on various scales and in various ways. The case of COPPIP illustrates some of the differences and division in indigenous organizing. While it began as a single organization, for a time it divided into two organizations, each claiming to be the real COPPIP. One COPPIP, which was linked to the anti-mining organization CONACAMI, self-consciously followed the example of Ecuador's CONAIE and even shares many of its funders (such as Oxfam America and IBIS). A more radical COPPIP was critical of international nongovernmental aid and has aggressive anticolonial ideology of Indian movements reminiscent of the Indianismo of the 1970s. The more radical COPPIP also (later renamed the Confederation of Indigenous Nationalities of Peru, CONAIP), however, is said to have fewer bases in the Peruvian countryside and be less representative than its better funded namesake.[17] Thus it is hard to say which direction national Peruvian indigenous organizing is heading, but this may itself be a healthy sign of political life after a decade of war and authoritarianism.

As Peru moved toward the presidential election of 2006, some observers identified another form of indigeneity in the insurgent campaign of former military officer Ollanta Humala. With his brother Antauro, Humala led a largely symbolic and ill-fated uprising against the government of Alberto Fujimori in January 2000. Ollanta was pardoned and returned to military service, serving overseas in Peruvian embassies in France and later South Korea. In 2005, he seized a military installation in Andahuaylas and demanded Alejandro Toledo's resignation. The action resulted in several casualties and Ollanta, still overseas, distanced himself from his brother's actions. Since then, Ollanta and Antauro have grown apart politically, and Ollanta has toned down the Humala family ideology known as "etnocacerismo," a mixture of ethnic (neo-Incan) nationalism and a glorification of nineteenth-century Peruvian military leader and president Andrés Avelino Cáceres who led indigenous troops against invading Chileans (Páez 2006). Historian Nelson Manrique notes that Cáceres subsequently signed away many of Peru's natural resources to British mining companies, making him a curious symbol around which to organize a new nationalist movement. Historical complexities notwithstanding, Humala stood as the new "outsider" in the field of candidates, and as such stands in the tradition of both Fujimori and Toledo in running against the "traditional" elites. Though

Humala was an early front-runner, he ultimately lost to Alan García who repackaged himself as a centrist candidate of "responsible change."

Though born in Lima, the Humala, like Toledo, has Andean roots. Yet, Ollanta Humala's ethnic message is an eclectic nationalist one that recalls previous nationalist experiments, especially those of the revolutionary government of Juan Velasco Alvarado (1968–1975). Degregori (2006: 35) describes the Humala movement as one of "traditional *mistis* (mestizos) that is at best an expression of degraded Velasquismo" (35). Moreover, unlike Evo Morales, Humala does not come from a background of social organizing, but rather military service. Many see him as more in the populist tradition of Venezuela's Hugo Chávez than in the grassroots tradition of Morales. That said, both Chávez and Morales voiced their support for Humala when the three met in the presidential palace in Caracas, Venezuela, in January 2006 (*El Universal*, Caracas, January 3, 2006). This very connection was used to great effect by Humala's opponent Alan García to reveal the ironic weakness of Humala's nationalism: it appeared inspired if not directed by outside populists (Páez 2006; SERVINDI 2005). Thus, García's campaign message turned Humala's nationalism on its head: vote for García or vote for Chávez. With the heavy support of middle- and upper-class votes in Lima and the coast, García won a narrow victory.

With García's election, the conversation over race and marginalization that had been encouraged by the 2003 Truth and Reconciliation Final Report (which reported inter alia that 75 percent of the almost seventy thousand killed in the war were indigenous people) was muted. García, who was criticized in the TRC report for his actions during the war, dismissed the report as biased in favor of terrorists. Additionally, García has practically eliminated INDEPA, the indigenous planning ministry, folding it into another ministry thus making clear his dim view of the importance of indigenous policies and further closing the window of opportunity that interim president Paniagua opened. Meanwhile, he embraced the development model begun by Fujimori and continued by Toledo that links Peru's economic future to the growing presence of extractive industry, despite the protests of civil society. Finally, García has signed into law new restrictions against civil society, especially a heavy-handed oversight measure that restricts the activities of NGOs that are deemed to work against the national interest, which seems to mean those that question this development model (Garcia and Lucero 2004).

Neoliberalism, Uprisings, and Setbacks: Ecuador, 1990–2007

Neoliberalism in Ecuador, from the perspective of the state, has been less extensive and intensive than it has in Bolivia or Peru. During the first attempts at structural adjustment in the 1980s, the relative "failures" of neoliberal policies had much to do with the policymaking limitation of the coastal industrialist president León Febres Cordero whose close ties to business made

it difficult to reconstitute state–market relations in any sustained way. In the 1990s, neoliberal policies faltered less because of government aggressiveness, which increased throughout the decade, but due to the opposition of an increasingly powerful indigenous actor, CONAIE. Beginning with the government of Rodrigo Borja in 1990, CONAIE mounted powerful national mobilizations against every president that attempted to impose neoliberal policies whose costs often fell most heavily on the rural and popular sectors of the country. Through these mobilizations and subsequent negotiations, CONAIE obtained important spaces in the national political system, gaining control of the Directorate of Bilingual Education (DINEIB), the indigenous development agency (CODENPE), the Office of Indigenous Health, and a central role in the World-Bank-supported Program for the Development of Indigenous and Afro-Ecuadorian Peoples (PRODEPINE).

While we cannot examine all the conflicts of the 1990s,[18] it is helpful to review the last confrontation of the decade between CONAIE and the government of Harvard-trained technocrat Jamil Mahuad, former mayor of Quito. Mahuad faced a dire economic situation: falling oil prices and the damage "El Niño" had wrought on coastal shrimp and banana industries made it impossible for exporters to repay loans. Mahuad spent millions trying to rescue the banks, but could not stave off a severe economic crisis characterized by massive capital flight, soaring deficits, and rising unemployment. The crisis triggered a radical and ultimately ill-fated response from Mahuad, under pressure from the IMF: Mahuad froze bank accounts, halted the rescues of failing banks, announced the dollarization of the economy, privatized state industries, and eliminated subsidies on electricity, gasoline, and domestically used natural gas. Massive protests in 1998 and 1999 forced Mahuad to retreat on many of these measures; dollarization however was nonnegotiable. CONAIE, leading an ever-broader group of popular and even middle-class sectors, increased pressure on an increasingly isolated Mahuad.

This culminated in the dramatic events of January 21, 2000, in which CONAIE and sectors of the military led by Colonel Lucio Gutiérrez overthrew Mahuad and, for a few hours, held power as a "Junta of National Salvation." The high command of the military, under U.S. pressure, abandoned the Junta and returned power to Gustavo Noboa, Mahuad's vice president. Over the following months, all those involved in the coup were granted amnesty and the negotiations with the IMF were effectively stalled. Aside from dollarization, all the measures Mahuad had sought to implement were abandoned during the remainder of the Noboa administration. Gutiérrez, in alliance with CONAIE again, ran for president in 2002 and won, seemingly opening the doors to a renewed military–indigenous alliance. However, Gutiérrez quickly disappointed his indigenous partners. He signed a letter of intent with the IMF that signaled his intention to pursue austerity measures that again would be felt most sharply in the poorest sectors of society. In effect, "the economic policy of the [Gutiérrez] regime is hardly new, to the contrary, it is a more orthodox expression of the dominant thinking in Latin

America over the past two decades" (Correa quoted in Acosta 2003–2004). The indigenous members of Gutiérrez's cabinet, Luis Macas and Nina Pacari, left the government in 2003. After less than a year in government, CONAIE returned to its role of opposition.

This time, however, the constellation of forces seems less favorable to the kind of leadership that CONAIE has exercised in the 1990s. First, Gutiérrez was more capable of dividing the indigenous movement by reaching out to former CONIAE president Antonio Vargas who became Gutiérrez's minister of social welfare (and denounced as a traitor by CONAIE) as well as to other indigenous actors including the national Evangelical indigenous federation (FEINE) and sectors of the Amazon still loyal to fellow Amazonian Antonio Vargas. Within the office of CONAIE and throughout Ecuador, which I visited in the summer of 2004, one heard worries about a severe organizational crisis. The decline in mobilizing capacity of CONAIE was all too obvious in the noticeably small "uprising" that CONAIE convoked to protest Gutiérrez's policies, only to be called off for lack of participation. Such a thing would have been unthinkable in the 1990s.

This may be part of the reason why the last CONAIE elections returned Luis Macas to the presidency of the organization. As one of the original figures of "levantamiento" politics, as well as an elected congressman (for CONAIE's electoral arm, Pachakutik), and (briefly) a minister in the Gutiérrez government, Macas has accumulated a wealth of experience from both contestation and negotiation. Macas brought CONAIE back into opposition against the Gutiérrez government, which had become friendlier with the IMF and the Bush administration than anyone might have imagined.

In 2005, Gutiérrez faced more than the opposition of regrouping CONAIE as huge protests against his closing of the Supreme Court forced him out of office. While indigenous people where not the main actors in this case of popular insurrection, which included students, unions, and other popular sectors, in many ways indigenous people paved the way for a broader expression of citizen outrage that took to the streets in defense of democracy. Still, there is no question that the indigenous movement has lost some of the power that it had in the 1990s. Luis Macas's decision to run for president and avoid an alliance with leftist economist Rafael Correa (the ultimate winner in the 2006 elections) has been questioned by many. Macas won just over 2 percent of the vote and fell well short of reproducing the kind of victory that Evo Morales claimed in Bolivia. He also was far behind the party of Lucio Gutiérrez who even without Gutiérrez as a candidate placed third in the national election.

Rafael Correa, the victor at the poll, has followed the lead of Chávez in Venezuela and Morales in Bolivia in speaking of nationalization and convoking elections for a Constituent Assembly that will rewrite the constitution. This electoral process has been contentious though, as fifty-seven legislators (in a congressional body of one hundred!) were removed by the Electoral Tribunal for these representatives' opposition to the Constituent

Assembly. The removal of the legislators was partially reversed by the Constitutional Tribunal, though that reversal too was met by the decision of congress to remove all the member of the Constitutional Tribunal. Meanwhile, Correa declared that the "long dark night of neoliberalism" is over. However, the place of indigenous actors and of even key political institutions in this new "post-neoliberal" morning is still an open question (*The Economist* 2007). Correa rejected CONAIE's proposal for a plurinational representation in the Constituent Assembly and thus was seen as limiting indigenous representation in that body (though it should be pointed out that indigenous organization in Bolivia made the same criticism of Evo Morales who also used traditional, Western criteria for electing members of the Constituent Assembly in his country). Additionally, indigenous organization have been divided over how much to support Correa's progressive economic initiatives that have been endorsed by CONAIE's main highland federation, Ecuarunari, even while CONAIE has been more ambivalent (Davalos 2008). FENOCIN, a highland rival of CONAIE, has also signaled its support of Correa and thus provided his administration with additional indigenous support. While the picture is complicated, it is clear that the indigenous movement, which was weakened by its disastrous alliance with Lucio Gutiérrez, has yet to recover the cohesion and influence that it exercised during the 1990s.

Concluding Thoughts on Multicultural and Neoliberal Articulations

The complexity and contradictions of the Andes are daunting. A final evaluation is difficult as indigenous people debate whether to work within ethno-development frameworks to distance themselves from the "neocolonialism" of good intentions and pursue more radical avenues. Skeptical scholars, such as U.S. anthropologist Charles Hale (2002b) and Aymara (Bolivian) sociologist Felix Patzi (1999) suggest that new multicultural programs do not simply incorporate indigenous people into national life and development programs, but rather privilege "safe" kinds of Indianness over "radical" forms. In this view, the emerging ethno-development paradigm is a way to make Indianness safe for neoliberalism. In all the Andean countries, there are indigenous actors who have tended to negotiate the terms of "development with identity" with some success, just as there are indigenous actors who see such collaboration as an act of betrayal at best.

Other scholars, such as Donna Lee Van Cott (2005, 2006), are critical of the "menace of neoliberal multiculturalism" thesis, and argue that the goals of redistribution and recognition have gone hand in hand. Indeed, in her view, multicultural policies represent "the surest path toward achieving" the goals of democracy and development. Comparing the case of strong neoliberal and multicultural reforms, Van Cott sees no evidence to support the claim that the possibilities for transformative multicultural and socio-economic change are forfeited by the current forms of multiculturalism. So

who is right? Are we to assume that neoliberal multiculturalism was yet one more example of Gramscian *trasformismo* (pace Hale and Patzi) or the real beginning of substantive change (Van Cott)? The unsurprising (and perhaps unsatisfying) answer is that the current moment provides support for both views.

It is helpful to return to Yashar's (2005) insights into the current neoliberal state–society matrix. She is right to label the current arrangement a "neoliberal citizenship regime." Understood as a set of rules, norms, and expectations, neoliberalism is indeed a regime that has created a certain framework for governments, capital, communities, and individuals. I would only add that this regime, following Hale and others, is simultaneously a regime of representation in which the terms of indigenous recognition are produced and contested. Neoliberalism simultaneously provoked the resistance of rural people whose livelihood were threatened and provided new opportunities for political incorporation through new policies of decentralization and ethno-development.

For the last decade, regimes of representation have encouraged scholars and political actors to evaluate indigenous actors in terms of both these dimensions: the ability to mobilize in opposition to neoliberalism, and the ability to negotiate and accommodate indigenous identities and projects within new development frameworks. Ecuador and Bolivia represented strong cases of indigenous movements as various organizations were able to mobilize against and negotiate with the state. Peruvian organizations seemed to lag behind their counterpart, and thus represented a weak case of indigenous movement, in the prevailing regime of representation. However, the current moment is very much one of regime change (in various meanings of the term) and we should rethink our models of evaluating indigenous politics, moving away from the language of strong and weak case and exploring the implication of new contradictory moments. Both the critics and proponents of multicultural neoliberalism may turn out to be right in that changes may yield real breakthroughs for the livelihood of indigenous people *and* lead to inevitable compromises with dominant power-centers.

The first year of the Evo Morales government is perhaps the best example of these contradictory and progressive dynamics. Many see Morales's stunning victory as enabled by the neoliberal multicultural reforms of the 1990s. In power, though, Morales has done much to break with the neoliberal past. The Morales cabinet, staffed by indigenous and popular movement leaders, marks a dramatic break with the exclusionary rule of the Bolivian political class. In March 2006, Bolivia allowed its last agreement with the IMF to expire, as it now had access to loans and grants from sources beyond the "Washington Consensus" such as oil-rich Venezuela (Weisbrot 2006). Additionally, the controversial nationalization of the hydrocarbon sector (in effect, a renegotiation of contracts with transnational companies) and high international prices have created a dramatic increase in revenue for the Bolivian state. The IMF estimates that the

increase in royalties from hydrocarbons has increased by 6.7 percent of GDP in the last two years, and these revenues are expected to triple over the next four years. Doing what no neoliberal government did, the Bolivian government of Evo Morales is running a budgetary surplus for the first time in its history (Weisbrot 2007).

At the same time, there have been some significant bumps on the road. Evo's indigenous–popular cabinet has undergone some modification in ways that show the contradictions of an indigenous–popular cabinet. Most notably, the outspoken Aymara intellectual and minister of education Felix Patzi was eased out of government (many of his indigenous education plans were seen by both the Church and teachers unions as going too far). A second minister, Victor Cáceres, is not indigenous and comes with the support of the traditional, urban teachers unions, an important part of Evo's constituency, but not one that has ever been very supportive of the kind of radical indigenous educational changes favored by former minister Patzi. He too lasted only a few months in office. More ominously, the regional tensions that have long characterized Bolivian politics have been exacerbated by recent reforms, especially calls for land reform that landowners in the eastern lowlands see as a direct threat to their interest. Regional opposition (in the eastern departments) has grown increasingly united. Many fear that the danger of violent confrontation between government and opposition elements will continue to loom in the near future.

Still, the pendulum is swinging in the Andes and in Latin America. Neoliberalism, as a governing project, seems to be on the defensive. The removal of neoliberal presidents in Ecuador and Bolivia, the meteoric rise of Evo Morales in Bolivia and Rafael Correa in Ecuador suggest that the period of neoliberalism may be coming to a close. However, its death will not be inevitable or swift as evidenced by the victory of Alan García in Peru. Extractive industries and long-standing structural problems will continue to pose challenges to Andean and Amazonian economies. Yet, in a variety of ways, in opposition and in government, indigenous people are part of the new moment of Latin American politics. The wiphalas will certainly continue to fly throughout the Andes, though the winds of political change, as always, will blow them in many directions.

Notes

1. See also Yashar (2005).
2. See, e.g., Albó (1991) and Van Cott (1994).
3. This question is addressed in much greater detail in Yashar (2005).
4. For more historical discussion of the Peruvian indigenous question, see De la Cadena (2000), García and Lucero (2004), Greene (2006), and Yashar (2005).

5. For more on these different organizations see Lucero (2006).
6. The case of indigeneity in Peru is complex. See de la Cadena (2000), García (2005), García and Lucero (2004), Lucero and García (2007), and Greene (2006).
7. This section draws from Lucero and García (2007). Victor Paz Estenssoro died on June 7, 2001. The obituary penned by *The Economist* (2001) recognized the magnitude of his impact on Bolivian politics: "It is given to few individuals to change the course of their country's history, let alone to do so twice" (84).
8. One of the enduring tensions in highland movements throughout the Andes is the difficulty of "seeing with both eyes," of reconciling indigenous and Western styles of organization and contestation. For some, union models are Western impositions that should be rejected in favor of more autochthonous alternatives, like the ayllus. This tension has taken various forms throughout the years and the emergence of CONAMAQ is among the most recent one. The leadership of CONAMAQ, though, has not been without its troubles. In many ways, it continues to be in the shadow of the CSUTCB. See Lucero (2002, forthcoming).
9. See, e.g., Hale (2002b) and Wade (1997).
10. Even official from the World Bank called the privatization scheme a "fiasco" in terms of design and implantation, and formally withdrew support for the plan. See Walton (2004).
11. In 2003, the CSUTCB splintered into two groups: one lead by Quispe, the other by Loayza. Quispe was the main figure in the Aymara altiplano while Loyaza commanded a greater following in the Quechua valleys. The "unica" was anything but that). Since then, the CSUTCB has come back into one organization led, for the first time, by a Guaraní from the eastern lowlands, Isaac Avalos.
12. In March 2005, press releases did announce the unification of all indigenous social movements in solidarity against the new president, Carlos Mesa. Increasing protests from popular and elite sectors ultimately forced Mesa out of power. This was seen as something of a victory for protesters, not only in forcing Mesa out but in leapfrogging the constitutional order of succession to avoid naming a conservative congressional leader and selecting former Supreme Court justice Eduardo Rodríguez. The alliance made between figures such as Morales and Quispe did not last in the run-up to the 2005 presidential election, which is hardly surprising given that such arrangements have been tried before and have rarely withstood the centrifugal pull of the personalities of various movement leaders.
13. Running a close third in the polls was also from the right, businessman Samuel Doria Medina, known as the "cement baron" and also the owner of Burger King restaurants in Bolivia.
14. This section draws from Garcia and Lucero (2004). For a more detailed ethnographic discussion see Garcia (2005).
15. Fujimori shrewdly combined populist styles with neoliberal populism. Campaigning as an ethnic outsider against Vargas Llosa, the epitome of white Peruvian aristocracy, Fujimori was able to appeal to rural and popular sectors who also saw themselves as outsiders. When he governed, Fujimori continued to uses populist rhetoric and tactics, even while implementing

orthodox economic reforms. For excellent discussion of Fujimori's political syncretism and creativity see Roberts (1995).

16. Though she is often referred to as an anthropologist, Karp's graduate studies at Stanford, where she and Toledo met, were not in anthropology but in literature.

17. For more on the complexities of COPPIP, see García and Lucero (n.d.).

18. For more detailed discussions see Zamosc (2004), and Lucero (forthcoming).

This page intentionally left blank

Chapter 5

The Cristo del Gran Poder and the *T"inku*: Neoliberalism and the Roots of Indigenous Movements in Bolivia

Hans Buechler

It was clear that Víctor Hugo Cárdenas, the first Aymara vice president of Bolivia, enjoyed telling the story of the painting. Originally, he explained to me, the painting of Christ in the famous Catholic church of Gran Poder in La Paz, Bolivia, had three faces. Unhappy with this unorthodox portrait, which smelled of idolatry (indigenous Aymara spirits are often viewed as a trinity), church authorities decreed that the two lateral faces be painted over, keeping only the one in the middle. "Ultimately, the Church failed in this endeavor," Cárdenas said, "for today the logo of our fraternity, the Fraternity of the Fanatics of Folklore, again represents Christ with three faces. So our experience regarding the three religions has not been conflictual."[1] Cárdenas was insistent: he rejected the notion that he had to relinquish his Aymara beliefs in order to remain a good Catholic. He went further: he took pride in his capacity to move readily between Protestant, Catholic, and Aymara religions. In fact he hoped his ecumenicism would be an example of tolerance and cooperation to his country's rural and urban Aymara, mestizos, and foreigners.

Other informants in my study of university-educated Aymara intellectuals, artists, professionals, and politicians in Bolivia[2] would have employed different images to capture the complex relationships between Aymara, mestizos, North Americans, and Europeans. Some would have stressed the need to establish the precedence of indigenous rights, concepts of authority, and governance over those of the mestizo. Some would deny the entanglement of religions of different origins suggested by Cárdenas's story, and stress instead their incompatibility. Some would use the image of the *t"inku,* or ritual battle, where members of neighboring communities engage in staged fights. These different views may be mapped onto different Bolivian ethnicity-based political and cultural movements. They enter into dialogue with class-based ideologies, alternately viewing these as compatible and antagonistic. Ethnic politics in Bolivia is about ethnicity versus social class, the clash between

insiders and outsiders, between competing hierarchies based on ethnic identification, and the entanglement of all these. I will argue that, while the entanglement of these categories predates neoliberalism in Bolivia, certain neoliberal policies have lead to an acceleration of these processes.

This chapter seeks to shed light on the dynamics of ethnic social movements in a period dominated by neoliberal agendas. Anchoring my analysis in the ideas, careers, and life histories of two ethnic leaders, I wish to ferret out hidden meanings in the symbols these leaders use. I will argue that while indigenous movements have much to do with long-term struggles against ethnic discrimination and are therefore at least partially independent from short-term trends such as neoliberalism, they are nevertheless entangled with such trends. Thus, for example, these movements are in part antagonistic to the individualism implied by neoliberalism; yet they also resonate with "real existing neoliberalism."[3] In this chapter I distinguish between ideal and actual forms of neoliberalism; and I adopt the loosely Gramscian view that hegemonic systems, to remedy their own deficiencies and placate groups they disadvantage, incorporate or promote processes whose logic is partially antithetical to their own basic tenets (see Buechler and Buechler 2000, 2002).

From this perspective, the hegemonic strategies under communism and neoliberalism may be fruitfully compared. Lenin and Stalin, on the one hand, and governments committed to neoliberal reforms, on the other, both stress the valuation of multiple cultural traditions. Lenin's fostering of ethnic nationalism was predicated on the notion that socialism would be more acceptable if it was introduced by means of local languages and cultures (Sletzkine 1994: 420). While, in the long run, Soviet multiculturalism cloaked a program of Russification (e.g., Khazanov 1995), the ideology of multiculturalism was never entirely supplanted by a unitary cultural model; it is likely that the tensions between the two models contributed to the emergence of ethnic nationalism during *perestroika* and in post-1989 Eastern Europe. Lenin's logic resembles that of modern global financial institutions, development agencies, and national governments following neoliberal policies. Under both communism and neoliberalism, ethnic group identities are acceptable compromises between individualism and collectivism. Ethnicity constitutes a kind of middle ground upon which grassroots concerns can dialogue with otherwise incompatible hegemonic systems. Lenin regarded linguistic and cultural differences as compatible with a unitary ideology (Sletzkine 1994). Nevertheless, just like many other unorthodox practices that constituted "real existing socialism," such differences had the potential of undermining the dominant order. Similarly, "real existing" neoliberal multiculturalism contributes to a radical questioning of some basic tenets of neoliberalism. As illustrated by the opening quote whose significance we shall see later, similar developments and logic of coexistence between seemingly incompatible practices has characterized the recent evolution in the relationship between Catholicism and indigenous religious beliefs. Indeed, in Bolivia, such trends in the Catholic Church may have provided a model for neoliberal multiculturalism.

The second opening created for ethnic movements by neoliberalism is its emphasis on administrative decentralization. To be sure, decentralization has in practice often entailed the extension of national governance to the local level, even when communities are ostensibly allowed to govern themselves according to their own traditions[4] (*usos y costumbres*). However, the converse can also occur, especially in countries with indigenous majorities like Bolivia. I will argue that these processes, though couched in principles of indigenous government, vary according to experiences and social networks, including their interregional and rural–urban relationships.

The chapter unfolds as follows. After presenting the positions of the two leaders, I will provide a brief history of indigenous movements in Bolivia, and discuss the relationship of ethnic movements to neoliberalism. I will then turn to the leaders' life histories, to show the origins of different strains of indigenous movements and how these are inserted into wider regional, national, and international contexts.

Two Leaders of the Ethnic Movement

Victor Hugo Cárdenas is central to my analysis. He entered politics when the relationship between class and ethnicity was being reformulated. He played a key role in promoting legislation that addressed indigenous concerns. And he came from a region, the shores of Lake Titicaca, with which I am familiar from long-term fieldwork. Since the 1970s, Cárdenas was involved in the moderate Katarista movement, named after an eighteenth-century Aymara peasant leader. The movement originated in an effort to make peasant unions—long manipulated from above by civilian and military governments—politically independent. Katarismo also stressed Aymara, and to a lesser extent Quechua identity (Albó and Barnadas 1990; Rivera Cusicanqui 1983). During the military dictatorship of Hugo Banzer in the 1970s, when political activities were curtailed but cultural activities such as broadcasting in Aymara remained largely unrestricted, Cárdenas was involved in CIPCA, a Catholic NGO that promoted Aymara culture, politics, and language (Rivera Cusicanqui 1983: 140). With the democratic opening beginning in the late 1970s, Cárdenas founded two Katarista parties, the MRTK and the MRTKL. The MRTK had modest electoral success, and through it Cárdenas became a member of parliament. In 1989, he ran for president but obtained only 3 percent of the vote. In 1993, he was asked to become the running mate of Gonzalo Sanchez de Lozada, the architect of neoliberalism in Bolivia. In this role, Cárdenas helped institute laws addressing indigenous concerns, including the designation of Bolivia as a "multi-ethnic and pluri-cultural" nation; bilingual education in indigenous languages and Spanish; recognition of indigenous communities as legal entities; and the distribution of public funds to rural municipalities. Although he downplays his differences with class-based movements, Cárdenas found it easier to support the indigenous movement of the lowlands than the national peasant union (Yashar 2005: 304).

My second example is Carlos Mamani, a historian who studied at FLACSO (Faculty of Latin American Social Sciences) in Quito—an institution with a long history of supporting leftwing and, more recently, indigenous causes— and is the former director of THOA, *Taller de historia oral andina*, an Aymara think-tank that promotes the *ayllu* movement. (This movement seeks to reconstitute traditional local, regional, and national political systems based on multi-community entities still present in the southern *altiplano*.) Mamani takes a more radical stance than Cárdenas about re-indigenizing Bolivian politics. In addition to promoting the reconstitution of ayllu*s* and larger rural political entities, and dreaming of the reestablishment of links between communities located in different ecological zones, Mamani suggests that vestiges of hereditary leadership patterns might be a valid basis for the development of leadership hierarchies.

Prelude to the Entanglement of Ethnic Movements with Neoliberalism

Most observers agree that indigenous movements have a long history in the Andes, dating back to the colonial period, when they reached their high point with the siege by the forces of Tupaq Katari of La Paz in 1781. Indian mobilization during the Republican period was involved with a series of out-of-power mestizo elites who led revolts against other elites in power: after each successful revolt, the new elites would suppress their erstwhile allies (Albó 1990). The distribution of large tracts of land in the lowlands to mainly mestizo elites after the agrarian reform of 1952, and the neoliberal reforms of 1985 have repeated this vicious cycle (ibid.: 162).

Particularly in the altiplano area, the development of the ethnic movement must be seen in the context of its relationship to class-based movements. The peasant movement that led to the 1953 reform began in the Cochabamba valley as early as the 1930s, with the establishment of a clandestine peasant union (Iriarte 1980: 16–18). But this radical mobilization eventually gave way to a corporatist subsumption by the state of the upper echelons of peasant unions, with the agenda of assimilating Aymara and Quechua speakers into mestizo society (Albó 1990; Calderón and Laserna 1995: 28). This occurred with some valorization of more politically neutral indigenous cultural traditions, such as traditional dances. Yet at the same time, university and high school students of recent migrant origin, inspired by the teachings of Fausto Reinaga (who postulated the primacy of indigenous culture and rights), began to create cultural and political movements under the name of Tupaq Katari/ Julián Apaza. They parted company with the mestizo-dominated left, which they regarded as insensitive to ethnic discrimination.[5] At the same time, these movements were jump-started in 1968 and 1974 by peasant uprisings against USAID and IMF pressures to tax the peasantry (Albó and Barnadas 1990: 251–3; Iriarte 1980: 55–56, 60).

While Banzer's internal coup put this self-consciously political movement on hold through the 1970s, driving its leaders underground and into exile,

culturally oriented movements remained relatively free from state repression (Rivera Cusicanqui 1983: 141). The latter movements were nurtured by the Catholic Church, which used "culture" as a neutral tool to engage in development programs geared toward a rural audience. CIPCA (Center for the Study and Promotion of Peasants), directed by Jesuits (Cárdenas worked there in the 1970s) was a space where Kataristas could speak without fear of repression, thus contributing to the enrichment of a new idiom that combined urban–rural communication, affirmation of Aymara identity, and a radical critique of peasant exploitation (Rivera Cusicanqui 1983: 142). Meanwhile, the Katarista movement continued underground in rural communities through the 1970s (Yashar 2005: 175), resurfacing in 1977, when Banzer finally began to move toward national elections. Genaro Flores, an Aymara who spearheaded the development of an independent peasant federation, was confirmed as the national head of the new peasant union. Democratization also led to the formation of political parties by Aymara rural–urban migrants, including Víctor Hugo Cárdenas.

While the development of Katarismo in the 1960s and 1970s gives some support to the view that ethnic movements in Bolivia have emerged in response to global capitalist pressures, it also shows that, during that period, a more significant factor was the experience of ethnic discrimination among rural–urban migrants (Gustafson 2002: 276). The struggle against this discrimination occasioned disagreement with the traditional left, which located discrimination against indigenous culture on a burner somewhere behind the issue of class exploitation.[6] Hyperinflation in the early 1980s paved the way for major neoliberal reforms implemented by Gonzalo Sanchez de Lozada, who was finance minister at the time, including the forced unemployment of huge numbers of mineworkers. The 1980s and 1990s also saw the growth of foreign and foreign-financed NGOs in both the highlands and lowlands. A new generation of Aymara indigenist intellectuals informed and supported NGOs engaged in highland projects targeted at strengthening Indian community organization, and became involved in an international network of indigenous leaders. (This was the context of Cárdenas' growing use in the 1980s of indigenist rhetoric, and of the appearance of groups such as the Andean Oral History Workshop, financed by Oxfam America.) In 1993, with the arrival in the presidency of an architect of Bolivian neoliberalism, we can see even more clearly the relation between neoliberalism and the indigenist movement.

Theorizing the Relation between Ethnic Movements and Neoliberalism

What is the nature of this relation? One view posits that the growth of ethnic movements alongside the institution of neoliberal reforms demonstrates that the former are a type of resistance to the latter (e.g., Yashar 2005). The contrasting view (e.g., Hale 2002a) posits that the space created for ethnic identity by multicultural policies is an attempt by states and international

agencies to weaken class-based movements and divert public attention from the growing inequality engendered by neoliberalism. For Hale, the aims of neoliberalism overlap those of ethnic movements, for they attempt to restructure the state in similar ways.[7] There is some evidence to support this interpretation. Andolina et al. (2005) show that the involvement of international actors in indigenous movements resulted in the "inversion of indigenous efforts for *culturally appropriate development* to something closer to *developmentally appropriate culture*" (2; italics in the original); meanwhile, some international organizations such as Oxfam America have clearly sought to privilege ethnic development projects at the expense of class-based struggles (11). Now even communities that had not previously seen themselves with an ethnic identity have sought to forge such identities from long-forgotten affiliations of their ancestors in order to attract attention to their needs (Meredith Dudley, personal communication).

Thus, at the end of the day, the analyst would do well to pay attention both to the co-optative potential of ethnicity, and to its capacity for articulating resistance to marginalization, exploitation, and inequality. Andolina et al. (2005) concede that indigenous movements do not always serve neoliberal agendas, and that "*ayllu* identity and agendas could be constructed to explicitly oppose neoliberalism and state-driven decentralisation" (32). It is with this more dialectical perspective in mind—a perspective that stresses the partial congruence and partial conflict between the indigenous movement and neoliberalism and the contradictions within neoliberalism—that I now turn to an examination of individual indigenous leaders.

The Role of Individual Trajectories in the Bolivian Ethnic Movement

By examining the lives of two Aymara intellectual–politicians, I seek to show how ethnic movements emerge, not as a mechanical response to or instrument of neoliberalism, but as mediated by personal and family backgrounds. The two individuals I will consider come from regions with very different histories, and their families have followed dissimilar paths in terms of education, translocal experience, religious affiliation, and participation in politics. Their trajectories also differ in terms of their interactions with students and teachers, activists at home and abroad, professionals of similar or more privileged backgrounds, Bolivian and foreign NGOs, and fellow Aymara and mestizo politicians. What their trajectories reveal is how all these factors shape their ethnic and class politics and thus mediate the impact of neoliberalism on indigeneity. At the same time, they reveal that while global actors may foster decentralization, local actors shape its course and the nature of new coalitions.

Víctor Hugo Cárdenas

Víctor Hugo Cárdenas was born in 1951. His grandfather, a trader of dried fish and meat to the subtropical Yungas (an occupation for which his place

of origin on the shores of Lake Titicaca was well known), died in a truck accident. Cárdenas grew up with his paternal grandmother and engaged in agriculture and assisted his uncle with fishing.[8] His ideas and position were shaped by his family's multigenerational involvement in politics and education, and the fostering of the Aymara language. His father was a self-taught school teacher with a primary school education from the nearby Baptist mission school and an intense interest in language. A medical practitioner (*sanitario*) and the first Aymara in his area to study topography in La Paz, he financed his studies by working as a stevedore. He wrote poetry and stories in Aymara, and read them aloud on Radio San Gabriel, a broadcasting station run by American Maryknoll priests, and the only one in the altiplano to have a broadcast in Aymara. As a result of his father's insistence, Cárdenas, alone among his peers, received a formal education in both Spanish and Aymara. His father also encouraged him to listen to the Voice of America to learn English.

It was from his father that Cárdenas imbibed leadership and teaching skills. At the age of eight he was already helping his father teach kindergarten and first grade (his father was in charge of six or seven grades). He would watch his father challenge not only neighboring schools to competitions (which his school would invariably win), but also powerful hacienda owners, over whose objections he established schools independent of them, an act for which he was imprisoned during the Banzer regime. After going to a Baptist-run school, where he became school president, Cárdenas left for La Paz to finish high school, for there were too few students in the upper grades in his home region to warrant public education at that level. He financed his studies with the help of his father and earnings from a variety of odd jobs, and ended up with two bachelor's degrees, in the humanities and in education. He then pursued a master's degree in public administration at FLACSO in Ecuador. At the time of our interviews, he was studying for a PhD at the Gabriel René Moreno University in La Paz, where he was focusing on learning in multiethnic situations. His wife Lidia also had a career in education. The daughter of a local trucker who traveled between his native rural community and La Paz, she was educated in La Paz. Later she attended teachers' colleges in Huarisata and Ucureña. When her husband was vice president, she was active in finding NGO donors to fund the construction of rural schools.

Cárdenas used his leadership skills to counter discrimination against Indians. During his high school years in La Paz, he was prevented from holding leadership positions in his school, but once he began his university studies, he followed his father's example and became politically active. It was at that time that he came to know Genaro Flores and founded the Katarista Movement. Katarista success in the 1970s was predicated on links to rural communities through the broadcasting of radio programs in Aymara and political mobilization in rural areas.[9] The trajectory of Víctor Hugo Cárdenas highlights the continued importance of these ties.

Linkages to the countryside have always been important for people engaged in urban–rural trade and transportation, and are often maintained

at considerable cost by migrants to justify claims on land in their communities of origin (Albó et al. 1983; Buechler 2006; Buechler and Buechler 1971 and 1992). Such ties often weaken in the second or third generation, contributing to the rural–urban divide. The current valorization of ethnic roots (Buechler 2006) has provided a new incentive for urban Aymaras and Quechuas to maintain rural ties. Politicians reconnect with their communities in part because of the Law of Popular Participation, instituted during the Lozada–Cárdenas government, which devolves some decision making power and tax revenues to municipal governments. These ties are further strengthened by the fact that parties receive federal funding depending on their success in local as well as in national elections (Gustafson 2002: 280). Direct sharing of tax revenues may have increased awareness at the local level of the importance of securing revenue flows and, consequently, also of the shortcomings of agreements with foreign oil and gas companies. These were one of the main reasons for the protests that led to the election of Evo Morales.

Given the importance of maintaining rural ties, Cárdenas's strong relations with his community of origin come as no surprise. He claims that he continues to commute between La Paz and his home community, leaving the city on Friday morning and returning on Sunday evening. A facilitating factor is that his wife comes from Huatajata, a neighboring community. Huatajata has long had the reputation of being in the avant-garde of rural development, and can thus serve as an example of the potential of decentralization policies. Lidia's family played a central role in the community's history. Her father was among the first truck and tractor drivers for the local Baptist missionaries; later he was one of the first in the area to buy a truck of his own. Víctor Hugo and Lidia actively participated in saints' day fiestas and fulfilled the complete hierarchy of ritual roles, including dancing, acting as dance group leaders, and becoming sponsor of the fiesta of the patron saint, with all the gifts of money, alcoholic beverages, food, and produce this entails.[10]

The Cárdenas' ritual roles in Huatajata connect seamlessly with their participation in a fiesta in La Paz dominated by recent migrants. The former vice president, his wife, and at least one of his daughters actively participate in one of the most prestigious dance fraternities that performs the fiesta of the Holy Trinity in the capital and in 2003 acted as sponsors of the group, while their daughter was elected queen of the fraternity. The Cárdenas' involvement in this system with both a rural and urban dimension reveals the centrality to Cárdenas's political influence of his social networks; it also points to the importance of migration in highland Bolivia's rural communities (Albó and Preiswerk 1986 and Buechler 1980). The Cárdenas' involvement in the fiesta system also highlights the importance of religion as an arena for rural–urban linkages and for identity politics. Víctor Hugo Cárdenas moves freely between Catholicism, Protestantism of various denominations, and more purely Aymara religion. Víctor Hugo and Lidia came to know each other as members and leaders of the Young Baptists Association in Huatajata. While many Protestants refuse to participate in Catholic rituals, he does not. Nor does he

limit his participation in Protestant churches to a single denomination. He attends Baptist sermons but has also taught at an Adventist university; one of his daughters attends an Adventist school and another a Baptist school in La Paz. Significantly, he also participates in rituals in honor of Aymara spirits and divinities. As vice president he fostered solstice rituals in the archeological center in Tiahuanacu, considered as the historic capital of a utopian Aymara polity, rescuing the ceremony from its domination by the national tourist bureau and placing it in the hands of local authorities. At the time of our interviews, he was preparing to sacrifice a rooster and perform a ceremony for the Pachamama, the Andean earth goddess, to ensure that his dance group would perform well at the parade.

The evolving relationships among the trinity of Catholicism, Protestantism, and indigenous beliefs figure prominently not only in the former vice president's personal history but in the very constitution of Aymara identity. After its long efforts to sideline "pagan religious practices" a new current in the Roman Catholic Church, "inculturation theology," has reversed this policy and is now actively encouraging engaging in all forms of indigenous religious practices[11] (Buechler and Buechler 1978; Orta 1999, 2004). Interestingly, the logic behind this shift is reminiscent of Lenin's logic of fostering ethnic nationalism as a tool of converting cultural subjects into post-cultural socialists. According to Orta (1999), "The implication is that there exists a core of Aymaraness, which, although corrupted by colonization embodies a cultural essence dating from pre-conquest times and endures today concealed from missionary methods. Missionaries endeavor to harness that Aymaraness now as the basis of an authentic Christian conversion" (869). As we have noted earlier, Cárdenas himself was associated with CIPCA, a Catholic NGO involved in anthropological research and rural development activities with an even more open stance toward Aymara culture, a trend that predated, and in some ways prefigured, both neoliberal multiculturalism and inculturation theology. In the Baptist Church, there has been a similar shift away from the intransigent position still upheld by the more fundamentalist evangelical churches regarding celebrations and rituals involving the consumption of alcohol (Buechler and Buechler 1978) making it more feasible for politicians like Cárdenas to continue to participate in such activities. As a result of the rise of ethnic movements and their acceptance by some urban elites, both Aymara and mestizo, some Aymara religious practices are being observed self-consciously by rural–urban migrants—sometimes even in the third generation. They thus contribute to lessen the implicit rural versus urban = Aymara (or Quechua) versus mestizo equation.

A last characteristic of the Cárdenas's trajectory is the importance of NGOs. His rise was facilitated by his involvement with CIPCA. Lidia's activities depended on the mobilization of NGOs to finance school construction. And his stance on the role of women in Bolivian society resonates with the feminist agendas of NGOs involved in indigenous movements. He espouses feminist ideals more clearly than many other indigenous movement activists. He deplores what he considers to be the continued sexism in Aymara

community politics, proudly pointing out that when, during the president's absence from the country, Lidia briefly became First Lady, a foreign reporter commented that behind every successful man there was a successful woman; Lidia corrected her indignantly: "No, miss, you have it all wrong, not behind, at his side."

This background has instilled in Cárdenas a certain moderation, in contrast with the assimilationist indigenism of the early-twentieth-century writers José María Arguedas and Franz Tamayo, and the radical Indianism of Fausto Reinaga "who believed that Indians are inherently good and whites inherently evil," as Cárdenas puts it. Cárdenas's third position is encapsulated in his comment that "as indigenous persons we open up to different sectors of the country to build an intercultural democracy. We do not reject the market economy nor liberal democracy, rather we accept their virtues but creating it, mixing it, relating it with our own virtues." Like other Bolivians he is critical of the government's policy of developing natural resources mainly for export without a corresponding multiplier effect within the nation. He advocates a multiplicity of models of governance at the local and regional levels without an imposition of any particular form on everyone. As vice president he helped establish a decentralized form of governance with recognition of traditional forms of government at the local level. Today, he is taking this model a step further by promoting the construction of larger political entities based on traditional models of local governance.[12] He dreams of supra-local entities not based on the top–down hierarchy dominated by mestizo townsmen. Taking as his model the vestiges of dual organization still present in his wife's community, his vision is for an Aymara polity with two complementary moieties circling Lake Titicaca.

During his tenure as vice president, Cárdenas fostered the recognition of ayllus as political entities, laying the legal foundation for the ayllu movement, which rejected the peasant union model with its connotation of blind obedience to the MNR and alliance with the military. At the same time, he himself does not reject class-based social movements. When he became a political figure in the late 1970s, he supported the development of an independent national peasant union and continues to believe that, while the ayllu confederation, CONAMAQ, is appropriate for the southern altiplano, a modified version of the union model is appropriate for the north. He is open to modernity and to neoliberal ideas as long as Bolivia's priorities are refocused on autonomy and national development rather than on becoming a minor cog in the global economy. He criticizes factionalism and absolutist approaches.

At the time of our interviews, in April 2003, Cárdenas was waiting out the flow of events, including the call for a constituent assembly, the stalemate regarding the exportation of natural gas, coca, and the failure to deliver on promises of land to lowland peasants and indigenous peoples. He hopes for a return to sanity after a period of extremist positions and strongman politics (*caudillismo*). He remained on the sidelines during one of Bolivia's worst political crises in June 2005. And, perhaps because of his earlier association with the MNR and Gonzalo Sánchez de Lozada, he was not selected to hold

a cabinet post in the government of Evo Morales. In late 2007 and early 2008 he became more vocal again, urging moderation and decrying the polarization between the demands for indigenous versus demands for regional autonomy (Pérez Carrillo 2007; Sagárnaga 2007). The presidency would certainly cap a remarkable career, but, nearer to home, while he is invited to sit with the group of elders in his community and has bestowed his and his wife's community with numerous small gifts, full seniority may only come after he has taken his turn at the top leadership position in the community, the position of secretary general. At this point, with his father still alive, he is still not a full *persona*, but, as the eldest son, will accrue this distinction when his father dies.

Carlos Mamani

Carlos Mamani is an Aymara historian and activist (presently a member of the Permanent Forum on Indigenous Issues of the United Nations) who has adopted a more radical position than Cárdenas. He comes from a rural community in the southern altiplano. His father, who was barely literate, worked temporarily in the mines in the area, but never identified as a full-time miner with its connotation of mestizo identity. Since the rural school only provided a primary education, he purchased a plot in El Alto so his son could go to school there. With practically no contacts in the city (the family's outside contacts were in towns and the mines) the historian, as a young man, ate at a neighbor's house and assisted him in weaving women's shawls. At first, Mamani attended an evening school (recent rural–urban migrants were discouraged from attending the same schools as second-generation migrants and mestizos), and later a private Catholic day school. In the latter, there was an intense rivalry between rural–urban migrant and mestizo children, but there was a kind of balance of power between the two groups, since the newcomer children tended to be from wealthier Aymara families who engaged in transportation and trade.

Well indoctrinated in military dictator Banzer's development and modernization rhetoric in the conservative high school he attended, Mamani entered military service with considerable patriotic fervor. During his stint in the military, he began reading leftist literature and saw the disconnect between the image of the "national airplane taking off" and the fact that the officers' academy was reserved for children of the elites. It was no accident that the only relative he had in La Paz, a man who worked in the military, had never been able to achieve the rank of officer. Mamani's choice of a career was undoubtedly influenced by his father's interest in law and historical land titles. The latter was engaged in a never-ending struggle to protect his land from encroachment by others, including his brothers. Not surprisingly, he urged his son to study law. Higher education, he believed, would not only give his family an edge in such struggles but also provide a means for his sons to escape into a different world. However, when Mamani realized that being a lawyer often entailed little more than "selling one's signature for fifty cents,"

he decided to study history instead. As he put it, "In order to defend our community land we had to make use of historic memory."

He ultimately became involved in the Julián Apaza student movement, an early Indianist movement that questioned the official version of Bolivian history and promoted the idea of an Indian takeover of government.[13] When he read the writings of Fausto Reinaga and others, and listened to some of his professors, he realized that Bolivia was not a single cohesive unit but a state composed of several nations. Lived experience corroborated these analyses, for, during his university studies, ethnic differences became even more apparent than they had been during his high-school years. While there was a degree of camaraderie among students of all backgrounds, and one could gain a degree of respect based solely on one's knowledge and intellectual abilities, students from wealthy families invited their professors to the hotels run by their parents and "earned" corresponding grades. The disadvantages of his ethnic background became even more evident after university. He discovered that jobs were few and far between for individuals like him, someone with few powerful connections. Indeed, even with an MA from a foreign university, he has only been able to get a partial lectureship at the university,[14] and his work in NGOs did not bring adequate remuneration either; in fact, some of it was on a volunteer basis. Working for NGOs involved in indigenous rights, he visited UN conferences in several countries, increasing his awareness that the problems he faced were shared by indigenous groups all over Latin America.

The importance to Mamani of education, the struggle against discrimination, and the influence of parental and student ideas parallel Cárdenas's story, as does Mamani's involvement with foreign-financed NGOs. Again, we see the influence of international universities such as FLACSO that are geared to training indigenous students in the social sciences, engaging in social scientific research on indigenous issues, and bringing indigenous activists from all over Latin America together. These universities have played a salient role in the lives and ideology of a large number of ethnic leaders (García et al. 2003; Laurie et al. 2003).

The most salient difference with Cárdenas is Mamani's stress on the injuries of ethnic discrimination that have only intensified over his life, and have contributed to his inclination to adopt a more intransigent Indianist position. Of equal or greater importance in the shaping of his worldview may be his southern altiplano background. A major contrast between the northern highlands around Lake Titicaca, where Cárdenas comes from, and the southern altiplano is the differing penetration of the hacienda system. In the Lake Titicaca area, where most rural communities were taken over by haciendas in the nineteenth and the first half of the twentieth centuries, there is resonance between local indigenous leadership and the local leadership of the peasant unions after the revolution and agrarian reform of 1952–1953.[15] In contrast, the nature of local governance and the influence of party politics were more contested in the southern altiplano, where the indigenous communities were often not absorbed by landed estates[16] and where vestiges of

multicommunity indigenous organizations persisted through the colonial and republican periods. Not surprisingly, Mamani is more convinced than the former vice president of the feasibility of eliminating peasant unions and replacing them with historical forms of indigenous governance. Another difference with the northern altiplano is the greater importance of migration to other ecological zones, resulting in ties between different, often distant regions, including valleys located in Chile. Indeed, Mamani advocates vertical control (or joint administration) of different ecological zones based on such ties as those that existed between free communities in his area and communities in the temperate valleys to the east. He even speaks of the feasibility of reviving hereditary chiefly lines (*caciques*) as a possible form of governance. His position is more influenced than that of Cárdenas by the internationalized ethnic movement, the search of a path in opposition to state structures, and the radicalization of the mestizo–indígena dichotomy (Hale 1994). His stance thus meshes with that of such NGOs as Oxfam, which do not consider peasant unions authentically indigenous and therefore worthy of support. An additional difference with the northern altiplano, that was expressed in interviews with Aymara leaders, intellectuals, and artists from rural communities in the southern altiplano, is the rivalries with the more established miners[17] who look down upon the peasants and part-time miners. The rejection of the union model of organization, with its association with workers, may stem from this rivalry. Indeed peasants have sometimes been used by Bolivian governments to quell miner union strikes (Harris and Albó 1975).

This said, the differences between Carlos Mamani's and Víctor Hugo Cárdenas's approaches should not be overstated. Cárdenas supported the lowland indigenous organization CIDOB with its NGO-influenced[18] non-confrontational mode of operation and found it difficult to deal with the northern altiplano Aymara dominated CSTUCB, even though, at the time, it was headed by his former collaborator Genaro Flores. Cárdenas's own position thus moved from Katarismo with its double class-based and ethnic platform to a more Indianist stance from which he appears to have returned to a position more akin to his point of departure.[19] However, although in our interviews he did not specify a role for peasant unions, Cárdenas's vision of an Aymara polity appears to combine elements of the Indianist push for recognition of indigenous political units beyond the ayllu: the *marka* and the *suyus*, with the decentralization that was instituted during his period as vice president. But, rather than creating new rival indigenous units like those proposed by Mamani, he suggests that groupings of Aymara municipalities could play the same role. Conversely, Mamani has become the vice president of UNIR Bolivia, a foundation, established in 2004, that is involved in supporting activities concerning intercultural mediation, respect for human rights, democratic values, and the promotion of journalism on neglected topics.[20] In keeping with the philosophy of its president Ana María Romero de Campero, Bolivia's first ombudsperson, UNIR stresses class issues as well as those concerning ethnicity.

The Aymara ethnic movement in Bolivia is composed of many strands corresponding to a variety of positions emerging from different multigenerational family trajectories. These trajectories are differentiated by exposure to a range of social and ideological influences: variations in the importance of the bourgeois-dominated social revolution and agrarian reform of 1952–1953 in different areas; varying geographical foci and migratory movements and trade networks linking rural communities with major cities, the altiplano and eastern valleys, the altiplano and Chilean coastal valleys, the altiplano and port cities, and farming communities and mines of different sizes and organization; the Catholic Church in its various, both conservative and leftist, manifestations; various Protestant churches at different historical periods; foreign research organizations or projects; and foreign and foreign-funded NGOs with a variety of development philosophies.

At first glance, the positions within the ethnic movement might be regarded as mutually exclusive and related to neoliberalism in diametrically opposed ways. Carlos Mamani's stance could be regarded as unequivocally antagonistic to the Sánchez de Lozada and Mesa governments and therefore, by extension, anti-neoliberal. In contrast, Cárdenas's katarismo could be seen as the kind of movement that is acceptable to neoliberalism, in Hale's sense. Yet the fact that there does not appear to be a role for class-based politics in Mamani's philosophy would make it less of a threat to neoliberalism than Cárdenas's openness to class-based movements. In addition, there are elements in the embrace of multiculturalism codified into law during Cárdenas's tenure as vice president that lend themselves to a stance of resistance against neoliberalism. After initially rejecting the "Law of Popular Participation," even the most radical ethnic movements have come to embrace them and make its implementation one of their key demands. If Lucero's view (indicated by his contribution to this volume) is correct, that the possibilities of indigenous politics lie not so much in unified national movements but in an archipelago of identities the reason may lie in the fact that factionalism may be an effective strategy of resisting established networks of powerful elites as well as global actors.

At times, some of the strands in the ethnic movement in Bolivia are employed by the national government to create and foster divisions between social categories such as peasants and miners or to facilitate engagement in neoliberal projects. But at other times—sometimes even simultaneously—individuals or part-networks representing these strands push the state in surprising directions. The various actors in the movement do not form a coherent group with a unitary philosophy, much less do they share the same opinions about the means to achieve greater cultural and political influence, but they learn from and are influenced by each other's teachings and pronouncements as manifested in the shifts in Víctor Hugo Cárdenas's position. Contrary to the fear that class-based and other forms of popular movements might be diluted by ethnic politics but also contrary to the notion that multicultural policies represent "the surest path toward achieving goals of democracy and development" (see Van Cott quoted by Lucero [chapter four] in this volume),

recent events in Bolivia show that ethnic, popular, and labor movements may coalesce into formidable pressure groups. Thus, for example, during the governmental crisis in June 2005, ethnic movements in the highlands and lowlands, the CSUTP (peasant union federation), the movement of the landless peasants in the lowlands, and the national labor union coalesced at the crucial moment into the *Pacto de Unidad*. Spearheaded by the federation of neighborhood organizations of El Alto this coalition helped prevent the conservative president of the senate to assume the presidency. These groups have now jointly formulated a draft for a new constitution and, as the result of the boycott of the constitutional assembly by the principal opposition parties, have obtained the two-thirds majority to approve it. Evo Morales, himself of Aymara and Quechua origin, who was elected president with one of the largest pluralities in recent history, is projecting himself both as an indigenous leader and as a peasant leader. Thus he held one of his inauguration events in Tiahuanacu, the ancient capital of an Aymara empire. At the same time he has been loath to relinquish the leadership of the coca growers' union of the Chapare area to which he was reelected when he had already assumed the presidency. He is thus confirming the importance of maintaining direct links to his rural base via a union that gained strength through its struggle against the U.S.-funded coca eradication program. Although the colonists are an ethnically heterogeneous group and their organization is based on class rather than on ethnicity, they have fostered the Indianist characterization of coca as a sacred ceremonial plant and symbol of indigenous identity, again underlining the capacity of indigenous and class identities to link and intertwine. The women and men Morales originally selected for his cabinet of ministers included an Aymara intellectual and an Aymara NGO head, as well as labor leaders and leaders of popular movements. Finally, the MAS-backed constitution to be subjected to popular vote in 2008 gives indigenous communities considerable autonomy in applying customary law at the local level. At the same time an article to be subjected to a separate referendum because of its controversial nature stipulates limits to the amount of land an individual may hold. It is but one of a number of measures that seek to reduce class inequalities. Another is the major strides taken in the implementation of the distribution of public lands among poor farmers. A third is the Morales government's decision to earmark part of mining and lumbering royalties, formerly allotted in equal amounts to each of the nine states, for the payment of universal old age pension benefits, a move that has angered the mineral-rich lowland states. In sum, Morales's removal of some prominent indigenous and popular movement activists from ministerial positions not withstanding, the thrust of his first year in government has been to foster both multiculturalism and the lessening of class inequalities.

Products of "actually existing neoliberalism" but also of a long history of other forms of domination, the ethnic movements of Bolivia together with more class-based or mixed ethnic and class-based ones, have precipitated a major change in the direction of Bolivian politics and may eventually spur a more thorough rethinking of global political economic trends and the

nature of Latin American democracies. Spearheading these movements, sometimes working in rural development and rural leadership formation projects, or sitting on the sidelines imagining futures for the ethnic groups for whom they are advocates, the Aymara intellectuals/politicians bring rich personal, family, community, and regional histories to bear on issues of identity, power, and survival in an increasingly globalized world. They demonstrate not only that ethnic mobilization is not a straightforward effect of neoliberalism, but also that beyond current neoliberalism may exist class-ethnic syntheses that critique it as a source of oppression while also appropriating aspects of it that may, when interpreted and implemented according to their lights, contribute to subaltern liberation.

Notes

1. However, according to Teresa Gisbert de Mesa (1980) this type of representation is actually of Spanish origin.
2. The research on which this chapter is based was carried out between August 2002 and July 2003 and was funded by a Fulbright–Hays grant. Thanks also go to Judith-Maria Buechler, who participated in the first part of the fieldwork, and critically read and edited the article. Unless otherwise indicated, all quotes are from our interviews with informants undertaken during our fieldwork.
3. Collier (2005) calls it "actually existing neoliberalism" attributing the term to Brenner and Theodor (2002).
4. See, e.g., the papers in the symposium "Against the Romance of Inclusivity: The Institutionalization of Indigenous Recognition" at the CASCA/AES conference in May 2007 in Toronto on the relationship between native American communities and the Canadian government.
5 My informants who joined these movements in the 1960s and 1970s emphasized that the struggle against discrimination was their primary motivator.
6. These disagreements have a long history. Paz Estenssoro already used the support of the peasants, predicated on the agrarian reform he had instituted, to counter the demands of the miners, factory workers, and school teachers (see, e.g., Iriarte 1980: 52; Klein 1992: 236). Although the independent peasant union created in 1979 joined forces with the latter, tensions remain. More recently (January 2007), they manifested themselves in the deposition of an ethnic leader as minister of education in favor of the head of the teachers' union who is not particularly sympathetic to ethnic issues (García 2007).
7. By 2005, Hale provided a more nuanced view of the relationship of ethnic movements to neoliberalism in different Central American settings.
8. His mother was not from the same area and he was actually born in her home community near Viacha, while she was on a trading trip.
9. The lack of such contacts had stymied the development of urban-based Indianist parties in the 1960s (see Albó and Barnadas 1990).
10. Aymara activists in the ethnic movement often describe their continued participation in the fiesta system in their place of origin, which would facilitate a perhaps utopian desire to eventually return to their communities of origin and engage in modernized agriculture.

11. It should be noted that, similar to liberation theology, which was deemed too materialist and leftwing, inculturation theology does not have the blessing of the present pope.

12. The term used in government jargon is "mancomunidades."

13. The movement was founded in 1971 and was most active during 1978–1985 (Yashar 2005, fn. 30, 168). Its beginnings would, then, have coincided with those of the Kataristas, such as Genaro Flores and Víctor Hugo Cárdenas, who rejected the more radical Indianist line of argument (see, e.g., Yashar 2005: 169–70). However, Carlos Mamani, born in 1958, is a few years younger than Cárdenas and studied at the Universidad Mayor de San Andrés, in La Paz, between 1979 and 1987. Their student years would not have coincided.

14. University professors frequently do not hold doctorates in Bolivia.

15. At higher levels of organization, regional and even national union leaders are often suspected of favoring their localities of origin and do not receive the unqualified support of more distant constituents. Thus Víctor Hugo Cárdenas accuses Felipe Quispe, the leader of the national federation of peasant unions that Cárdenas helped create, of not only having an intransigent "indianist" stance but also of acting more like a local boss than a national leader.

16. Except in the closely linked temperate valleys.

17. The miners often are also from peasant backgrounds but come from other regions.

18. Particularly APCOB (*Apoyo para el Campesino-Indígena del Oriente Boliviano*). See Yashar (2005: 201).

19. These changes are paralleled by a shift in emphasis of the Catholic NGO, CIPCA. Thus, while it "initially promoted class-based, production-oriented, union-based associations" in the lowlands it later worked with an organization based on an organizational structure, the *capitanía,* that had arisen in the area during colonial times, but was considered by local leaders as an indigenous political structure (Yashar 2005: fn. 95, 201).

20. UNIR Bolivia has been nominated for the UNESCO peace prize for 2008 (*Diario Hispano Boliviano* February 13, 2008).

This page intentionally left blank

Chapter 6

Ethnoracial Identity, Multiculturalism, and Neoliberalism in the Brazilian Northeast

Jan Hoffman French

In the first decade of the twenty-first century, the political landscape of Latin America began to shift away from what many would characterize as the dark days of neoliberalism. Scholarship on the relationship between neoliberalism and multiculturalism, which not long ago seemed to be going in circles,[1] has finally pushed some of us to consider that Latin America has begun to move beyond neoliberalism into an era we might call—for lack of a better term—"post-neoliberalism." As prima facie evidence of this, at the end of the first decade of the twenty-first century countries across Latin America have elected left-leaning presidents on platforms opposed to neoliberalism, and popular leaders are calling upon their followers to "fight for the people" more than at any time since mid-twentieth-century populism.

Yet it would be a mistake to apply the populist label to this entire generation of leftist leaders, particularly Brazil's Lula (Damiani et al. 2006). Today Latin American leaders grapple with popular identities more diverse than those of worker and peasant. This is of course the case in countries like Ecuador, where large indigenous populations have mobilized; but it is also true in places like northeastern Brazil, known for its racially mixed population and relative scarcity of indigenous people. There, people once referred to as "peasants" and "rural workers" began in the 1980s to define themselves as "indigenous" or as descendants of fugitive slaves. Part of the reason for this redefinition is that these identities garner political and material benefits, most strikingly in the form of land rights. In many cases the assumption of a new identity has occurred alongside the making of land claims, and the receipt of governmental support. What began as a form of "neoliberal governmentality" (Ferguson and Gupta 2002), with the government farming out responsibility to aid marginalized black and indigenous people to nongovernmental organization and social movement actors associated with the Unified Black Movement (*Movimento Negro Unificado* or MNU) and the Catholic Church, was brought back under the control of the government. Indeed, one of the

things I mean to highlight with the phrase "post-neoliberalism in Latin America" is that federal governments in the hemisphere have increasingly become major supporters, even instigators, of identity politics. With that engagement has come a move from mere rhetoric of support to material aid and dedication to improving the everyday lives of people who had been used as window dressing for the noble motives of prior neoliberal governments.

More specifically, in this chapter I focus on the shift from the Brazilian state's *de juris* recognition of indigenous and African-descended people based on the 1988 constitution (what some might have considered a form of empty multiculturalist rhetoric), to its *de facto* recognition of these identities based upon a real allocation of resources. I argue that the latter form of recognition needs to be distinguished from the former by its recognition and the beginnings of realization of rights to material equity and full and equal participation in the polity. I thus call this kind of recognition "equitable national belonging" (De la Peña 2005: 734) or "participatory parity" (Fraser 1998). I also maintain that although the black and indigenous movements in Brazil are often analyzed separately from the land rights movements, it is historically more accurate to see their growing convergence around an idiom that combines identity politics with mobilization for resources.

Neoliberalism, Post-Neoliberalism, and Antiracist Measures

During the half century prior to the 1980s, Latin American states implemented robust, hands-on economic policies: they invested massively in import substituting industries, protected them from foreign competition, and subsidized working-class subsistence through price caps on consumption goods, support of minimum wage levels, and investment in mass transit (Andrews 2004: 191). In the early 1980s this model was severely challenged. The debt crises of 1982–1983 led to profound shifts away from investment on the part of international lending agencies, banks, and corporate investors, forcing many Latin American governments to auction off the public sector, end price controls, discontinue subsidies, lower trade barriers, deregulate markets, and slash state employment (Williamson 2000: 251). Most observers agree that these changes—which quickly came to be referred to as "neoliberal"—did not constitute the arrival of a totally new economic system, but was rather old-fashioned laissez-faire capitalism reasserting itself in a post-socialist world. Still, neoliberalism distinguished itself from the old laissez-faire capitalism by its *reach*: global neoliberalism may have nineteenth-century faith in the magic of the market (Gill 2000: 3), but it is now finding its way into the most out-of-the-way places with a rapidity and thoroughness unknown in its earlier incarnation.

At the same time, neoliberalism appears to be generating a new progressive politics. Anna Tsing (2005) points out that neoliberalism is proliferating new "frictions" between the global and the local, which have provoked astute popular challenges to the "lie that global power operates as a well-oiled

machine" (5–6), while Aihwa Ong (2006) sees "neoliberalism as exception," providing the possibility to learn to struggle in the higher space of a globalized world (1, 139). In addition, neoliberalism as a set of policies reducing the reach of the state appears paradoxically to have rendered newly democratic polities "safer" for foreign creditors. With the siphoning off of state functions to transnational corporations and nongovernmental organizations (Ferguson and Gupta 2002), the new democracies can be kept from becoming too socialist (Chua 2004: 123). Thus, in Brazil's case, a series of post-military governments deepened their commitment to neoliberal rules of the game. It was Fernando Collor de Mello in 1989 that started Brazil on this path. The policies of Fernando Henrique Cardoso[2] included the elimination of state monopolies in telecommunications, gas, and petroleum, and the drastic opening up to foreign investment.

In Latin America, Brazil has always stood out for its size, wealth, potential, and strong social movements, as evidenced by the rise of the Unified Labor Central (CUT), the Workers Party (PT), the Landless Rural Workers Movement (MST), the Unified Black Movement, and the powerful influence of liberation theology. These movements, and others, strengthened civil society in Brazil at a time when the state was divesting itself of many of its historic social commitments, producing a variety of neoliberal governmentality in which social movements became responsible for nurturing sectors of the population to which the government claimed dedication but did little. At the same time and largely as the result of Brazil's size, wealth, and influence in the region, the neoliberalism that prevailed in Brazil never succeeded in totally breaking the social contract, but rather involved a "combination of liberal and social democratic elements, and retained a central role for the state" (Lemanski-Valente 2001: 96, 99). Because of this, neoliberalism affected the land question in Brazil differently than it did in Chile, Mexico, Nicaragua, El Salvador, and Peru. Neoliberal land reform in these other countries favored free markets and the absolute right of private property, effectively supporting the concentration of land ownership (Kay 2002: 40). In those countries, the state dismantled collective and state farms and expropriated land has been returned to former owners. Mexico has dismantled the *ejido* system and promoted the distribution of individual titling of communally held lands.

In contrast, the legal basis for land reform in Brazil is rooted in the principle of the social function of property, reaffirmed in the 1988 Constitution, a situation that has made it possible for land struggle in Brazil to unfold as a legal matter (Wolford 2005: 248). The main force on the ground has been a very strong land rights movement, in the form of the MST, which has included major mobilizations in the mid-1990s, and the major political embarrassment to the government of unarmed landless rural workers killed by military police in 1995 and 1996. Together, these pressures generated a complex set of relations among MST militants, large landowners, and government officials, in which, for example, the Brazilian state ended up accelerating land expropriations from large landowners, from 1,242,000 hectares in 1995 to

5,964,983,000 hectares in 1998 (Wolford 2005). (The Cardoso government struggled to retain some neoliberal land policy by initiating a market-led agrarian reform project, the "Land Bank.")

At the same time, Cardoso's administration in the 1990s was proposing federal antiracist and antidiscrimination measures. Since concerted efforts by activists and academics (including Cardoso as an influential sociologist) to dismantle the myth of racial democracy (the notion that because the fundamental issue in Brazil is class inequality, discrimination based on race is less pronounced) began in the 1970s, discussions of the efficacy of class versus ethnoracial based struggle for resources and equality have continued to abound in Brazil. The question is why did Cardoso open up space for debate about racial quotas, while at the same time addressing demands for land reform? Why as president did he, among other things, create a national affirmative action program? Why did three of his ministries introduce "quotas for blacks, women, and handicapped people" (Htun 2004: 61)?[3] Certainly, the national black consciousness movement, with its most visible organization, the MNU, had been actively lobbying for *quilombo* recognitions, particularly in the state of Maranhão where large numbers of slave descendant communities existed. This activity on the party of Afro-Brazilian activists complemented the struggle by university students and professors around the country for some form of affirmative action to ensure some portion of African-descended students in that setting. However, speaking of the international level, Cardoso also sought to project Brazil's role as an influential player on the international stage, which required high-profile advancement of antidiscrimination measures. Thus, for example, partly to send the message to the global political and financial community of Brazil's readiness for international leadership, in July 2000, not long before the single most important international conference on racism in a generation (to be held in Durban, South Africa), Cardoso arranged, in highly visible fashion, for eleven rural black communities that had been designated as descended from fugitive slaves (*remanescentes de* quilombo), promised land by the 1988 Constitution, finally to be granted title.

One might view this land grant as little more than a case of "for the English to see" (*para inglês ver*). However, two years later, when Lula was elected president, one of his first official acts was to initiate measures to regularize the titles through INCRA (the federal land agency) and to place more power in the agency's hands.[4] This streamlined the process of land grants and, crucially, institutionalized the link between the recognition of subaltern identities with the redistribution of material resources.

New Geographies: Rural Workers become Quilombolas in Less than a Decade

One of the communities that received title in 2000 was Mocambo, a small village in the semi-arid backlands of the northeastern state of Sergipe, on the banks of the São Francisco River, where I conducted my fieldwork. Mocambo

received title in that year to five thousand acres of the land on which they had labored for many years as sharecroppers. Motivated by new legal rights, access to land, and the possibility of improvements in their living standards, residents of Mocambo had embarked on a campaign in 1993 to gain quilombo recognition—they achieved this recognition in 1997—even though it would mean identification with the low status category of *negro*. Since then, the residents of Mocambo have experienced both a cascade of change in their lives, relationships, and self-conceptions, yet have maintained continuity in the practices and worldviews about race, color, ethnicity, and religion that existed prior to their identification as a quilombo.[5]

The "Quilombo Clause" in the 1988 Constitution was the brainchild of black consciousness movement activists involved in the Constituent Assembly. Those delegates proposed that land be guaranteed to rural black communities that could claim direct descent from quilombos. This was in effect a compromise position, a step back from the prior, broader demand that all rural black communities, whatever their history, be granted land (Linhares 2004: 823). The main reason for this concession was that Afro-Brazilian street-level mobilizations in Brasilia in 1987 and 1988 were not as impressive as those of indigenous organizations. Black activists were forced to content themselves with the category of "*remanescente de quilombo*" (descendant of fugitive slave community), which gained political purchase in 1988 due to the centenary of the abolition of slavery.

When the Quilombo Clause was enacted, few expected it would have much effect in the real world. The Palmares Cultural Foundation, a federal government agency established under the aegis of the Ministry of Culture in 1988 in connection with the new constitutional provisions, took upon itself the task of identifying quilombos throughout rural Brazil.[6] The impetus for identifying as many quilombos as possible came from leaders of the black consciousness movement, who were also responsible for the introduction of the Quilombo Clause and provided the leadership of the Palmares Foundation. Since then, on the basis of various inventories, between 743 and 1,296 quilombos have been identified in twenty-two states (Linhares 2004: 819). One source identifies 137 quilombo communities, including Mocambo, titled by federal and state governments in the decade after 1995 (Comissão Pro-Índio 2008). Another source claims that more than 3,000 quilombos will eventually be identified and titled (Linhares 2004: 819). As of May 2005, the Center of Geography and Applied Cartography of the University of Brasília had identified 2,228 quilombo communities, 70 of which had been officially registered by the federal land reform agency (Centro de Cartografia Aplicada e Informação Geográfica da Universidade de Brasília, 2005).

In 1992, four years after the Quilombo Clause was adopted, a group of about twenty families from Mocambo became embroiled in a dispute with a neighboring landowner over their right, as sharecroppers, to plant on her property, and were subsequently expelled. The dispute arose because the neighboring Xocó Indians (a related group of Afro-indigenous-descended rural workers who were recognized as a tribe in 1979) had enlisted the help

of some Mocambo families in their bid to add that piece of land to their indigenous reserve. The expulsion was especially difficult for the Mocambo families because the land they had been planting was part of the last rice lagoon remaining after the construction of hydroelectric dams upriver. Out of concern for the plight of the families, the parish priest called in a nun–attorney, who introduced the Mocambo families to the idea of petitioning for federal recognition as a quilombo. Although at that time still an untried method of acquiring land under the Quilombo Clause (a few quilombos had been recognized, but none had yet received land and some were involved in long judicial disputes), a majority of Mocambo residents decided to pursue quilombo status.

Thus began a campaign to prove to government visitors, including the anthropologist who was sent by the Palmares Cultural Foundation to research the validity of their claim, that the Mocambo families were descended from fugitive slaves. At first, the government ignored their request because the village had no records and the architecture of their village did not meet the standards of the federal patrimony commission. According to the patrimony commission architect, Mocambo had no "buildings that dated from before the beginning of the [20th] century"; neither were there "traces of Afro-Brazilian religions" (Arruti 2001: 246). After sixty Mocambo families illegally occupied the neighboring disputed land and were expelled by court injunction in 1993, the villagers and their lawyer turned their attention again to pursuing quilombo recognition. By that time, the requirements associated with the Quilombo Clause were being relaxed, at least in part because government investigators and anthropologists had learned that historical evidence of the existence of fugitive slave communities was often impossible to document. At many identified quilombo sites, investigators could find evidence only of communal land cultivation, memories of having lived in the same location for multiple generations, and typical backland cultural practices rooted in Iberian folk Catholicism with the addition of music and dance influenced by the indigenous and African background of almost all backlands residents (French 2002). As anthropologists became more involved in quilombo recognition cases, concepts associated with the ethnicity theory of Fredrik Barth (1969; i.e., self-definition and boundaries defined against other groups in an attempt to organize difference) began to trump strict historical evidence consisting of architectural, archaeological, and documentary proof.[7] Long-term occupation of rural land by black people, communal planting, and some manifestation of undefined "black culture" became the trinity of requirements settled upon. As Barth might have predicted, claim to land and its historical, as well as material, meanings became the equivalent of the cultural content that earlier anthropologists and historians thought they would find in rural black communities, which were now being resignified as quilombos.

With these changes in perspective by anthropologists and the government, the Mocambo villagers were in a better position to prove their status. Although there is little doubt that some of the people who live along the São Francisco River are descended from enslaved people (Africans, Indians,

or both), no direct evidence indicates that they are descended from a community of runaway slaves. In my discussions with elderly residents, I was informed that, in fact, members of the Mocambo community did not talk about slavery at all before the Quilombo Clause entered the picture. Once it did, "slavery" became a metaphor for the suffering of their great-grandparents at the hands of the landowners for whom they had toiled at the end of the nineteenth century, when the institution of slavery was being abolished.[8] The anthropological expert who authenticated Mocambo as a remanescente de quilombo has written, "This is the moment, and not before, that narratives [in Mocambo] point to as the 'time of slavery'" (Arruti 2001: 238).

Almost from the beginning of the quilombo movement and at the same time that recognition proceedings were wending their way through the federal bureaucracy, several families in Mocambo were opposed to pursuing recognition. In hindsight, now that a large swath of land has been declared the property of Quilombo Mocambo and the political shift to the left at the national and state levels has brought more attention to the plight of the rural poor in Brazil, it seems difficult to imagine why people living under the impoverished circumstances of the early 1990s in Mocambo would have opposed a move that would eventually provide such rewards. When an untried law is invoked, however, people consider potential risks as well as rewards. In this case, both residents who were in favor and those who were against the quilombo path thought their route was the better way to achieve an improved life with running water, electricity, bathrooms, refrigerators, and paved roads. From the point of view of those opposed (known as *contras*), the problem was that to get such modern improvements they were being asked to identify with a racial category that had been reviled since the moment their ancestors arrived in Brazil.

Approximately two-thirds of the ninety families living in Mocambo were participants in the quilombo movement, and the other one-third belonged to the contra faction, as I learned through my participation in the election for the governing council of the quilombo association in 2000. This faction included people who could have qualified as *quilombolas* (on the basis of their heritage and long-term residency) as well as relative newcomers to Mocambo—families who were forced to move when the land they lived on was expropriated for the neighboring Xocó Indian reserve. The contras and their allies had determined, from the early days of the struggle, that it was to their benefit to remain loyal to local politicians who, for years, had been the only source of promised services. Favors were provided in exchange for political support at election time, leaving many people, particularly those who preferred the losing candidates, with practically no access to resources such as agricultural technical assistance, irrigation equipment, seeds for planting, and legal help with claiming pensions and resolving disputes. The untried federal promise did not seem as certain as the local political configurations, which were at least predictable, if often unfair or unjust. The unwillingness of these rural black residents who could so easily have self-identified as quilombolas, mirrors the recalcitrance of many academics who find identity politics to be a

problematic road to permanently improved conditions for the rural poor in Latin America, preferring a more class-based approach to struggle that they believe leads to more permanent redistribution of resources. However, in the years since the 2000 land grant, and largely because of that grant, many contras have been incorporated into the quilombo association and the terms of the feuds and debates in Mocambo are quite different than they were in the early 1990s. Moreover, local elections saw a shift toward the Workers Party (PT) in the area and a strong relationship with the state (PT) and federal governments. Finally, the new generation of youngsters growing up in Mocambo are beginning to consider themselves quilombolas with a fugitive slave ancestry and with full rights to the land granted to their parents and grandparents in 2000.

The decree enacted during the first term of Lula's government that transferred responsibility for arranging quilombo land grants to INCRA also permits rural black communities to be recognized as quilombos through self-identification alone—no anthropological experts need be involved.[9] However, anthropologists are needed to help these newly recognized quilombo communities delineate the boundaries of their land for titling purposes. Since the federal government and anthropologists working under contract with INCRA are still deeply involved in the process of rural black communities claiming land under the Quilombo Clause, state-sponsored instigation of quilombo identity continues despite the language of the decree.

Another federal institution involved in moving rural black communities from legal recognition to actual control of the land is the *ministério público federal* (federal prosecutor). Thousands of young, idealistic lawyers entered this revamped institution starting in the early 1990s; lawyers who, under the military, would have stayed in the private sector or not gone into law practice at all. The Brazilian ministério público is *sui generis*, in that it is effectively independent from the other three branches of government and has important powers to bring legal actions against those other branches on behalf of Indians, rural black communities, the environment, and the citizens of the entire country in cases of corruption in the other three branches (Gidi 2003). In the case of Mocambo, the ministério público eventually provided the quilombolas with protection, a new school, and a powerful federal ally when local government was aligned with the enemies of the quilombo movement. In this period of post-neoliberalism, in which the state is carving out a new role for itself in relation to popular demands and the pressures of capital, real potential exists for the state to help meet basic human needs (food, clean water, sewers) in a more, rather than less, democratic context.

Defining Modes of Struggle: The Goal of Participatory Parity

Some scholars who write on multicultural reforms in Latin America argue that "[t]he central thrust of these reform initiatives will always be to endorse and promote cultural rights of 'recognition,' without a parallel

endorsement of demands for a redistribution of resources" (Gordon et al. 2003: 379). Terms such as "ethnopolitics" and "identity politics" have come to mean empty rituals of recognition. But as Nancy Fraser (2000) has argued, "[p]roperly conceived, struggles for recognition can aid the redistribution of power and wealth and can promote interaction and cooperation across gulfs of difference"109). Fraser's point holds even when ethnic differences are partly brought into existence by political maneuvering and alliance formation to take advantage of multicultural laws (cf. Pallares 2002: 226; Postero and Zamosc 2004: 14, 26). In the Brazilian Northeast, quilombos and newly recognized Indian tribes suggest the convergence of ethnoracial claims to recognition and class-based claims to redistributive justice. The Xocó struggle (the Indians neighboring Mocambo who received their land claim in 1991) is a good example of a struggle that united identity and material claims: indeed, it is widely viewed in Sergipe not as just the first successful *identity claim*, but the first successful *land struggle* in the state (Silva and Lopes 1996).

Aside from the simultaneous idioms of identity and class articulated by the state, liberationist Catholicism offers a powerful master frame that synthesizes struggles for material resources and recognition of identity. I would suggest that the role of liberationist Catholicism in the northeastern backlands has lent continuity to a variety of struggles that may have initially been for land, but have become successful bids for recognition, as well as land. The liberationist language of "marginalization" identifies particular excluded identities, such as blacks and Indians, while its key teaching of a "preferential option for the poor" and the right to "the promised land" identify both a specific class oppression and its material remedy. What liberationist Catholicism accomplishes on the spiritual plane, Nancy Fraser achieves on the philosophical one: by arguing that class and ethnoracial identity must increasingly be regarded as two sides of the same coin—the struggle for both recognition and redistribution.

A major problem with identity politics that does not take redistributive justice into consideration may arise when authenticity is stressed and individuals confront moral pressure to conform to group culture. This can promote intolerance and patriarchalism (Fraser 2000: 112). An example of this from my own fieldwork comes from the constitution of a group of rural workers as Xocó Indians. With the adoption of that identity, they also adopted a highly patriarchal structure of leadership—there are no women in the political leadership ranks (the chief, shaman, and the governing council have always been men). Moreover, they adopted a rule regarding marriage that is borrowed from all the other newly recognized northeastern tribes: if a man marries an outsider, the non-Indian woman can move onto the reserve, but if a woman marries a non-Indian man, she has to move out. The rule has created serious problems for elderly women with only one daughter. Restricted to the few men in her age set, the daughter is faced with the difficult choice of remaining single, moving away from an aging mother who needs her help and companionship, or

perhaps as a last resort moving her mother, who is integral to the indigenous community, away.

The problem with traditional identity politics is that it "treats misrecognition as a freestanding cultural harm" (110). As a result, proponents of identity politics often strip misrecognition of its relationship to misallocation of resources, and the role of identities in the creation and maintenance of unequal material orders. If instead, we treat "recognition as a question of social status" so that "what requires recognition is not group-specific identity but the status of individual group members as full partners in social interaction" (113), we then have the framework for an alternative way of thinking about the relationship between misrecognition and the failure to redistribute material resources. Misrecognition, therefore, is most productively considered a form of "institutionalized subordination." It is a violation of justice and should be struggled against not to valorize group identity, but to overcome subordination. The problem arises when we view distribution and recognition as two different spheres of justice, dissociate cultural from social politics, and operate as though there were "two separate political tasks requiring two separate political struggles" (Fraser 1998: 41). If those who struggle for a better life in today's globalized world, as well as those who are dedicated to forcing the state to step up to the plate on their behalf, were to no longer evaluate proposals for recognition on recognition grounds alone, but also always be assessing such proposals from the standpoint of redistribution, approaches could be sought that "confer recognition in forms that maintain or enhance the economic well-being of claimants" (52). The normative core here is the notion of parity of participation—"justice requires social arrangements that permit all (adult) members of society to interact with one another as peers" (30). It would therefore be necessary, with respect to every claim for either recognition or economic equity, to "trace the interpenetration of the two logics"—cultural and economic (48).

The politics of Mocambo is a concrete example of this unification of cultural and material meanings and struggles, but in practice such unifications are not without complications, because groups are never in reality homogeneous. In my fieldwork the government recognized Mocambo as a quilombo and delivered land title to the Mocambo community association, just as the constitutional provision required. The group of Mocambo residents who supported the quilombo movement were recognized by the government and by the larger society as quilombolas, while those in the community who opposed it (a third of the community) were differentiated as contras. The tension in this case was between those, on the one hand, who believed recognition would lead to some form of redistribution and those who considered the act of recognition a value in and of itself, and, on the other hand, those who were wary of recognition because it required identification with a historically vilified racial category and placed trust in a federal government that was historically perceived as being disinterested in the poverty-stricken backlands. Three years after Mocambo was recognized as a quilombo, the

association was given title to land. However, although celebrated by the quilombo supporters, the land grant was somewhat insufficient from a redistributive perspective because the land was not arable and the people had neither resources to transform it (through irrigation, seeds, and fertilizer), nor tools (animals with ploughs or tractors) to work it, all of which continued to be demands Mocambo made on the federal government.[10]

To bring us back to the sites of my fieldwork, even where it might appear that both recognition and redistribution are being addressed, we must still ask how both the identity being recognized and the material good being distributed are being defined. Demands that carry a heavy recognition quotient can easily gloss over internal differences, as was the case in Mocambo. It is conceivable that the contras might have been more amenable to a demand of material resources, if it had not involved taking the land of their employers to whom they felt loyalty related to the patron–client relations that characterized the backlands of Sergipe for generations. Adding a demand for recognition that would have required them to identify themselves as "black," a category with a historical negative valence, was just too much for them to support without evidence that the redistributive demands would realistically be met, thus replacing the long-standing relationship with the local government and oligarchical families. At the same time, demands that carry a heavy redistributive quotient can overlook the poor quality of the resource. For both the Xocó Indians and the residents of Mocambo who supported the quilombo movement, the demand for land was integral and essential to the demand for recognition in spite of the challenges of making the land produce. Since the election of the PT at the state and national levels, the issue of recognition has been addressed, and the quality of the material resources that come with it has begun to improve. As of this writing, Mocambo is the recipient of many resources from the federal government, with the proviso that the expertise for managing and using those resources is in short supply in this relatively inaccessible environment. With each stage of resource acquisition, new lessons are learned and provisional solutions are tested.

The lesson I would like to emphasize here is that partisans of identity politics could develop the analytical and practical tools to renounce what is often done in the name of multiculturalism and support an alternative approach that would reflect the close synthesis of recognition and redistribution, culture and the economy. It is possible for people to use available means to improve their lives and struggle in the forms available to them (whether starting with demands for recognition or for equal distribution of resources) toward a goal of redistribution of both material and cultural resources in order to be heard, respected, and effective—to achieve participatory parity. The example of Mocambo is just one of many cases throughout Latin America in which struggles for identity are finding support from states, and in which niches of material justice are being carved out. It is in the accumulation of such cases that we will see the consolidation of the post-neoliberal phase of history in the hemisphere.

Notes

1. The debate centered on whether constitutional provisions supporting multiculturalism represented a step toward democratic involvement of the previously disenfranchised (Van Cott 2000) or should be considered a form of "neoliberal multiculturalism" (Hale 2002b)—an appeasement of indigenous identification that could avoid redistribution of resources. See, e.g., Brysk (2000); Gustafson (2002); Hvalkof (2002); Nash (2001); Yashar (1999). The rhetoric of multiculturalism at the height of neoliberal governance in Latin America seemed empty; a promise relatively easy to make so long as the promise was one of recognition and did not involve the significant redistribution of resources. More recently, however, some of these authors have developed more nuanced analyses of situations where indigenous parties and movements have begun to change the shape of national consciousness and local struggles. See, e.g., Hale (2006) and Yashar (2005).

2. Cardoso ran against Lula and won in 1994 in the wake of the successful Plano Real, initiated by Cardoso as finance minister under Itamar Franco. Incorporating ideas from the Washington Consensus, the Plano Real, which was designed to control inflation by stabilizing the value of the real at a relatively high rate in relation to the dollar, led to a sharp increase in domestic interest rates in order to maintain an influx of foreign capital.

3. The National Human Rights Plan of 1996 "marked the government's first official recognition of racial and gender discrimination as human rights violations" (Reichmann 1999: 19).

4. Previously, the equation between rural black communities (*quilombos*) and land reform was universally rejected. Those in favor of quilombo land titles were careful not to express the issue as one of "land reform for blacks." In my interactions with Afro-Brazilian congressional representatives in 1998, it was clear that they wanted to keep separate quilombo recognition from land reform movements.

5. Article 28 of the Transitory provisions of the 1988 Constitution provides that "survivors of quilombo communities occupying their lands are recognized as definitive owners, and the state shall issue them titles to the land" (Linhares 2004: 818).

6. A movement had begun in the 1970s to introduce to the public the figure of Zumbi of Palmares, the king of the largest and longest-lasting quilombo in Brazilian history. Palmares has been termed "an African State in Brazil" (Kent 1965). In existence for almost the entire seventeenth century, Palmares had a population estimated at eleven thousand (Schwartz 1992: 123). The Palmares quilombo was celebrated by nineteenth-century writers and was appropriated and publicized in the twentieth century by Brazilian black-movement activists, such as Abdias do Nascimento, who developed the "quilombismo" ideology, relating modern black activism to "the spirit of resistance of the ancient quilombos" (Véran 2002: 20).

7. In 1994, the Brazilian Anthropological Association (ABA) constituted a Working Group on Rural Black Communities, which issued a statement that defined *remanescentes de quilombo* through a series of negatives: "the term does not refer to residual or archaeological relics of occupation in time or of biological proof...not as isolated groups or of a population strictly homogeneous...not necessarily formed by insurrectionary or rebellious past."

Rather, the document went on, "*remanescentes dos quilombos* are groups that developed practices of resistance in the maintenance and reproduction of their ways of life characterized in a determined place. The identity of these groups is not defined by size and number of members but by the lived experience and the shared values of its common trajectory and of its continuity as a group. They constitute ethnic groups conceptually defined by anthropology as an organizational type that confers belonging through norms and methods employed by indicating affiliation and exclusion (Barth 1969). As to territoriality, the occupation of land is not by individual lots, with common use predominating. The utilization of these areas obey seasonality of activities...characterizing different forms of use and occupation of space that take for their base, kinship and neighbor ties based on relations of solidarity and reciprocity" (Associação Brasileira de Antropologia 1994).

8. In 1850, a law was enacted declaring that land previously considered open for indigenous peoples to live on would henceforth be available for purchase (Indians were deemed to be fully assimilated in the Northeast). The land in Mocambo's county was redistributed to the local elite, who turned it into cattle ranches. The so-called blacks from the foot of the high plateau *(negros-do-pé-da-serra)*, ancestors of some of the current residents of Mocambo, were pushed into three residential nuclei, including Mocambo, and became day laborers and sharecroppers of the landowners.

9. Decree 4887/03 and Normative Instruction of INCRA, No. 16.

10. Until the land grant, the local government had not supported the quilombo movement. However, once the land was granted, attitudes locally began to change. This was a benefit of the land grant that might be categorized as a further redistributive effect of recognition.

This page intentionally left blank

Part III

Environmental Governance

This page intentionally left blank

Chapter 7

Digging Out from Neoliberalism: Responses to Environmental (Mis)governance of the Mining Sector in Latin America

Keith Slack

For many communities in rural Latin America, foreign-owned natural resource extraction operations represent the face of neoliberalism. Such operations, arriving on the wave of the privatization and investment liberalization that swept the continent beginning in the 1980s, have radically reshaped local political and cultural dynamics while in most cases generating relatively little direct benefit to local communities. They have also generated environmental impacts that will permanently alter the livelihoods of these communities. Concerns about these impacts and the perceived lack of local benefit from largely foreign-owned resource extraction have sparked growing popular resistance across Latin America. This resistance has contributed both directly and indirectly to the downfall of governments and has put into question the continued viability of extractive sectors in some countries.

Perceived failure of state environmental governance is a central component of the burgeoning resistance to resource extraction in many areas. In this chapter, I will examine the mining sector, which has experienced a boom in the region since the early 1990s, and will describe how concerns about mining's environmental and social impacts have contributed to growing social movements in Peru, Honduras, and Guatemala. I will highlight the contradictions inherent in a neoliberal extraction-based development strategy and describe how recent popular responses to environmental governance failures suggest a number of policy reforms that could reduce the industry's negative impacts and enhance its contribution to social equity. I will also argue that the environmental concerns expressed by popular mobilizations in response to mining are part of a larger social critique that is questioning the neoliberal project more generally. While environmental protection is valued in its own right, the environmental threats posed by mining are seen by actors in these mobilizations as just the most recent examples of an age-old

pattern of exploitation. Hence current debates over mining in Latin America are very much part of a "struggle to shape the nature of globalization."[1]

Mining has long been an important component of the economies of Latin American countries, most notably Chile, Bolivia, and Peru. Indeed, Spanish colonization of the region was driven by the Spanish crown's thirst for gold.[2] Until the early 1990s the sector was largely state-controlled and received relatively little foreign direct investment; but since the mid-1990s, the sector has rapidly become the world leader in international mining investment, capturing one-third of all new mining capital—a whopping threefold increase since the early 1990s. In Peru, gold production increased between 1990 and 1999 by over 500 percent. The trend has clearly been driven by neoliberal reforms. Nearly all Latin American countries with mining industries have been busy reforming their legal frameworks to reduce state involvement and increase foreign investment in the mining sector. Even Guatemala and Honduras, never seen as "mining countries" in the manner of Chile, Peru, or Bolivia, have experienced major growth in mining exploration. Currently one-tenth of Guatemala's landmass is covered by mining concessions, with an estimated 90 percent occupied by indigenous groups. In Honduras, mining concessions cover nearly one-third of the national territory.[3]

All this growth could of course be regarded as vindicating the neoliberal paradigm as prescribed by international financial institutions. At the core of this paradigm is the conviction that reducing state control of the economy and increasing private sector investment are keys to generating economic growth, and that growth is an essential first step on the path to broader development goals. From this perspective, mineral extraction contributes to higher value-added forms of economic activity, which provide jobs, and all their attendant benefits in skills, income, mobility, capacity to pay taxes, and so forth.

Yet in reality mining rarely translates into sustained development and broad-based poverty reduction. In a globalized economy, low transportation costs make it more cost-effective for transnational firms to develop value-added industries in places other than the areas where minerals are extracted.[4] Further, governments have not invested adequately in remedying environmental costs. The benefits of Chile's mining industry, for example, have been seriously questioned because of that industry's rapidly growing environmental externalities.[5] In addition, empirical evidence, including studies by the World Bank, show that economies that depend on mining grow more slowly than those that do not, and tend to suffer more from corruption, social conflict, and income maldistribution.[6] Further, extractive industries, due to their capital-intensiveness, tend to create enclave economies with very limited "spill-over" effects.[7]

The generally poor performance of economies dependent on extraction point to inconsistencies in the neoliberal model. If investment in this sector is to spur development, it must come through linked value-added production that will allow poor people to raise their incomes. As the successes of East Asia demonstrate, the state must play a central role by promoting both worker

savings and the simultaneous development of labor-intensive industries. Foreign investment generally fails to promote either of these because of concerns about costs and risk. Yet it is precisely this kind of state intervention that is prohibited by neoliberal strictures, which limit the state's ability to develop or protect new industries and/or increase tax burdens on foreign investment.

Mining requires especially robust regulatory oversight due to the degree of negative environmental impacts it can cause. Yet proponents of neoliberal orthodoxy argue that such regulation impedes foreign investment. By pushing "investment protection" clauses in free trade agreements, these proponents enable foreign investors to challenge environmental regulations as "expropriation" of private property. The most well known of these provisions is chapter eleven of the North American Free Trade Agreement (NAFTA), under which foreign investors can seek financial compensation from governments for the impacts on their interests of all laws and regulations intended to protect the public interest and the environment. A Canadian mining company, for example, recently filed a fifty-million-dollar claim against the U.S. government under chapter eleven for environmental regulations imposed by the state of California on open-pit mining. The company, Goldcorp (formerly Glamis Gold), argues that the regulations, established to protect Native American sacred sites, constitute a violation of its protections as a foreign investor under NAFTA. Other agreements, such as the proposed Free Trade Area of the Americas (FTAA) and the Central American Free Trade Agreement (CAFTA), contain similar clauses, thus increasing the likelihood that social and environmental regulations will continue to be challenged as violations of free trade. It is important to note that the lack of state intervention in mining has helped fuel conflict between firms and communities. In Latin America, state institutions involved in environmental governance are weak; in the remote areas they are virtually nonexistent. Thus communities have been left to fend for themselves in the face of encroachment by powerful resource extraction industries. By restricting the role of the state while at the same time promoting mining, neoliberal reforms have created a system in which foreign investment has increased dramatically but state capacity to regulate the sector has remained weak.

Given the massive scale and range of the environmental impacts it can cause, mining is a very difficult industry to regulate. Most new mines are open-pit rather than underground. The pits created can be massive: as large as 4 kilometers wide and 1.5 kilometers deep. These mines also generate staggering amounts of waste material: waste rock dumps at some mines can be 100 meters high. Most gold mining uses cyanide heap leach technology, which involves spraying mined ore with cyanide to separate the gold from the surrounding rock. Cyanide and other chemicals used in the mining process can spill into local rivers and leach into groundwater, killing fish and rendering the water unfit for human consumption. Even more problematic is acid mine drainage, in which exposed rock and waste rock combine with water and air to produce sulfuric acid, which can in turn leach into groundwater and streams,

rendering them useless for irrigation, fishing, or drinking. Acid drainage is irreversible and requires treatment in perpetuity. The western United States is riddled with tens of thousands of such mine sites, long abandoned, which have contaminated local water. The EPA estimates some 40 percent of watersheds in the western United States have been polluted by mining.[8]

Regulating mining operations effectively requires constant vigilance and well-developed technical regulatory capacity. Regulators must understand the broad and complicated range of mining's potential impacts on air, water, and soil quality and have the appropriate equipment to monitor and analyze these impacts. Most countries in Latin America, even traditional mining countries such as Peru, do not have this capacity.[9] Understaffed, under-trained and under-resourced regulators are forced to rely on information provided by the company or by industry-hired consultants. In case after case, across the continent, such information has proven to be inadequate and/or inaccurate.[10]

In some countries in the region, the main government entity in charge of promoting mining investment is also responsible for enforcing environmental regulations. Peru's Ministry of Energy and Mines (MEM) exemplifies this conflict of interest, a situation that, as a World Bank analysis notes, shows "that environmental controls are too lax, at the expense of the health of local communities."[11] In Honduras, meanwhile, a "climate of mistrust" toward regulatory agencies prevails among communities affected by mining.[12]

Across the region the public is given little opportunity to participate in environmental oversight of mining projects. While all countries require companies to prepare environmental impact assessments (EIAs) for proposed projects, these tend to be dense, technical tomes hundreds or thousands of pages long. Citizens can have as little as fifteen days to review them and offer comments at a public hearing, and their concerns are often dismissed. Given all these procedural and political deficiencies, civil society has been forced to take action outside formal processes. Most troubling of all are the long-term problems the mining boom will engender. Consider Yanacocha in Cajamarca, Peru, a massive five-pit mining complex, which has already begun to leach acid into local groundwater. Despite the fact that this mine could affect water sources throughout its entire region,[13] the Peruvian government has failed to demand that the mine operator, U.S.-based Newmont, provide an independently assessed bond or other form of financial guarantee to cover potential long-term clean-up costs. In the United States, a country with one of the world's best environmental management frameworks, long-term clean-up costs for large-scale mining operations are frequently enormous. Costs for cleaning up just one mine, Summitville in Colorado, an open-pit cyanide heap leach operation, will total $180 million, nearly all of which will be assumed by taxpayers as the company operating the mine went bankrupt in 1992. A recent study estimated the total costs of clean-up at ten large mines in the western United States to be $5.5 billion greater than that covered by existing company assurances.[14] In Latin America, where requirements for financial assurance and enforcement are weak, such liabilities represent an environmental "time bomb" with which future generations will be forced to

contend. Similarly, governments in Peru and elsewhere have done little to prepare mining communities for what will happen after the mines shut down. Governments lack the resources to sustain the health clinics, schools, and infrastructure improvements that some mining companies have provided to local communities. The long-term sustainability of such investments is thus quite doubtful.

High-profile accidents at or near mines (such as the 1995 tailings dam failure at Guyana's Omai project and the 2000 mercury spill at Choropampa, Peru), a legacy of environmental impacts from older mining operations, and the fact that the state has done little to address these problems, have contributed to popular mistrust across the region. Many communities now believe they cannot rely on the state to protect their interests, and are skeptical about the benefits mining is supposed to bring them. Even in the remote areas that are increasingly the target of mining expansion, mining companies are faced with growing levels of concern and in some cases resistance.

Three cases in particular are worth considering in some detail: Peru, Honduras, and Guatemala. All three countries underwent reform of their mining sectors in the 1990s in order to attract foreign investment, and each has seen a significant increase in investment in its mining sector as a result. Each has also experienced conflict relating to its mining sectors. These countries represent a rough continuum of mining experience and development, with Peru the most advanced and Guatemala the least, and Honduras somewhere in-between. A brief analysis of mining-related conflicts in each country will show how communities have responded to environmental problems engendered by the mining industry. It is important to note that, while these responses demonstrate strong local action, they should not be seen as substitutes for state action. Indeed, the responses have come not in opposition to the state's role in the mining industry, but out of frustration over the state's inability to protect the rights of impacted communities. As one leader of Peru's mining resistance movement commented, "All of our problems come back to the absence of the state in any of this."[15]

A desire to strengthen the state's governance of the mining sector through legal reforms or enforcement of existing laws has been a key component of the mining resistance movement in each country. In Guatemala, indigenous peoples' organizations have highlighted the Guatemalan government's failure to comply with Convention 169 of the International Labor Convention, which they argue requires the government to consult with them prior to granting mining licenses on their land. Similar efforts to reform legal frameworks to increase protection of the environment and the rights of local communities have arisen in Peru and Honduras in conjunction with mining-focused social movements. In some cases community organizations and NGOs have filed legal claims with international human rights mechanisms, such as the Interamerican Commission on Human Rights, to compel governments to take action to address the social and environmental impacts of mining.

Strong social movements are critical to righting the balance that neoliberalism has tipped in favor of corporate interests. Yet leaders in

mining-related movements generally recognize that while they have achieved successes in some situations, their efforts will be difficult to sustain over the long term. In Peru, for example, there are currently approximately thirty active conflicts of varying degrees of intensity. Many of these are in very remote areas that do not have histories of community organization and activism, and thus may be less amenable to resolution through popular action.

Ultimately what is needed to move toward resolution of these conflicts is, in addition to a vigorous civil society, a well-trained, transparent, and adequately resourced state regulatory system that can fairly balance the interests of the state in attracting foreign investment with protection of the environment and defense of the rights of communities impacted by that investment. Clearly, this is a tall order. Absent this, it is very likely that investment in this sector will engender further social conflict.

Peru has been the star performer of neoliberal mining reform in the region. Following liberalization of the sector in the early 1990s, mining production skyrocketed, tripling between 1992 and 1997 from thirty thousand to one hundred thousand metric tons of minerals production per day. This included the flagship project of Latin America's mining boom: Peru's Yanacocha, the country's first major foreign investment following the end of the Shining Path era. The highly profitable project (which generated over one billion dollars in revenues in 2003), located at four thousand meters above sea level in the northern Peruvian department of Cajamarca, helped pave the way for several other major mining projects including Antamina (the world's largest copper and zinc mine, run by Australian firm BHP-Billiton), Pierina (owned by Canada-based Barrick), and the new copper "mega project" Las Bambas (Swiss company Xtrata). Although this boom has produced economic growth, it created relatively fewer jobs and had little impact on overall poverty levels in the country, which by some estimates increased during the last decade. Peruvian law requires that 50 percent of mining revenues be returned to the mining areas, yet in practice little of this money has been redistributed, creating strong resentments among mining-impacted communities.[16] In addition, the development of the Peruvian government's ability to effectively manage the sector's environmental impacts has not kept pace with the rising tide of investment. The government's capacity remains weak and hindered by the mining ministry's dual role of mining promotion and environmental enforcement. This, combined with a perceived lack of local benefit from mining, has contributed to distrust on the part of communities toward both the government and the industry, which has in turn created a growing level of mining-related conflicts. These conflicts have begun to cause some to suggest that they are deterring new investment in the sector. In a refreshingly candid analysis, the World Bank provides a succinct summary of how environmental management issues have created serious problems for Peru's mining sector:

> In practice, even if better than in some other sectors, the environmental record of the mining industry has begun to impede private sector development. Even when controls existed on paper, they are seldom implemented in practice.

Social and political conflicts that were mainly triggered by accidents impacting the environment or the social fabric of the local community, such as spills or resettlement issues, have threatened the ability of companies to pursue mining permits or to continue to run their already existing operations.[17]

These conflicts quickly followed the rise of foreign investment. Communities displaced by the Yanacocha operation soon began to complain that they had not received fair compensation for their land. Local farmers accused the mine of contaminating local water supplies and reducing access to water sources. The mine has had a number of chemical spills into local waterways that have resulted in significant fish-kills. (In 2002, the company reported thirty-six thousand river trout found dead in streams flowing from the mine.[18]) And in 2000, a truck traveling from the mine spilled 135 kg of mercury in the town of Choropampa and two other communities situated along the main road to the mine. Nearly one thousand people were treated for mercury poisoning; over four hundred required hospitalization.

The mercury spill and the mine's ongoing environmental problems contributed to a growing sense of anger and frustration among local residents about the impacts and the government's apparent inability or unwillingness to address them. These tensions led to violent protests in Choropampa and began to coalesce around the mine's planned expansion to Cerro Quilish, a mountain near the city of Cajamarca that residents believe to be the main source of water for the city. Local NGOs and campesino groups organized regular protests against the proposed expansion beginning in 1999. In 2000 the municipality of Cajamarca officially declared Cerro Quilish off-limits to mining. Newmont sued in Peruvian courts to have this declaration overturned. The case ultimately went to the Peruvian Constitutional Tribunal, which held that Newmont could mine the deposit but had to demonstrate that doing so would not cause significant environmental impacts.

Despite continued local opposition to mine expansion, and pressure from international NGOs, in mid-2004 Newmont decided to move ahead with exploration on Cerro Quilish. This decision touched off a series of violent protests, which included a blockade of the road leading to the mine. Faced with the possibility of having to shut down its most profitable asset, Newmont ultimately agreed to suspend operations on Cerro Quilish. The company took the unprecedented step of publishing a full-page advertisement in national newspapers conceding that it "had not fully understood" the depth of local concerns about mining expansion. Protests broke out again in August 2006 over a separate expansion proposal. One protestor was killed and the mine was shut down for three days as protestors again blockaded the main road to the mine. Peruvian president Alan Garcia's cabinet chief Jorge del Castillo intervened to broker a deal between the protestors and the mine, which agreed to carry out a study of the mine expansion's potential impacts on local water sources.

To the west of Cajamarca, in the costal department of Piura, the small Canadian firm Manhattan Minerals began in 1997 to develop the

Tambogrande project. The project would have been constructed directly underneath a town of eighteen thousand people and would have required the resettlement of nine thousand residents. The town is situated in the midst of one of Peru's most agriculturally productive areas, a leading center of fruit exports. Community opposition to the project focused on the potential impact that contamination from the mine could have on this production. This opposition intensified through the late 1990s and early 2000s as the company sought to begin the resettlement process. Protests turned violent in 2001 as mine opponents burned down model houses built by the company.

Believing that their opposition to the project would not be heard by government officials in Lima and having little confidence in the formal environmental impact assessment process, local community organizations with support from Lima-based NGOs organized a referendum on the project on June 2, 2002. In the voting, which the Peruvian government refused to recognize as legally binding, local residents voted overwhelmingly to reject the project. In December 2003, the Peruvian government revoked Manhattan's mining permit for the project, arguing that the company had not met financial requirements for the project. Manhattan was forced to leave Peru, having lost sixty million dollars.

In both the Yanacocha and Tambogrande cases, the focal point of community concerns was the potential environmental impacts of the proposed projects and the linkage of these impacts to community health and livelihoods. In both cases, communities' lack of confidence in the government's environmental management capacity led them to seek alternative means to protect their interests. These concerns provided a rallying call for the communities and promoted the formation of community-based organizations and the establishment of linkages with national and international support networks. Indeed, across Peru the impacts of mining have become a focal point for community activism and have served as the impetus for the creation in 1999 of the National Coordinator of Communities Affected by Mining (CONACAMI), a community-based organization that has to varying degrees represented the interests of these communities in national debates and has worked to bring mining's impacts into the forefront of national political discourse.

Swiss company Xstrata's Tintaya copper mine (which it acquired from BHP-Billiton in 2006) in the remote southern Peruvian province of Espinar illustrates a number of important aspects of the evolving concept of environmental governance in the country's mining sector. The formerly state-owned project was purchased by BHP (the world's largest diversified mining company) in 1996. The project had been plagued by popular resistance since it began operations in the early 1980s. Communities' complaints included forcible displacement from their land, human rights abuses by security personnel, and contamination of local water sources. Community members raised these issues with company officials for years without success. Then in late 2001, an investigation by the Australian branch of development NGO Oxfam documented the severity of the problems. This prompted BHP

headquarters in Melbourne to order local staff to establish a dialogue with community members and NGOs to address these concerns. After three years of discussions, in late 2004 an agreement was reached in which the company promised to provide land to the communities, establish a joint environmental monitoring mechanism, set up a sustainable development fund and refrain from further exploration activities without the consent of local landowners.[19] Participants credited the success of the dialogue in part to the negotiation training community representatives received, which was funded by the Peruvian office of Oxfam's U.S. affiliate. Some also attributed this success to the fact that the government was *not* involved,[20] a further indication of the lack of confidence in the state's ability to manage mining-related conflicts.

Although much smaller in scale than Peru's, the expansion of Honduras' mining sector after neoliberal reforms followed a similar pattern: liberalization, followed by significantly increased foreign investment and exploration, followed by a dramatic increase in community protest. The centerpiece of the Honduran reforms was the General Mining Law, passed in 1998, four weeks after Hurricane Mitch devastated the country. The law contributed to a dramatic increase in mining exports earnings, which jumped from eleven million dollars in 1995 to ninety-three million dollars in 2002. Critics charge that the law, which gives broad rights to mining companies (including the right to forcibly displace communities from mining concessions), was rushed through when the country's attention was focused on post-hurricane reconstruction and was largely written by the mining industry.[21] The law also grants mining companies the right to unlimited use of local water sources in and around mining projects.

As in Peru, the primary responsibility for enforcement of environmental management of mining operations in the country falls on the mining ministry (DEFOMIN). This creates a direct conflict of interest in which the governmental body charged with promoting mining and attracting foreign investment in the sector is also tasked with policing its compliance with environmental standards. DEFOMIN's technical competence to enforce even basic water quality monitoring practices has been sharply criticized.[22] The perception in mining-affected communities of DEFOMIN's lack of competence and independence has created a lack of confidence in the agency's ability to effectively control the impacts of the industry.[23]

Two open-pit gold mines have been focal points of concern and community mobilization. San Andres in the western part of the country near the city of Santa Rosa de Copan and San Martin in the central Valle de Siria. San Martin, owned by Canadian company Goldcorp (formerly Glamis Gold), began operations in 1999. Communities living near the mine allege that it has contaminated local water sources with cyanide, causing illness in local residents. Independent health examinations have supported these claims. Local residents also charge that the company's use of groundwater (required for the mining process) has dried up local water sources used for irrigation, thus threatening the primarily agricultural livelihoods of communities in the area of the mine. In 2000, the Honduran state's attorney's office charged the

company with water usurpation, illegal removal of trees, and disobeying a public authority, and issued a warrant for the arrest of the company's Canadian representative (which it ultimately did not pursue citing a legal technicality).[24] Local communities have organized repeated protests against the mine, including a march in 2002 led by Catholic cardinal Oscar Andres Rodriguez.

Similar problems have surrounded the San Andres mine, originally built in the 1980s by the Canadian company Greenstone Resources, which went bankrupt in 1999. (The mine is now owned by a Honduran company, MINOSA.) Expansion of the mine in the late 1990s forced the relocation of the community of San Andres. The mine has expanded to such an extent that some houses in local communities sit less than fifty meters from the cyanide leach pad. In early 2003, the company was fined a paltry fifty-four thousand dollars by the Honduran government for a cyanide spill that killed thousands of fish in the Lara River. These issues have led to large protests by local residents against the mine. Such actions have been supported by local government officials, including the mayor of Santa Rosa de Copan, the largest city in the area.

The problems at San Andres and San Martin, and the perception that the Honduran government was unwilling or unable to take action to rectify them, have contributed to community resistance to new projects. National NGOs, particularly the Association of Nongovernmental Organizations (ASONOG), have supported community opposition efforts while at the same time pressing the government to reform the General Mining Law in order to better protect the environment and the rights of local communities. In April 2004, local government and church officials organized a protest in which five thousand people blocked the border highway with Guatemala and El Salvador to protest the granting of a concession to a Canadian company to mine in the EL Gisayote forest reserve. The national government later revoked the concession.

In July 2004, the Honduran government suspended the awarding of new mining permits pending revisions to the mining law, a position supported by new president Manuel Zelaya who took office in March 2006. The legal reform process has moved slowly, creating uncertainty about the future of mining in the country. Meanwhile anti-mining protests have continued, including one in July 2006 in which thousands of protestors blocked major highways in the country to call for repeal of the current mining law and cancellation of current mining contracts. In early 2007, mining companies operating in Honduras announced a decision to suspend further investment in the country until they received assurances from the government that their investments would be protected.[25]

Although in a much earlier stage, Guatemala's mining sector has followed a similar trajectory of reform—investment—protest. The relatively early stage of neoliberal mining development in Guatemala means that the government's environmental management capacity of the sector is largely untested. Its past track record, however, is not encouraging. The most notorious past

case is that of the large nickel mine at El Estor, owned by Canadian company INCO, which began operation in the 1960s. The project was the subject of intense protest in the late 1960s and early 1970s by groups that felt the country's resources were being stolen. These protests were at times violently suppressed by the Guatemalan military. INCO shuttered the operation in 1981 owing to low world nickel prices. Environmental remediation at the site was never carried out. Mayan communities in the project area had their land taken arbitrarily. In 2004 the project was acquired by Canadian company Skye Resources, which intends to expand operations at the site. These plans have drawn protests from Mayan groups concerned about protecting their land and water resources. In January 2007, security forces forcibly evicted hundreds of Mayan villagers who had moved onto land claimed by the company.

The first major project to be approved under Guatemala's new legal regime was the Marlin project in the western district of San Marcos. The project is owned by Vancouver-based Goldcorp and was initially supported by the World Bank's International Finance Corporation.[26] The project has been the focal point of large protests, particularly by indigenous groups that alleged that local indigenous communities were not adequately consulted about the project.

Protests intensified in late 2004, as more than two thousand villagers blocked a highway leading to the mine site near the town of Sololá. The immediate focal point of the protests was the mining companies' attempt to transport large pieces of mining equipment to the mine, necessitating the dismantling of a pedestrian overpass. The protestors blocked the highway for forty days until January 11, 2005, when police and military forces were sent to remove them. The ensuing conflict resulted in one death and two dozen people injured. Following these protests, the government cancelled three mining concessions and stated that it would convene a high-level commission to review the future of mining in the country. The commission would include representatives of the Catholic Church, which has supported the anti-mining efforts and has called for a national dialogue to address community concerns. The Guatemalan bishops' conference has sharply questioned the government's promotion of mining. In a statement released following the January violence, the bishops stated that they "do not believe mining is a good option for the development of the country" and that government's decision to "turn Guatemala into a mining country" presents the country with "grave risks for the environment, the life and health of Guatemalans, and national sovereignty."[27]

In June 2005, the indigenous municipality of Sipacapa, located adjacent to the Marlin project, organized a referendum in which it voted overwhelmingly against mining in its territory. Glamis mounted a legal challenge to the referendum, which was rejected by the Guatemalan Supreme Court. In December, a Sipacapa community leader and Guatemalan NGO representative brought the community's case to Washington, where they met with World Bank president Paul Wolfowitz. The project continues to generate

local protests, including a labor dispute in May 2006 that forced a one-day closure of the mine.

As in Peru and Honduras, the most immediate community concerns about mining have to do with its potential environmental impacts. These concerns, however, also include doubt about the ultimate benefits of these projects to a country like Guatemala, as evidenced in the bishops' statement and one produced last year by the National Council of Indigenous Peoples, both of which sharply questioned the benefits to the country of mining while highlighting its negative impacts.[28]

In all of the cases under review, resistance to mining has helped give rise to coalitions of civil society actors working at the local and national levels to increase pressure on governments and corporations. These include professionalized capital city-based environmental and human rights NGOs, indigenous organizations, and community-based groups formed expressly to defend the interests of impacted communities. This civil society movement "architecture" is most developed in Peru, where the aforementioned National Coordinator of Communities Affected by Mining (CONACAMI) represents communities across the country in mining areas. CONACAMI is advised by a group of approximately ten Lima-based environmental organizations, including Cooperacción, Asociación Labor, and the Peruvian Environmental Law Society, which provide technical advice and support national advocacy initiatives around mining issues. This structure functioned most effectively around the Tambogrande case, in which the local affiliate of CONACAMI effectively organized community resistance to the proposed project, while the Lima-based NGOs sought to pressure the Peruvian government around issues such as the project's environmental impact assessment.

In Guatemala the movement architecture is not as developed as in Peru, but a similar pattern of collaboration around mining issues between high-profile capital-city based environmental groups and local indigenous organizations has also emerged. This has been the case regarding the Marlin Mine, where the well-connected environmental organization Madre Selva has worked closely with representatives of the Sipacapense indigenous group to resist expansion of the mine onto Sipacapense lands. Honduras has also produced a similar structure of collaboration between a Tegucigalpa-based coalition of NGOs and community-based organizations in the areas impacted by the San Martin and San Andres mines. In each of the countries, the efforts of the civil society movements, combined with high-profile conflicts at some mine sites, have helped project mining into the national discourse and have made reform of the sector a key political issue.

As has been discussed, in each country Catholic clergy have played important roles in supporting, and in some cases leading, mining opposition movements. Most of these clerical figures are or were adherents of liberation theology and thus see mining activism as a continuation of liberation theology's tradition of defense of the rights of the poor and struggle against injustice.[29] Bishop Alvaro Ramazinni in Guatemala, who has played a key role in supporting the country's mining resistance movement, is perhaps the

highest-profile figure associated with liberation theology involved in mining struggles across the region. The Guatemalan Church institutionally has taken a strong position against mining and has called on new Guatemalan president Alvaro Colon to do the same.[30] In Peru, activism by priests and some bishops has often come in conflict with the country's Church hierarchy, most notably Lima archbishop and former mining engineer Juan Luis Cipriani, an adherent of the archly conservative Opus Dei movement.[31]

It can be argued that the involvement of leftist church figures in mining resistance movements is reflective of the manner in which these movements to a significant degree have replicated prior ideological divisions and conflict in the region. The "adversaries" in mining resistance largely mirror those of past conflicts. On one side are poor, rural, and often indigenous communities supported by left-leaning social organizations, many of whose leadership was active in the ideological struggles of 1970s and 1980s. On the other side sit primarily white upper-class financial interests that seek to exploit the countries' natural resources for private gain.

In Peru, mining activists are often branded as "communists" or "terrorists" by reactionary forces in government, the industry, and the media—a clear attempt to associate mining resistance with the violent ideological conflict of the country's recent past. Peru's president Alan Garcia has recently expressed similar sentiments, stating, in reference to one disputed mining project, that "the old communists" have turned into "environmentalists" who remain "anticapitalist, against investment and without explaining how, with poor agricultural production, a step can be taken towards a higher level of development."[32]

Although this point should not be overstated, the replication of these ideological battle lines around mining perhaps suggests the difficulties that will be faced in attempting to overcome the current cycle of conflict and producing meaningful reform in the state institutions that oversee mining. If such reform is viewed in some sectors as part of an ideological agenda, rather than simply the defense of community rights and the environment, the resistance to reform among reactionary segments may remain and perhaps intensify.

Despite the challenges to reform, there are a number of important commonalities in the local responses to transnational neoliberal mining projects described earlier that may help point to a way forward. Replicating and strengthening these common components, and, perhaps most importantly, reforming state institutions and corporate policy and practice, are important means for reducing the current level of conflict that surrounds mining projects in the region. Finding a way out of the current cycle of conflict is particularly important given the likelihood of a continued high gold price (sustained by a weak dollar and investors seeking a "safe haven" in a post-9/11 world) and growing demand for minerals and petroleum products in the United States and China. The "extraction frontier" will also continue to expand into countries and areas that have not traditionally been extraction sites. These factors, combined with continued weakness in state environmental

governance, virtually guarantee that conflicts with local communities will continue and potentially increase in number and severity. The commonalities of local responses suggest a broader policy reform agenda whose enactment could help break the current conflict cycle. Several of these key commonalities and their corresponding reform agenda elements are set out here.

1. *Respecting the right of community consent.* In many recent mining conflicts the right of communities to make their own decisions about mining has been a central theme. The conflict over Cerro Quilish in Peru centered on the question of the local community's ability to block mining giant Newmont from exploiting the deposit there. The conflict at Tambogrande, Peru, also turned on this issue. This right of communities to say no to mining (or yes under the right conditions) has coalesced around the emerging concept of "free, prior and informed consent," which is an increasingly solidified right for indigenous peoples under international law. Indigenous organizations have cited this right in reference to the Marlin mine in Guatemala.[33] Nonindigenous local communities have also begun to assert their right to say no. If future conflicts are to be avoided, it is incumbent upon governments and companies to respect this right.

Some mining companies have begun to recognize the need to obtain a "social license to operate." None, however, has been willing to equate this formulation with prior consent, that is, not mining without the agreement of local communities. Accepting the principle of prior consent, even if it is not required by local or national law, is an important demonstration of companies' commitment to taking community concerns seriously and building relationships of trust. Processes for the expression of community consent (or lack thereof) will vary with each situation (such as the referenda in Tambogrande, Peru, and Sipacapa, Guatemala, or the dialogue process at Tintaya, Peru). Companies and governments need to recognize the need for such process and allow adequate time for them to be carried out.

2. *Strengthening local monitoring and networking capacity.* In responding to the threats represented by mining, communities have sought to strengthen their own ability to monitor projects. This has occurred both through specific capacity-building initiatives supported by international NGOs and through participation in national and international networks of mining-impacted communities. These networks, facilitated by electronic communications, have enabled communities to quickly and efficiently share information and experiences. Thus in the Tintaya case, with the help of international NGOs such as Oxfam, communities effectively created a linkage directly back to the transnational's (BHP) headquarters in Australia. This linkage had a direct impact on the company's willingness to establish an ultimately successful dialogue process.

These international networks also facilitate direct access to key financers of mining projects in the region, notably the World Bank, which has financed mining projects in Guatemala, Peru, Ecuador, and Bolivia—all of which have been subject to formal complaints filed by local NGOs via the Bank's

internal accountability mechanisms. The rapid exchange of information and experiences has made it less likely that communities, even in the remotest areas, will have no advance knowledge of mining and its potential impacts prior to the arrival of a mining company. With support from international NGOs and other funders, these networks can be strengthened and their scope widened. NGOs working on mining issues in South America and Central America are currently working to develop a regional network on mining and other extractive industries.[34]

Communities' abilities to effectively monitor mining operations in this way need to be strengthened through capacity-building and access to information. Companies ideally should contribute to this capacity-building as part of their efforts to build trust with communities. Participatory monitoring structures, in which community representatives are able to play an active and informed role, should be a component of any large-scale resource extraction project. Indeed, after strong pressure from civil society such monitoring structures are now, on paper at least, a requirement of new World Bank financed mining projects. Information collected through such monitoring should be made public and disseminated in a manner and language that is appropriate to local communities. Such participatory monitoring approaches have been established at Yanaoccha and Tintaya.

3. *Accessing independent information.* A common component of local responses to mining have been challenges to the independence and technical competence of the government agencies charged with controlling mining's environmental impacts. In each of the countries discussed here, NGOs have commissioned independent expert technical analyses of environmental impact assessment documents in order to influence public debate over potential environmental impacts. In Peru's Tambogrande case, the introduction of such independently produced information helped plant seeds of doubt in the minds of mining ministry officials about the credibility of information received from the mining company Manhattan Minerals. This likely contributed to the government's decision to revoke the company's mining permit.

The current lack of confidence in the technical competence and independence of governmental agencies indicates a need to strengthen them. These agencies must have access to independent analyses of the potential costs and benefits of any mining project. Such information should come from a source independent of industry. Mining companies have very effectively used the often huge information asymmetry that exists between themselves and government regulators and communities to advance their cause. Allowing independent studies can help build trust between companies and communities as companies can demonstrate that they have "nothing to hide."

4. *Strengthening environmental enforcement.* As noted earlier, strengthening state capacity is vital to addressing and conflicts that have plagued the mining sector in recent years in the region. Environmental and social protection laws should be strengthened and adequate resources provided for their enforcement. The governmental bodies with primary responsibility for

environmental management enforcement must be independent of those whose primary responsibility is to promote investment in the sector. Ideally, a separate and fully resourced environmental management agency would be created to do this. At a minimum, primary responsibility for environmental enforcement of the sector needs to be taken out of the mining ministry (as in the case of Peru and Honduras).

Governments should avoid including provisions in trade agreements that impinge on effective environmental management. The goals of protecting investor rights and protecting local livelihoods, traditional or sacred sites, and the environment need not be in conflict with each other, at least not to the degree they are currently under such trade provisions as NAFTA's chapter eleven. Mining companies must avoid promoting a "race to the bottom" in which countries compete against each other to create the least onerous regulatory environment in order to attract investment. Companies should also be required to fully fund all clean-up costs. These costs should be determined by parties that are fully independent of the companies or other vested interest. Governments should establish mechanisms for protecting funds committed to clean-up and ensuring that those funds are not siphoned off for other purposes.

5. *Macro-economic considerations.* Implementing these reforms would do much to level the playing field between communities and transnational resource extraction companies, and thus reduce conflict. Unfortunately, they will not change some of the fundamental structural inequities that are built into the neoliberal economic model. Resource-related conflicts are in essence a microcosm of the larger inequities of the global economy. Until and unless these are addressed, and the pressure to extract is relieved, conflicts will continue. To start, the debt burden that drives resource extraction in many countries needs to be eliminated. Servicing debt must not be a justification for the promotion of extraction by the international financial institutions. Developed countries should also increase exponentially their support for the development of productive capacity in developing countries and allow them to protect sectors, such as agriculture, that will allow these countries to diversify their economies and to provide opportunity for poor people to raise their incomes. Northern consumption patterns, which are also key drivers of extraction in the south, need to be changed to promote greater use of renewable energy sources and recycling of metals products. International NGOs, which have played an important role in supporting the local movements that have arisen in response to neoliberalism, can also help mobilize public opinion and pressure Northern governments to produce these changes.

These actions, along with a serious and concerted effort to address climate change (to return finally to the issue of global environmental governance), ultimately hold the key to shifting global economic pressures away from the currently unsustainable pattern of natural resource extraction, the impacts of which are being felt most directly in communities of Latin America and other developing regions. Such steps will require strong leadership from industrialized countries such as the United States, corporations, and the

international financial institutions, whose own interests would be served by reducing the inequities that are giving rise to the region's current conflicts and instability.

Notes

1. Gavin Bridge, "Contested Terrain: Mining and the Environment," *Annual Review Environmental Resources* 2004, p. 243.

2. Peter Bernstein, *The Power of Gold: The History of an Obsession* (New York: John Wiley & Sons, 2000), pp. 138–42.

3. ASONOG, "Cráteres, Venenos y Derechos Humanos," ASONOG, 2002, p. 19.

4. Thomas Power, "Digging to Development: A Historical Look at Mining and Development," Oxfam America, 2002.

5. Patricia Gonzalez y Cristina Echavarria, "Conflicto, Concertació y Diálogo en el Sector Minero," in Hernan Dario Correa and Jose de Echave y Norma Gonzalez, eds., *Conflicto, Concertación y Diálogo en el Sector Minero* (Montevideo, International Development Research Center, 2004), p. 3.

6. For a general discussion of these issues, see Keith Slack, "Sharing the Riches of the Earth: Democratizing Natural Resource-Led Development," *Ethics & International Affairs,* 18/1 (Winter 2004), 47–62.

7. See generally, Julio Cotler, "State and Regime: Comparative Notes on the Southern Cone and Enclave Societies," in David Collier, ed., *The New Authoritarianism in Latin America*, (Princeton: Princeton University Press, 1979), pp. 255–82.

8. Robert Repetto, "Silence is Golden, Lead and Copper," Yale School of Forestry Studies, 2004, p. 22.

9. World Bank, *Peru Country Assistance Strategy* (Washington, D.C.: World Bank, August 19, 2002), p. 11.

10. See, e.g., Robert Moran, "An Alternative Look at a Proposed Mine in Tambogrande, Peru," Oxfam America, Mineral Policy Center, Environmental Mining Council of British Columbia, September 2001 (available at www.oxfamamerica.org); and Robert Moran, "What's the Big Secret? Observations and Comments on the San Andres Mine and Mining Regulation in Honduras," Development Commission of the Department of Copan and the Association of Nongovernmental Organizations, May 2002 (on file with author.)

11. World Bank, "An Asset for Competitiveness: Sound Environmental Management in Mining Countries," World Bank, 2002, p. 8.

12. Moran, "What's the Big Secret?" p. 2.

13. Stratus Consulting, *Report on the Independent Assessment of Water Quality and Quantity Near the Yanacocha Mining District, Cajamarca, Peru* (Boulder, CO: Stratus Consulting, Inc., November 2003), pp. 5/19–5/23.

14. James Kuipers, *Putting a Price on Pollution* (Washington, D.C.: Mineral Policy Center, 2003), p. 13.

15. Scott Wilson, "Peru's Mines Dig Deep at Local Discontent," *Washington Post*, February 17, 2004, p. A13.

16. Ibid.

17. World Bank and Interamerican Development Bank, *Peru: Restoring Fiscal Discipline for Poverty Reduction: A Public Expenditure Review*

(Washington: World Bank and Interamerican Development Bank, October 24, 2002), p. 143.

18. Wilson, "Peru's Mines Dig Deep," p. A13.

19. Xstrata has pledged to honor the terms of the agreement reached with BHP-Billiton.

20. Andres Mego, "Experiences with Dialogue," *Latinamerica Press,* 37, No. 2 (January 26, 2005), p. 16.

21. ASONOG, "Crateres, Venenos y Derechos Humanos," p. 19.

22. See generally, Moran, "What's the Big Secret?"

23. ASONOG, "Crateres, Venenos y Derechos Humanos," p. 29.

24. "Gold vs. Skin: The Struggle of the People of the Siria Valley," *Revistaso.com,* October 2003. Accessed at www.revistaso.com.

25. Marion Barbel, "Mining Association Presses for More Legal Guarantees in Honduras," *Gobal Insight*, February 22, 2007.

26. Goldcorp paid back IFC's loan to Glamis after Goldcorp bought Glamis in October 2006.

27. Comunicado de la Conferencia Episcopal de Guatemala, January 28, 2005. On file with author; author's translation.

28. Consejo Nacional de Pueblos Indigenas, "Press Release," April 29 and 30, 2004. On file with author.

29. Kevin Sullivan, "Protests from Guatemala's Pulpits: Mine Dispute Kindles Resurgent Activism in Catholic Church," *Washington Post,* April 13, 2005, p. A10.

30. "Church asks Gvt to Share Anti-Mining View," Business News Americas, January 9, 2008.

31. Jose de Echave, "La Iglesia Catolica ye el Campo de lo Opinable," *Actualidad Minera del Peru*, February 2008, p. 3. accessed at http://www.cooperaccion.org.pe/modulo/boletin/boletin_106.pdf.

32. Alan Garcia Perez, "El sindrome del perro hortelano," *El Comercio*, October 28, 2007. Author's translation.

33. Letter from Daniel Vogt, director El Estor Association for Integral Development (AEPDI), to World Bank Executive Directors, June 1, 2004. On file with author.

34. Marco Arana (head of Peruvian NGO GRUFIDES), personal communication, January 15, 2005.

Chapter 8

Assessing the Limits of Neoliberal Environmental Governance in Bolivia

Thomas Perreault

Introduction

In January 2006, newly elected Bolivian president Evo Morales created a Ministry of Water, and appointed as its head Abel Mamani. Mamani, the head of a well-organized activist network in the city of El Alto, who had in 2005 led massive protests against the French-owned firm that held the concession for water services in El Alto and La Paz Boosters of Bolivia's privatization efforts were left to consider what could only be interpreted as one more setback for neoliberalism in the Andes. Indeed, Morales' election may be read in part as a rejection of neoliberal policies on the part of a Bolivian populace weary of two decades of economic austerity and the erosion of already meager state services. During two distinct periods (mid-1980s, and mid-1990s), Bolivian governments implemented relatively orthodox neoliberal reforms, which met with uneven success, and in some instances have failed quite spectacularly. Neoliberal state restructuring ushered in an era of windfall profits for transnational capital, matched by declining job security, income, and social welfare benefits for workers. Reductions in state social spending and the privatization of resources and industries reduced inflation (no small achievement, to be sure), but at enormous social cost, as inequality and poverty have risen in line with reform (Huber and Solt 2004). In recent years, neoliberal policies have been met with popular outrage and street protests that have, much to the dismay of Bolivian elites and international lenders, reversed many of the reforms instituted during the past twenty years.

What may we infer from these events? Does popular discontent with neoliberal policies in South America's poorest country have relevance for Latin America as a whole? In recent years, the election of left-leaning presidents in several Latin American countries—most notably Argentina, Bolivia, Brazil, Ecuador, Uruguay, and Venezuela—would seem to indicate that neoliberalism's triumphalist veneer is beginning to tarnish. The end of history has perhaps not yet arrived as promised (cf. Fukuyama 1992). Indeed, in spite of

expansive rhetoric to the contrary (e.g., Bhagwati 2002), the march of neoliberalism is far from inevitable. Rather, it is contested at every turn, and like all hegemonic projects must continuously be remade both discursively and materially. If, as Peck and Tickell (2002: 381) contend, neoliberalism has become a "commonsense of our times," then how may we account for its limitations and increasingly outright failures?

Neoliberalism's edifice has shown cracks in Seattle and Cancún and Porto Alegre, and appears to be shaky even in its North Atlantic homeland (witness the resilience of protection for agriculture in the United States and the European Union, and George Bush's willingness to prop up the uncompetitive U.S. steel, airline, and energy industries). This chapter examines the limitations of neoliberalism through an examination of its partial failure in the Bolivian water sector. I will argue that two interrelated factors must be taken into account when considering the limits of neoliberalization in water management. First, the physical materiality of water, as a geo-ecological entity, means that it cannot entirely be produced by normal processes of capitalist production, making it what Polanyi (1944; chapter six) calls a "fictitious commodity." Thus, the possibility of water to be fully subject to market logic is limited by the extent to which it is available as a "free good" through direct appropriation from nature (therefore reducing its scarcity, and hence its potential for commodification). Second, and relatedly, the neoliberalization of water in Bolivia has been limited by social protest as people have taken to the streets in Cochabamba, El Alto, and La Paz to reject private, foreign control of what is widely considered to be a collective resource. Moreover, the threat of neoliberalization (more than its reality) has prompted peasant irrigators to form a national-level organization to defend *campesino* water rights and oppose the adoption of market-based principles in the management of irrigation. In all these instances, protestors rejected the commodification of what they saw to be an essential natural resource. Protestors affirmed collective rights to water based on principles of citizenship and traditional customary uses.

Before developing these arguments, I begin by discussing the nature of neoliberalism and environmental governance. I then turn to the history of neoliberal reforms in Bolivia, with a focus on the water sector, then move to a discussion of water's materiality and the challenges this presents to its commodification. I conclude with two examples of failed neoliberalization in Bolivia's water sector. The first of these involves the concessions for urban water services in the cities of Cochabamba, La Paz, and El Alto. The second has to do with the formation of a national irrigators' movement to counter the threat presented by water commodification.

Neoliberalism and Neoliberalization

With its acceptance as economic orthodoxy by the International Monetary Fund (IMF) and the World Bank, neoliberalism has become the dominant political economic ideology of the contemporary era. Yet neoliberalism

eludes simple definition. It is most commonly thought of as an economic and political project that seeks to liberalize trade (particularly international trade), privatize state-controlled industries and services, and introduce market-oriented management practices to a reduced public sector (Jessop 2002). Politically, neoliberalism seeks selectively to "roll back" certain state functions, particularly the provision of social services and regulatory restraints on corporate practices. Culturally, it has been argued that neoliberalism co-opts diversity through the commodification of difference. Official neoliberal development programs tend to fold social difference into mainstream economic and development policy using one-size-fits-all economic prescriptions, and in so doing depoliticize difference and its contestation (Swyngedouw 2000). As neoliberal policies pursue the enclosure of environmental commons (privatization of water sources and services, patenting of genetic "resources" through bioprospecting, the creation of "markets" for environmental goods and services), they create opportunities for capital accumulation and simultaneously generate the social conditions for opposing such processes. As McCarthy and Prudham (2004) point out, Polanyi's thesis of the "double movement" of capital has never been more apt.

While the central ideological tenets of neoliberalism are fairly clear, tracing the processes through which places, environments, and societies become *neoliberalized* is more complicated (Peck 2004). How do specific resources, locales, or groups of people come to be governed according to the "free market" ideologies of reduced state services, privatization, and an increased role for the market in day-to-day decision-making? Examinations of neoliberalization-in-practice help to reveal the workings of, and inherent contradictions within, the neoliberal project. For example, in spite of their own antistate rhetoric, neoliberal policies often require an activist state in order to promote the privatization of goods and services and to open up "market opportunities." Indeed, governments have been leading proponents of neoliberal reform, both in North Atlantic states and in the global South, a role frequently enforced through the barrel of a gun. As such, neoliberalism does *not* involve a necessary decrease in the state's functions or size, but rather its reconfiguration and re-institutionalization (Peck 2004). Moreover, as Larner (2003) points out, there is no single, unitary neoliberalism. Rather, there are multiple, often contradictory neoliberalisms and processes of neoliberalization that emerge from different political contexts and produce diverse outcomes. Neoliberalism is best characterized not as a coherent end product, but rather as a contested set of processes, comprised of diverse policies, practices, and discourses. Overall, neoliberalism as a regime of capital accumulation is rooted in entrenched social differentiation, and tr ansnational class alliances (Glassman 1999), sustained by legitimating discourses and repressive force. Processes of neoliberalization both reflect and produce inequality, intensifying processes of uneven development (Harvey 1990).

It must be emphasized, however, that the outcomes of neoliberal reforms have rarely matched policy objectives, and have frequently met with staunch resistance from an array of social sectors. Attempts to neoliberalize natural

resources have often failed outright. Resource laws and policies are subject to contestation and may contain internal contradictions that reflect processes of negotiation between competing interests (Bridge and McManus 2000). Bolivian water law provides an example of this, as recognition of rights and definitions of authority are burdened by inconsistency and lack of clarity (Bustamante 2002). One must not, therefore, assume a direct correlation between neoliberal logic, the goals of specific policies enacted according to that logic, and the outcomes of those policies once implemented. A focus on social movements and their struggles over environments and resources in actually existing neoliberalisms can illuminate how environmental governance is reshaped in the context of, though not necessarily according to, neoliberal ideologies.

Neoliberal Environmental Governance

Of central importance to the restructuring of water policy in Bolivia are questions of environmental governance, conceptualized here as the legal frameworks and institutional arrangements through which decisions about natural resources are taken, and the management practices by which those decisions are enacted. Scholars from various academic disciplines and theoretical perspectives have adopted the term "environmental governance" to refer to the institutional diversification of environmental and resource management under globalization. "Governance" refers specifically to the shift away from centralized state management toward arrangements involving state, non-state, and quasi-state actors and organizations. These arrangements may include transnational development agencies and trade agreements, national state agencies, local government, nongovernmental organizations (NGOs), and resource–user associations (MacLeod and Goodwin 1999). From this perspective, particular institutional arrangements—for example, resource rights, policies regarding resource extraction and conservation, codified social norms, and management practices—shape the relationship between nature and society, and stabilize environmental and social conditions necessary for accumulation (Jessop 2002).

In Bolivia, environmental governance has for two decades been restructured according to neoliberal logic, as decision-making and resource management, once dominated by the central government, have come increasingly to involve complex arrangements of state and non-state actors operating across spatial scales (Perreault 2005). These involve public–private partnerships, new roles for NGOs and bilateral aid agencies (frequently operating within state agencies), and certain decentralized mechanisms for public participation in natural resources management. As will be discussed later, decentralized decision-making and multi-actor, multi-scale social and political networks characterize both neoliberalism and the social movements that oppose it.

A case in point is the German aid agency GTZ,[1] which for over twenty years has played a central role in formulating water policy. GTZ personnel, as non-state, foreign actors, work closely with Bolivia's government ministers,

occupying offices located within the Ministry of Agriculture in La Paz and Cochabamba. In part because of the chronic instability of the Bolivian state, GTZ wields tremendous influence in agenda-setting and decision-making processes.[2] Institutional arrangements such as these constitute what Goldman (2005) refers to as "green neoliberalism": a globalized environmentalism that, far from being a check on neoliberal capitalism, is in fact functional to it insofar as it facilitates and legitimates the activities of private, corporate actors. To understand institutional changes in the Bolivian state under neo-liberalism, the bearing that these processes have had for the management of water, and ultimately for the failures of neoliberalism in the water sector, I now turn to Bolivia's neoliberal reforms in the 1980s and 1990s.

State Reform Neoliberal Resource Governance in Bolivia

Bolivia underwent its first round of neoliberal restructuring in 1985, in response to profound economic crisis. Through the first half of the 1980s, Bolivia's foreign debt swelled, and gross domestic product declined every year between 1981 and 1986 (with a 9.1 percent drop in 1982 alone). Economic growth averaged –2.3 percent in the 1980s, while annual inflation averaged 1,969.4 percent (Klein 1992: 272). In 1985, Víctor Paz Estenssoro, who led the populist social revolution of the 1950s, was elected for the fourth time in the midst of acute political crisis. He immediately instituted a New Economic Policy (NEP) that sought to undo many of the reforms he himself had implemented thirty years earlier. The NEP called for a reduction of state expenditures, salary freezes, closure of state-owned mines, privatization of national industries, devaluation of the currency, and elimination of tariffs, price supports, and other "protectionist" policies (Conaghan et al. 1990). Domestic agricultural markets were liberalized, interest rate controls removed, and gasoline prices raised by 1,000 percent (Kaimowitz et al. 1999). Though these measures curbed demand and reduced inflation to just 9 percent in 1986, they took a staggering social toll. Some twenty thousand miners lost their jobs as a result of the closure of state mines, with devastating effects on mining communities in Oruro, Potosí, and La Paz (Sanabria 2000). Manufacturing jobs plummeted by thirty-five thousand between 1985 and 1990, and by 1988 the informal sector accounted for 70 percent of the working population (Farthing 1991).

A second wave of neoliberal reforms was initiated in the mid-1990s, under the first presidency of Gonzalez Sánchez de Lozada, who, as minister of planning under Paz Estenssoro, had a hand in designing the NEP. Upon assuming office in 1993, he quickly instituted his *Plan de Todos* (Plan for Everyone), a sweeping reform package that affected virtually every facet of the state. The *Plan de Todos* involved (1) constitutional reform; (2) administrative decentralization through the Law of Popular Participation (LPP) and the Law of Decentralization; (3) privatization of state industries through the Law of Capitalization; (4) a second agrarian reform through the Law of the National

Institute of Agrarian Reform; (5) education reform; (6) restructuring of the pension system and introduction of social insurance payments for citizens over sixty-five years of age; and (7) reform of the judicial system (Kohl 1999; Kohl and Farthing 2006). The first of these, the rewriting of the Constitution in 1994, paved the way for the reforms that would follow. The new Constitution recognized Bolivia as a "pluri-cultural, multi-ethnic" nation, and established certain cultural, resource, and political rights for indigenous and campesino[3] peoples (Healy and Paulson 2000; Van Cott 2000).

These reforms were accompanied by piecemeal measures, including wage freezes and reductions in social spending, that fueled political unrest through the 1990s. Sánchez de Lozada's *Plan de Todos* was far more than just a plan to liberalize the economy. It was an attempt to remake the state, reforming administrative and fiscal structures, industry, social services, and agriculture and land markets, all legitimated by a new constitution. The *Plan de Todos* shifted state revenues and decision-making authority to the local level, while at the same time facilitating the entry of transnational capital into national markets (Kohl 2002: 453), making Bolivian state restructuring a classic case of "glocalization" in response to both internal pressures and crises in global capitalism (Swyngedouw 1997).

As Kohl (1999; 2002) argues, the twin pillars of the *Plan de Todos* were administrative decentralization under the LPP, and the (partial) privatization of certain economic sectors under the Law of Capitalization. Together, these measures have had the greatest influence on the water sector. The 1994 LPP created 311 new municipalities (by redesignating administrative units known as provincial sections), gave them authority over development planning, infrastructure construction, and budget decisions, and assigned them 20 percent of the national budget.[4] The LPP clearly defines the ways that municipal cost-sharing funds may be spent, limiting expenditures to health, education, micro-irrigation, roads, and sports facilities, and mandates that 85 percent of funds be spent on implementation (construction, not maintenance), leaving only 15 percent for administration (Kohl 1999: 72). In the area of irrigation and water services, these constraints have led to decreased attention to monitoring water quality, technical service planning and implementation (Hoogendam and Vargas 1999a). Under the 1994 Law of Capitalization, five strategic industries—telecommunications, oil and gas, power generation, airlines, and railroads—were partially privatized. The law called for the sale of 50 percent of each industry through a competitive bidding process. Of the remainder 49 percent was allocated to a national pensions system and 1 percent to employees of the former state-owned firms (Kohl 2002). It should be noted that water marketing efforts—such as the privatization of urban water service in La Paz and El Alto, the efforts to privatize water in Cochabamba—were *not* carried out under the Law of Capitalization, but rather were promoted by the World Bank and private interests (Vidal 2003). Although capitalization did not privatize natural resources per se, it helped consolidate an institutional and ideological context in which resource privatization was encouraged.

Administrative decentralization under the LPP rescaled environmental governance within what was once a highly centralized Bolivian state. The process of municipalization decentralized political participation and budgetary authority to the local level, creating a new role for municipal governments in rural development. As a result, the *municipio* now serves as a basis for political mobilization by social movements and opposition parties.[5] Such was the case with the Movement to Socialism (MAS), which enjoyed electoral success in Cochabamba department before its first round victory in the presidential election of December 2005, when Evo Morales garnered 54 percent of the vote (more than any candidate since the return of democracy in the early 1980s). Municipalization has been echoed by the formation of *Tierras Comunitarias de Origen* (Original Communal Lands, TCOs), a category of ethnic territory provided for under the 1996 Agrarian Reform, and implemented according to the pluri-cultural/multiethnic provisions of the 1994 Constitution (Healy and Paulson 2000). Similarly, a resurgent *ayllu*[6] movement has increased calls for local political autonomy. Though very different from, and in some instances at odds with municipal governance, ayllus and TCOs share with municipios the character of being decentralized forms of democratic participation, political administration, and resource management.

The opposite tendency was brought about by the Law of Capitalization, which led to the creation of *superintendencias*—highly centralized, nondemocratic regulatory entities that oversee certain natural resources and key industries, and their entry into global markets (Crespo 2000). The 1994 Ley SIRESE (*Sistema de Regulación Sectorial*) created the regulatory system that would oversee the capitalized sectors: telecommunications, railroads, airlines, hydrocarbons, and water resources.[7] The government subsequently established a regulatory system and superintendency for renewable resources, SIRENARE (*Sistema de Regulación de Recursos Naturales Renovables*), which includes forests and biodiversity. These regulatory bodies are highly centralized, and have no provision for public or even congressional oversight. Mechanisms for public input are provided for, but are rarely used.[8]

Thus, contradictory tendencies exist between, on the one hand, the decentralization of administrative governance and political participation under municipalization (and parallel "pluri/multi" reforms), and, on the other hand, the increased centralization of resource governance according to the regulatory system created under Capitalization. Though conflicts over water are rooted in Bolivian history, much of the recent tension around the neoliberalization of water management resides in this tension between administrative levels. Analytical focus, then, must be trained on the arrangements involved in water governance, the ways that these have been rescaled through neoliberalism, and the forms and spatial scales of social mobilization through which water users' groups contest state reforms. Moreover, any geographical consideration of neoliberal water governance must account for the materiality of water and the bearing this has on the way it is used. Insofar as the neoliberalization of water entails its commodification as an "environmental good," we must consider its geo-ecological and social characteristics. To what degree,

and under what circumstances may water be rendered a commodity, and inserted into circuits of capitalist production, exchange, and accumulation? What are the physical properties of water that act to facilitate or hinder its commodification? What social characteristics of water have bearing on the neoliberalization of water services? It is to these questions that I now turn.

The Materiality of Water

Zimmerman's maxim (1933) that "resources are not: they become" signaled an early recognition that natural resources are not *only* natural, but are brought into being as resources within particular social, economic, and political contexts. Natural resources cannot therefore be divorced from the social systems through which they are given substance and meaning. Harvey (1974) recognized something similar when he asserted, " 'resources' can be defined only in relationship to the mode of production which seeks to make use of them and which simultaneously 'produces' them through both the physical and mental activity of the users" (265). Natural resources such as water are, in this view, profoundly social things.

It is equally clear, however, that resources are not *only* social, but that resource extraction, use, and regulation are constrained by the physical properties of resources and how, where, and when they exist in nature (Bridge 2000; 2004). Insofar as natural resources are not produced through capitalist relations of production, but rather enter into circuits of production and exchange as "free goods" from nature, they exist outside the system of commodities. As such, they are what Polanyi (1944) calls "fictitious commodities"—offered up for sale, but not produced by capitalist relations of production. Their relationship to capitalism is always uneasy.[9] While nature provides "inputs" to capitalism without which markets could not function, the materiality of resources, and the ways in which they are used and regulated complicate capital's efforts to appropriate and use them (Bridge 2000). *How* resources exist in nature matters for the manner in which they may be appropriated, processed, transported, and exchanged—and therefore commodified.

Water is a case in point. As Bakker (2003a) points out, the existence of water in society is multifarious: it is at once a raw, geo-ecological entity, a product of the labor process (extracted from nature, purified, and transmitted to users), and an instrument of labor (necessary to meet the needs of manufacturing processes and laborers alike). As with all natural resources, water is made available to society via more or less complex social institutions (e.g., markets, legal frameworks, government regulatory agencies, public–private management arrangements) and forms of technology (e.g., systems of extraction, storage, transportation, processing, and delivery). Compared with minerals or natural gas, however, water can—and in Bolivia frequently does—enter into society through relatively simple technological means (e.g., roof-top cisterns, hand-dug wells, earth- and stone-lined canals) and institutional arrangements (e.g., through mutual agreements with community- or canal-level associations,

or neighborhood organizations) (Perreault 2006). As with water's availability in nature, these facts complicate water's commodification.

The fact that fresh water is available as rainfall or snowmelt, and can be obtained from rivers, lakes, and aquifers, means that it is frequently available to people—especially farmers—outside of capitalist relations of production and exchange (though always in a spatially and temporally—and therefore socially—uneven manner). This is particularly true in agrarian societies but also in urban and industrial contexts. This fact of nature complicates capitalism's ability to create the scarcity conditions necessary for water's full commodification (Harvey 1996). This does not eliminate the possibility for water's commodification; indeed, water is commonly commodified in many forms (with bottled water being an obvious example). But water's geo-ecological characteristics create obstacles that must be overcome by capital that do not exist in the case of manufactured goods. Water scarcity is mediated by use values and social arrangements that are different from those of other natural resources (e.g., copper or natural gas), and that operate at multiple spatial scales (from the body to the irrigation system, to the city, to the international watershed), and across uneven geographies of availability and use.

Moreover, certain of water's physical properties represent challenges to its commodification. Its density makes it heavy relative to its value per unit volume. It is readily stored, however, in aquifers, lakes, reservoirs, and rivers. As a result, water is cheap to store but expensive to transport, requiring large capital investments in infrastructure such as canals, pipelines, or dams (Bakker 2003a,b). These serve as barriers to market entry, typically giving water—like urban electricity or natural gas services—the character of a "natural monopoly." As a result, marketization of water services is generally possible only as a result of preexisting institutional and material infrastructures, which themselves were the result of state investment and regulation. Water markets in which multiple private actors compete to provide drinking water and irrigation services through fixed infrastructure without prior and ongoing state investment are rare indeed, if they exist at all.[10]

Water is as essential to the functioning of bodies and communities as it is to cultures and civilizations. The physiological necessity of water, and the fact that there are no substitutes for it in most industrial (and all biological) functions, set it apart from other natural resources. Water is present in our daily lives, on an intimate level: it is nourishment, hygiene, livelihood, industrial process, landscape, and recreation. It is as viscerally material as it is potently symbolic in its importance (Perreault 2006). In Bolivia, water has long been considered by many to be a collective good and a social right, the use value of which is not in doubt. In large part because of the social character of water, conceptions of rights to it are often at odds with market logic. This is particularly true in Bolivia, where access to water has for many years been mediated by communal arrangements such as irrigators' associations or neighborhood drinking water organizations. Privatization of water services—as was attempted in Cochabamba and implemented in La Paz/

El Alto—fundamentally alters the access that individuals have to water. Under privatized water regimes, individuals no longer have a right to water as citizens, or as members of corporate bodies according to their labor contribution. Rather, access is mediated by the market, based on ability to pay (Bakker 2002). It is to these arrangements that water users' groups in Bolivia have objected, and against which they have mobilized in recent years.

This type of mobilization may be viewed as a regular feature of the commodification of nature, and the increasing expansion of capitalism into realms of social life where it previously did not exist. Polanyi (1944) recognized this as part of a "double movement" of capitalism in the nineteenth century: as markets expanded for "genuine commodities" (i.e., those produced through capitalist relations of production), there was widespread social mobilization and legal and political action designed to "check the action of the market relative to labor, land, and money." In so doing, "[s]ociety protected itself against the perils inherent in a self-regulating market system" (79–80). Building on Polanyi, O'Connor (1996) argues that capitalism's tendencies toward crisis generate the conditions necessary for political mobilization to restrain capitalism, and function as a brake upon accumulation. He argues that an "ecological contradiction" of capitalism arises because firms pass the environmental costs of production on to nature and society in the form of, for example, air pollution, deforestation, or biodiversity loss. In the absence of regulation, firms will degrade the very conditions of production necessary for continued production and accumulation. O'Connor argues that such conditions can, in certain instances, give rise to an environmental politics that check the more ecologically rapacious aspects of capitalism. It must be noted that such mobilization is not inevitable, nor its outcomes guaranteed (Bridge 2000). Moreover, such environmental politics are always mediated by other social claims, interests, and alliances. In the case of recent Bolivian protests over water privatization, these include histories of class and ethnic political mobilization, a collective memory of the theft of the country's natural wealth by foreign and national elites, and ongoing economic crisis and political conflict.

Against this conceptual backdrop, I now discuss two recent protests over water rights and privatization. The first concerns the failures of the water concessions in the cities of Cochabamba, La Paz, and El Alto, and involves protests over the governance of urban water services. The second case has to do with rural water governance, involving the mobilization of campesino irrigators, and the unprecedented formation of a national irrigators' association that aims to guard water rights against privatization and market-based forms of governance.

The Failures of the Cochabamba and La Paz/El Alto Water Concessions

In the wake of Bolivia's neoliberal reforms of the mid-1990s, ensuing governments continued to privatize industries and resources. Under pressure

from the World Bank, which made the adoption of market-based practices in water management a condition for further lending (Nickson and Vargas 2002), the government of former dictator Hugo Banzer sought to privatize water services in Cochabamba. In late 1999, in what turned out to be a non-competitive bid process, the government granted a concession to Aguas del Tunari, a transnational consortium created specifically for the Cochabamba concession, and led by U.S.-based Bechtel (García et al. 2003). Upon taking charge of the city's water services in January 2000, Aguas del Tunari increased water rates by as much as 200 percent, which the company claimed was necessary to cover the costs of planned extensions and upgrades to existing infrastructure. Aguas del Tunari also claimed control over all water systems in the city—including the many neighborhood-based water cooperatives for which members had provided their labor and ingenuity, and which were collectively managed without assistance from the city (Finnegan 2002). The terms of its contract even granted Aguas del Tunari the right to charge for rainwater collected in rooftop cisterns.

Social movements mobilized to analyze Aguas del Tunari's contract and the legal reforms put in place to enable it. The *Coordinadora de Defensa del Agua y de la Vida* (Coordinator of Defense of Water and Life, hereafter the Coordinadora), called for marches and road blockades to protest the concession (Bustamante 2002). In a popular referendum held in late March 2000, and organized by the Coordinadora, the population of Cochabamba overwhelmingly rejected the privatization of the city's water services. In early April, campesino organizations began blocking roads throughout the Cochabamba valley, and a general strike paralyzed the city. Over the following several days, tens of thousands of people gathered in streets and plazas to demand the cancellation of Aguas del Tunari's contract, and a reform of the laws that allowed it. Dictator-turned-democrat Banzer, seeking a quick and decisive end to the confrontation, declared a ninety-day state of emergency and sent the military into the streets of Cochabamba. Several members of the Coordinadora were jailed in late night raids. Ensuing clashes between protesters and the military resulted in one death and dozens of injuries, and popular outrage stemming from the violence forced Banzer's government to concede to the protestors' demands. On April 9, the government cancelled its contract with Aguas del Tunari, and announced that the consortium would leave the country and that management of Cochabamba's water services would once again be controlled by SEMAPA, with a greater role for social movement participation in oversight and administration. A revised drinking water law was issued. Many structural problems remain, however, as many of the city's poor are still not served by the municipal water system, and must rely on expensive and frequently unsafe water sold by private vendors (García et al. 2003). Issues of water shortages in semi-arid and drought-prone Cochabamba have not yet been resolved.

Poor residents in southern Cochabamba—those most active and militant in opposing Aguas del Tunari's control of the city's water systems—have never enjoyed reliable, high-quality water service. During the mid-1980s,

the combined effects of prolonged drought and neoliberal austerity measures devastated much of rural Bolivia. As a result, campesinos, miners, and others dependent on the farming and mining economies fled the countryside in unprecedented numbers. The cities of El Alto, La Paz, Cochabamba, and Santa Cruz experienced massive in-migration. In Cochabamba and El Alto, underfunded and inefficient municipal water services were unable to keep up with the rapid increase in both population and spatial extent of their service areas. In both cities, recent migrants, largely settled in peripheral neighborhoods, lacked adequate water service. In Cochabamba, this amounts to some 40 percent of the urban population. In response, underserved residents have had to access water through a variety of alternative means, including purchasing water at high prices (and frequently of poor quality) from private vendors who truck water into poor neighborhoods. In some cases, residents formed neighborhood associations to collectively dig and manage wells.

As such, the mobilization of these poor, frequently underserved *Cochabambinos* should not be interpreted as a defense of the status quo. Rather, in many cases residents of Cochabamba's poor southern neighborhoods fought to defend their right to locally managed water systems, such as collectively managed wells to which the city government never contributed, but that Aguas del Tunari claimed control over according to the terms of its contract (García et al. 2003). Similarly, irrigators played a decisive role in the Cochabamba water war. Not only were they able to organize campesinos quickly and effectively, but through their contacts with NGOs and intellectuals (see later), they were able to challenge Aguas del Tunari's concession on legal and policy grounds in ways that other protesters—including the Coordinadora—were unable to match.[11] Though irrigators were not directly affected by the increase in tariffs for urban drinking water, they opposed the privatization of water on ideological grounds. Water, they argued, is a social right and a communal resource, access to which should be mediated not by the market but rather by membership in a community (whether an irrigation association or neighborhood organization, or the broader community of the Bolivian nation) (Peredo et al. 2004).

"*Usos y costumbres*"—customary uses—were conceptually central to this struggle, and constituted a moral economy of water rights for irrigator associations and neighborhood water cooperatives involved in the struggle. Customary uses, recognized throughout Andean Bolivia in the management of common-property resources, are established and enforced through traditional, commonly agreed upon practices, and are inherently local, collective, idiosyncratic, and mutable. As such, they subscribe to a fundamentally different logic from that of privatized, individualized resource rights regimes, a logic with implications for the forms and spatial scales of organization of water governance.

Though the water war was largely a regional struggle (with the exception of a few scattered road blockades in the Altiplano, all major actions occurred in and around the city of Cochabamba), it quickly grew to national importance. Protestors forced the government to cancel its contract with Aguas

del Tunari, return water services in Cochabamba to public control, and amend the legislation that permitted concessions of this type. Emboldened by their success in Cochabamba, activists and intellectuals in Bolivia subsequently turned their attention to the concession granting Aguas del Illimani (owned by French giant Suez) control over water services in La Paz and El Alto.

Aguas del Illimani's concession in El Alto, an impoverished city of some eight hundred thousand (80 percent of whom are Aymara), situated on the windswept Altiplano overlooking La Paz, earned the firm a reputation as a "pro-poor" water services provider. This designation was based on Aguas del Illimani's aims of increasing the number of domestic water connections in El Alto while retaining tariffs at an affordable level. Indeed, the World Bank, which, following the 2000 Cochabamba Water War purchased 8 percent of Aguas del Illimani (through its International Financial Corporation arm), trumpeted the early successes of Aguas del Illimani's pro-poor policies (Komives 1999). Unfortunately for the poor, as well as for Aguas del Illimani, this reputation was based largely on a geographical fiction. The firm's claims to 100 percent coverage for drinking water in El Alto were based on its achievements in a subset of the concession area, known as the "served area" (*área servida*)—that portion of the total concession area that Aguas del Illimani actually served, rather than the much larger area of the concession as a whole. This designation excluded large areas of El Alto (including an estimated population of two hundred thousand) with no water hookups whatsoever (Spronk and Webber 2005). Moreover, by 2004, Aguas del Illimani had raised the cost of individual domestic water connections to homes in El Alto to US$445 per year, a 35 percent increase since it was granted the concession in 1997, and a figure that represents nearly 60 percent of the average annual income for El Alto residents (NACLA 2005).

Though complaints and occasional protests against these practices had been ongoing for several years, particularly in the wake of the Cochabamba water war, protesters saw their opportunity following the October 2003 protests against the proposed export of natural gas, which toppled the government of Gonzalo Sánchez de Lozada. Leaders of those struggles viewed these conflicts as part of a broader struggle against neoliberalism, and by early 2004 had turned their sights on Aguas del Illimani.[12] By then, it was clear to organizers and politicians alike that support for Bolivia's neoliberal project had weakened severely, and the new government of Carlos Mesa had little room for maneuver with the resurgent social movements. In El Alto, protests against Aguas del Illimani led by the Federación de Juntas Vecinales de El Alto (FEJUVE), began in January 2005. Beginning on January 10, members of over six hundred neighborhood organizations ('juntas vecinales') in El Alto engaged in a general strike that paralyzed the city (NACLA 2005). By January 14, the strike had succeeded in forcing the hand of President Mesa, who issued Supreme Decree 27973 rescinding the government's contract with Aguas del Illimani. The conflict continued, however, with the Superintendency for Basic Services, which regulates water services concessions, delaying the contract's termination and the establishment of

alternative arrangements to assure water services to El Alto. To maintain pressure on the government and assure the departure of Aguas del Illimani, FEJUVE broke off dialogue with the government and resumed its strike in February (Spronk and Webber 2005). After his election in December 2005, Evo Morales created a Ministry of Water, and appointed Abel Mamani as its head. Mamani is a former leader of FEJUVE-El Alto, and was the central figure in the 2005 protests against the water concession. Ironically, however, Mamani was forced to back off demands that Aguas del Illimani leave the country, recognizing the immense financial costs and legal difficulties that would be involved in rescinding the contract. As a result, FEJUVE has denounced Mamani and called for his resignation.

The National Irrigators' Movement

In 2001, in the wake of Cochabamba's water war, representatives of smallholder irrigation associations from across Bolivia began organizing themselves in cities in the highlands and Altiplano.[13] Irrigators were assisted logistically by a number of Bolivian intellectuals and nongovernmental organizations (NGOs), which in turn received funding and support from an array of international donors. The meeting of local and regional campesino associations from across the country focused on the politics of water management and began a process of nationwide mobilization in defense of campesino water rights. Irrigators felt their livelihoods threatened by the privatization of water and other resources, the increasing liberalization of agricultural markets, and the state's long history of urban bias in development policy (Healy 2001). In part, irrigators' concerns were based in an institutional confusion inherent in Bolivian water law. Peasant irrigators did not have a clear legal framework in which to base their claims to water rights, and feared the loss of their customary rights to mining, industrial, or urban uses whose competing interests were more clearly defined legally. Irrigators expressed distrust in the government's proposed national-level superintendency of water, and argued instead for an institutional structure that was more localized, decentralized, and sensitive to local usos y costumbres. In the ensuing months, irrigators and their NGO supporters met several more times in different Andean cities to discuss the problems facing campesino irrigators, and to plan ways to address these issues. These efforts represent the first time that irrigators had mobilized beyond the departmental level, and came as a direct response to the perceived threats of neoliberal state restructuring.

In November 2003, irrigators held the First National Irrigators' Congress in the city of Cochabamba. The three-day event brought together irrigators from across the country (including for the first time a delegation from the Amazonian province of Beni). Irrigators spent the first two days debating the conclusions and proposals of the previous years' meetings, with the objective of establishing the organization's structure and its official bylaws. Following two long days and late nights of work, irrigators reached consensus, and on the third day staged a march through Cochabamba, and on to

the campus of the University of San Simón, where they convened in the university's coliseum with local and national government officials, representatives of NGOs, and hundreds of supporters. The gathering served to inaugurate the newly formed *Asociación Nacional de Regantes y de Sistemas Comunitarias de Agua Potable* (National Association of Irrigators and Community Drinking Water Systems, ANARESCAPYS). The group's inclusion of community-based drinking water systems signals an emerging concern on the part of irrigators for changing government regulations for rural drinking water supplies. In particular, state regulation of drinking water, together with sectoral development programs funded by the Inter-American Development Bank and the German foreign aid agency GTZ, meant that these systems were to be managed separately from (and, irrigators feared, given priority over) irrigation systems. Irrigators, who in practice make little distinction between domestic and agricultural water supplies, argued for a more holistic form of management and regulation. Thus, while irrigation remains the central focus of the National Association, irrigators have broadened their concerns to include the integrated management of rural water systems more generally. Following this inaugural congress, irrigators finalized their statutes and bylaws, with the help of a pair of consultants from Bolivian NGOs, in order to receive legal status.

Since its official establishment, ANARESCAPYS has worked closely with NGOs and intellectuals in Cochabamba and La Paz to formulate and promote legal reforms that would favor irrigator water rights. On October 8, 2004, Congress passed Law 2878 of Promotion and Support to the Irrigation Sector (*Ley 2878 de Promoción y Apoyo al Sector Riego*, a law written and promoted by representatives of the irrigators' association). This law and associated regulatory measures have addressed the institutionalization of water management, the management of irrigation systems, and the assignation of rights to water for irrigation.[14] The ability of the irrigators' association to make such carefully crafted legal proposals is an indication of the relationships they have fostered with national NGOs and intellectuals, as well as with particular state agencies and individuals. This network of relationships has allowed the irrigators' association greater influence—and, in the eyes of many state actors, greater legitimacy—than many other campesino organizations or the Coordinadora. In turn, irrigator activists have enjoyed considerable success in promoting their agenda for change in the water sector.

Of central concern to the irrigators' movement is the defense of traditional customary practices, or usos y costumbres. By providing both a legal basis for water rights claims and a symbol of traditional, place-specific resource use practices, the notion of usos y costumbres is vital to the organizational politics and rights claims of peasant irrigators. During the process leading to the formation of ANARESCAPYS, the concept of usos y costumbres was invoked repeatedly in meetings, speeches, and documents as legitimation for peasant irrigators' water rights, illustrating the ways in which civil society actors are challenging restructured market and state institutional arrangements. In doing so, irrigators are simultaneously forming national-level peasant networks and

reasserting the local through the legal and discursive use of usos y costumbres (Escobar 2001). In the absence of the legal standing (*personaría jurídica*) necessary to obtain such rights, most irrigators rely on usos y costumbres to obtain legal recognition for water claims. For this reason irrigators have been emphatic that any legal framework be sensitive to locally specific usos y costumbres that could be used as a basis for establishing communal water rights, insisting that these practices be recognized by state institutions and policies. Campesino irrigators have less secure rights to water than competing sectors. Mining, hydroelectricity generators, industrial and urban uses each have rights to water—including specified quantities and rates of delivery—guaranteed in respective sector-specific laws. Smallholder irrigators enjoy no such legal guarantee, and rely on usos y costumbres, legally recognized in a general fashion only, to assure their rights to water.

By emphasizing the importance of usos y costumbres, irrigators are asserting the primacy of their own collective forms of water management, and in so doing are contesting the normative basis of (individualized) water marketing. Rather than conceding to the "logic of the market," irrigators are demanding their right to water based on their status as citizens and rooted in their customary resource uses. By rejecting the commodification of water, and demanding recognition of water as a social good and human right, the irrigators' association appeals to the pluri-ethnic/multicultural reforms of the 1994 rewriting of the Constitution, and their recognition of indigenous and campesino cultural and resource rights, of which usos y costumbres are a central element (Healy and Paulson 2000; Yashar 1999). Such legal and constitutional reforms sought in various ways to incorporate the principles of the International Labor Organization's Resolution 169 on the Rights of Indigenous and Tribal Peoples in Independent Countries, passed in 1989 (Van Cott 2000).[15] During workshops leading to the formation of the national irrigators' association, irrigators regularly appealed to ILO Resolution 169 as justification for their resource claims, and for legal recognition of usos y costumbres as a means to assure water and land rights.

Though the concept of usos y costumbres was inherited from the Spanish, and is widespread in Latin America, the specificity of particular customary uses of water (e.g., who is entitled to water, when, and how much) defies simple categorization or systematization. Indeed, much of the strength of usos y costumbres rests in their place- and group-specific nature, combined with their temporal flexibility. Customary resource management practices may be altered from season to season, depending on locally specific conditions such as drought or flood, population increase or loss, changing cropping patterns, or livestock densities. Codification of campesinos' usos y costumbres into standardized, regulated practices (immutable in time and space) would remove this flexibility and severely weaken them. And yet, the fact that usos y costumbres remain largely un-codified beyond the level of the individual canal system weakens their legal standing with respect to the competing resource rights of other interests (Bustamante and Gutierrez 1999). Because in many cases specific water rights do not exist for specific

irrigation systems—and are recognized only in the abstract sense of usos y costumbres—they are disadvantaged relative to competing sectors such as hydroelectricity, mining, industrial, and urban uses, which benefit from clearly defined rights to specific quantities of water over specified periods of time. Under these conditions, in water disputes and the allocation of additional water rights, campesino irrigators are given lowest priority. Thus, usos y costrumbres represent both a challenge and an opportunity for campesinos and for neoliberal reformers alike, a paradox of the sort that Hale (2002) refers to as "neoliberal multiculturalism."

Conclusion: Explaining Neoliberalism's Failures in Bolivia

The present volume prompts us to consider what lies "beyond neoliberalism." Have we reached a post-neoliberal era? Are we witnessing the advent of viable alternatives to the neoliberal model? Or are recent spasms of protest little more than rumblings against an irresistible tide? I have argued here that, like all hegemonic projects, neoliberalism is not inevitable. Rather, it must continually be remade, as it faces barriers and resistance from all sides. In spite of triumphalist representations to the contrary, neoliberalism is riven with contradiction and crisis, and is vulnerable to the increasingly powerful movements that challenge its dominance. This challenge is especially strong in Bolivia where, following two decades of orthodox neoliberal reform, citizens greeted the twenty-first century by rejecting the state's efforts to privatize water services in the city of Cochabamba. The impacts of neoliberalism in Bolivia are considerable, and merit scrutiny (Kohl 2002; Kohl and Farthing 2006). Much can be learned, however, by examining neoliberalism's *failures*, and those social, political, and environmental characteristics that serve as barriers to processes of neoliberalization. Such an examination can effectively be made by interrogating the attempts to implement neoliberal reforms in particular economic and resource sectors.

In the case of the Bolivian water sector, neoliberal reforms have met with considerable resistance, and have, to a large extent, failed to take hold. I have argued here that this failure can be attributed to two main factors. First, certain of water's geo-ecological properties serve to limit its full commodification. Water is available in nature in a variety of forms, thus complicating the scarcity conditions necessary for its commodification. Moreover, though water's availability to society is mediated by institutional and technological systems, these can be, and in Bolivia often are, highly simple, localized, and autonomous (e.g., dirt-lined canals, hand-dug wells, roof-top cisterns). Thus, water is appropriated directly from nature and incorporated into social systems through locally specific practices, mediated by various technological and institutional forms. Campesino irrigators and members of neighborhood water users' associations alike are understandably resistant to state attempts to grant control of water systems to private entities—particularly ones, like Aguas del Tunari or Aguas del Illimani, that are foreign-owned.

Such conditions give rise to the social mobilization that represents the second factor contributing to neoliberalism's limits in Bolivia. In both urban and rural contexts, Bolivian citizens have rejected the neoliberalization of water resources. In El Alto and La Paz in 2005, as in Cochabamba five years earlier, well-organized residents took to the streets to voice their anger over private concessions that granted control of urban water services to foreign transnational firms. Similarly, in the wake of the Cochabamba water war, campesino irrigators, with the support of national NGOs and intellectuals, have formed a politically effective national association, which in 2004 successfully proposed legal reforms that have benefited campesino irrigators.

These struggles have been rooted in understandings of water resources that are fundamentally at odds with the market logic of neoliberalism. Residents of Cochabamba, El Alto, and La Paz rejected concessions that granted foreign firms control of what they saw as a vital natural resource that properly belongs to all Bolivians. According to this reasoning, individuals should have rights to water as citizens of the nation, not as consumers in a market. Similarly, of central importance to the irrigators' movement has been the concept of usos y costumbres—customary uses—which are inherently place- and group-specific, idiosyncratic, and variable in time and space. Such characteristics defy the standardization required by market liberalization. Drawing on this alternative understanding of water and water rights, Bolivian citizens in both urban and rural areas have staged successful struggles against the neoliberalization of water resources.

What does the Bolivian example imply for processes of neoliberalization elsewhere in Latin America? Certainly, the generalizability of the Bolivian experience is limited. As a majority indigenous country with a highly politicized population and strong communal traditions among indigenous and non-indigenous peoples alike, Bolivia is unique. Moreover, just as the processes and experiences of neoliberalism are diverse, so are the social responses. Each case is historically and geographically contingent. And yet, the world's various neoliberal projects share similar intellectual roots: a privileging of the market over the state, and the individual over the collective; liberalized trade; and the commodification of nature. Moreover, the need for water is universal. Though the uses and cultural understandings of water are diverse, its importance to social life is constant. As such, we may draw three broad lessons from the Bolivian case that may help us understand the nature of neoliberalism, and the social responses it provokes. First, neoliberalism is not monolithic. The collection of ideologies, policies, and processes we refer to as "neoliberalism" are diverse and contradictory, notwithstanding the triumphalist pronouncements of its supporters. Neoliberalism may be hegemonic, but as the Bolivian case demonstrates, this is a fragile hegemony, one that must constantly be remade, but one that is also possible to undo.

Undoing neoliberalism is not easy, however, and efforts to do so always meet with stiff, often violent, resistance. The second lesson of the Bolivian case, then, is the value of collective action. The "water wars" of Cochabamba and El Alto were widespread, coordinated, long-term campaigns that had

broad support in their respective cities. Similarly, the irrigators' movement, though more narrowly defined in its interests, was based in a broad associational network that linked rural campesinos with urban activists, intellectuals, and international development agencies. Only through concerted collective action can opponents of neoliberalism hope to promote an alternative political, economic, and social vision. Perhaps the best hope for such alternatives resides in the defense of collective rights to natural resources. The third lesson of the Bolivia case, then, is that natural resources (as opposed to other economic sectors, such as industry or health care) present particular challenges to neoliberalism. In part this is because of their existence as Polanyian "fictitious commodities": commodified, but not produced, by capital. Moreover, natural resources are frequently associated in popular imagination with national or other social identities. During Cochabamba's water war, protesters cried, "water is life"—*el agua es la vida*—a discursive linking of water with the biological as well as the social, the individual as well as the collective. Water is perhaps unique in this regard, owing to its universal and trans-scalar importance. But similar collectivist or nationalist defenses of other natural resources are common: Mexico's constitution defines oil as a resource of national(ist) importance (thus prohibiting its privatization), and even Pinochet—fearless pioneer of neoliberalism that he was—could never bring himself to privatize Chile's copper industry. Natural resources have ecological, political, and cultural qualities that do not lend themselves easily to the commodification and privatization demanded by neoliberalism.

What then, can we learn from Bolivia? I would urge caution in drawing generalized conclusions from the Bolivian case. Bolivia is, in many regards, an exceptional example of strong social movements able to oppose a chronically weak state. Consideration of reform and its limitations in Bolivia may, however, permit us to see the growing cracks in neoliberalism's edifice. In doing so, we may, in turn, be better able to envision futures beyond neoliberalism.

Notes

1. http://gtz.de/en/index.htm.
2. Author interviews, senior representative, Consejo Inter-Institucional del Agua, La Paz, 12 January 12, 2004, and senior representative, GTZ, La Paz, June 14, 2004. I have chosen to maintain the anonymity of interviewees, though not of the organizations they represent.
3. Following Albó (1999) I have adopted the term "campesino" to refer to peasant or smallholder agriculturalists, most of whom are Quechua or Aymara, and "indigenous" to refer to Amerindian peoples as a group, including Aymara and Quechua communities.

4. *Municipios* are analogous to counties in the United States in that they involve a city or town and the rural region surrounding it. The LPP initially created 311 municipios across the country, and three more were later added. These are primarily small and rural in character. Of the 314 municipalities in Bolivia, 31 percent have populations under five thousand, 73 percent have populations under fifteen thousand, and 94 percent have populations under fifty thousand (Kohl 2002: 461, footnote 17).

5. Author interview with senior researcher, Unversidad de la Cordillera, La Paz, December 20, 2002.

6. *Ayllus* are communal lands held by Aymara or Quechua communities, along kinship lines (see Lucero 2006; Weismantel 2006). The existence of ayllus dates to pre-Inca times. In recent years, some Aymara and Quechua communities have mobilized to seek legal recognition for ayllu claims, and to demarcate and legalize their boundaries. It is not my intention here to enter into debates regarding the cultural continuity of ayllu claims, or to evaluate ayllus as an ethnic–political strategy. My interest is merely to recognize the resurgence of ayllus as a form of localized social and political autonomy, related in important ways to other processes of decentralization in Bolivia.

7. Following the 2000 Cochabamba Water War, this was changed to include only drinking water and sewerage services. Irrigation was excluded from the purview of the regulator, and remains without a national-level regulatory body.

8. Author interview with senior researcher, Centro de Estudios Superiores Universitarios, Cochabamba, Bolivia, October 29, 2003.

9. Polanyi (1944) does not in fact refer to "natural resources" nor to water, but rather to "land," which he takes to be "only another name for nature" (75). It can safely be inferred that Polanyi's understanding of land as a fictitious commodity can be extended to water.

10. The cases of bottled water and mobile water vendors, common in developing world cities, are exceptions to this, made possible by the spatial abstraction of water sold individually in small quantities. While these examples and their environmental and social implications merit close scrutiny, they differ in important ways from the cases of irrigation and urban drinking water systems in Bolivia, and are not considered in the present discussion.

11. Author interview with leader and activist, Coordinadora de Defensa de Agua y de la Vida, Cochabamba, February 12, 2004.

12. Author interview with activist and leader, Coordinadora para la Defensa del Agua y de la Vida, Cochabamba, February 12, 2004.

13. Unless otherwise indicated, information presented in this section is based on participant observation and open-ended interviews conducted with irrigators, activists, and scholars in the Bolivian cities of Cochabamba, La Paz, and Oruro during a total of fourteen months of field research between 2001 and 2006.

14. In December 2004, ANARESCAPYS presented three "reglamentos" for Law 2878 for the Promotion and Support of the Irrigation Sector (Ley 2878 de Promoción y Apoyo al Sector Riego): "Artículos para el reglamento de marco institucional," "Derechos de uso y aprovechamiento de recursos hídricos para riego," and "Gestión de sistemas de riego." See http://www.aguabolivia.org.

15. Passage of the 1994 Constitution was promoted by Gonzalo Sánchez de Lozada, the architect of Bolivian neoliberalism, as one of his first acts as

president, and opened the way for many neoliberal reforms. The twinning of multi-culturalism with neoliberal reform in the Constitution (as well as in Sánchez de Lozada's own administration: his vice president was Aymara leader Victor Hugo Cárdenas) illustrates what Hale (2002a) has referred to as "neoliberal multiculturalism." By this he means the process "whereby proponents of the neoliberal doctrine pro-actively endorse a substantive, if limited, version of indigenous cultural rights, as a means to resolve their own problems and advance their own political agendas" (487).

This page intentionally left blank

Chapter 9

Nature under Neoliberalism and Beyond: Community-Based Resource Management, Environmental Conservation, and Farmer-and-Food Movements in Bolivia, 1985–Present

Karl S. Zimmerer

Introduction: Environmental Impacts and Management in Neoliberalism

Neoliberal trade and economic policies have incurred environmental consequences that are negative across much of Latin America and the Caribbean. Environmental destruction attributed to specific policies range from widespread deforestation, overfishing, soil and water degradation, damage due to mineral and energy resource extraction and processing; industrial waste and toxin contamination; and urban environment problems such as worsening air and water pollution (Hindery 2004; Liverman and Vilas 2006; Moog Rodrigues 2003; Speth 2003). If not dismissed outright, these environmental problems are often regarded as economic "externalities" that can be treated or regulated through the further privatization of resources and property. Increasingly, privatization approaches have been associated with market valuation policies—such as eco-certification and market-based conservation rewarding "ecological services" (Perreault and Martin 2005).

Yet the neoliberal governments of Latin America and the Caribbean have also pursued an assortment of other policies that support environmental protection and management. Public, community-based environmentalism and government-led or sponsored initiatives have expanded significantly throughout Latin American and Caribbean countries during the past couple of decades (Roberts and Thanos 2003). With increasing frequency community-based regulation of environmental management is adopted alongside

state-based initiatives. The combination of these approaches is highlighted in this study using the examples of the expansion of national protected areas (PAs) and local community-based resource management (CBRM). This study also considers the environmental management changes that are associated with transitions away from neoliberalism ("beyond neoliberalism") that is occurring in certain Latin American and Caribbean countries. The particular transition away from neoliberalism that is focused on here is the case of Bolivia and the recent emergence of the administration of Evo Morales, which can be characterized as revolutionary national government (Hylton and Thomson 2007).

My study is focused on the case of the two main forms of environmental management mentioned earlier—CBRM and PA—in the Cochabamba region, which is located in central Bolivia. The Bolivian example offers a valuable national framing of this research since nearly two decades of neoliberal rule have been replaced since 2005 by Morales's revolutionary national government and the *Movimiento a Socialismo* party (MAS, or "Movement to Socialism"). My study demonstrates the integral roles of these environmental initiatives that were undertaken first in the context of neoliberal political and economic policies in Bolivia over the course of nearly twenty years. Subsequently there is still a third focus of environmental concern, which is related to farmer and food movements, that can be usefully compared to the first two types of environmental issues and that also appears to be gaining favor under the Morales government.

Community-Based Resource Management, Protected Areas, and Farmer–Food Movements under Neoliberalism

Community-based resource management and PAs are two approaches that have become foundations of the varied forms of environmentalism that have become widespread in the countries of Latin America and the Caribbean (Christen et al. 1998). Both approaches expanded significantly within the neoliberal approaches that most countries adopted beginning in the mid- and late-1980s. Indeed, the countries in the region show support for a plethora of policies, projects, and programs that promote CBRM and PA establishment for the sake of environmental conservation. This study examines whether many of these pro-environment policies, rather than exerting an oppositional or antagonistic relation to neoliberalism, were undertaken in conjunction with the national neoliberal policies. The study's findings suggest that various environmental policies demonstrated an integral type of relation, rather than an antithetical one, to the neoliberal policy orientations within these countries.

My study evaluates these findings as evidence that CBRM and PA designations exemplified a kind of moderate attempt at environmental management—or a "hybrid" environmentalism that has arisen in conjunction with neoliberalism in the Latin American and Caribbean countries). Based on case studies in the Cochabamba region, I characterize these

environmental governance activities as elements of the "soft" neoliberalism that was increasingly promoted and implemented in Bolivia's second or "stabilizing" phase of neoliberal governance in the early 1990s (Kohl 2002).[1] CBRM and PA programs were stimulated following the initial phase of neoliberal policies in Bolivia, which had launched hard-edged restructuring and harsh cutbacks to government programs. My study describes how the subsequent increase of environmental governance activities in the form of CBRM and PA initiatives did not represent opposition to neoliberal political and economic actors and agendas in the country. Instead, the Bolivian governments embraced these twin activities proactively. Neoliberal support for these environmental projects reflects the political clout of certain key constituencies in the public, in policy networks, and in influential political domains, both nationally and internationally. In addition, I argue, the evolution of neoliberal policies benefited from the support and integration of CBRM and PA initiatives.

This "hybrid neoliberalism" offers a useful framework to examine the definite expansion of the scope and influence of CBRM and PA policies in Bolivia and other Latin American and Caribbean countries under neoliberalism. Since the 1980s thousands of CBRM projects have been sanctioned and coordinated through institutions of the neoliberal governments of this region (Veltmeyer and O'Malley 2001; Western and Wright 1994). Indeed the region as a whole seems to reflect a general observation that, at least at first glance, it has become hard to find an environmental project that is not community-based. Similarly, the expansion of nature conservation areas is a salient feature across Latin America and the Caribbean, whose governments oversaw an increase of the coverage of PAs that more than doubled between 1985 and 1997 (which was followed by continued sustained expansion to the present time) Zimmerer and Carter 2002).[2] It has been estimated that this coverage now surpasses 2.4 million square kilometers within Latin America and the Caribbean (Zimmerer et al. 2004). The weakening and overturning of neoliberalism in several countries, such as the post-2005 rise in Bolivia of Morales and MAS's revolutionary national government, has offered an important new context for these environmental initiatives; my findings suggest that, at least in Bolivia, it is accompanied by increased emphasis on environmental issues related to farmer and food movements (discussed later).

Involvement of the national governments of Latin America and the Caribbean in CBRM and PA initiatives has typically been undertaken in conjunction with global environmental and lending organizations, international agencies, and NGOs (nongovernmental organizations). The latter groups provide funding, exert influence on project location and design criteria (see Young and Rodrigues 2006), offer implementation guidance and coordination, and, in some cases, supply specialized environmental knowledge. The spectrum of CBRM and PA initiatives has encompassed a wide variety of programs intended for the sustainable use of resources in forestry, fisheries, wildlife extraction, water management, agriculture, and general

ecosystem health (e.g., the oversight of mining operations in Peru, Honduras, and Guatemala; see Slack, this volume). These initiatives involve a highly diverse array of social groups and environmental landscapes across Latin America and the Caribbean. While some support stemmed from indigenous and broad-based social movements and lower- and middle-class constituencies (Dove 2006), the support from these sectors was joined in a powerful agenda emanating from many global and international institutions involved in environmental issues that also came to include principal promoters of neoliberal policies (e.g., the World Bank) (Christen et al. 1998).

CBRM projects seek to incorporate the participation of locally circumscribed communities, neighborhoods, and municipalities into decision-making and administration in resource management. A plethora of local community- and municipality-based groups have typically supplied the crucial labor (including local-level administration) and the diverse local know-how, awareness, and expertise needed to implement, and subsequently to regulate, key aspects of both CBRM and PA projects, both as projects and as sustained activities. At the same time, CBRM projects offer several correspondences to the broad tenets of neoliberal governance in Latin America. For example, the ethos of CBRM efforts, which typically emphasize the work inputs of community members, is resonant with the neoliberal-style "self-help" strategies for the poor and underclass. Equally important, the activities of CBRM projects are a compelling fit with the mandated decentralization of administrative functions and policy, which is a salient feature of neoliberalism in Latin America and the Caribbean, as well as elsewhere (Andersson 2004; Kohl 2003; see also Burgess and Perreault, this volume). Finally, CBRM initiatives reflect the central importance of the "self-governing community as one of the defining articulations of neoliberal rule" (Watts 2004).

CBRM and PA projects in Latin America and the Caribbean have often been based on a claim to respecting and protecting the access of indigenous people to their natural environment (Dove 2006). My chapter considers this representation of indigeneity as an important aspect of both CBRM and PA that occurred under Bolivia's neoliberal governments. The incorporation of indigenous peoples offered a kind of regulatory role to environmental management under Bolivia's neoliberal governments that is now being actively challenged and reworked in the context of the Morales administration. These issues reflect the complex relations of indigenous movements and indigeneity to neoliberalism (on indigenous movements and multicultural neoliberalism in the Andean countries, see Lucero, this volume). On the one hand, the mobilizations of indigenous people in Bolivia taking place since the late 1980s has resulted in a range of notable successes—from the recognition of ethnic and territorial claims, such as bilingual education and land holdings, to political rights and representation in local and national government (Buechler, this volume; Healy and Paulson 2000). Indeed the success of these indigenous mobilizations figured crucially in the political rise of Morales. Still the representations of indigeneity in environmental management shared a substantial incorporation into the neoliberal political and

economic packages of Bolivia's local and national governments (Andolina et al. 2005).

My chapter describes the particular emphasis on indigeneity in community-based and protected-area projects in Bolivia. One factor behind this emphasis is the geographic dynamic whereby several indigenous groups tend reside in places that are deemed important for environmental reasons. Their participation is therefore vital in CBRM and PA initiatives (Dove 2006). Equally important, yet often overlooked, is that the process of indigenous participation in these environmental projects typically offers a means of extending a kind of increasingly influential and important "environmentality" beyond the upper classes and more educated citizens of the countries of Latin America and the Caribbean. Environmentality refers to the adoption of identity practices among citizens who are influenced by state and civil society institutions that have expanded the scope and influence of governance policies and technologies that are related to environmental management (on this concept and its application to Africa and Asia, see Agrawal 2005). The concept of environmentality proves to be useful in explaining the central importance of indigeneity in CBRM and PA projects, along with related "participatory practices" that became a sine qua non of environmental management and governance reforms under neoliberal policies of Bolivia and numerous other countries—nearly all—in Latin America and the Caribbean.[3]

Finally, my chapter develops an analysis of actively contested dimension of environmental management, namely agricultural and food issues related to the environment. These issues are a form of environmental concern that is most central to the activities of regional farmer groups and peasant and indigenous organizations. They have become increasingly visible under the revolutionary nationalism of the Morales government. Farmer groups and peasant and indigenous organizations are increasingly concerned with political alternatives at the intersection of food–agriculture–environment issues. Examples range from agrarian reform initiatives to the support of seed-supply networks for diverse food plants ("agrobiodiversity") that strive to strengthen food availability and local supply ("food sovereignty")—especially in times of social–environmental catastrophes and abrupt socioeconomic changes that have precipitated shortages of food and seed supply. Such groups have tended to emphasize activities at the regional or multi-community scale. I argue that their struggles to advance this scale of concerns can aid in advancing the future of environmentalism in Bolivia beyond neoliberalism.

Community-Based Resource Management: Social and Environmental Fragmentation

Government agencies and NGOs put a new level of emphasis on CBRM in the wake of Bolivia's neoliberal policy reforms in the immediate post-1985 period. Along with the main policy platforms of Bolivian neoliberal governance—reductions in nearly all tariffs, the downsizing and privatization of public-sector enterprise, and a policy that tightly controlled

wages—were a large number of varied projects and programs associated with the softer version of neoliberalism that proponents hoped would help to provide a "social safety net." CBRM and other social–environmental initiatives counted in this mix of measures associated with the soft or "stabilizing" neoliberal policies. International agencies and NGOs, in conjunction with local counterparts and the Bolivian government, established scores and eventually hundreds if not thousands of these projects in response to neoliberal "shock" treatment, the political and economic turmoil that it produced, and widely publicized concerns over increased coca-cocaine production and deteriorating rural environments (chiefly soil and water degradation and deforestation). Several hundred projects based on community management of environmental resources were established in the region of Cochabamba alone by the early 1990s.

One such initiative was the "Laka Laka Multiple-Use Project" for water resource management, both irrigation and potable water, located in the irrigating communities of the lower Río Calicanto area, near the village of Tarata in central Cochabamba. The Laka Laka Project was hoped by the international supporters and funders to serve as a pioneer project in medium or meso-scale water resource management that would be based on existing irrigation infrastructure in the Calicanto irrigated area. The scale and design of the Laka Laka Project contrasted with the expensive big-dam projects that earlier had wrought negative social and environmental consequences in Bolivia and elsewhere in Latin America and the Caribbean. More recently meso-scale projects such as Laka Laka have become common forms of CBRM under neoliberalism in Bolivia and other Andean countries (Moore 1989). Such meso-scale projects, and a still larger number of small-scale initiatives, have been based on the self-management of irrigator or water-user groups and the funding of international aid agencies and NGOs.

The bulk of funding for the Laka Laka project came from the Canadian International Development Agency (CIDA), which expanded its funding to Bolivia (to thirty million Canadian dollars annually starting in 1989/1990) due to the Canadian government's support for what it took to be Paz Estenssoro "visionary" restructuring and "ambitious reform agenda" (www. acdi-cida.gc.ca; April 10, 2005). Since the Laka Laka project was formed and funded following the onset of Bolivia's 1985 neoliberal policies, its supporters did not look to the national government as the primary supporter of the irrigation project. Instead, the genesis of the Laka Laka project showed the characteristic incorporation of CBRM, NGO involvement, and international donors that became typical of environmental initiatives throughout Bolivia under neoliberal policies.

I began research studies at the Laka Laka site in 1990–1992. My research on the Laka Laka project and in the Calicanto irrigated area was conducted in conjunction with Cochabamba-based NGOs and the Universidad Nacional de San Simón. Except where indicated the information in this section is based on my interviews with irrigation personnel, farmers (fifty-five in total), with officials of the Center for the Study of Regional Development (CIDRE,

Centro para la Investigación de Desarrollo Regional), and government officials in the Tarata area. The interviews with farmers included a focus on migration and life histories, as discussed in the next section, which often involved temporary and permanent relocations to other areas of Cochabamba that are in and near locales officially designated Pas (such as the Isiboro Secure and Carrasco–Ichilo protected areas). I also consulted a number of project reports and documents held in the library and offices of CIDRE in Cochabamba and in the municipality of Tarata.

As CIDA and CIDRE initiated the design of the Laka Laka project, working in conjunction with the irrigating communities and Tarata officials, it became clear that a pair of spatialities came to predominate in their plans. The planners of CIDA and CIDRE circumscribed the irrigating communities, along with the town, as the all-important project area. Irrigators were to assume control of their portion of the Laka Laka project through the formation of a self-governing water-users association (*Associación de Regantes*). Such formal water-users associations have been a concomitant of irrigation restructuring under the neoliberal reforms of Latin American countries. The water-users association at Laka Laka was constituted initially of male farmers who were granted customary rights to the irrigation of the CBRM. Planning thus expressed a glaring gender bias, especially noticeable in the project area since women heads of household worked extensively with irrigation and in the irrigated farming area in general. Women irrigators eventually gained rights to water in the Laka Laka project, albeit only after extensive efforts both by the irrigators themselves as well as influential nonlocal NGOs working from a broad-based social perspective on Andean irrigation.

A spatial–environmental bias in the Laka Laka project was perhaps less noticeable although it too plagued the project and presented recurring obstacles that have continued to undermine it. Upland communities of the Calicanto watershed, which supplied the source of irrigation, were omitted from the original design of the main phase of the project due to an underappreciation of the significance of social and environmental dynamics in communities surrounding and *outside* the project area. One serious consequence of the spatial–environmental design was the unexpected sedimentation of the dam reservoir and several of the main irrigation canals at Laka Laka. Supplied by severe soil erosion in the Calicanto catchment area or watershed, this sedimentation impinged on the functioning of the main Laka Laka dam as well as the irrigation canals and the overall effectiveness of water delivery. Several tons of sediment washed into the dam's reservoir, requiring mammoth and costly cleaning operations. Sediment build-up regularly choked the flow of water in the canal system, necessitating backbreaking removal by local work crews. During recent years the sediment problems have triggered sometime violent outbursts, including armed confrontations and assaults in 2003, in a frequently intense dispute among the water users of Laka Laka.

The CBRM model at Laka Laka contained an element of indigenous "ethnodevelopment" that was welded to the project in the early- and mid-1990s. Ethnodevelopment there took the specific form of the incorporation of the

indigenous or "traditional" technical and social infrastructure of the system of irrigation canals and water distribution. During the mid-1990s the Laka Laka project shifted to greater support of traditional, indigenous concepts and technology of irrigation and earthen canals that formed the secondary water-transporting network. These components were recognized as traditional in conjunction with their social role in ensuring cooperation among irrigators (e.g., cooperating in canal-cleaning, water-sharing). Ethnodevelopment activities also put a new emphasis on the ceremonial and social functioning of sluice gates at the junctures of the primary canals of the water distribution system. Project personnel and documents now referred to water-dividing juncture as the *paqcha*, a Quechua term connoting not just the physical feature but also local social equity. Other customary forms of irrigation infrastructure and social organization were reincorporated or given new attention. Such elements included especially the grouping of those irrigators in a *suyo*, based on who drew from the same principal canal.[4] (Like the other innovations, *suyo* workgroups not only reflected the cultural revitalization of ethnodevelopment but also helped provide an economic foundation for the irrigation project with labor inputs and cost savings.)

Ethnodevelopment at the Laka Laka project reflected the increased influence of the power and publicity of indigenous groups that gained strength in Cochabamba and throughout Bolivia during the early 1990s (Healy 2001). In doing so, local ethnodevelopment drew on trends that were becoming widespread in CBRM projects throughout much of Latin America and the Caribbean. This broad commitment to ethnodevelopment within CBRM projects sought to harness the resources of indigenous "tradition" into new projects and programs. Such traditional resources have ranged from processes of social organization and cultural valuation to local knowledge of the environment and low-cost or low-input technologies—all represented and illustrated in the CBRM elements of the Laka Laka project.

The Expansion of Environmental Conservation and Protected Areas under Neoliberalism in Bolivia

The noticeable expansion of PAs for the purpose of environmental conservation also coincided with the rise of neoliberal policies in Bolivia beginning in the mid-1980s (Zimmerer and Carter 2002). During this period Bolivia created the addition of more than 125,000 square kilometers of protected areas, approximately 2.4 times its earlier coverage. Nearly 20 percent of Bolivian national territory is now contained in these officially designated PAs. Timing and planning of the expansion of Bolivia's protected areas reflect a multistranded connection to national governments, while these developments also suggest the more complex multiscale politics that have been involved (Oltremari and Thelen 2003). This section focuses on the relations of PA expansion to national governments in Bolivia by examining the designation and management of major conservation set-asides in Cochabamba. The region of Cochabamba is rated a high-priority area for conservation in both

national and global evaluations due to the high value of its unique tropical environments, particularly world renowned concentrations of biodiversity in varied plant and animal assemblages, and the threat of the worsening impacts of land-use activities.

Relations of PA expansion to neoliberal governance have been rooted in administrative and legal innovations designated at the national level. In addition, the expansion of Bolivian PAs, including those of Cochabamba, occurred under the direct guidance of several of the international lodestars of neoliberalism, particularly the U.S. Agency for International Development (USAID) and the World Bank and its Global Environmental Facility (GEF). Equally important to PA conservation in Bolivia has been the active role of global conservation NGOs headquartered in the United States and Europe. Conservation International (CI), The Nature Conservancy (TNC), and the Worldwide Fund for Nature (WWF) are chief among the several, Washington, D.C.-based conservation NGOs that have exerted a notable degree of influence in Bolivian conservation, including in the region of Cochabamba. The World Conservation Union, or IUCN, which is based in Switzerland, has also played an important role. Other global conservation NGOs, such as Bird Life International and Alliance for Zero Extinction, have also begun assuming a larger interest and potential role in Bolivian PAs.

The expansion of PAs in Cochabamba has also demonstrated ties to CBRM initiatives, so that these sorts of environmental governance must be seen as interrelated. One type of link between the CBRM and PA initiatives is illustrated in the social geographies of residents in and near the Laka Laka project and the spatial network of their activities relative to the locations of the main conservation areas of Cochabamba. Various residents whose homes are located in and near the Laka Laka project have migrated to the vicinity and even to sites located within the PAs that have become established in Cochabamba. Increased migration is both seasonal (or cyclical) and permanent. The migratory movements of these people have been fueled through regionally uneven development that has widened economic gaps and differential employment opportunities among regions within the country and also relative to international labor markets. This regionally uneven development has taken place on top of historically high levels of economic differences, poverty, and migration in the Cochabamba region. These conditions have reached an unprecedented scope, however, under more than two decades of Bolivian neoliberal policies.

Two major national parks in Cochabamba, Isiboro-Secure and Carrasco Ichilo, have undergone considerable expansions during recent decades. The territory of the Isiboro-Secure PA covers an area of 12,362 km², roughly equivalent to the size of Yellowstone National Park in the United States. It is located in the Chapare region of Cochabamba and extends northward into Beni department. Isiboro-Secure was established originally as a national park in 1965. The first Sánchez de Lozada government (1993–1997) shifted the management of Isiboro-Secure by transferring its management in 1992 to groups of indigenous people that had long resided there. Reflecting the

change in management structure, the area became renamed Isiboro-Secure Indigenous Territory and National Park. Carrasco Ichilo was established as a national park in 1988 under the Paz Estenssoro government. Both Isiboro-Secure and Carrasco Ichilo are highly valued as PAs that encompass unique neotropical ecosystems ranging from tropical mountain environments to tropical cloud forest and lowland tropical rain forests—the latter two habitats in particular have fueled national and international conservation interest in this pair of Cochabamba's major protected areas.

Administrative, legal, and financial mechanisms rooted the designation of PAs in the continued workings of Bolivia's national governments. In 1985, with the "shock treatment" of Paz Estenssoro's neoliberal package, the Bolivian government moved the administration and management of national parks and other Pas to the Forestry Development Center (CDF, *Centro de Desarrollo Forestal*). Then under the first Sánchez de Lozada administration the government enacted the 1992 national Environment Law the first major one of its kind in the country. It shifted the responsibility for administration and management of PAs to the newly created National Secretariat for the Environment (SENMA, *Secretaria Nacional del Medio Ambiente*). In the same year, the Bolivian Congress established the National System for Protected Areas (SNAP, *Sistema Nacional de Areas Protegidas*), comprised of the country's eighteen major PAs.

Subsequently in 1993 the Sánchez de Lozada government reassigned the administrative responsibilities for PAs under a national directorate within a newly formed cabinet-level entity known as the Ministry of Sustainable Development and Environment. In 1998, the Bolivian government created the Service of the National System of Protected Areas (SERNAP, *Servicio del Sistema Nacional de Areas Protegidas*), an autonomous government agency with increased mandates for biodiversity conservation. Since 1992 the administration of Bolivia's PAs has received funding and technical and legal guidance through the Global Environmental Facility (GEF) of the World Bank through its Biodiversity Conservation Project. Various national-level entities exist within Bolivia for the fund-raising, implementation, and lobbying in support of PAs; one example is the "Foundation for the Development of a System of Protected Areas," based in La Paz, which was created in 2001 with GEF/World Bank support (REDESMA 2005). Other global and international agencies, particularly global conservation NGOs (such as Conservation International and the World Union for the Conservation of Nature), have also provided crucial inputs to the administrative organization, legal status, and financial support of Bolivia's PAs.

The expansion of PAs under Bolivia's national governments has depended on the designation of "sustainable" management aimed to improve resource management (and economic returns) and to promote the low-impact use of land and other resources. PA-enhancing "sustainable" management in these areas often involves the use of CBRMs and indigenous territorial initiatives. PA managers rely on these sorts of projects for presumed environmental benefits as well as to foster the support of the PA among local residents. According to the

GEF, which conducted an extensive audit of Bolivia's PA administration, the coverage of sustainable management areas and indigenous territories had grown to 115,826 km^2—10.54 percent of the national surface area—by the late 1990s. This area comprised units belonging to Categories III, IV, and V, which are the managed-area designations that are categorized in the monitoring databases of the World Conservation Union (IUCN), a leading global conservation NGO. At the same time, more strictly PAs comprised 74,409 km^2 or 6.77 percent of national territory (GEF report). This latter coverage comprised designations of Category I (protected wilderness) and Category II (protected for scientific investigation) under the IUCN system.

Indigenous people and "indigeneity"—the use and representation of claims to being indigenous—have been central to the expansion of PAs in Bolivia. This use of indigeneity is illustrated in the efforts of the first Sánchez de Lozada administration, which re-designed the governance of Isiboro-Secure as an indigenous territory with comanagement rights and responsibilities granted to the Sirionó people. This comanagement arrangement, reflected in the designation of the Isiboro-Secure Indigenous Territory and National Park (TIPNIS, *Territorio Indígena y Parque Nacional Isiboro Secure*), arose in response to multiple factors. One important force at work in this designation was the set of claims of Bolivia's indigenous people, especially the lowland ethnic groups seeking territorial rights and cultural self-determination. The widespread trend toward comanagement in protected areas worldwide—which in Bolivia and elsewhere in Latin America were supported by international organizations and donors such as USAID and the Global Environmental Facility of the World Bank—exerted a similar and generally supportive influence on the shift to comanagement.

Conflicts involving indigenous residents, including (but not limited to) the growers of coca shrubs, have occurred repeatedly in Bolivia's PAs. In TIPNIS, for example, significant tracts of forest have allegedly been cleared in ongoing maneuvers and occasional open battles between coca growers and the coca-eradication forces of the Bolivian government (with support and directives of the U.S. government). A number of these coca growers are former miners who resettled—referred to within Bolivia as the "relocalized people" (*relocalizados*)—after losing jobs with the national Bolivian Mining Company in the aftermath of the neoliberal shock treatment in 1985. Still other coca growers have migrated from upland farming areas of Cochabamba, such as Laka Laka, where national policies deepened the crisis of staple-crop farming systems, notwithstanding the attempts of local CBRM projects. Other sources of environmental damage in Bolivia's expanded PAs include illegal logging, mining, and the impacts of the exploration and installation of natural gas and petroleum development. Such environmentally damaging activities are widespread in Bolivian PAs; in Isiboro Secure and Carrizo-Ichilo, for example, all the earlier-mentioned types of degradation pose active threats, both environmentally and socially.

Spatial–environmental logic, as well as rhetoric, became increasingly influential in conjunction with the PA expansions in Bolivia. The spatial

decentralization of governance exerted an especially strong influence. It occurred through the rescaling of funding that took place as a consequence of the 1993 Law of Popular Participation and the transfer of administrative functions to local municipalities. Municipal governments of towns, villages, and communities gained a large role in functioning as the main organizing and funding units for CBRM, both outside and inside PAs. One common example has been the creation of sustainable forestry initiatives based on spatial designs for the community-level management and sustainable-style use of forest resources. Various sustainable forestry projects of this type sprouted at the level of the numerous municipalities that are located within and near the borders of Isiboro-Secure Indigenous Territory and National Park (Andersson 2004). A second widespread example involved the growth of local interest in community-scale ecotourism projects in and near these municipalities. Several ecotourism attempts have been organized as community-based efforts that are either headquartered in, or closely coordinated through, the municipal governments that are located in and near the TIPNIS PA. While potentially beneficial, the local scale of these projects belies difficulties that have beset the Isiboro-Secure Indigenous Territory and National Park due to the lack of region-scale governance (such as inadequate coordination of the small CRRM development projects) (Anderssen 2004).

Agriculture and Food as Environmental Issues in Bolivia

Various organizations mounted the vigorous challenges to the neoliberal policies and governments of Bolivia. Mobilized in response to the initial neoliberal shock treatment, these oppositional movements grew in size and strength and contributed the core of support for Morales and MAS. Trade unions and peasant and indigenous groups organized highly effective mass protests against the government's neoliberal policies. Their protests targeted a wide range of government initiatives, especially the privatization of major industries and natural resource sectors (mining, urban water supply systems, and petroleum, e.g.). Farmer groups and the agriculture-related concerns of peasant leagues and indigenous federations protested the decline of the market opportunities for staple foods, such as potatoes and maize, which were particularly hard hit in the neoliberal agricultural and trade policies of Bolivia. (Similar trends have occurred in most other Latin American and Caribbean countries.)

Staple-food producers comprise the large majority of Bolivia's rural population, who typically utilize diversified farm production (as well as nonfarm and off-farm work activities) for both commodity markets and as an important source of their personal food security. Staple-food farming persists as a mainstay economic activity, notwithstanding the economic marginality of their agriculture and thus the diversification of their economic activities. Most peasant and indigenous farmers in Bolivia have seen agriculture suffer due to the consequences of neoliberal trade policies and drastically reduced support within the sector of national agriculture. As a result, the country's

small-scale farmers, including many that belong to Quechua, Aymara, and lowland ethnic groups, have regularly participated, often as leaders, in the struggles and searches within Bolivia for alternatives to neoliberalism.

Food sovereignty, which refers to the local provisioning of a secure supply of staple foodstuffs, has increasingly been incorporated into the agendas of groups and institutions that are struggling to develop alternatives to neoliberalism in Bolivia. Some of the main proponents of food sovereignty that have been active in Bolivia are global farmer organizations such as Via Campesina and the International Federation of Organic Agriculture Movements (IFOAM) (Desmarais 2002; Via Campesina 2001). Across Bolivia, the incorporation of staple-food farming into an agenda for food sovereignty has taken a variety of forms. To be sure, these environmentally centered approaches to agriculture and food were already active prior to the Morales's national electoral victory in 2005. Still, they are now showing signs of further expansion and much-increased visibility; for example, Morales is actively involved in both Via Campesina and IFOAM.

Supporting local capacities to obtain *agrobiodiversity*, meaning access to diverse local food plants through self-provisioning as well as local barter and purchase, is one focus for these movements in the attempt to redress the rural impoverishment and staple-food crises of neoliberalism. At the same time, agrobiodiversity is also inserted into various other contrasting environmental, economic, and political agendas. The latter include global networks that are mainly concerned with conserving the stock of genetic diversity as valuable raw material for the plant breeding industry. An extraordinary variety of species and varietal types of food plants are grown in the peasant and indigenous farming systems of Bolivia, which make the country a well-known global center of agrobiodiversity and potentially sustainable agriculture. Peasant and indigenous agricultural landscapes within Cochabamba—which are used to cultivate more than thirty main crop species including maize and potatoes that are comprised of hundreds of local subtypes or Farmer Varieties (FVs)—represent a further concentration of agrobiodiversity, due in large part to the wide range of environmental and cultural diversity in the region's farming systems. The social organization and political activism of peasant and indigenous farmers in Cochabamba have increasingly made their entitlements to agrobiodiversity an increased emphasis in their activities under the Morales government's search for alternatives to neoliberalism.

Local access to agroecologically well-suited seed of the diverse food plants is a top priority in the struggle to build a viable local agriculture based on agrobiodiversity. Numerous projects supporting local systems of seed supply have sprung up among coalitions of NGOs and farmer and peasant organizations in Cochabamba. These initiatives face the complex social–environmental realities of how peasant and indigenous farmers depend on both market supply and farmer–farmer exchanges through barter and sale as a means of gaining the seed material for sowing next year's crop. Yet the overall availability of seed may fall short, notwithstanding the multiple potential channels of seed supply, due to a farmer's lack of resources or the locally

widespread failure of a crop. Indeed, the lack or shortage of seed is typically among the most salient limiting factors or bottlenecks that these farmers identify when they describe how the crisis in staple farming is undermining their local food production (Zimmerer 2006). Various projects for local seed supply have sprouted up during recent years as a means of maintaining and improving access to agrobiodiversity and local food in Cochabamba, as well as in other Bolivian regions and those of the other Andean countries.

Neoliberalism and/or Beyond? The Reworking of Nature and Culture through Environmental and Farmer and Agriculture-Food Movements in Bolivia

The widespread expansions of CBRM and environmental conservation areas are each linked in diverse ways to the neoliberal policies of Bolivian governments beginning in the mid- and late-1980s followed by the well-defined transitions under the recent administration of President Evo Morales (2005–present). The neoliberal governments of the post-1985 period supported a variety of institutional mechanisms for environmental management and governance that are now vastly expanded relative to preceding phases. Equally important were the expansion of environmental discourse and legal designations. Public outlets, such as newspapers and environmental websites, as well as influential policy venues, frequently express environmental ideas and reasoning as "everyday" knowledge whose familiarity serves as an important source of support to the CBRM and PA initiatives.

Yet the linkages to neoliberalism were neither politically transparent nor ideologically exclusive among those persons that are involved in CBRM and PA projects within Bolivia. Indeed, many practitioners of these expanding forms of environmental management and governance did not identify themselves as supporters of the neoliberal governments. Indeed many have belonged to opposition groups and political parties. My own interactions during the past eighteen years with hundreds of residents, program technicians, and project officials in the Cochabamba region suggest that most people working in environment-related fields in Bolivia did not personally support the bulk of neoliberal policies. Indeed many such persons were outspoken critics of the privatization programs, international trade agreements, and cutbacks in state services that mark the succession of neoliberal orientations in Bolivia.

But while the objections of environmentalists took aim at the "hard" side of the neoliberal policies of Bolivian governments, a majority of the same people tended to hold favorable views of CBRM and PA initiatives. Their viewpoint highlights the complicating and sometimes contradictory role of efforts that were undertaken in conjunction with soft neoliberalism. Favorable opinions of these environmental initiatives indicated how environmental governance in Bolivia was often filtered through a populist-type political

interpretation of the soft neoliberal policies and programs. Indeed, the consistently positive interpretations of CBRM projects and PAs in Bolivia is owed, to a certain extent, to the populist recognition of the concerns of "common people" that was deeply entwined with the country's neoliberal policies, which has been a common blending in Latin American and Caribbean countries during the past couple of decades (on the recent roles of populism in the region, see Weyland 2003). Community self-governance, along with frequently publicized claims to indigeneity, resonated with the tenets of both soft neoliberalism and ascendant populism and, now it appears, with the recent revolutionary national government of Morales.

Findings of this also offer a fresh insight on the new use of the so-called myth of the ecologically noble savage. Nearly two decades ago, trenchant critique exposed the fallacy of this belief of indigenous environmental balance. Notwithstanding the earlier critique and counterargument, my study suggests that use of the "myth" has continued to filter into environmental management and protection. My focus on CBRM and PA initiatives shows the far-reaching relevance of the ideas of both indigeneity and environmentality in the growth of CBRM and PA initiatives in conjunction with neoliberal policies in Bolivia. As shown, these two areas of powerful ideas have often been related, since claims to indigenous identities are frequently combined with ones attached to environmental management and sustainability issues. These combinations suggest that a latter- or modern-day interpretation, which bears much resemblance to the "myth of the ecologically noble savage," has been actively utilized in Bolivia in enhancing environmentality-type effects (identity-formation around environmental issues). Similar to the general critique, this more recent use of ideas about indigeneity and environment-related practices *does not* mean to indicate the necessary existence of indigenous peoples' harmony with nature—so many factors actually determine the outcomes of environment–society interactions involving indigenous people.

CBRM offers one illustrative case of the ambiguous politics that have been and continue to serve as key attributes of environmental governance in Bolivia. Indeed to some of its proponents the expansion of community-based development, including resource management, offers the promise of a main approach in the resistance and alternatives to neoliberalism throughout Latin America (Veltmeyer and O'Malley 2001). To these proponents, the CBRM approach opens up political spaces that offer hopeful prospects to community groups that otherwise would lack such additional resources. Proponents see CBRMs as providing the potential for developing political awareness, participation, and a viable alternative amid the otherwise bleak landscape of political, economic, and environmental reordering that has come about under neoliberal policies and governance. Similarly, the politics that are associated with ethnodevelopment, which have been closely related to CBRM and PA initiatives in many cases, are often cast as potentially hopeful in the present context, notwithstanding a variety of critiques such as potential

distancing from broad-based participation associated with growing professionalization (Andolina et al. 2005; Laurie et al. 2005).

My conclusion extends these critiques in the direction of explaining the spatial–environmental elements and logic of neoliberalism that became routinely embedded within environmental initiatives. The selection of local units of governance—such as the project-based water-users' group at Laka Laka or the single community or municipality—is likely to incur serious environmental and social risks, as seen in the examples. Equally important, spatial–environmental scaling to the area of local projects areas tends to mutually reinforce a corresponding logic in which these small sociospatial units, such as individual communities or resource-user groups, compete with one another for the scarce resources that enable such initiatives. Environmental policies thus contribute to local-level variation that also resembles, in broad form, the geographic characteristic of neoliberal development of advanced industrial countries. Yet this chapter's critique is not meant to argue for the ultimate futility or dissolution of the CBRM approach. Rather I am suggesting that CBRM planners and proponents would be advised to become more aware of opportunities also to build new extra-locale ties to farmer organizations and peasant and indigenous leagues and regional organizations involved in agriculture-and-food issues.

The expansion of PAs for environmental conservation has also been complex with regard to environmental governance. On the one hand, the Bolivian government's designation of PAs is plainly promoting the set-asides of nature that expanded first through neoliberal-backed financial and administrative support. Some of this support, which grew as a share of the total, was slated for enforcement activities and thus tended to suggest a view that the recent protected-area expansion in countries such as Bolivia is adopting a model of "fortress conservation." From the viewpoint of local land users, such set-asides for park-style conservation could easily represent the threat of enclosure-like processes. Here the advocacy and influence of wilderness preservationists was integral to the environmental management enacted in Bolivia that was aimed at the expansion of PAs. This powerful trend was potentially related, at a higher level of abstraction, to political and economic agendas for securing and acquiring valuation of the sources of biological or genetic raw material and the environmental and ecosystem services in which they are housed. Contestations over the intellectual property rights and the "commodification of nature" that are cornerstones of these agendas, which had surfaced under Bolivia's neoliberal governments, now face a new national context. Uncertainty still surrounds the possibly new form of these government policies under the revolutionary nationalism of the Morales administration.

Agriculturalists within peasant and indigenous organizations have become more engaged with CBRMs and PA expansion, due first to the expanded scope of environmental governance and more recently to the prominence of farming-and-food issues within the Morales government. Farmer and agriculture-food movements offered challenges, and viable alternatives, to the neoliberal-led moldings of environmental governance in Bolivia. At least

some of these organizations tended to become cornerstones in the political opposition to neoliberalism, since they advocated agricultural and resource policies deeply at odds with neoliberalism. Such organizations included a number of local groups as well as regional and national organizations, in addition to global institutions and networks that brought more attention to bear on the environment–agriculture–food nexus in Bolivia, such as Via Campesina and the International Federation of Organic Agriculture Movements. Commitments to issues such as food sovereignty, as well as to projects such as seed-supply networks, which posed formidable challenges to the scope and scale of environmental governance under neoliberalism, are now faced with a far more encouraging visit under the Morales government. Such environment–agriculture–food issues are proving to provide a continued catalyst, even more dynamic now, for new environmental initiatives. Emphasizing the sustainability of land use and regional scales of resource organization, these issues are likely to gain visibility and vitality in the struggle to build the alternatives beyond neoliberalism and, now "toward socialism," in present-day Bolivia.

Notes

1. In addressing examples of "soft" neoliberalism evident in environmental governance, this chapter offers an emphasis that complements, and yet is distinct from, the analysis of the more well-known resource privatization issues such as the "Water War" in the Cochabamba region of Bolivia (on the latter, see Assies 2003). By treating as its subject the lesser-known environmental governance that is associated with soft neoliberalism, my chapter seeks to portray both the neoliberal-like logics and cross-compatibilities of some of these relatively high-profile environmental management activities as they have occurred within the context of neoliberal political and economic developments in Bolivia during the past two decades. This approach to my topic thus resembles a series of recent studies that have examined such neoliberal-coordinated, pro-environment sorts of measures as marked-based environmental certification of organic coffee and sustainable forestry for environmental and social benefits elsewhere in Latin America (e.g., Mutersbaugh 2002).

2. To be sure, the official designations masked the creation of undermanaged "paper parks" in certain cases, a phenomenon that was common among the large expanses of new protected areas that were established in Latin America during the late 1980s and early 1990s. Yet even the undermanaged areas have functioned, to varying extents, to protect environments, while the new official designations have conferred potentially deep-rooted changes in legal, territorial, and administrative status, as discussed in this chapter's case study.

3. On the politics of "environmentality" related to a biosphere reserve in Guatemala, see Sundberg (2003, 2006).

4. This irrigation territory, referred to as a *suyo*, constituted both a physical unit, defined by the flow of water through the network of canals feeding from a principal canal and, also, a social unit comprised of the households entitled to the use of this irrigation water along with governance over its allocation, and, equally important, bearing responsibility for the upkeep of canals and off-takes.

Part IV

Transnational Migration

This page intentionally left blank

Chapter 10

Neoliberal Reform and Migrant Remittances: Symptom or Solution?

Katrina Burgess

In the last five years, the international development community has discovered what appears to be a new source of hope for many developing countries: the large and rapidly growing flows of remittances from migrants to their families and communities back home. According to a recent World Bank study, remittances to middle- and low-income countries have grown from around $31 billion in 1990 to an estimated $167 billion in 2006. These funds now account for approximately 30 percent of total financial flows to developing countries, and they exceed all private and public capital inflows in 36 out of 153 developing countries (Fajnzylber and López 2007; Ratha 2005: 269). Although remittances to Latin America and the Caribbean (LAC) grew more slowly in 2007 (and actually declined in Brazil), the region continues to capture a sizable share of the total, receiving an estimated $66.5 billion in 2007 (MIF 2008a).[1] These funds have a significant impact on the region's macroeconomy, exceeding the combined total of foreign direct investment and foreign aid (Terry 2005: 3). As shown in table 10.1, Mexico and Brazil receive the highest volume of remittances, but remittances represent a much higher share of GDP in smaller, poorer countries such as Honduras, El Salvador, and Nicaragua. Remittances also have a major impact at the household level. Although the results vary depending on methodology, most studies find that they reduce poverty, increase savings and asset accumulation, and improve health and education in remittance-receiving households, particularly in rural areas (see, e.g., Chimhowu et al. 2005; Fajnzylber and López 2007; Hagen-Zanker and Muñiz Castillo 2005; López Córdova 2004; Lozano Ascencio 2005; Orozco 2004; Rodríguez Ramírez 2005). The impact of remittances on inequality is more mixed (and depends heavily on the socioeconomic profile of the migrating population), but several studies find that inequality initially increases as communities begin sending migrants but then falls as poorer households gain access to migration networks, which lower the cost of migrating (McKenzie and Rapoport 2007; Taylor et al. 2005; Canales 2005).

Table 10.1   Remittances in Latin American economies

	Remittances (million $, 2007)	Remittances/ GDP (%, 2005)	Remittances/ exports (%, 2005)	Remittances/ ODA (%, 2004)	Remittances/ FDI (%, 2005)
Argentina	920	0.4	2	296	15
Bolivia	1,050	8.5	33	55	835
Brazil	7,075	1.1	5	1,973	46
Colombia	4,520	4.1	19	758	111
Costa Rica	560	1.8	5	2,376	59
Dom. Republic	3,120	9.1	45	2,806	298
Ecuador	3,085	6.4	20	1,084	131
El Salvador	3,695	17.1	80	1,205	619
Guatemala	4,128	9.3	77	1,228	1781
Honduras	2,561	21.2	69	177	928
Mexico	23,979	2.8	10	13,722	178
Nicaragua	990	16.9	55	66	370
Panama	320	1.6	4	613	34
Paraguay	700	7.2	20	16,866	859
Peru	2,900	3.2	15	279	117
Uruguay	125	0.6	3	477	35
Venezuela	330	0.2	0.5	533	18

Source: MIF 2006, 2008b.

Neither the increasing flows of remittances nor the heightened attention being paid to them by national governments, multilateral banks, and international development agencies can be understood outside the context of the neoliberal reforms that have transformed developing economies in the last twenty years. First, these reforms and their socioeconomic consequences have played a major role in fueling the acceleration and diversification of remittances. Thus, their growing importance as a key source of external financing and family subsistence is, in part, a *symptom* of neoliberalism. Second, recent modifications to the neoliberal paradigm have elevated remittances to a prominent place in the pantheon of neoliberal *solutions* to underdevelopment and poverty. Specifically, remittances are being hailed as "the new development finance" and as a mechanism for democratizing financial institutions and promoting bottom-up, participatory development.

This chapter seeks to unpack these two potentially contradictory relationships between remittances and neoliberalism. The first section examines the socioeconomic effects of the first generation of neoliberal reforms (the so-called Washington Consensus) and links them to changing patterns of migration and remittances. The second discusses how remittances are being incorporated into a second generation of reforms (the so-called Post-Washington Consensus), particularly with regard to poverty alleviation and local development. The final section tentatively addresses two sets of questions: (1) can remittances serve as both a symptom of and a solution to the developmental dilemmas currently facing Latin America and the Caribbean? (2) And to what degree is the growing importance of remittances translating into political leverage for migrants, and how likely are they to use this leverage to promote

an alternative to neoliberalism? Although most of the empirical analysis draws on the case of Mexico, many of the findings are likely to be applicable to the region as a whole, especially with the spread of formal integration schemes such as the Central American Free Trade Area (CAFTA-DR) and bilateral trade agreements with the United States.

First Generation Reforms: Remittances as a Symptom

Neoliberal reforms have gone through two generations since becoming the dominant approach to economic development in the 1980s. The first generation is best characterized by the Washington Consensus, a term coined by John Williamson (1990) to describe the key reforms advocated by the international financial institutions and the U.S. government. Largely in response to the debt crisis that swept Latin America in the early 1980s, the Washington Consensus encouraged governments to reduce fiscal deficits; shift public expenditures toward basic health, primary education, and public infrastructure; rationalize taxation; liberalize prices and interest rates; adopt a competitive exchange rate; open up trade and foreign direct investment; privatize state-owned enterprises; deregulate the economy; and protect property rights. Although the reforms had mixed results (at best) with regard to growth and equity, they were remarkably successful in effecting two structural transformations: a dramatic reduction in state intervention and much closer integration into the global economy.[2]

While not the only cause, these transformations played a major role in (1) accelerating the flows of migration and remittances between LAC and the United States; and (2) diversifying the senders and recipients of these flows. Between 1970 and 2000, the number of documented and undocumented LAC immigrants in the United States nearly tripled from just over 6 million to nearly 16.5 million (CONAPO 2004: 22).[3] Most of this growth took place between 1990 and 2000, when the number of LAC immigrants grew by 86 percent (Fajnzylber and López 2007: 10). As illustrated in table 10.2, Mexico and Central America experienced especially dramatic increases. Not coincidentally, more than half of the region's migrants arrived in the United States after 1986.[4] Between 1990 and 2000, nearly 4.9 million Mexicans went to live in the United States, representing 5.2 percent of the Mexican population (Rodríguez Ramírez 2005: 3). By 2000, migrants living in the United States represented 9.4 percent and 13 percent of the total populations of Mexico and El Salvador, respectively (CONAPO 2004: 26). An estimated 15 percent of working-age Mexicans lived in the United States in 2002 (Verduzco 2005: 12).

Although Mexico and several Caribbean countries have a long history of migration to the United States, other countries in the region did not become major exporters of migrants until the 1980s and 1990s. Between 1995 and 2002, the countries registering the highest average annual rates of growth in their U.S.-based migrant populations were Brazil (9 percent), Ecuador (7.2 percent), Honduras (6.7 percent), and Colombia (6.5 percent) (SELA

Table 10.2   Foreign-born population stock by country of birth and year (in thousands)

	1970	1980	1990	2000	2001	2002	2003	2004	2005
Brazil	27	41	92	165	193	173	195	271	356
Argentina	45	69	93	91	137	128	143	141	145
Honduras	39	109	107	262	257	208	184	145	379
Panama	20	61	86	72	80	48	50	82	65
El Salvador	16	94	465	837	846	868	1,019	955	1,121
Guatemala	17	63	226	349	366	407	441	522	546
Mexico	760	2,199	4,298	8,398	8,855	9,659	9,967	10,453	10,805
Ecuador	37	86	143	303	332	359	340	264	339
Colombia	64	144	286	460	529	540	484	435	479
Dominican Republic	61	169	348	726	646	652	719	631	695
Costa Rica	17	30	44	81	76	66	68	50	52
Nicaragua	16	44	169	262	257	208	184	145	181

Source: Migrationinformation.org, U.S. Census data from 1970, 1980, 1990.

2004: 34). Although political crisis and instability played an important role in prompting migration from several of these countries, economic push and pull factors were strong for all of them. As demonstrated in table 10.1, these migrants contributed to the growing flows of remittances back to the region. Reflecting the diversification of these flows, Mexico's share of all remittances to the region fell from about half in 1999 to about a third in 2003 (Orozco and Wilson 2005: 381).

Geographical diversification of the sending communities has also occurred within Mexico. Historically, most of Mexico's migration came from the central western part of the country, particularly the states of Jalisco, Michoacán, Guanajuato, and Zacatecas. But whereas these four states accounted for 54 percent of migration at the beginning of the twentieth century, they accounted for only 38 percent at the end of the century (Durand 2005: 6). In the 1990s, an emerging group of states, mostly surrounding Mexico City and in the southern part of the country, became significant senders of migrants to the United States. Their contribution to the flow of emigrants increased from 33 percent between 1990 and 1995 to 42 percent between 1995 and 2000.[5] Not surprisingly, they also accounted for close to 45 percent of the remittances received in 2004 (Rodríguez Ramírez 2005: 5, 17).

By the late 1990s, Mexican migration had "left behind its predominantly regional character, centered in the historical region and to a lesser degree in the frontier, and been converted into a national phenomenon" (Durand 2005: 9). In 2000, only 3.6 percent of Mexico's 2,435 municipalities had no migratory participation, while 21 percent had high or very high participation (Durand 2005: 11). At the same time, the profile of the Mexican migrant was changing. As Verduzco (2005) observes, "although migration with rural origins in Mexico continued to be important, migration from urban areas came to occupy a very important place and, similarly, the composition of migration went from being predominantly masculine to having a strong feminine presence" (5).

While there are surprisingly few empirical studies of the impact of neoliberal reform on migration and remittances, there is plenty of circumstantial evidence that first generation reforms contributed to the shifting patterns described earlier. In Mexico, three outcomes associated with these reforms have been particularly important: (1) declining living standards and insufficient job creation since the early 1980s; (2) the retreat of the state from the provision of credit and subsidies to small farmers; and (3) a redistribution of regional income and growth.

Since the early 1980s, living standards in Mexico have been battered by fiscal austerity, economic restructuring, and recurrent financial crises. To some degree, the "lost decade" of the 1980s can be attributed to the unsustainable policies of import substitution industrialization and high indebtedness pursued in the 1970s, which made Mexico very susceptible to the exogenous shocks of high interest rates and collapsing oil prices in the early 1980s. Nonetheless, the neoliberal reforms adopted in response to the crisis, whether necessary or not, deepened the suffering of working people through their negative effects on wages, job security, inequality, and social welfare. Although Mexico began to recover in the 1990s, its increased dependence on volatile capital flows, which was a direct consequence of neoliberal reform, left it vulnerable to another exogenous shock in the mid-1990s, which largely erased the welfare gains of the previous five years.

Between 1983 and 1988, real wage income per worker in Mexico fell by over 40 percent, and the real minimum wage lost nearly 50 percent of its value (Burgess 2004: 24). Despite some recovery in the 1990s, real wages remain below their 1980 level (Polaski 2003: 24). These wage declines were accompanied by a fraying of Mexico's social safety net. As Scott (2001) notes, "[i]n the aftermath of the 1983 crisis, social spending was cut back and only regained its 1982 level—as a proportion of GDP as well as in real per capita terms—by the end of the 1990s" (3). The government's real social spending declined by 40 percent per capita between 1983 and 1988 (Burgess 2004: 24), falling from 8.5 percent of GDP between 1977 and 1982 to 6.6 percent between 1983 and 1988. It began to recover in the 1990s, increasing to 7.7 percent of GDP between 1989 and 1994 and to 8.8 percent of GDP between 1995 and 2000 (Scott 2001: 4), but it remained insufficient to meet the needs of millions of poor Mexicans.

At the same time, employment in Mexico became more precarious and informal, leaving many workers without job security or benefits. The most dramatic losses were in the agricultural sector, where employment declined from 8.1 million jobs in 1993 to 6.8 million jobs in 2001 (Papademetriou 2003: 52).[6] In contrast to earlier periods, urban labor markets were not sufficiently dynamic to absorb these displaced rural workers, and the quality of urban employment deteriorated significantly. Between 1990 and 1996, part-time workers as a share of the economically active population increased from 17.4 percent (4.1 million) to 28 percent (9.8 million), and nearly half of all workers had no benefits (Velasco Arregui and Roman 2000: 16–17). Even the maquiladoras along the U.S. border, which were the only dynamic sector

of the formal economy in the 1990s, began to shrink after 2000. Between 2000 and mid-2003, maquiladora employment fell by 19 percent, compared to a 12.5 percent decline in non-maquiladora manufacturing employment (Papademetriou 2003: 53).

Reflecting these trends, the number of poor Mexican households expanded by more than one-third (from 1.6 million to more than 2.1 million) from 1984 to 1992. By 1992, 44 percent of Mexican households did not have sufficient income to cover the basic necessities of food, clothing, housing, health, public transportation, and education. This percentage increased to 45.9 percent in 2002, and the absolute number of poor Mexicans grew from 44.2 million in 1992 to 51.5 million in 2000 (Rodríguez Ramírez 2005: 11–13). Once again, rural areas fared the worst, with the share of rural households below the extreme poverty line increasing from 39.8 percent in 1984 to 42.9 percent in 1994 (Kelly 2001: 93).

A second outcome associated with Mexico's first generation neoliberal reforms is the withdrawal of state support for agriculture. As Kelly (2001) notes, "[t]he public sector's role in the provision of credit, the commercialization of crops, the determination of prices, and agricultural planning declined sharply" (90) in the 1980s. Between 1980 and 1989, investment in agriculture as a share of total public investment fell from 17 to 6 percent, translating into a two-thirds decline in the volume of agricultural credit and the virtual elimination of interest rate subsidies on the remaining credit (ibid.).

Small farmers were left especially vulnerable to these reforms. Between 1981 and 1989, guaranteed prices for basic grains fell by 33 percent for maize and by 20 percent for beans (94).[7] Price declines and the removal of state subsidies also devastated the sugar and coffee sectors, which provide critical employment in southern states such as Veracruz (Durand 2005: 10). In 1991, the government dismantled Banrural, which was a key source of credit for farmers, and created a dual system of direct subsidies to small producers and commercial credit for large producers. Escobar Latapí (2004) finds that "these systems did not reach the majority of vulnerable producers of basic goods and moreover created disincentives for them to shift into commercial production of other goods" (4). Moreover, transfers to small farmers were scheduled to be phased out once all price subsidies were eliminated under the terms of NAFTA (Kelly 2001: 98).

A third outcome associated with Mexico's first generation neoliberal reforms is a redistribution of income and growth across regions. After a brief period of regional convergence in the late 1970s, regional inequities widened, particularly after Mexico's entry into the General Agreement on Tariffs and Trade in 1986. In 2000, the GDP per capita of the four poorest states (Chiapas, Oaxaca, Guerrero, and Tlaxcala) was only one-quarter of the GDP per capita of the four richest states (Federal District, Quintana Roo, Nuevo Leon, and Campeche).[8] Moreover, proximity to Mexico City stopped having a statistically significant impact on the regional variance in growth after GATT entry (Rodríguez-Pose and Sánchez-Reaza 2003: 9, 14). This outcome can be attributed to the capital's decline as the engine of economic

growth in the country. Starting in the 1980s, the locus of economic dynamism shifted to Mexico's medium-sized cities, particularly along the northern border (Papademetriou 2003: 47–48). Combined with the general crisis of urban labor markets, this shift undermined Mexico City's historic role as "the pole of attraction" for internal migrants from surrounding and rural areas (Durand 2005: 9).

Taken together, these three outcomes help explain both the acceleration and the diversification of migration and remittances between Mexico and the United States. First, a growing number of Mexican families turned to migration and remittances to survive the decline in wages, social welfare, and job security. According to household surveys, the share of families receiving remittances in Mexico rose from 3.7 percent (6.2 percent of rural households) in 1992 to 5.7 percent (12.6 percent of rural households) in 2002 (López Córdova 2004: 5). By 2000, 93 percent of all municipalities in Mexico had at least one remittance receiving household (Lozano Ascencio 2005: 7). Nearly 40 percent of remittance receiving households are poor (Rodríguez Ramírez 2005: 25), and studies show that around 80 percent of all remittances are used for basic household consumption.

Besides meeting immediate needs, "the resources sent home by migrants can serve as a form of insurance, by diversifying a family's sources of income, and as a source of financial capital for families who have no access to credit" (Papademetriou 2003: 47). These insurance and credit functions are especially critical for workers in the informal economy and/or subsistence agriculture. Papademetriou finds that "remittances are an essential source of capital for many small enterprises, meaning that the informal sector and migration are often complements, not substitutes" (52). One study finds that nearly 20 percent of capital invested in microenterprises in Mexican cities (nearly one-third in high-migration states) comes from remittances (Woodruff and Zenteno 2001: 5). While arguing that remittances are essentially wage income, Canales (2005) admits that a small share serves as a source of investment "because of the virtual absence of other sources, public as well as private, for the financing of productive investment" (10).

In rural communities, migration and remittances have become critical alternatives to the withdrawal of the state from the agricultural sector, particularly in poor, southern states. Not only did many rural workers lose their jobs, but those who maintained small farms lost their sources of credit or investment. As Polaski (2003) argues, remittances "allow subsistence farmers to surmount credit constraints to purchase agricultural inputs that ordinarily would be financed through borrowing" (23). Although there is some evidence that the government's Program of Education, Health, and Nutrition (Progresa), which was created in the 1990s to provide direct payments to poor families, reduced the migration of school-age children and encouraged adults to postpone or shorten their trips (Escobar Latapí 2000: 7, 26), the massive outflow of migrants from rural areas in the last five years suggests that these payments came nowhere near meeting the income and credit needs of rural households.[9] Roberts and Hamilton (2005) conclude that "[t]he

combination of the lack of local opportunities and the increasing education of rural (and urban) Mexicans to participate in the wider economy means, effectively, that rural Mexicans are being trained to move permanently away from their homes" (7).

In addition, the growth of urban migration and the entry of new states into the migration stream can be partly attributed to the shift of economic dynamism away from Mexico City. First, the decline in well-paying, formal sector jobs in the capital city has contributed to the increasing flows of migration from the Mexico City area. Second, the new regional patterns of growth associated with export-led development have "shifted the highly centripetal pattern of internal migration in Mexico concentrated on Mexico City to one that could be characterized as more exploratory and multi-centered" (8). Consistent with the transfer of economic dynamism to intermediate cities, most migration between 1995 and 2000 came from either very small or very large localities: 55.8 percent from communities with fewer than fifteen thousand inhabitants and 30.2 percent from communities with more than one hundred thousand inhabitants (13). Likewise, several states near Mexico City (e.g., Puebla, Tlaxcala, Hidalgo, Morelos, and México) began to send more migrants directly to the United States in the 1990s. Finally, reflecting the deterioriation of urban labor markets, "an increasing proportion of [rural] migration found its way to the United States" (Papademetriou 2003: 51). Whereas only 19 percent of rural migrants were in the United States in 1994, 30 percent were there in 2002. Rural migration to the United States more than quadrupled between 1980 and 2002 (ibid.).

The growth and diversification of migration and remittances in LAC is clearly part of a larger process whereby the region's economies have become integrated into globalized production networks. But whereas the integration of goods and capital markets has been supported by domestic policy reforms and formal integration schemes such as NAFTA, the transnational labor market has emerged *despite* legal restrictions on labor mobility and the exclusion of labor from regional trade agreements. Thus, labor market integration has occurred not by design but as an unanticipated consequence of the social dislocations associated with market reform and regional integration. Moreover, the expected decline in Mexican migration as a result of NAFTA has not come to pass. Not only have the job and wage gains from NAFTA been modest, but remittances have become an essential source of income and insurance for families adversely affected by economic integration. Similar outcomes can be expected in the wake of other regional agreements such as CAFTA-DR.

Second Generation Reforms:
Remittances as a Solution

A key assumption behind the Washington Consensus was that macroeconomic stability, liberalized markets, and a more supportive climate for domestic and foreign investors would unleash rapid and sustainable growth and, in

the process, alleviate poverty and improve social welfare. By the early 1990s, however, these assumptions were being called into question. Not only had the reforms failed to produce sustainable and equitable growth, but the social costs of adjustment threatened to destabilize Latin America's political systems, many of which had recently made a transition to democracy.

Without abandoning their fundamental commitment to economic liberalization and individual initiative, neoliberal reformers began to modify their policy prescriptions and promote a second generation of reforms in response to these disappointing realities. One modification, which Bresser-Pereira and Varela (2004) call "the Second Washington Consensus," was to shift the emphasis from stabilization and reform to a "growth *cum* foreign savings strategy coupled with financial opening" (235). This modification was essentially an extension of the Washington Consensus into capital markets, along with an explicit commitment to economic growth financed by inflows of foreign capital.

A more far-reaching modification, dubbed the "Post-Washington Consensus" (PWC), involved a reassessment of the appropriate relationship between the state and the market. As Onis (2003) argues, a key element of the PWC "is the recognition that states have an important role to play in the development process" and that states and markets should be viewed "as complements rather than substitutes" (15). Neoliberal reformers began to attribute the disappointing results of market reforms to the lack of institutional and political conditions necessary to consolidate and sustain free market economies. Thus, rather than removing the state entirely, they sought to transform it into a facilitator of economic growth and social development. They also moved away from the top-down, technocratic policy style of first generation reforms toward an emphasis on participation, stakeholder "ownership," and the promotion of public–private partnerships. One early manifestation of this shift was the adoption of Social Investment Funds (SIFs). As Tendler (2000) explains, these funds were intended "to reduce poverty and unemployment and to bring services and small works projects to myriad poor communities in a way that is decentralized, demand-driven, participatory, low in cost, and fast-disbursing" (87).[10] Although they began as emergency safety nets to compensate for the social costs of first generation reforms, they quickly became a model for a new approach to social development based on the precepts of "good governance" now recognized by neoliberal reformers as essential to achieving economic prosperity.

Remittances have become an integral part of the dominant discourse on development in the region partly because they resonate so well with these second generation reforms. First, remittances are viewed as a promising source of development finance in line with the Second Washington Consensus, but one that avoids many of the pitfalls of other foreign capital flows. As mentioned earlier, migrant remittances represent one of the largest sources of foreign exchange for LAC. Thus, they provide a major resource for the "growth *cum* foreign savings" strategy of the Second Washington Consensus. But unlike other foreign capital inflows, they are unrequited,

relatively stable, and countercyclical. Remittance flows to developing
countries have grown steadily since the mid-1990s, despite fluctuations in
the economic fortunes of the sending as well as the receiving countries.[11]
Moreover, countries suffering from macroeconomic crises tend to receive
greater remittances because of the negative income shock of economic crisis
and the positive income shock of devaluation (Kapur 2003: 15). Remittances
have therefore come to be viewed "as a self-insurance mechanism for devel-
oping countries whereby a country's overseas migrants help in diversifying
its sources of external finance" (9).[12]

Particularly given the disillusionment with other private capital flows fol-
lowing the crisis of emerging markets in the late 1990s and early 2000s,
these positive qualities contributed to the emergence of remittances as "the
new development finance" for the international development community.
Besides providing a more stable source of foreign capital, remittances appeal
to neoliberal reformers because they are "person-to-person flows" (Ratha
2005: 270) that alleviate poverty while bypassing governments and foreign
aid bureaucracies. Kapur (2003) summarizes this appeal of remittances to
the international development community:

> The general feeling appears to be that this "private" foreign aid is much more
> likely to go to people who really need it. On the sending side it does not
> require a costly government bureaucracy, and on the receiving side far less of
> it is likely to be siphoned off into the pockets of corrupt government officials.
> It appears to be good for equity and for poverty and yet imposes few budget-
> ary costs. (10)

These sentiments were echoed in a progress report on the Bush adminis-
tration's remittances initiative, in which the undersecretary of treasury for
international affairs, John D. Taylor (2004), applauded remittances as "pri-
vate sector transfers that go directly to the poorer, economically isolated
segments of the population...[w]ith no government involvement" (2).
Similarly, Donald Terry (2005), director of the Multilateral Investment Fund
at the Inter-American Development Bank, writes that "in contrast to foreign
aid, remittances go directly to families in places that are the most difficult for
development aid to reach, such as remote rural areas" (7).

Another reason remittances have caught the attention of neoliberal
reformers is that they offer a promising tool for the creation of "economic
institutions of capitalism" (Naím 1995: 32). Specifically, remittances are
viewed as means of creating "financial democracy" and "economic citizen-
ship" by incorporating poor people into formal financial institutions ("bank-
ing the unbanked") and unleashing their entrepreneurial potential by
leveraging remittances for productive investment. The Multilateral Investment
Fund (MIF) of the Inter-American Development Bank argues, for example,
that "the scale and scope of remittances can be a powerful lever to open up
financial systems, mobilize savings, generate small business loans, and mul-
tiply development impact for local communities in many ways" (MIF

2004: 2). Governments and multilateral agencies have launched various initiatives to channel remittances into formal banking institutions and productive projects. While recognizing that the vast majority of remittances go toward basic consumption, they emphasize that even the small share dedicated to savings and investment translates into a significant amount of money, especially for resource-poor communities and households.

A third reason remittances have become part of the dominant discourse on development is that they resonate with the emphasis on demand-driven social policy based on public–private partnerships (Goldring 2004: 809). In addition to sending money to their families, growing numbers of migrants are participating in "hometown associations" (HTAs) that raise donations (collective remittances) to invest in social development and productive projects in their communities of origin. Although the monetary amount of these donations pales in comparison to individual remittances, they are thought to produce greater multiplier effects and to promote the kind of participatory development now lauded by most development agencies. In an effort to mobilize collective remittances for local development, several LAC governments have launched programs that adopt a demand-driven design very similar to that of the SIFs but with the added innovation of reaching out to transnational civil society organizations.

Mexico and El Salvador have been at the forefront of incorporating HTAs into demand-driven social programs, partly because their communities in the United States have become increasingly organized. The number of HTAs registered with the Mexican government grew from 263 in 1995 to more than 800 in 2005 (Lanly and Hamann 2004: 131; Soto Priante and Velázquez Hoguín 2006), and a recent survey suggests that the total number reaches around three thousand (Orozco 2007). Some of this growth can be attributed to matching grant programs pioneered in the state of Zacatecas in the mid-1980s and established at the national level as the Three-for-One (3x1) Program in 2002. For every peso that an HTA commits to an approved project, each level of the Mexican government (federal, state, and local) contributes another peso. Most of the projects are in public infrastructure, social assistance, and employment generation. Like Mexico's SIF in the 1990s (Pronasol), the 3x1 Program solicits applications for projects from civil society (the HTAs) and usually involves project beneficiaries in implementation and monitoring.[13] In 2005, 815 HTAs based in 35 U.S. states contributed nearly $19 million dollars to 1,703 projects in 425 municipalities (Soto Priante and Velázquez Holguín 2006).[14]

Salvadoran immigrants have also demonstrated a propensity to organize into HTAs, particularly since the 1990s. According to El Salvador's foreign ministry, there were 295 Salvadoran HTAs in 2003, mostly located in California and Washington, DC.

Following the Mexican example, the Salvadoran government sought to leverage collective remittances for local development by creating United for Solidarity (*Unidos*) in 2002. Until being put on hold in 2006, *Unidos* was one of twelve programs run by El Salvador's Social Investment Fund for

Local Development (FISDL), which cofinances projects proposed by municipalities and/or civil society, primarily in the area of social infrastructure.[15] To encourage migrant participation, FISDL reserved 20 percent of *Unidos* funding for projects proposed by Salvadorans Abroad (SALEX) and gave SALEX proposals priority over those with an equivalent amount of domestic financing. *Unidos* projects were required to meet several criteria consistent with FISDL's emphasis on participatory planning. Between 2002 and 2004, Salvadoran HTAs contributed $2.13 million, or 19 percent of the total cost, to 45 projects (FISDL website).[16]

Beyond Neoliberalism?

The newfound status of remittances as "the new development finance" raises at least two important questions regarding the future of neoliberalism as the dominant economic paradigm. First, can a symptom of the dislocations and inequities spurred by neoliberal reform become a long-term solution to these same problems? My qualified answer is that, yes, remittances can be part of the solution but only in the context of a major change in government policy. Specifically, remittances are unlikely to serve as more than a palliative to chronic crisis and poverty in the absence of policies that directly tackle the problem of job creation and economic opportunities, particularly in high-migration countries and regions. While micro-credit programs and productive projects financed by remittances are worthwhile, they do not address the structural obstacles to creating viable enterprises and decent employment. Overcoming these obstacles is likely to require not only more coordinated planning among different levels of government but also a substantial injection of public resources into infrastructure, training, and credit.

It is unlikely that such a change can come about within the neoliberal paradigm. There are signs that job creation, working conditions, and the rights of workers are receiving more attention in some circles of the mainstream development community. But neoliberal reformers are still very resistant to policies that go beyond marginal adjustments to the mode of incorporation of many high-migration countries into the global economy. Ocampo (2004–2005) argues that this mode of incorporation has led to a deterioration in the link between external resource transfers and GDP growth:

> the multiplier effects and the technological externalities generated by the high-growth activities associated with exports and FDI have been weak. In a sense, the new dynamic activities have operated as "enclaves" of globalized production networks—that is, they participate actively in international transactions, but much less in the generation of domestic value added. They have thus failed to fully integrate into the economies where they are located and, thus, failed to induce rapid GDP growth. (296)

The result is mediocre economic performance and an inadequate reallocation of displaced labor, capital, and technological capacity to

dynamic sectors, both of which contribute to increasing unemployment and underemployment.

While acknowledging the benefits of macroeconomic stability and economic openness, Ocampo makes a compelling case for a "productive development strategy" that includes countercyclical policies, active state promotion of linkages between dynamic sectors and the rest of the economy, and international rules that provide greater policy space for diverse national strategies (303–304, 308). Remittances could be leveraged to support such a strategy but should not be expected to play a leading role. First, as mentioned earlier, they are already an important source of countercyclical financing. Their overall impact is limited, however, by virtue of being a private and highly targeted resource. While they bolster a country's foreign reserves and international creditworthiness, as well as allowing consumption-smoothing for many families, they cannot (and should not) be used to manage aggregate demand or alleviate business cycles. Although their countercyclical impact could be multiplied through greater use of financial intermediaries such as banks and credit unions, remittances should complement—not substitute for—public policies aimed at counteracting the procyclical effects of global financial markets.

Second, remittances could potentially play a role in linking high migrant-sending communities, which often suffer from a lack of economic opportunities, to more dynamic sectors of the economy. Studies show that a major obstacle to successful productive investment by migrants and their families is the lack of infrastructure, credit, training, and market access. Public policies (including public–private partnerships) that address these obstacles could therefore encourage the investment of remittances in productive projects that generate employment and link poor communities to more dynamic markets. Unlike existing programs, however, such policies would need to go beyond merely subsidizing migrant philanthropy and investment; rather, they require substantial public resources to create the enabling conditions for remittance-financed (and other) enterprises to emerge and succeed. As in the case of procyclical financing, remittances should complement—not substitute for—public investment in infrastructure, community development, and social welfare.

At the same time, policymakers should not forget that most remittances are, essentially, wage income whose primary purpose is to meet basic family needs. Thus, as Canales (2005) argues, remittances should not be treated as qualitatively different from other types of wage income. While some migrants and their families may aspire to open a small business, many others are primarily concerned with improving the living standards of their relatives. The current fascination with productive projects tends to overlook this reality. An equally promising avenue for public policy is to increase the incentives and opportunities for migrants and their families to invest in human capital, particularly education and health.[17] To produce local development, however, such a policy needs to be part of a broader strategy to generate decent jobs.

Finally, remittances are already altering the terms of the debate over the international rules governing the mode of incorporation of developing countries into the global economy. Their emergence as "the new development

finance" has highlighted the linkage between migration and development and thereby placed immigration policy more squarely on the development agenda. Although immigration reform remains a politically charged and difficult issue, this new focus is creating an influential constituency for easing restrictions on labor mobility. For example, the World Bank estimates that an increase in the number of migrants equal to 3 percent of the labor force of OECD countries would result in global welfare gains exceeding those obtained from the removal of all trade barriers (Özden and Schiff 2005: 2). The United Nations Global Commission on International Migration recently recommended increasing temporary migration through guest worker programs (*The Economist*, October 6, 2005), and developing countries have begun pushing for liberalization of the provisions governing temporary immigration in the General Agreement on Trade in Services (GATS) of the World Trade Organization.

A liberalization of transnational labor markets would help level the playing field between developed and developing countries in the process of economic integration by formalizing the "missing piece" in which the latter have a comparative advantage. But it would not necessarily address the problem highlighted by Ocampo whereby integration fails to produce balanced and sustainable development. As mentioned earlier, developing countries need sufficient policy space to reduce their vulnerability to exogenous shocks and to pursue more proactive policies to create backward and forward linkages within their economies. While temporary worker programs could include mechanisms that facilitate the use of remittances for these purposes, other international rules and norms also need to be changed to enable developing countries to move beyond their enclave status within global production structures. Specifically, these countries should be granted more flexibility with regard to capital controls and industrial policy.

A second and related question raised by this chapter is whether the growing importance of remittances will translate into political leverage for migrants and, in turn, convert them into an effective lobby for alternative development policies. As Fox (2005) argues, migrants are beginning to demand representation ("voice") in return for their contribution to the community ("loyalty"), which constitutes a kind of informal and voluntary taxation. Because they control coveted resources and have a degree of autonomy as transnational actors, their voice is likely to resonate with the state and thereby translate into political influence, particularly if they are organized and capable of collective action. In fact, Canales (2005) argues that the real importance of collective remittances is that "they permit migrants to constitute themselves as social actors with the capacity for intermediation and economic and political negotiation with different government institutions, local and federal" (15).

We find growing evidence of these political effects of collective remittances, particularly in the Mexican case.[18] At the community level, collective remittances confer status, prestige, influence, and a sense of belonging on the donors. As illustrated by the plaques often prominently displayed on migrant-financed stadiums, churches, and clinics, migrants present themselves

as the drivers of progress in their locality and recover a sense of identity and membership often weakened by the act of emigrating.[19]

Migrants who send collective remittances also gain a degree of access to local, state, and even national politicians that they never would have imagined prior to leaving home. In cities such as Los Angeles and Chicago with high concentrations of Mexican migrants, HTA members meet regularly with mayors, governors, officials from the Ministry of Social Development (Sedesol), and political candidates who visit the United States to seek financial resources and/or political support. In some municipalities, HTAs have enough clout to shape budgetary decisions and create stronger accountability mechanisms for the management of 3x1 resources.[20] A few migrant organizations are even sufficiently large and institutionalized to have a direct influence on government policy at the state and national levels. The best example is the Federation of Zacatecan Clubs of Southern California (FCZSC), which has played a critical role in several policy decisions, including changes in the rules governing the 3x1 Program and passage of the Migrant Law (*Ley Migrante*) in Zacatecas, which enables migrants to vote and run for office.[21]

The combination of the migrants' desire for greater representation and the state's desire to leverage remittances in support of public policies has led to protracted and often tense negotiations over the terms of migrant membership. Goldring (2003) argues that migrants who contribute to hometown projects become "creators of social citizenship benefits through practices that at the same time represent claims of membership and belonging" (4). She finds that home governments are increasingly willing to welcome migrants as "cultural and dues-paying or market members of the nation" (ibid.), particularly in the context of neoliberal reforms that limit the state's role in providing social benefits, but that they are much more reluctant to extend them full membership in the political community. Nonetheless, the empowerment that accompanies collective remittances has enabled migrants to push for greater inclusion, sometimes successfully. In Goldring's words, migrants "may be turning the tables on the state, using their market membership to expand their rights in the direction of fuller citizenship" (6).

Once again, Mexico is at the forefront of this process.[22] Mexican migrants are beginning to transform a territorially based definition of citizenship into a transnational one (Moctezuma 2004). At the national level, their most significant victory has been gaining the right to vote from abroad in presidential elections, which was finally approved by the Mexican Congress in June 2005 after years of pressure by organized migrants. Although the actual level of participation by Mexican migrants was extremely low in the 2006 elections, the law has increased incentives for presidential candidates to mobilize expatriate voters and court their direct as well as indirect support.[23]

Mexico has also adopted a more transnational definition of citizenship at the state and local levels. Organized migrants from Zacatecas and Michoacán have been pioneers in gaining the right to be elected for office, occupy seats

in their state legislatures, and vote in state elections. As mentioned earlier, a coalition of HTAs, academics, and state deputies in Zacatecas lobbied successfully for the *Ley Migrante*, which grants migrants two seats in the state legislature and gives them the right to run for office at the local level. In Michoacán, the state's first migrant deputy took office as a state legislator in 2005, and the legislature passed a law granting migrants the right to vote in the state's gubernatorial elections in 2007.

Salvadoran migrants have also campaigned for political rights, but thus far they have been unsuccessful, despite the support of influential NGOs and El Salvador's main opposition party, the FMLN. The main obstacle to gaining political rights has been resistance by the dominant Arena party, which fears a revival of the FMLN's strong network among Salvadoran migrants. In addition, El Salvador's unitary political system denies Salvadorans a subnational "laboratory" for reform that could build momentum for voting rights at the national level. Although migrants are sometimes influential in local politics and have even run for public office, their lack of higher-level organizations and institutionalized access to the state limits their ability to shape public policy.

Even when migrants gain political leverage, however, it does not automatically translate into support for alternative development policies. First, most migrants who send collective remittances lack an explicitly "developmental" agenda, particularly at the regional or national level. Instead, they are primarily concerned with the immediate (and understandable) goal of improving the quality of life of their relatives.[24] Second, organized migrants are not homogeneous. Rather, they have diverse—and sometimes conflicting—social, economic, and political interests that can pose obstacles to collective action. Besides differences of class, ethnicity, gender, and partisanship, there are distinct kinds of groups within migrant civil society, of which HTAs are only a small part (Fox 2005). In general, worker, community-based, or indigenous organizations are more likely to have a radical critique of the status quo than HTAs, which are often led by upwardly mobile professionals or small entrepreneurs who place a high value on private property, individual entrepreneurship, and consumer choice.[25] Thus, the subset of migrant civil society that is best equipped to leverage remittances for political influence may be the least inclined to push for policies that entail a wholesale rejection of neoliberalism.

Nonetheless, there are signs that organized migrants may be moving toward a broader and more critical agenda that involves constructing national and even international alliances. In May 2007, hundreds of migrant leaders living in the United States, Europe, and Latin America—and representing more than a dozen sending countries—gathered for the First Summit of Latin American Migrant Communities in Morelia, Mexico. In addition to expressing harsh criticisms of immigration policies in the host countries, many participants questioned the prevailing model of development in Latin America and called for alternative policies aimed at transforming migration into a choice rather than a necessity. They also called for the construction of broader alliances to increase

their leverage with policymakers in both the host and home countries.[26] Although the participants came from a diverse cross-section of migrant organizations, they included a significant number of HTA leaders.[27]

These recent developments suggest that organized migrants could become important allies for progressive reformers within governments and/or development agencies, particularly in countries where migrants have voting rights and are represented by influential federations.[28] Among the reforms likely to garner their support are the use of state resources to remove the structural impediments to development, improvements in the social and political context in which migrants and their families make decisions, and renegotiation of the international rules governing the policy options of developing countries. In other words, the most consensual alternative to neoliberalism may be a kind of neo-structuralism along the lines advocated by Ocampo. While neo-structuralism goes "beyond neoliberalism" with regard to the appropriate balance between the state and the market, it is reformist rather than revolutionary and accepts two core principles on the neoliberal agenda: a key role for market forces and integration into the global economy. It is also consistent with the *extension* of these principles into transnational labor markets, which continue to be governed by non-market, national rules that impose high costs on migrants and their families. Nonetheless, the adoption of neo-structuralist policies would mark a significant break with neoliberal orthodoxy. If organized migrants are willing and able to use their growing political influence to support a broad coalition in favor of such policies, they could make a significant contribution toward addressing the inequities that prompted them to leave their communities of origin in the first place.

Notes

1. This figure covers countries in the non-Spanish-speaking Caribbean, which are not included in table 10.1. The amount would be higher if remittance statistics were available for Cuba, which receives significant remittances but almost entirely through informal channels.
2. After a decade of economic stagnation and deepening poverty and inequality in the 1980s, most countries in LAC experienced economic recovery and poverty alleviation in the 1990s. But this limited progress was interrupted by devastating financial crises in several countries, and most LAC countries still had lower real wages and higher numbers of people living in absolute poverty at the end of the 1990s than in 1980 (Lustig and Arias 2000; Polaski 2003: 24).
3. In 2002, an estimated 7.4 million undocumented immigrants from LAC resided in the United States. Among them, around 57 percent (5.3 million) were from Mexico, representing over half of the foreign-born Mexican population that year (Passel 2004).
4. The increase in immigration after 1986 reflects not only Latin America's deep economic crisis but also the effects of the Immigration Reform and Control Act (IRCA), which legalized millions of formerly undocumented immigrants and thereby solidified the transnational social networks that play a key role in encouraging further migration.

5. Rodríguez Ramírez (2005) includes the following states in the emerging region: Chihuahua, Federal District, México, Morelos, Guerrero, Hidalgo, Oaxaca, Puebla, Veracruz, and Queretaro.
6. Agricultural employment as a share of total employment declined from 25.7 percent in 1993 to 17.3 percent in 2002 (Polaski 2003: 24).
7. Maize production employs around one-third of the rural labor force and two-thirds of the workers engaged in the production of the country's ten basic crops (Kelly 2001: 95).
8. Interestingly, two of Mexico's traditional migrant-sending states, Michoacán and Zacatecas, were among the four poorest states in 1970 but not in 2000 (Rodríguez-Pose and Sánchez-Reaza 2003: 6).
9. Evaluations of Progresa's successor, Oportunidades, suggest that many families participating in the program rely on remittances as their other major source of income (Roberts and Hamilton 2005: 20, fn. 7).
10. Between the late 1980s and the late 1990s, the World Bank, the Inter-American Development Bank, and the European Community spent more than $2 billion on eighteen social funds in Latin America (Tendler 2000: 87).
11. The assumption of stability has been somewhat called into question, however, in the wake of the sub-prime mortgage crisis and the economic downturn in the United States, both of which have contributed to a decline in the rate of growth of remittances to Latin America.
12. Relatedly, remittances can have a positive impact on a country's creditworthiness. Some countries, such as Brazil, have used remittances as collateral to borrow on international capital markets at lower interest rates and with longer maturities (Ratha 2005: 273).
13. Interestingly, the Mexican government abandoned its demand-driven approach to poverty alleviation in the mid-1990s, when it replaced Pronasol with Progresa, a program that used targeting rather than community demand to determine the allocation of poverty alleviation funds. President Vicente Fox maintained this targeting program (renamed Oportunidades) but resurrected the demand-driven mechanism for projects cofinanced by migrants through the 3x1 Program.
14. The number of Mexican HTAs participating in the 3x1 Program is probably exaggerated, however, given the relatively common practice by mayors and/or communities of "inventing" HTAs for the purpose of accessing 3x1 funds.
15. *Unidos* was discontinued after its funding by the Inter-American Development Bank ended and the government adopted a new antipoverty program in 2006, although there was some talk of reopening the call for proposals from migrants in the future (Nosthas 2006: 56–57).
16. This contribution included $1.44 million in cash and $690,000 in kind.
17. One innovative 3x1 project along these lines is a scholarship program in Indaparapeo, Michoacán.
18. Organized migrants from El Salvador also enjoy greater access to local and national politicians, but they have been less successful in exercising voice beyond the municipal level. For a comparative analysis of relations between HTAs and the state in Mexico and El Salvador, see Burgess and Tinajero (forthcoming).
19. The membership of migrant donors in their communities of origin is not always uncontested, however. Some local residents express criticism of the

self-serving motives of the migrants, as well as resentment of their elevated status and influence.

20. An excellent (but rare) example of the latter can be found in Nochistlán, Zacatecas, where the HTA from the community of La Villita successfully lobbied the mayor to establish checking accounts jointly owned by the municipal government and the HTA for the deposit of 3x1 funds. Eager to strengthen ties with the migrant community, the subsequent mayor adopted this innovation as a municipal-wide policy. In late 2007, Sedesol explicitly encouraged the establishment of joint checking accounts in the 3x1 Program's Rules of Operation (*Diario Oficial*, 30 de diciembre de 2007).

21. With regard to the 3x1 Program, the FCZSC successfully lobbied for (1) reversal of a federal provision that enabled any group of citizens, not just HTAs, to solicit 3x1 projects; (2) reversal of state-level provisions that HTAs had to gain approval for their projects from the municipal planning council and deposit their share of the funds in the municipal treasury rather than accounts controlled by their local representatives (Goldring 2003); and (3) adoption of a state-level rule that HTAs soliciting projects must belong to a migrant federation.

22. The Dominican Republic has also instituted changes that expand the political membership of migrants, including the right to vote abroad and migrant representation in the national legislature. Rather than deriving from pressure from organized migrants engaged in collective remittances, however, these changes reflect the strong ties between political parties and the Dominican community in the United States, particularly New York.

23. Mexican presidential candidates began actively campaigning in the migrant community in the late 1980s, as Mexico's political system became more competitive and political parties recognized that migrants can have a powerful influence on the voting behavior of their families back home.

24. A more cynical perspective, which one hears frequently in Mexico, is that migrants are primarily concerned with their own quality of life when they return to visit their families and participate in local festivals.

25. Most Mexican HTA leaders are also male and *mestizo*. Nonetheless, there are a growing number of indigenous HTAs with distinct politics and organizational strategies, as well as some influential female leaders.

26. Migrant-led organizations have also been building stronger ties with Latino organizations and public officials in the United States, partly in response to the recent wave of anti-immigration legislation at the state and national levels (Fox 2005).

27. The author attended the summit and participated in many of the sessions. The event was co-organized by the National Alliance of Latin American Communities (NALACC), which is a new organization based in Chicago that aims to build a stronger network among migrant organizations.

28. They could also serve as key allies in efforts to regularize transnational labor markets, but this type of activism runs the risk of encouraging a backlash by anti-immigrant groups in the United States.

This page intentionally left blank

Chapter 11

Nothing (Entirely) New under the Sun: Developmentalism and Neoliberalism in Nicaragua

Margarita Cervantes-Rodríguez

Introduction

In contrast to scholars who regard neoliberalism as the "end of history," as irrevocably new and final, as a totally new stage of social engineering experimentation, labor-capital relations, and social movements, I seek in this chapter to develop a longer-term, dialectical perspective on the phenomenon as it has affected Nicaragua. The focus of the chapter is the continuities and discontinuities between developmentalism and neoliberalism as they have affected displacement and migration.

The chapter begins by examining the historical antecedents of neoliberalism in Nicaragua, in the 1960s' policies of developmentalism, and contrasts developmentalism with neoliberalism in terms of modes in which they have been rationalized. In the second part, I examine the implications of the peak of developmentalism under Somoza in advancing accumulation and geopolitical goals, and its implications for internal displacement and migration. In the third part, I focus on how these processes were affected as a result of the escalation of violence in the last stage of Somoza and during the revolution period. I then examine migration and transnationalism during a period characterized by the immersion of Nicaragua into the neoliberal framework under three administrations, from the early 1990s until 2006. By focusing on Nicaraguans in South Florida, I argue that the involvement of Nicaraguan migrants in transnational social fields since the 1990s have unleashed forces no longer fully containable by the social engineering approaches of either developmentalism or neoliberalism, nor can their respective doctrines and ideologies satisfactorily account for such processes. The chapter ends with an exploration of the recent Sandinista political comeback. Although it is too early to make an assessment on the implications of this transition for migration and transnational processes, the chapter reveals the tensions among the ideological discourses of

the Sandinista president, his pragmatic approach to the international financial institutions (IFIs), and the predicaments of some of the most powerful NGOs and other groups that advocate for a more speedy transition beyond neoliberalism.

The Stages of Developmentalism and Neoliberalism in Nicaragua

The processes affecting internal displacement and international migration since the 1960s have passed through three stages that can be classified as follows based on the prevailing approaches to macroeconomic and social policies.

Developmentalism under Somoza (from ca. early 1960s to mid-1970s) was framed by a high-intensity tutelage of the United States in designing Nicaragua's macroeconomic policies and the inducement of *clientelismo* aimed at deterring the Soviet and Cuban influence in the region. The expansion of the agro-export sector, the integration of U.S. and Nicaraguan markets for the production and commercialization of specific products such as sugar and cotton, and the continuous control of the Nicaraguan state by the Somoza family were major characteristics of this stage. By the mid-1970s, the mobility of people between Nicaragua and other Central American countries and the United States grew and a tenuous pattern of U.S.-bound migration began to emerge. Emigration to the United States peaked by the end of this period primarily due to the escalation of violent scenarios in Nicaragua as the authority of the Somozas was challenged.

Developmentalism under the FSLN (*Frente Sandinista de Liberación Nacional*; 1979–1989) was filtered through some of the basic tenets of the Marxist–Leninist doctrine, such as those prompting "the dictatorship of the proletariat." This period was characterized by a hostile bilateral relation with the United States, the imposition of economic sanctions by the latter, and the development of trade relations and cooperation agreements beyond the U.S. sphere of influence. Macroeconomic and social engineering efforts led to the shrinking of the role of the private sector and the augmentation of the role of the state and surrogate entities as the owners of means of production. While some social indications such as the literacy rate and access of the population of fewer economic resources to health care showed significant improvement, the living conditions of the population at large worsened in many respects. A sharp decline in economic indicators, dramatic increases of the internal and external debt, and hyperinflation were among the problems that were exacerbated by sustained armed confrontations by the end of this period. Emigration to other Central American countries and the United States reached unprecedented levels throughout the decade, and certain transnational ties linking Nicaraguans with the societies of destination were forged, albeit in truncated ways.

Doctrinaire neoliberalism[1] (from 1990 to 2006). Some basic tenets of developmentalism underlie the neoliberal formulas that guide macroeconomic reforms during this period, under the tutelage of IFIs, prominently the International Monetary Fund (IMF). Yet, the idea of individual advancement and the ideology of competitiveness displaced the imaginary of national development as a collective endeavor. By the end of this period Nicaragua had a stronger articulation with regional and global circuits of accumulation, based on the expansion of private enterprises, and a political scenario characterized by a peaceful transition out of the previous convulsive stage. However, the majority of the population remained trapped in a vicious circle of poverty or at best socioeconomic stagnation and political disfranchisement. Once again, emigration is one of the few options, if not the only one, available for many Nicaraguans in search of a better future. Yet in contrast with the 1980s, many Nicaraguans returned to their homeland for the purposes of repositioning themselves there given the opening up of new opportunities for those willing to invest their resources there. This stage also unleashed new, complex, and vigorous transnational social networks that led to the expansion of transnational social fields between Nicaragua and the United States.

The following sections explore the mechanisms through macroeconomic changes impacted on internal displacement, international migration, and transnational processes associated with them. They highlight elements of continuity and discontinuity in Nicaragua's highly dynamic migration contexts for almost half a century now.

Developmentalism and Neoliberalism: Between Ideologies and Social Engineering

Developmentalism as an ideology, advanced through a set of policy recommendations intended, in part, to control accumulation processes while containing social mobilization, mainly by staving off demands for radical redistribution (Craig 1997; Wallerstein 1992) as ideology was an instrumental tool for the articulation of discourses related to modernization in the "Third World" with universal discourses on progress understood as an evolution marked by the experiences of Western Europe and the United States (Wallerstein 1992). As a social engineering project, it involved capital and foreign aid transfers from wealthy countries to poor ones in exchange for local elites' political loyalty and assistance in preventing social revolution. As such, developmentalism was a modern project that involved debt, finance, foreign investment, and foreign aid as mechanisms of political control. While supposed to be a brake on Soviet influence during the Cold War, it also propelled corruption, patronage, and clientelismo in interstate relations while functioning as a mechanism of support for the emerging structures of the postwar era (Craig 1990).

Neoliberalism, meanwhile, has been described by Fouad Makki as an economic doctrine that emerged "as a reaction to the expansion of the welfare state and Keynesian economic management," yet eventually (and paradoxically) called for "a return to the night watchman state" (Makki 2002: 229). Makki cites Friedrich von Hayek's *The Road to Selfdom*, a tract that declares state intervention a threat not only to the market but "to individual freedom itself" as a key pillar of neoliberal doctrine (ibid.). As ideology, neoliberalism entails a global ideology of competitiveness (Bourdieu 1998) that resorts, among other things, to the maximization of labor mobility across borders when necessary. As a social engineering project, neoliberalism involves state policies that are to a great extent dictated by IFIs and other supranational political–economic entities. These policies include (i) fiscal discipline; (ii) the dismantling of barriers impeding capital accumulation; (iii) the removal of regulatory constraints on "free" competition; and (iv) the transfer to the private sector of activities once exclusively the responsibility of the state (Cerney 2004; Portes 1997: 238, citing Alvaro Diaz 1996). In Latin America, neoliberalism has been identified with a set of monetary, budgetary, and other macroeconomic measures urged or imposed upon Latin American governments by Washington-based institutions, including privatization, mechanisms to reduce budgetary deficits and inflation, changes in the taxation systems, and the promotion of a regional trade agreement with the United States (CAFTA-DR).

Developmentalism in Nicaragua under Somoza: Internal Displacement and International Migration

The declining years of developmentalism under Somoza generated massive internal displacements and transborder mobility.[2] The growth of Nicaragua's agro-export sector from the late 1950s to the mid-1970s was propelled by the growing participation of Nicaragua in expanding international markets; particularly, the cotton, coffee, grains, beef, and sugar markets as a major supplier. This trend was fed by the transfer of resources by multilateral developmental agencies under U.S. control, motivated by anxiety about socialist influence in the region, particularly as embodied in the Cuban revolution. By the 1960s, the developmental agenda was part of a comprehensive strategy led by the United States in Latin America, including the Alliance for Progress. In a path-breaking book on the political economy of Nicaragua, Rose Spalding (1994) shows that in Nicaragua, macroeconomic growth strategies were backed by bilateral and multilateral assistance, soft credits, technical advice, as well as the creation of internationally backed institutions, such as the *Corporación Nicaragüense de Inversiones* (Nicaraguan Investment Corporation). In this context, the dictator Anastacio Somoza provided political stability while "the Somoza group"[3] became the main beneficiary of credits, government contracts, and other resources channeled through the state apparatus. The Nicaraguan economy in the 1960s benefited from other factors as well, such as the suspension of Cuba's sugar

quota to the United States and the growth of the U.S. fast-food industry. The agro-export sector, in turn, helped strengthen Nicaragua's manufacturing and service sectors. The urban economy also benefited through the 1960s and most of the 1970s, as cotton exports created a "cotton elite" and growing intra-regional commerce supported a generation of urban merchants (Spalding 1994).

These new dynamics further reinforced internal displacement and could not stop the flow of workers out of Nicaragua. Although economic growth attracted laborers from other Central American countries, the displacement of population groups from rural areas compounded with the limited size of Nicaragua's formal labor market and its downward pressures on employment in the urban areas, propelled emigration of Nicaraguans to other countries of the region as well. Significant numbers of Nicaraguan artisans, small merchants, and skilled workers became part of an intra-regional non-peasant migratory flow (Gougan de Contreras 1972: 90). By the start of the 1970s more than half the foreign-born population of Costa Rica was of Nicaraguan origin, while a third of the foreign-born population of Nicaragua in the mid-1960s was Honduran (Gougain de Contreras 1972). However, the foreign-born population in Nicaragua remained less than 2 percent of total population by early 1970s (INEC 1992). Clearly, Nicaragua did not rely on a strong immigration regime during its first strongest period of economic expansion in the postcolonial period.

The period also saw growing internal population movements, which in some cases took the form of violent displacements from lands taken over by the private sector (Gibson 1987; Weeks 1986). Increased cotton production, the expansion of the agro-export sector, and the concentration of political and administrative functions in the capital city drew small farmers from the highlands to the Atlantic coastal region (Fernández and Dios 1993). In addition, violent displacement of small producers from the León-Chinandega region drove them to neighboring cities and Managua (ibid.). Between the 1960s and 1970s, the expansion of seasonal jobs in rural areas transformed many day laborers into migrant workers. The total number of Nicaraguans who moved during this period has been estimated at approximately one hundred thousand (Torres-Rivas 1995: 92). As rural-to-urban migration intensified, the informal economy absorbed those who could not find formal jobs (Gibson 1987). Revolutionary upheaval against Somoza in the late 1970s also led to population movements. Approximately eight hundred thousand were internally displaced and between one hundred thousand and two hundred thousand left the country, both to the United States and neighboring countries (Ferris 1987).

Developmentalism in a War-Torn Country under the Sandinistas

The economic and social policies of the Nicaraguan revolution, like the Cuban revolution, were highly influenced by developmentalism as ideology

although its basic tenets were filtered through Marxist–Leninist ones. Although the Marxist–Leninist doctrine made more inroads in Cuba, it also became a dominant ideology among members of the political elite in Nicaragua. However, in Nicaragua, the juxtaposition of developmentalism and elements of the Soviet and Cuban models was framed by violent scenarios that involved armed confrontations in various areas of the country. The civilian population suffered greatly from recruitment into a bloody conflict, severe economic sanctions imposed by the United States, and erratic economic policies and approaches to minority groups. It has been estimated that by the mid-1980s the number of Nicaraguan refugees in the United States, Costa Rica, and Honduras had reached 90,000 (Ferris 1987: 35). By 1987 approximately 125,000 Nicaraguans were refugees or had been internally displaced (Zolberg et al. 1989: 212). And by the end of the decade, in a population of 3.2 million, over 800,000 had been either internally displaced or had fled the country (World Refugee Survey 1991, cited in Annis 1992: 10). Meanwhile, problems associated with land tenure and agricultural production forced segments of the peasantry and other rural dwellers to move to other regions within the country or to cross borders (INEC 1997). Others joined the Contra and other oppositional forces assisted by the United States.

Internal displacements and migration were also accelerated by the Sandinistas' version of developmentalism—one that relied on external aid and collaboration missions mainly from countries of the former Soviet Bloc and friendly industrial democracies of Western Europe, a new political–economic integration of regions for which the agrarian reform and industrialism were crucial (Gibson 1987; Spalding 1994), and disregard for the peasants as agents of change.[4] Integrationist plans involved involuntary relocation, while greater availability of basic services and infrastructure, such as health, housing, education, and transport in Managua spurred more rural-to-urban migration (Fitzgerald 1985; Spalding 1994). By the second half of the 1980s, reconversion of agricultural areas previously used for cotton production diminished demand for labor in some areas, and increased it in others (INEC 1997). At the same time, labor mobility continued to accelerate, including cross-border cyclical migration into the coffee and sugar fields of Costa Rica and Honduras (ibid.), and more permanent migration to Costa Rica and the United States (INEC 1992). While Costa Rica had been a major destination for Nicaraguan migrants for a long time, by the end of the 1980s the United States had become a major destination. By that time, the United States had reinforced its role as the main destination of Nicaraguans migrants beyond Central America. The number of immigrants admitted in the United States as permanent residents grew from 8,700 between 1971 and 1978 to over 36,800 between 1979 and 1989 and 138,670 between 1990 and 2003. The Nicaraguan population in the United States went from 46,700 in 1980 to 212,481 in 1990 and in the year 2000, it was estimated at 294, 334 (Cervantes-Rodriguez 2006, table 1).

"Doctrinaire Neoliberalism," Migration, and Transnationalism

Emigration, Return Migration, and the Importance of Remittances

From 1990 to date, Nicaraguans have elected four presidents: Chamorro (1990–1997), Arnoldo Alemán (1997–2002), Enrique Bolaños (2003–2007), and Daniel Ortega, who was sworn in on January 10, 2007. Notwithstanding their differences, the administrations of Chamorro, Aleman and Bolaños brought about significant continuity in terms of Nicaragua's articulation to global financial structures and its relationship with the United States.

William Robinson (2003) argues that after the Sandinista period, "U.S. intervention entered a new stage, that of advancing the new agenda under Nicaragua's unique conditions of an unraveling revolution, an uncertain regime change, and war-torn economic and social structures." According to him, international financial institutions and other transnational state agencies advanced their agenda "through the jurisdiction of U.S. economic and political aid allocations, and through bilateral diplomacy and other forms of core power statecraft." An aggressive import policy boosted the private sector through the reinforcement of links between importers and the private baking system (74). A series of removable arrangements carried on under the Poverty Reduction and Growth Facility (PRGF) program have served as the technical framework under which the IMF has exercised its policy leverage over Nicaragua in recent years. The adjustment policies implemented under IMF tutelage were significantly advanced by president Enrique Bolaños. In a report published in 2006, the IMF praises the "strong reforms" implemented by Bolaños, which included a tax reform, budgetary controls, and new regulations for the banking industry (IMF 2006).

In the early 1990s, the chaotic economic legacy of the previous decade was gradually imbedded in a context in which neoliberal polices prevailed. While this was happening in Nicaragua, in the United States, a new context of reception characterized not only by the escalation of anti-immigrant feelings but also attempts at deporting Nicaraguans in unprecedented numbers had emerged. These contexts of exit and reception led to a process marked by continuing emigration, return migration, and the expansion of transnational ties.

Many Nicaraguans hoped the private sector in the1990s would be a path out of economic stagnation, yet the sector's performance was very uneven. The small entrepreneurs I interviewed during a fieldwork I conducted in 1998 cited an array of obstacles, including limited access to credit, a heavy taxation burden, and a clientelist approach toward investment opportunities by members of networks of investor, as barriers to investment. One informant complained that the new taxation system did not correspond to Nicaragua's low-salary levels. He felt the government's consumption-driven policies benefited only those who could afford pricey products. "[T]he

powerful sectors," he told me, "consider a lot of people as non-consumers and set prices in accordance."[5] Import and taxation policies, the shrinking of the public sector, policies boosting middle-class consumerism, privatization, the implementation of legal frameworks that supported private ownership of the means of production and private property in general, and high levels of unemployment and inflation had shaped two powerful migration dynamics by the end of the 1990s: emigration and return migration.

In the 1990s, emigration to the United States continued. In addition to the conditions in Nicaragua, family reunification provisions and the asylum and refugee rules of the U.S. law played a pivotal role for continuing emigration, while a number of Nicaraguans opted for border crossing and other mechanisms associated with undocumented migration. Return migration reached unprecedented levels. What was widely perceived as transition into democracy brought about hope for many families that had been separated and longed for their reunification on Nicaraguan soil. Expectations about political participation, economic opportunities in their homeland, and government efforts played a key role also in propelling return migration. The Chamorro and Alemán administrations acknowledged that human capital losses during the 1980s were impacting negatively on the Nicaraguan economy, mostly because many investors and other members of the Nicaraguan elite had left in the 1980s. They implemented a series of strategies and regulations to stimulate return migration and capital repatriation, from personally inviting Nicaraguan professionals and entrepreneurs abroad to return home, to creating tax waivers and other incentives for entrepreneurs willing to return and invest. These measures were compatible with the aggressive neoliberal reforms that stimulated the expansion of the private sector.

Privatization strategies sponsored by international financial agencies following the neoliberal approach shrunk the capacity of Nicaraguan households to rely on government programs to support the elderly, children, pregnant women, disabled war veterans, and severely ill people, and have reinforced the importance of the informal sector for many working-age Nicaraguans. As the resources for the social reproduction of the families previously available through government programs disappeared or became privatized, and the formal labor market remained stagnant and did not cope with the dynamics of the working-age population, including qualified workers, family remittances continue to gain centrality as a mechanism employed by thousands of Nicaraguan households to avoid starvation and gain access to health care and educational services (Cervantes-Rodriguez 2006). Macroeconomically, remittances have become a major financial resource. They constituted over 10 percent of Nicaragua's GDP between 1996 and 1999, and 25 percent in 1999. In 1997, remittances matched the dollar amount received as foreign aid, and continued to surpass the income generated by tourism. By 2001, they were equivalent to 20 percent of Nicaragua's GDP and 80 percent of its exports (estimates from the Nicaraguan Central Bank, cited by Orozco 2002). A 2006 report of the Inter-American Development Bank indicates that from 2001 to 2005 the dollar amount of

remittance flows surpassed those of foreign direct investment and tourism and in 2002 they also surpassed official development assistance flows. The report also states that in 2004, "[r]emittances equaled the value of all of tourism revenues and the value of all agricultural exports," and in 2005, they "were equivalent to about seven times of the country coffee exports, as well as seven times beef exports" (Inter-American Development Bank 2006: 34).

Thus, emigration remained as a viable and promising strategy among many Nicaraguans to cope with the shrinking of economic opportunities both as a way to gain access to paid jobs and as a mechanism to assist members of the family left behind. Displacement acquired multiple meanings for Nicaraguans abroad, in cultural and political fields regulated by institutionalized norms of citizenship and social rights that tend to exclude them. By the late 1990s, many Nicaraguans who had arrived in the 1980s were still struggling for permanent immigration status in the United States. The situation of the immigration status became a major obstacle for many Nicaraguans who aimed at a better life in the United States. A Nicaraguan activist eloquently referred to this phenomenon: "The question of the immigration status has slowed down [the community] because there is a lot of uncertainty. There are a lot of persons who wanted to do business and had the vision, the drive, and the experience to do it, but did not do anything because they were not sure as to what would happen tomorrow. Thus, it is understandable why people did not take risks."[6] As in other cases from Central America, lack of permanent immigrant status and barriers to citizenship have functioned as a "paper curtain" precluding or slowing down upward mobility. Thus, for many Nicaraguans, the displacement cycle that started several years and even decades ago in their homeland continued throughout the 1990s in the United States where they had become second-class citizens and continued to struggle for legal recognition and secured jobs.

Some finally have opted to return to Nicaragua. Yet, returnees who appear to be reconciling their displacement dramas may be subject to alternative forms of exclusion. Not only abroad, but also in their homeland, sometimes they feel they "hardly belong." This undermines their attempts at economic, cultural, and political re-incorporation in Nicaragua, even in personal and intimate affairs, such as the search for a partner. Thus, while emigration, circular mobility, and return migration are the result of forces leading to displacement, there is no guarantee that physical relocation will break the displacement cycle. More successful migrants have been returning as well under several rationales. Return migration has not meant, however, a clear-cut new beginning. Rather, in many cases the process has been propitiated by and further reinforced the migration experience through the participation in transnational social fields.

Self-Employment, Entrepreneurship, and Transnational Labor Market Incorporation

The strategy of the Sandinista government in relation to the private sector facilitated certain forms of transnationalism. Nationalization of the banking

system allowed the Sandinista government to have substantial control over credit, which was essential for the control of large-and mid-sized producers (Spalding 1994). However, private financial actors, including *usureros* (unscrupulous money lenders), *buhoneros* (informal merchants), and industrialists did not disappear, but functioned primarily between Nicaragua and other Central American countries. They sold almost anything they could transport: crafts, clothes, shoes, art works, office supplies, and farm products. During the revolution, as today, it was common to find professionals among them who sometimes combined a part-time job related to their professions with their work as merchants. However, full-fledged transnationalism between Nicaragua and the United States, particularly Miami, is a post-1990 phenomenon. Since the early 1990, the process has become more complex in that unprecedented levels of return migration and transnationalism came to coexist with continued emigration.

There have been specific policies, such as tax waivers, and other state initiatives to repatriate human and financial capital and to procure investments by returnees. In the late 1990s, the mayor of the city of Managua discussed the city's strategic development plan in a downtown hotel of Miami in a clear attempt to attract investments from Nicaraguans residing in South Florida. In private meetings and public speeches delivered by Nicaraguan government officials before Nicaraguan entrepreneurs in Miami, he stressed the importance of investing in Nicaragua. Members of the Nicaraguan economic elite in the United States have been returning to their homeland since the early 1990s. They have reclaimed properties that had been expropriated during the revolution and have made investments, mainly in the highly speculative areas of the financial and real estate industries. In general, they have been actively involved in the repositioning of the elite through transnational business networks that were reinforced by the migration experience during the revolution period.

While wealthy Nicaraguans in the United States saw the potential of improved economic relations with their homeland after the revolution, others have tried to use it to cope with the harsh conditions of the U.S. labor market through the development of mid- to small-sized transnational enterprises. In Miami, import/export businesses and remittance and travel agencies owned by Nicaraguans have grown rapidly in recent years in tandem with restaurants, cafeterias, and small retail stores that offer "ethnic" products and services catering to Nicaraguan immigrants. In Nicaragua, it is increasingly apparent that enterprises with a transnational edge tend to be better equipped to survive the new conditions marked by neoliberal reforms and the global ideology of competitiveness in a context of very limited economic resources. Transnational enterprises owned and operated by Nicaraguans in Miami range from big enterprises in the import/export or financial sectors and enterprises related to construction, to the service sector (e.g., car repairs, business services) and sales (e.g., automobiles, computers and other office products, construction materials), and small industries.

Several types of entrepreneurs among those operating in transnational social fields were also identified in relation to their migration experience. First, there are the returnees who operate enterprises that substantially rely on kinship and friendship relations, business networks, capital sources, supplies, and markets in the United States, particularly in South Florida. Second, there are Nicaraguan immigrants in South Florida whose enterprises depend on the demand for remittances, consumption items, and services in Nicaragua or whose operations rely, at least partially, on Nicaragua as a source of labor and capital. Third, there are "market explorers," those who operate in already created transnational social fields as a way to seek markets for their products, capitalization sources, and labor beyond the confines of Nicaragua or South Florida. And fourth, there are stationary transnational entrepreneurs or Nicaraguans with no direct migratory experience or who have not even visited the United States (mainly because of the difficulties of getting a visa) but whose small- or mid-sized enterprises rely on social networks that reach South Florida and depend on economic conditions there.

Today, one frequently sees small industries, service outlets, and retail stores operating in neighborhoods of Managua and Masaya with direct supplies from Miami. Such supplies are acquired either through informal dealings or formal transactions. Informal dealings include the second-hand acquisition of obsolete means of production that have been discarded in enterprises in Miami because they do not meet certain standards, for relatives or friends who live in Nicaragua and own enterprises there. Formal deals usually include the purchase of supplies in retail stores in Miami to be resold in Managua to relatively affluent customers who have developed certain consumption habits from their migration experience in the United States or the purchase of items to be used by enterprises operating in Nicaragua. In general, transnational entrepreneurs in Nicaragua capitalize on business contacts in the United States, particularly in Miami, and have strengthened a transnational entrepreneurial class that has grown diverse in recent years. A segment of this class is wealthy because of its links to the financial and trade sectors. Others, those with modest economic means, strive to merely keep afloat.

Transnational Nicaraguan entrepreneurs in the United States with fewer means, despite their disadvantaged position vis-à-vis wealthy entrepreneurs, still have an advantage compared to small entrepreneurs in Nicaragua with no direct transnational links.

Any attempt to translate this fact, however, into a rosy picture about transnationalism is complicated by the testimonies of Nicaraguan transnational entrepreneurs who provided me with nuanced versions of their everyday lives during fieldwork conducted in the late 1990s and early 2001.[7] While business ownership and transnationalism provided status among friends and relatives in Managua, the experience was not always a pleasant one. For example, problems related to family separation for prolonged periods surfaced in a number of the interviews. Another issue

frequently noted by returnees is their struggle with "traditional" ways of "business making" in Nicaragua. They were simply too accustomed to Miami to be comfortable with a system based more on *compadrazgo* than efficiency, even in cases in which *compadrazgo* attracted them back to their homeland. Accessing business credit was frequently cited as an issue. Many respondents complained that credit allocation favored commercial activities. For government officials, credit allocation in commercial activities was the only way to keep afloat merchants whose survival depended on the continuation of their sales. Others pointed out that concentration of credit in the commercial sector inhibited expansion of national Nicaraguan productive infrastructure.

Inflation and taxes were other frequently cited obstacles. Some obstacles prompted new strategies. For example, inflation and the increasing dollarization of the Nicaraguan economy triggered greater involvement in Miami business networks. In Nicaragua, prices are inflated in part by the proliferation and influence of middlemen in the importation of consumer items. Through their networks with other Nicaraguans in Miami, Nicaraguan entrepreneurs avoid these middlemen and have thus been able to purchase supplies, even if second-hand, at a lower price than can be found in Nicaragua. Nicaraguan entrepreneurs have also been drawn to involvement in transnational networks through the aspiration of targeting the U.S. market.

I have argued elsewhere (Cervantes-Rodriguez 2006) that the contexts under which most Nicaraguan transnational entrepreneurs operate cannot be correlated automatically with theories on entrepreneurship and innovation developed for the analysis of other social contexts (e.g., the Schumpeterian approach). For example, the uneven social contexts in which the migrants' transnational enterprises operate do not produce major sources of innovation stemming from small firms operating in highly competitive industries, or from large firms operating in oligopolistic industries where innovation is led by research and development. Instead, research of the Nicaraguan case reveals that Nicaraguans tend to use transnational entrepreneurship for the most part as a way to seize opportunities and avoid hardships, without any clear implication of revolutionizing productive patterns or sustaining economic growth. Thus, for most of Nicaraguan migrants, becoming self-employed and being recognized as entrepreneurs requires considerable ingenuity. Ingenuity, as opposed to innovation, involves "the use of ideas to solve practical problems," which does not necessarily constitute a "novel" act like in the case of innovation (see Homer-Dixon 1995: 590–591).[8]

In addition to economic transnationalism, in times of crisis, including natural disasters in Nicaragua or deportation crises in Miami, transnational coalitions that include state and nonstate actors are formed to channel assistance or develop legal or political strategies, depending on the case. Furthermore, Nicaraguans' community organizations and individuals in Miami have developed initiatives to help advance social projects in Nicaragua. Some immigrants have focused on the construction of recreational areas and the delivery of motivational speeches in areas with high delinquency rates among the youths

in Nicaragua. Their hope has been to reduce the number of existing gangs and prevent their proliferation and other forms of juvenile delinquency. Computer, medical, and factory equipment have made their way from Miami to different areas of Nicaragua through efforts sponsored by grassroots organizations as well as chambers of commerce and political parties. Social forms of transnationalism are linked to economic and political ones through a complex web of personal motivations that include economic goals, political ambition, and humanitarian concerns. It is apparent that accumulation logics and the search for greater social mobility and status have played a key role in the transnationalization of social capital among Nicaraguans.

Pragmatic Neoliberalism

The Sandinistas, now in power once again, have not abandoned their left-wing populist discourses.[9] However, neither the Sandinistas political structures are the same ones of the 1980s, nor are President Ortega and its inner circle following the path toward developmentalism based on experimentations with the Marxist–Leninist doctrine as they did in the 1980s. After three unsuccessful attempts at gaining presidential elections and the collapse of the Soviet bloc, the FSLN has lost its traditional power structure while its ideological basis has been shaken. Since the 1990s, the party has been gradually split into several antagonistic factions. Currently, a personalistic type of populism prevails among the leaders remaining in Daniel Ortega's inner circle. Under the new pragmatic and eclectic scenario of Nicaragua, the Ortega regime coexists with the maquiladoras, multinational corporations, trade agreements that include the United States, and the influence of the IMF. The fact that many Sandinista leaders are wealthy owners of land, highly profitable enterprises, and significant financial resources, to a great extent the product of their participation in La Piñata,[10] has undoubtedly made more pragmatic their approach to the private sector in particular and capital accumulation in general. The oscillations of the Sandinista political elite between antisystemic discourses that emphasize their dislike for neoliberalism and a pragmatic approach that gives continuity to the commitment of the state with IMF conditionality programs reflect a transition from the type of "doctrinaire neoliberalism" that prevailed from 1990 to 2006 into the current stage of "pragmatic neoliberalism." Such a transition is engrained in a dense structure of power that has been built upon personal interests and the need to make macroeconomic policies viable given the deep inroads that the IFIs have made in Nicaragua for almost two decades.

President Daniel Ortega has eloquently expressed his paradoxical position through a populist discourse that combines elements of developmentalism, nationalist overtones, and an uncomfortable relationship with the IMF:

> We will free ourselves from the IMF in the next few years; within five years Nicaragua will be free from the IMF…Can you imagine? We have to negotiate

with the IMF to be able to get rid of the IMF. This is exactly what we are doing because we want to free ourselves from it, and we will . . . It will be a blessing to free ourselves from the IMF; and the IMF will be relieved as well not to have to deal with a government that defends the interest of the poor and the nation." (Daniel Ortega, cited by Reuters 2007)[11]

While lack of ideological coherence subtracts power from the Sandinista leader before the IMF, Venezuela's oil revenues play a key role in keeping his rhetoric against the IFIS alive. In a visit to Nicaragua in January 2008, President Hugo Chávez reiterated his commitment to building an oil refinery in Nicaragua, a project that has already started (CubaEncuentro 2008). The plant will be strategically located in the Pacific Coast, like a similar one built in Ecuador, which gives Venezuela access to the Chinese and other Asian markets. Since 2007, Nicaragua has benefited from technical assistance, machinery, and soft credits from Venezuela and good terms of trade with it.

The ideological tensions of the new Ortega regime reflects a gap between its substance and its symbols.

The method for determining "What is left" is based on analyzing the substance—and not the symbols or rhetoric—of a regime or politician. The practical measures open to scrutiny include budgets, property, income, employment, labour legislation, and priorities in expenditures and revenues. Of particular importance is to focus on the present social referents, social configurations of power and alliances—not the past—given the changing dynamics of power and class politics. (Petras 2006)

The understanding of such a gap is crucial for the understanding of the current political transition in Nicaragua as it affects social and economic policies. The frontal opposition to neoliberalism is not stemming from the government but from nongovernmental organizations that are actively involved in the resistance against neoliberal packages. In a letter signed on July 25, 2006, Coordinadora Civil and Intermon Oxfam, sent a message to Vikram Haksar, the IMF mission chief in Managua, warning about the possible implications of the opposition of the IMF to an increase in the salaries of teachers and health care professionals and expressed their "astonishment at the fact that the IMF consider[ed] adapting the salaries of teachers and health staff to decent living standards [was] a risk factor with regards to competitiveness with foreign investors" (Arpa Muñoz 2006: 3). Representatives of these organizations further argued that low salaries have led to hiring "poorly qualified staff," which in turn "results in poor quality education." In addition, they suggested that the low standard of living of teachers and health care professionals prompted "brain drain and emigration which neither promotes the development of the country nor regional stability" (ibid.).

In March 2008, Coordinadora Civil mobilized several thousands of people (reportedly 7,000) for a manifestation against the IMF conditionality program. It also organized the gathering of "over 20,000 signatures against

the IMF conditionalities" (Coordinadora Civil 2008). Among the IMF conditions they were protesting against were: (1) the freezing of the salaries in the public sector, including people working for health and education projects; (2) the revision of the constitutional assignation of funds to public universities, municipalities, and the judicial power; and (3) a more in-depth review of the taxation system. The protesters also complained about the proposal to cover the internal debt with external-debt relief funds instead of using such funds for social programs related to poverty reduction (Coordinadora Civil 2008a).

Underlying these tensions is the fact that a decade after deep neoliberal immersion Nicaragua remains one of the poorest countries in the region, one of the most indebted ones, and with literacy levels that are much lower than the Latin American average. A report produced by USAID in 2006 (USAID 2006) indicated that Nicaragua had per capita gross domestic product and income levels lower than those of the 1960s, remained the second poorest country in Latin America, and approximately 75 percent of the population lived on less than $2 a day. The unemployment and underemployment rates were approximately 50 percent. In addition, it had an external debt of $6.5 billion, before debt forgiveness, and internal debt of $1.5 billion. This scenario, the report adds, significantly hinders economic growth (USAID 2006). The external debt remained 120 percent of the GDP by the end of 2004, while poverty-reduction spending was still in the two-digit level in 2005 (IMF 2005: 2). The literacy level was 77 percent among the population aged fifteen and above in 2006; much lower than the regional average of 90 percent (World Bank 2002).

To what extent is the president sworn in in January 2007 ready to tackle this issue remains one of the major conundrums of his populist approach. For some he and what is identified as "the Daniel economic group" are mere instruments of neoliberalism:

> Hugo Chavez is providing funds that Daniel needs in order to patch up the social crisis, without affecting either local or international big business. He [Ortega] lambasts capitalism, the transnationals, the IMF, and imperialism. But his speeches are pure rhetoric, because, in practice, he seeks the best relationships with Nicaraguan capitalists, with the Pellas, the Fernandez Holman, Zamora, with the masters of finance capital. He denounces the United States, but enjoys good relations with the U.S. He immediately provided the Group of Seven (the industrialized nations known as G7, now known as G8) with the fig-leaf that they were going to donate some ambulances and medical supplies. He denounces FENOSA (the Spanish energy company that controls Nicaragua's electrical supply), but grants FENOSA rate increases above those granted by previous governments.[12]

An assessment of the state of the art after the Sandinista comeback concerning the continuities and discontinuities of macroeconomic policies and social programs and their impact on migration and transnationalism would be premature. However, the tensions presented earlier are symptomatic

of the complexities associated with a transition that is far from being post-neoliberal in terms of its substance.

Beyond Neoliberalism?

Although developmentalism and neoliberalism have shared a common spirit, as the results of the U.S. efforts to contain antisystemic movements and secure regional instability, they are also distinct as manifested not only in policy approaches but also in the prevailing mental structures that are related to them and shape migration. Take, for example, the case of the correlation of developmentalism and neoliberalism with utopias. Developmentalism was correlated with a temporal utopia according to which a better life was attainable in the same place in the future; but neoliberalism has been part of a global trend toward spatial utopias (a better life is attainable now yet elsewhere) at the core of which have been migration and the socialization toward migration. The first kind of collective utopia nurtured the revolution led by the Sandinistas, which as it lost its charm for the people, started nurturing the second one, in which the dream of being able to emigrate someday in search of a better future has taken over the dreams about changing Nicaragua through revolutionary means. Under the prevailing spatial utopia, receiving family remittances from abroad is collectively rationalized by thousands of Nicaraguans as *the* mechanism that would eventually trigger social mobility. Thus, while for the dominant groups development is all about nation-state power and hegemony, and the dream of engineering Third World societies through "scientific knowledge" (experts recommendations) to retain both, for many Nicaraguans it has meant positioning through strategies that overflow their homeland. Even those enjoying the greatest advantages to do so, the wealthy transnational entrepreneurs, are not about to revolutionize patterns of production or transform Nicaragua in collective ways that would benefit the entire population (as once evoked by the developmental revolutionary utopia). Transnationalism among Nicaraguan migrants has diffused innovations in certain sectors, such as real estate, banking, finance, and communications. While this has represented greater access of many Nicaraguans to modern technologies, such as ITM machines and cellular phones, many "have missed the train" and social inequality deepens.

The transnational strategies launched by Nicaraguan migrants to resolve practical problems tend to point to the failures of the implementation of the reforms associated with the neoliberal dogma. However, it would be naïve to imply that precisely because of that, transnationalism is either the solution to the problems of thousands of Nicaraguans or counter-hegemonic in itself. The transnational entrepreneurs have been major transmission belts of ideologies and practices associated with neoliberalism. Another major paradox of migration and transnationalism in the context of neoliberal reforms is that for most of the migrants, their search for safety belts through collective efforts aimed to resolve collective problems at the communal level and within their households have led to the development of transnational

strategies that have them participating in labor markets, polities and societies that are not circumscribed to the confines of a state. While macroeconomic policies and specific regulations affecting taxation, the circulation of money and the use and valorization of the workforce are part and parcel of the contexts framing their current situation, at the same time such policies and regulations tend to be increasingly incongruent with respect to the transnational lifestyles that they have developed.

Clearly, the story of neoliberalism, and its legacies concerning migration and transnationalism, have not quite come to an end. Neither have other stages that we tend to believe we have overcome. Yet, inasmuch as Nicaraguans involved in transnational social fields embody the livelihoods and social forces that emerged under developmentalism and neoliberalism, they stand as living challenges to those systems' core assumptions.

Notes

I appreciate the comments of John Burdick and reviewers of this volume to a previous draft of this chapter.

1. In a typology about "blocs of power" in Latin America, James Petras (2007) distinguishes between "doctrinaire neoliberals" (political actors, "which closely follow Washington's dictates") and "pragmatic neoliberals" (political actors that benefit the private sector and big financial interests, yet impose greater constrains to Washington's extension of its domination in their countries).
2. The historical narrative presented in this work builds upon and expands theoretical insights and evidence discussed in Cervantes-Rodriguez (2006) and Rodríguez (1999). Extracts of interviews and other materials from Cervantes-Rodriguez (2006) were used with permission of Palgrave Macmillan.
3. "The Somoza group" embodied the strong links that exited between the state and close business associates of the Somoza family (Spalding 1994).
4. Vilas (1987) argues that the Sandinista, guided by orthodox Marxist–Leninist ideas about the proletariat as a key agent of change, disregarded the role of the peasants as agents of change in Nicaragua.
5. Extract of a recorded interview conducted in Managua, March 1998 (Cervantes-Rodriguez 2006: 10).
6. Recorded interview with the president of a Nicaraguan community-based organization; Miami, October 1997 (Cervantes-Rodriguez 2006: 8).
7. For more extensive analyses of fieldwork results, see Cervantes-Rodriguez (2006) and Rodríguez (1999).
8. I discuss with issue in greater detail in Cervantes-Rodríguez (2006).
9. Petras (2007) argues that Brazil under Lula, Kirchner in Argentina, and what he calls their "imitators" such as "left-liberal opposition groups in Ecuador, Nicaragua (the Sandinistas and their split-offs), Paraguay and elsewhere" are among the "pragmatic neoliberals." By the time he built up the typology the Sandinistas were in the opposition. However, the Ortega regime has embraced the pragmatic neoliberal path.
10. Term used to refer to the (typically illicit) distribution of material goods and property rights among members of the Sandinista elite and their closest associates during the last stage of the Sandinista government in the late 1980s.

11. Author's translation from Spanish: "Nos vamos a liberar del fondo en estos próximos años, o sea, antes de cinco años Nicaragua estará liberada del fondo...Fíjense qué cosa: tener que negociar con el fondo par liberarnos del fondo, eso es lo que estamos haciendo porque queremos liberarnos y nos vamos a liberar...Es una bendición liberarse del fondo y para este es también va a ser un alivio liberarse de un gobierno que defiende los intereses de los pobres, de la nación" (Ortega 2007).
12. Interview with Mónica Baltodano by Mike Friedman (see Friedman 2008). Baltodano is one of the guerrilla commanders of the FSLN. She is currently head of Popul Na, a community development organization, and a member of the Nicaraguan National Assembly, representing the MpRS (a movement that aims at rebuilding the Sandinista movement on the basis of its original principles).

Part V

Conclusion

This page intentionally left blank

Chapter 12

Beyond Neoliberalism? Latin America's New Crossroads

Philip Oxhorn

In many respects, Latin America has been a real world laboratory for experimenting with what can loosely be described as "neoliberalism" for over thirty years. Beginning with what at the time was referred to as the "radical conservative experiment" of the Pinochet dictatorship in Chile in the mid-1970s (Foxley 1983), market reforms had already progressed more than anticipated when John Williamson (1990) identified what has become the clearest enunciation of the basic premises behind neoliberal reform, the so-called Washington Consensus. As more and more countries follow suit in adopting similar policies emphasizing privatization of state-owned enterprises, a general downsizing and decentralization of the state, policies of free trade and deregulation, as well as fiscal austerity, it seems that the region's march to market-oriented development strategies was inevitable, and maybe irreversible (Weyland 2004b).

After thirty-plus years of "experimentation," the record is at best mixed (Huber and Solt 2004; Weyland 2004a). Economic growth, apart from Chile, has been highly volatile. While individual countries at different times have experienced rapid rates of growth, those same countries have also tended to suffer from equally steep periods of decline. Overall, regional growth averages still lag behind the average growth rates experienced in the postwar period through the 1970s, with unemployment rates that are significantly higher. Poverty rates remain persistently high as the absolute number living in poverty continues to grow, in large part because the vast majority of jobs created in the region since the beginning of the last decade have been in the informal sector. Not surprisingly, Latin America remains the most unequal region in the world (Karl 2003).

At the same time, it is notable that since the rise of neoliberalism, Latin America has experienced at least two important advances, one economic and the other political. At the level of the economy, the fiscal austerity linked to neoliberal reforms has allowed the region to tame its notorious inflationary tendencies for the first time in the region's modern history. While this

undisputable achievement has obviously failed to generate high levels of sustained economic growth, it has been unambiguously positive for the poor and disadvantaged who are least able to cope with the economic burden of rapidly rising prices. At the political level, while the causal relationship between economic (neo) liberalism and political democracy is a debatable, if not polemical, claim,[1] the fact is that Latin America is more democratic today than at any time in the region's history. Even if the sequencing of economic and political liberalization varied considerably among the various countries, democratic regimes have survived crises (often made worse, if not actually caused, by economic policies associated with neoliberalism) that in the past would have resulted in the imposition of authoritarian rule. Moreover, neoliberal reforms have often entailed opening up new channels for democratic participation through state decentralization, at least in theory bringing government closer to the people (see chapters by Perreault, Zimmerer, Buechler, Lucero, and Goldfrank, in particular).

This fundamental contradiction between neoliberalism's considerable economic shortcomings and its apparent affinity with political democracy represents a central paradox: the relative consolidation of universal political rights in the context of growing levels of socioeconomic exclusion. At the same time that Latin Americans generally enjoy unprecedented opportunities to exercise meaningful political voice, they must do so while confronting growing threats to their economic and physical security—even if inflation remains under control. One consequence of this paradox is increasing citizen frustration, if not anger, with the quality of existing democratic regimes, at the same time that the majority continues to believe that democracy is the most preferable form of government (PNUD 2004).

This contradiction, now thirty years in the making, has put Latin America at a new crossroads between the emergence of a genuine post-neoliberal development model that can begin to address historical problems of inequality and exclusion, and the resurgence of new forms of populism that are likely to exacerbate—at least in the medium and long term—those same problems. As the chapters in this volume underscore, the unprecedented current level of political opening holds much promise as a mechanism for moving beyond neoliberalism in order to create more inclusive socioeconomic systems and "deepening democracy" (Roberts 1998). In particular, all the chapters in this volume demonstrate how many "neoliberal" reforms, particularly state decentralization, have opened new opportunities for such an alternative to emerge. And as the chapters by Cervantes-Rodriguez and Burgess demonstrate, a post-neoliberal alternative may even include important, positive transnational elements—despite the predictions of impending neocolonial domination from many anti-globalization activists. In this way, neoliberalism's contradictions may (eventually) sow the seeds of its own demise.

Yet all of the chapters also recognize that we are not quite there in terms of the emergence of a genuine neoliberal alternative, even if there are many promising examples pointing the way toward one. As the various authors

in this volume make clear, part of the paradox of neoliberalism is that it does not affect all members of poor disadvantaged groups the same way. Indeed, the heterogeneity of responses to neoliberalism's mixed record, even among groups that are sometimes reified (if not romanticized) as unified, homogenous actors such as indigenous peoples or women, is one of the principal findings of all of the case studies. In particular, as the chapters by Zimmerer, Buechler, and Lucero point out, the geographical "fragmentation" of social movements may actually be a good thing, because it reflects an underlying social heterogeneity that is often missed by sympathetic analysts emphasizing the importance of have a national scope.[2] This has meant, in part, that the same people who one might expect to have the most to gain from a progressive post-neoliberal alternative have in many cases opted for populist alternatives as their frustration with both Latin American democracy and poor economic performance mounts. Such alternatives can even include support for populists who successfully implement even the most radical neoliberal reforms (Roberts 1995). While such populist alternatives have so far maintained at least the semblance of meaningful political rights (with important exceptions, most notably Alberto Fujimori in Peru), political democracy in these contexts is generally far from the kind of inclusive or "deep" democracy the authors in this volume would associate with a post-neoliberal alternative. For this reason, Latin America's current crossroads fundamentally reflects struggles over the quality of democratic governance.

In what follows, I examine how Latin America came to its current crossroads and discuss some of its implications. I begin with a discussion of the origins of what I label the paradox of neoliberalism. In the following section, I argue that the crossroads are best understood in terms of the rejection of one model of citizenship, *citizenship as consumption*, and the emergence of two competing models of citizenship: *citizenship as agency* and *citizenship as co-optation*. I end the chapter by exploring some of the implications this has for the future prospects for a progressive alternative to neoliberalism.

From the Anti-Politics of Technocracy to the Politics of Frustration

The paradox of neoliberalism, following T.H. Marshall's famous distinction between civil, political, and social rights of citizenship, refers to the fact that relatively robust political rights in the form of universal suffrage exist in a context characterized by precarious civil rights and diminishing social rights of citizenship (Oxhorn 2003).[3] People can vote in relatively free and fair elections, yet face growing concerns about their economic and even physical security, at the same time that social safety net seems to be shrinking. It is a paradox because the majority of Latin Americans who are disadvantaged by neoliberalism's limits and flaws would presumably use their political rights to correct the situation, yet thirty years of experience suggests that

this may be beginning to change relatively, as the case studies in this volume demonstrate. In order to understand how this paradox came into being and its implications, three sets of factors are relevant: the authoritarian origins of neoliberalism in Latin America, the nature of recent democratic transitions, and the effects of neoliberalism on Latin American state–civil society relations.

While the origins of neoliberalism and its embodiment in the Washington Consensus are generally associated with the economic policies implemented by Margaret Thatcher and Ronald Reagan in the West, it is important to recognize that increasingly violent political dynamics in Latin America dating from the 1960s would both condition the way in which neoliberalism would ultimately be implemented and explain some of its greatest shortcomings. As Albert Hirschman (1979) noted long before the term "neoliberal" had even be coined, the proclivity of Latin American political leaders to ignore basic economic fundamentals in funding government programs was the result of learning processes dating back to the *successes* of import-substitution industrialization in the post–World War II period, as well as the high costs of development. Contrary to today's Washington Consensus, the conventional wisdom at the time in Latin America[4] legitimated relatively high budget deficits—printing money to make ends meet—because such policies had led to considerable postwar development in terms of industrialization and rising per capita incomes.[5] While this increasingly became unsustainable for a variety of reasons, particularly populist dynamics that prevented such expenditures from being invested in ways that would lead to long term development (Dornbusch and Edwards 1991), the problem was not simply one of "major parties espousing economic nonsense" or "parties with crazy economic programs," as John Williamson (1993: 1330–1), the leading proponent of the Washington Consensus, suggested. It reflected legitimate debates and concrete development experiences, as well as conflicting interests in the context of Latin America's notoriously skewed income distribution. These debates, in turn, revolved around a unique pattern of state–society relations reflecting the dominance of the state and the subordination of the economy and social sphere to the imperatives of state politics (Garretón 1989, 2003a).

While, as Hirschman notes, some countries were able to implement needed austerity measures without resorting to military intervention, in a number of countries the military and its allies were able to take advantage of mounting economic (and political) tensions to seize power. For the resulting bureaucratic authoritarian regimes, the problem was political mobilization by the lower classes and the Left in general, as well as democratic institutions that potentially empowered them. The "solution" was sought through technocratic policymaking styles that promised to depoliticize state decision making, but in effect empowered elite groups at the expense of the majority who were brutally repressed (O'Donnell 1979a; Garretón 1989).

The explosion of the debt crisis in the early 1980s demonstrated unequivocally that bureaucratic authoritarianism (or any kind of authoritarianism)

was anything but a guarantee against economic profligacy, belying any illusion entertained by socioeconomic elites that the anti-politics of technocracy was in any meaningful sense apolitical. Indeed, because Latin American militaries and their allies generally were unwilling to bend to the severe policy constraints implicit in neoliberal policies, only General Augusto Pinochet in Chile came anywhere near successfully implementing them. Ironically, because military governments (and others throughout the region) failed to exercise any modicum of fiscal restraint, the need for governments to respect economic fundamentals only continued to grow as country after country confronted escalating economic crises.

The failure of authoritarian regimes in general to restore any semblance of economic equilibrium, together with the apparent "success" of Pinochet, framed the context for subsequent neoliberal reforms in at least two contradictory ways. Political democracy achieved a level of societal support that was unprecedented in the region. At the same time, however, there was growing emphasis by researchers and policymakers on the need to insulate economic policymaking processes from all politics, even democratic politics, in order to recapture the lost economic dynamism of the 1960–1980 period (Haggard and Kaufman 1995). Not surprisingly, elected presidents were among the strongest advocates for such "insulation" and frequently enjoyed high levels of popular support (O'Donnell 1994). Neoliberalism and the "consensus on good economics" embodied in the Washington Consensus (Williamson 1993) only served to further legitimate that perceived need by relying on the allegedly incontestable logic of apolitical markets at the expense of inherently politicized state institutions.

Yet neoliberalism was by no means an easy sell politically. Politicians in democratic regimes were able to implement large scale market reforms only under conditions of relatively acute economic crisis (Weyland 2002), and successful reforms were often implemented by politicians who won elections opposing the neoliberalism of other candidates (Stokes 2001). Since these crises were typically characterized by hyperinflation, neoliberal reforms proved effective in bringing the crisis under control. Such success, in turn, is an important factor explaining the longevity of such reforms (or at least the reluctance to experiment with alternatives), despite otherwise disappointing economic performance. But two other factors are also very important: the nature of recent transitions to democracy and the impact of neoliberal reforms on the state–civil society relations.

The mobilization of civil society was often an important factor in successful transitions to democracy (O'Donnell and Schmitter 1986), particularly women's mobilization (Jaquette 1989; Waylen 1994). Yet despite relatively important continued gains for women after successful transitions, the overall level of civil society mobilization and its political impact fell significantly after the transition.

There are several reasons for this, many of which relate directly to the nature of recent transitions.[6] Political parties often played a direct role in the demobilization, as they came into prominence during the first elections

marking the end of the transitions. In particular, political parties sought to moderate societal demands by demobilizing the social movements associated with the transition and marginalizing more radical elements within their own ranks. A clear example of this was the case of Chile, where the popular sector mobilizations during 1983–1986 played a key role in opening up political space for parties to reemerge after over a decade of political repression. By 1987, however, the mobilizations appeared to have run their course as political parties reasserted their traditional dominance of political activity in Chile (Garretón 1989; Oxhorn 1995).

This demobilization, at least initially, was not necessarily difficult to achieve. With the end of the authoritarian regime, governments enjoyed a new democratic legitimacy and there was no longer a clear "enemy" to mobilize against. At the same time, social movements (and newly elected leaders) were concerned with potential backlash that continued social mobilization might evoke from the Right. More fundamentally, mobilization under a dictatorship is quite distinct from mobilizing under an elected democratic regime and actors had to learn how to adapt their experiences under dictatorship. A fundamental aspect of such adaptation necessarily entails learning how to develop alternative proposals that could serve as the basis for negotiating actual policy outcomes with other actors within democratic institutions. This is the basis of democratic politics in general, and key to the success of deliberative democratic politics in particular (Avritzer 2002). This learning process was further complicated by the fact that most democratic transitions were characterized by various forms of elite pacts and the maintenance of authoritarian enclaves that would threaten to impose strict limits on those negotiation processes—assuming newly elected politicians were even willing to engage in such processes to begin with. All of these factors often combined to cut short any processes of the strengthening of civil society that might have begun during the authoritarian regime.

This weakness in social mobilization and civil society more generally meant that alternatives to neoliberalism would take a long time, at best, to emerge. Indeed, many of the most important instances of social mobilization after transitions to democracy retained some of the central characteristics of mobilization during authoritarian regimes: the insistence on respecting minimal norms of fairness in the electoral and democratic processes and a general rejection of the existing government without any clear alternative apart from the restoration of basic institutions of political democracy. This was clear in the mass mobilizations demanding the impeachment of President Fernando Collor de Mello in 1992 after allegations of immense corruption surfaced, as well as the numerous mass mobilizations that ultimately led to Alberto Fujimori's resignation in Peru in the late 1990s. Similarly, the mass mobilizations that erupted in Argentina during the economic crisis of 2001 and in Bolivia, 2001–2005, combined elements of trying to exercise a "veto" over specific government policies and demands for the replacement of unpopular, ineffective governments with newly elected ones.

These general causes of the relative demobilization of civil society were compounded by the nature of the neoliberal reforms themselves. The market-oriented reforms associated with the Washington Consensus have directly contributed to the weakening and fragmentation of civil society by shifting the locus of political action to the individual voter. Collective action, at least beyond the community level of self-help, is made more difficult as consequence of the dismantling many of the state institutions that provided incentives and resources for collective action, including corporatist institutions. For example, the enduring strength of corporatism in both Mexico and Brazil is that participation in state-controlled institutions held at least the possibility of access to state resources; as such possibilities increasingly diminished in the 1970s in both countries, mobilization within corporatist institutions became more problematic for ensuring regime support, ultimately helping to pave the way toward transitions to democracy in both countries. At the same time, the labor movements throughout the region have suffered declining influence and membership, yet they were often the principal actors representing popular sector interests in national political processes. While political parties might be expected to fill this role—and in recent years the resurgence of Center-Left and Left parties in some countries suggests this may now be happening—for most countries since the 1999s, citizen trust in political parties and politicians (as well as key democratic institutions such as the legislature) has been declining *Latinobarómetro* (various years). Growing threats to individual's economic security, a direct consequence of the region's inability to generate stable employment opportunities in the formal sector of the economy, generate political apathy as people's efforts are devoted to participating in the market, and they have less time to become politically active, at the same time that their distrust in governments and political parties makes political involvement seem ineffective, if not a waste of time.

The neoliberal reform process also suffered from fundamental flaws that continue to limit the ability of governments to achieve more satisfactory developmental outcomes. These stem from the nature of the reform packages, which with hindsight are now referred to as "first generation" reforms as policymakers seek to develop "second generation" reforms that can fill in the voids left or created by the first round of reforms (Birdsall et al. 2001). The problem is not that second generation reforms such as improving the social safety net and strengthening basic state institutions, including the judiciary, are not important goals. Rather, the problem lies in the fact that they are considered as the necessary, if not logical, continuation of earlier reforms that have fallen short of expectations. Proponents of neoliberal reforms viewed neutral or apolitical market mechanisms for deciding distributional issues as inherently superior to state (i.e., political) institutions, if not as panaceas. Reform advocates deliberately removed issues of distribution, including employment creation, from consideration, on the assumption that the reforms would be sufficient to ensure that they would ultimately be addressed through markets.

Yet "successful" reforms generally had implications that went far beyond the immediate need of restoring short-term economic stability. For example, sharp reductions in the size of the state and its ability to influence (both positively and negatively) the economy also sharply limit its capacity to redistribute resources to address the region's notorious problems of structural inequality, at the same time that the state apparatus may suffer a significant loss of human capital as jobs are slashed and the most skilled seek employment in the private sector where opportunities are greater.

The confidence of the authors of these policies in the uncontestable wisdom of their prescriptions was at the heart of this problem. Even after years of unsatisfactory economic performance, they still are very reluctant to even consider any fundamental changes to their basic policy prescriptions, let alone a genuine "post-neoliberal alternative" (Kingstone 2006). Seen from this perspective, at best the crises that induced large scale reform were seen as requiring immediate, decisive action to restore economic normalcy before other considerations could be taken into account. At worst, these crises were seen as opportunities to impose a particular kind of development model that under normal circumstances could not survive the rigors of the same democratic competitive processes with which it has become associated.[7]

The fact that such policies normally were so politically contentious also underscores how markets themselves are politically constructed; they are not the natural or neutral outcomes of economic exchange. The politics of implementing allegedly apolitical policies ultimately became one of the most glaring contradictions of neoliberal reforms. New rents were created to attract private sector investors (Schamis 1999; Schvarzer 1998) and co-opt potential sources of opposition, including labor union elites (Buchanan 1997; Murillo 1997). In the process, new economic and political interests emerged through the partial implementation of reforms and these interests erected numerous obstacles to further reforms that threatened them (Hellman 1998). Ironically, policies intended to curb corruption by removing politics from distributional issues actually contributed to an often very public growth in corruption. It is not a coincidence that Fernando Collor de Mello in Brazil, Alberto Fujimori in Peru, and Carlos Menem in Argentina were the first politicians to successfully implement large scale neoliberal reforms in their respective countries and all ended their political terms in office mired in notorious corruption scandals. The formal institutions of the region coexist with informal, particularistic institutions that have withstood the neoliberal onslaught (O'Donnell 1996), as the new market logic comes to permeate entire polities to an unprecedented degree, bringing with it the perhaps unintended consequence of influence peddling.[8]

In many respects, the experience of Argentina after its 1983 transition to democracy epitomizes these dynamics. When he assumed office, Raúl Alfonsín had to deal with a growing economic crisis that literally spiraled out of control during his term and ultimately forced him to step down five months before his constitutional term expired. The Peronist-dominated labor movement's opposition to his heterodox, unconventional economic

policies was an important factor. Acting more as a veto player than as an interlocutor between the state and civil society in the pursuit of more effective economic policies, unions staged nine national strikes that only added to the crisis without suggesting any clear alternative policies to replace those that were being rejected as much (if not more) because Alfonsín was not a Peronist than because the policies were economically flawed. Labor leaders were much more complacent when Alfonsín was succeeded by Peronist president Carlos Menem. In fact, they agreed to support many of the neoliberal policies Menen introduced after he had successfully campaigned on a traditional Peronist platform that explicitly rejected neoliberalism. This support was given despite the negative consequences the reforms would have for the union rank-and-file, although the positions of the union leadership were generally secured. The cornerstone of the reforms was the establishment of a Currency Board, tying the Argentine peso to the dollar.

For several years, the reforms were considered a "success" because growth remained high while inflation was under control. The image of success seemed to be barely tarnished by unemployment rates that reached record highs and the rampant corruption that plagued the Menem government. Equally important, both Menem and his successor, Fernando de la Rua, were unable and/or unwilling to continue the reform process. A widespread corruption scandal associated with proposed reforms of labor laws would later severely undermine the legitimacy of the de la Rua administration, while the Currency Board increasingly became the equivalent of an economic straightjacket as pressures for revaluing the peso mounted. A new economic crisis erupted in 2001, leading to mass protests that brought down the de la Rua government and three interim presidents until political order was restored.

While the level of frustration and rejection of governments and their policies without any clear sense of what preferable alternatives should be reached unprecedented levels, these basic tensions they reflected are hardly unique to Argentina. They echo similar experiences in Bolivia several years later, as well as the growing gap between citizen expectations and the actual performance of democratically elected governments throughout the region.

Yet Argentine democracy survived a crisis whereas in the not too distant past less severe crises had led to the collapse of democracy. And while the mass protests that forced 4 presidents out of office mirrored the dynamic that characterized mobilization under dictatorships (the exercise of a "veto" over specific government policies and demands for the replacement of unpopular, ineffective governments with newly elected ones), they should not obscure the emergence of a variety of new forms of mobilization in Argentina that offer the promise of a deeper, more inclusionary democracy (Auyero 2006; Peruzotti 2006). These organized activities, which ranged from women's and human rights groups, to community organizations, organizations of the unemployed and mobilizations to increase government accountability, began to go beyond simply rejecting neoliberal policies and the politicians who promoted them. While still a long way from congealing into a genuine

alternative to neoliberalism, these various collective activities began to actively involve Argentines in new activities that began to redefine the quality of Argentine democracy in positive, proactive ways that were often intended to help overcome the economic hardship caused by the crisis.

The Argentine example also highlights how neoliberalism has contributed to sowing the seeds of its own transformation, if not downfall. As Goldfrank points out in his chapter, anti-neoliberalism has become the new "common enemy," replacing the dictatorships of old and offering the Left a new target for mobilization that can serve as the launching point for winning electoral power. As the chapters by Buechler, Lucero, and French in this volume demonstrate, this has been particularly important for the mobilization of indigenous groups, which have made noticeable gains in a number of countries. Environmental movements, while not necessarily limited to disadvantaged groups, have also grown in a number of countries after the transition to democracy (see Perreault, Slack, and Zimmerer in this volume).

Yet, in contrast to earlier mobilizations for democratic transitions, there still is no clear, unambiguous alternative to neoliberalism that could play the same functional role that political democracy played for regime change. This lack of a clear alternative has several causes. First, many of the reforms and tendencies associated with neoliberalism are inextricably intertwined with the opposition movements such reforms spawned. Aside from those who benefit outright from the economic trends that have accompanied neoliberal reforms, emerging alternatives have benefited from at least some aspects of the reforms. For example, as Zimmerer points out in his chapter, new forms of community-based environmental management are closely associated with neoliberal reforms of the state, giving rise to a new form of "hybrid environmentalism." Decentralization of the state, in particular, has provided a fertile ground for alternatives to emerge (Goldfrank, this volume). Yet, by its very nature, the local heterogeneity that may be allowed to flourish as a result can fragment national movements, raising important questions as to whether there is a single neoliberal alternative, or a variety of subnational alternatives reflecting the unique histories and patterns of social organization within countries (Buechler and Lucero, in this volume). At the same time, these local dynamics are often influenced by the positive consequences of transnational migration, which can bring new resources to marginalized communities and even allow for greater national inclusion and a redefinition of citizenship rights in people's home countries through the growing political leverage of "hometown associations" of migrants living abroad (see Burgess, this volume, as well as Cervantes-Rodriguez). At the other extreme, Chile's relatively successful social policies have resulted in significant socioeconomic gains for the majority (even if the country's notoriously skewed income distribution has not improved significantly after almost twenty years of democratic rule), making it politically difficult for the Left to mobilize in opposition to neoliberalism (Navia, this volume).

Equally important, however, the various chapters in this volume (albeit unintentionally) also underscore the importance of having a clear intellectual (if

not paradigmatic) alternative for guiding policymaking in order for a true alternative neoliberalism to emerge. This was an essential element in Polanyi's (1944) famous "double movement" in relation to the first liberal era that ended with the Great Depression in the 1930s, although it is often neglected (including by Polanyi himself). Broadly speaking, Marxism on the Left and Keynesianism on the Center-Left, both in their myriad variations as mediated by national histories and contexts, guided the backlash against unconstrained markets at the turn of the last century, giving rise to the developmental state in Latin America. The debt crisis and crisis of the developmental state in the early 1980s, as well as the collapse for the Soviet Union (not to mention the wave of market-based reforms in today's "actually existing socialist regimes"), helped create an ideational vacuum that neoliberalism quickly filled, complicating the task of developing coherent, macro-level alternatives to the neoliberal development paradigm.[9] This underscores why, as Lucero (this volume) points out, one of the most important gains of indigenous movements in recent years has been to gain the "capacity to aspire," using the political spaces opened up by neoliberal reforms to begin to outline alternatives to it.

Today, Latin Americans—particularly the disadvantaged—confront a novel situation in which they enjoy meaningful political rights in a context of growing material insecurity. Such insecurity has lead to political apathy and, as in Argentina in 2001, social explosions without any clear sense of direction other than an almost desperate search for something "better." Historically, such a search has proven particularly conducive to populism and political instability.

But, as the various chapters in this volume attest, important segments of the population have devoted increasing energy to reshaping the quality of their lives. Whether it be resisting unwanted foreign investment and defending the environment, asserting new indigenous rights and political influence, or using economic resources earned abroad to improve the quality of life in communities left behind, the often lamented demobilization of civil society in the early 1990s (e.g., Oxhorn 1994) is being displaced by advances that offer at the least the promise of an alternative to neoliberalism's perditions. These efforts have begun to converge, as Goldfrank suggests in his chapter, into new political alternatives on the Left. To greater or lesser degrees, these build on the more widely recognized successes associated with neoliberalism (particularly state decentralization, macro-economic stability, and new spaces for public–private sector cooperation).

The challenge of finding an alternative to neoliberalism is not an easy one and the obstacles often seem as great as the growing levels of frustration. Yet if such frustration continues to go unheeded, as seems to have been the case in many countries (PNUD 2004), the alternative will be between the kind of democratic projects suggested in this volume and a variety of ultimately undemocratic and exclusionary forms of populism more reminiscent of prior eras (e.g., Lázaro Cárdenas in Mexico and Getúlio Vargas in Brazil in the 1930s, or Alan Garcia in Peru in the 1980s, if not again after his 2006 electoral victory). This, in a nutshell, is Latin America's new crossroads.

Moving Beyond Neoliberalism or Back to Populism?

The constraints on democracy associated with neoliberalism ultimately mean that any post-neoliberal alternative is likely to be defined as a political alternative to the kinds of democratic regimes that predominate in Latin America today. Such political alternatives inevitably will reflect competing models of citizenship. Indeed, if the two alternate paths of the current crossroads share anything in common, it is their movement away from a particular model of citizenship that appears to predominate in the region today: *citizenship as consumption*.

In most countries in Latin America, citizens are best understood as *consumers*, spending their votes and often limited economic resources to access what normally would be considered minimal rights of democratic citizenship. This reflects how the transitions to democracy in Latin America since the mid-1970s have, for the first time in the region's history, juxtaposed the provision of universal political rights in the absence of universal civil rights and declining social rights. It is the result of a particular pattern of state–society relations that exacerbates historical problems of extreme inequality and weak civil societies rather than ameliorating them, despite the fact that political democracy seems more robust than at any previous period in the region's history (Oxhorn 2003).

While it is important that ultimate political authority is essentially decided upon through a free a market of votes, under citizenship as consumption, one's economic resources directly affect the quality of education, health care, and even the legal protection a person enjoys. Just as the state is assigned a minimal role in ensuring the smooth functioning of the market in the economic realm, the state largely abdicates its role in providing incentives (both positive and negative) for collective action. The public and private goods formally available at the state level to those mobilized in earlier periods, as well as the coercive incentives for the hierarchical organization of economic interests under state corporatism (Schmitter 1974), no longer exist or have been significantly reduced. Group identities and collective interests largely lose their intrinsic value as a market logic based on individuals comes to permeate entire polities to an unprecedented degree. Yet these are a primary potential source of power for disadvantaged groups.

In many ways, Chile is emblematic of both the potential of citizenship as consumption, as well as its limits. As Navia argues in this volume, the success of the *Concertación* governments in decreasing poverty and raising standards of living for the majority has seriously undermined the potential emergence of any alternative to neoliberalism on the Left. Yet targeted social policies and largely privatized social services, including education, health care, and social security, have also made the quality of one's citizenship rights directly dependent on one's economic resources, giving rise to important levels of citizen insecurity and a crisis of representation (PNUD 1998). Ironically, President Bachelet recognized the importance of addressing this noticeable lack of citizen agency, but as Navia also points out, she has been unable to

follow-through with her commitment to transform Chile into a more participatory democracy.

The alternative paths at today's crossroads reflect two competing models of citizenship: citizenship as *co-optation* or citizenship as *agency*. Citizenship as co-optation is in many ways the traditional model for Latin American citizenship. As Guillermo O'Donnell (2001; 1979b) has noted, social and other rights of citizenship have typically been disassociated from more liberal ideals of political rights in Latin America. Yet citizenship rights also were far from universal and used as a mechanism to address the threat to highly unequal societies that an incipient working class posed. Citizenship as co-optation was closely associated with populism, through which the limited and segmented provision of social "rights" of citizenship served to legitimate and consolidate hierarchical patterns of state–society relations. Social actors were deprived of autonomy through policies of state corporatism, clientelism, and populist appeals. Any association between this form of citizenship and political democracy was at best instrumental, as populist leaders used elections to gain power and then impose centralized, authoritarian mechanisms for mediating state–society relations that invariably subordinated the latter to the former. Perhaps the most famous example of this kind of populism was Juan Perón during his first period in power in Argentina (1946–1955), but other examples would include Lázaro Cárdenas in Mexico (1934–1940) and Getúlio Vargas in Brazil with the creation of the *Estado Novo* in the late 1930s. More recently, Hugo Chávez's presidency in Venezuela is demonstrating many of these characteristics.

In sharp contrast, citizenship as agency reflects a dynamic in which the state and civil society do not subordinate one to the other in the pursuit of public goods. Citizenship as agency reflects the active role that multiple actors, particularly those representing disadvantaged groups, must play in the social construction of citizenship for democratic governance to realize its full potential for inclusion. It is synonymous with strong civil societies in Western Europe, where advanced social welfare states can be seen as one of this model of citizenship's principal achievements. Equally important, it allows civil society actors to take full advantage of the political opportunities created by the existence of universal political rights in establishing more democratic, inclusionary relations with the state. Indeed, the establishment of such cooperative relations was central to the successes of the various indigenous and environmental movements discussed in this volume. This is clearest in the aftermath of successful mobilizations against the state's withdrawal of collective indigenous rights often associated with corporatism (Lucero, this volume) or the privatization of public water utilities (Perreault, this volume).

Given the region's extremes of inequality and exclusion, as well as the historical predominance of citizenship as co-optation, there is a tendency to associate the ideal of citizenship as agency by the Left in Latin America, often by its opponents who associate it with "communism" or even "terrorism" (Slack, in this volume). Yet, as the chapters by French and Goldfrank, in particular, would suggest, the relationship between the Left and citizenship

is not so straightforward. Among other factors, this reflects the growing importance of identity politics and a greater commitment to allowing subordinate groups to express themselves politically through new (often local) participatory institutions. This supposed to be a aspect of the "socialist renovation" that held the promise of deepening democracy, yet failed to do so in Chile and Peru because its key proponents were themselves cut off from the social groups they purported to represent (Roberts 1998).

More generally, the conflicting interests and competing norms that guide the social construction of citizenship mean that the outcomes of such processes will necessarily be indeterminate. For example, as Buechler's chapter on Aymara political mobilization in Bolivia makes clear, a more proactive political role for indigenous peoples is not necessarily incompatible with neoliberal economic policies. Yet their participation in politics, as the chapters by Zimmerer, French, and Lucero, as well as by Buecher, suggest, the participation of excluded groups can have a fundamental impact on the redefinition of what it means to be a citizen. At the same time, this participation has to be meaningful in terms of concrete outcomes, going beyond a politics of recognition (something also associated with extensive neoliberal reform governments) to address distributional issues (French, in this volume).

Choosing the Right Path?

Is the end of Washington Consensus near? Are we moving beyond neoliberalism toward an alternative development model? The answer to both questions is quite simple: not yet. But as the chapters in this volume demonstrate, Latin America is advancing slowly in both directions, and the slowness of this progress lies in the ambiguous impact neoliberalism has had on important segments of society. In many ways, the real challenge is to ensure that as the movement toward a new post-neoliberal era advances, it is on a path that offers the promise of something that is more democratic and inclusionary than has been the case in the past. The choice between citizenship as agency or citizenship as co-optation is, in many respects, a choice between moving forward or repeating many of the same basic mistakes that resulted when political elites sought to take advantage of the majority's growing sense of frustration, if not despair.[10]

While the generalized level of economic crisis in Latin America does not match that of the 1930s,[11] which reflected the culmination of the world's last experiment with economic liberalism, Western Europe faced a similar crossroads in the 1930s between the social welfare states associated with Polanyi's "Great Transformation" and particularly extreme forms of populism and even fascism. Latin America's unique history and higher levels of inequality mean that it will have to find its own variant of the social contracts underlying modern welfare states (Huber 2002) and more democratic, inclusionary alternatives to neoliberalism will necessarily vary among countries as the result of distinctive processes of negotiation between the state and different

social and political actors—something that the present volume suggests is beginning to take place, however tentative and partial such processes generally remain. Similarly, the authoritarian and exclusionary alternatives Latin America faces at its current crossroads are very different than they were in the past, if only because both military regimes and the revolutionary models of the past that the former Soviet Union, China, and even Cuba represented no longer seem viable. Yet the dangers they pose for democracy—and the consequences that will necessarily entail for disadvantaged majorities throughout the region—should not be ignored, even if their precise form is still being determined.

Elections and how existing political rights are actually used already offer some insights into the direction different countries are likely to take as they elaborate their own post-neoliberal alternative. From this perspective, it is important to distinguish between alternatives that begin to emerge as a result of the successful functioning of representative democratic institutions (e.g., Chile, Uruguay, and Brazil, at least in recent years compared to the rest of the region), from countries where there is a generalized repudiation of political actors and fundamental democratic institutions—or at least the way they had been functioning (e.g., Bolivia, Venezuela, to a certain extent Argentina). In the former cases, the promise is for more democracy in terms of citizen participation and inclusion, and the prospects for success are much greater in the context of respect for state institutions, institutionalized political parties, and more or less vibrant civil societies. While the latter case often has the same stated goal as well, a general lack of respect for democratic institutions, the weakness or delegitimation of institutionalized political parties, the increasing concentration of political power in the executive, and patterns of mass mobilization that generally belie the existence of strong, autonomous collective actors in civil society due to their spontaneity and dependence on the executive do not bode well for the deepening of democracy in any meaningful sense.

As the various chapters in this volume show, the seeds of organizational alternatives within civil society that work with and through state institutional channels are beginning to emerge, paving the way toward a post-neoliberal era that offers the promise of being "different" from the past because of the central role of citizenship as agency. These new actors (or old actors mobilizing in new ways, in the case of indigenous peoples) are successfully beginning to take advantage of the spaces opened up by political democracy and the positive elements of recent neoliberal reforms, particularly, state decentralization, low inflation due to fiscal responsibility, and the new opportunities opened up by transnational economies and free trade, in order to build more inclusionary democratic systems. But one must not be complacent; the challenge of neoliberalism also reflects the ways in which it divides, even polarizes, societies. The danger is that instead of building a new, more democratic path out of the current neoliberal morass, countries will return to a well-trodden one that will only prove to be a democratic, if not a political, dead-end.

Notes

1. The argument that economic liberalism necessarily results in the consolidation of political democracies harks back to modernization theories of the 1960s and 1970s. As I will discuss in the following sections, the relationship is not inevitable or as simplistic as modernization theorists and their neoliberal brethren would anticipate.

2. Such heterogeneity also affects Latin America's class structure. This historical problem (Portes 1985) has only been compounded by neoliberal reforms (Portes and Hoffman 2003).

3. There is now a growing body of literature on citizenship rights in the region that complements the perspective taken here. For example, see the classic work by O'Donnell (1993), as well as those by Friedman (1999), Jelin and Hershberg (1996), and Yashar (2005).

4. In reality, this regional "conventional wisdom" reflected the same Keynesian principles that dominated economic policymaking in developed and developing countries alike in the aftermath of the Great Depression (Polanyi 1944). The Keynesian imperative for a more active government role in managing economic relations had a profound impact on economic and social policies during most of the postwar era that easily rivals neoliberalism's influence today, even in the United States where they guided both Franklin D. Roosevelt's "New Deal" and Lyndon Johnson "Great Society" programs.

5. In the aftermath of the debt crisis and apparent demise of state-led development in the region, it is easy to forget that ISI led to considerable improvement on basic development indices. For example, from 1960 through 1980, per capita GDP doubled in Latin America and in a study of ten countries at various levels of social modernization, 26 percent of the economically active population experienced upward mobility in terms of their social status and incomes during this period. See CEPAL (1989: 31–34).

6. I discuss these in great length in Oxhorn (2003). See also Roberts (1998) and O'Donnell and Schmitter (1986).

7. It is interesting to note the parallel here with earlier arguments about the need to restore political order at any cost, before other goals could be addressed. In a similar vein, the possibility that other goals should be taken into account at the same time that "order" was being established or that the kind of institutions being created could make it impossible to achieve other developmental goals was largely ignored.

8. I will return to this point in the following section.

9. Even earlier, as Hirschman (1979) insightfully pointed out, it was the loss of their ideological "fig leaf" that helped pave the way for bureaucratic authoritarian regimes in the 1960s and 1970s. The market reforms that would later be labeled neoliberal provided a number of these regimes with a new fig leaf.

10. This choice is evident in the contrast between participative budgeting in Porto Alegre, Brazil, and the implementation of the popular participation law in Bolivia. The former demonstrates the positive benefits for democracy and inclusion when poor citizens can work with the state to directly influence policymaking—citizenship as agency—whereas the latter shows how

even well-intentioned policies aimed at increasing participation can fall short if they are implemented in a top-down fashion that is dependent on the provision of economic resources.

11. Although it was surpassed in a number of individual countries at specific points over the past twenty years, beginning with Bolivia in the mid-1980s and, most recently, Argentina.

This page intentionally left blank

References

Abers, Rebecca. 2000. *Inventing Local Democracy: Grassroots Politics in Brazil.* Boulder, Colo.: Lynne Rienner Publishers.

Acosta, Alberto. 2003–2004. "Ecuador: El coronel mató pronto a la esperanza." *Ecuador Debate* 61 (November 2003–February 2004). http://www.dlh.lahora. com.ec/paginas/debate/paginas/debate1004.htm.

Agrawal, A. 2005. *Environmentality: Technologies of Government and the Making of Subjects.* Durham: Duke University Press.

Albó, Xavier. 1991. "El retorno del indio." *Revista Andina* 9 (2): 299–357.

———. 1994. "And from Kataristas to MNRistas? The Surprising and Bold Alliance between Aymaras and Neoliberals in Bolivia." In Donna Lee Van Cott, ed., *Indigenous Peoples and Democracy in Latin America.* New York: St. Martin's Press, pp. 55–82.

———. 1999. *Ojotas en el Poder Local: Cuatro Años Después,* La Paz: CIPCA.

———. 2002. *Pueblos indios en la política.* La Paz: CIPCA Cuadernos de investigación 55, La Paz: Plural.

Albó, Xavier, and J. Barnadas. 1990. *La cara india y campesina de nuestra Historia.* LaPaz: Unitas/CIPCA.

Albó, Xavier, and Matías Preiswerk. 1986. *Los señores del Gran Poder.* Centro de teología popular: Taller de observaciones culturales. La Paz.

Alcántara Sáez, Manuel, and Leticia Ruiz-Rodríguez, eds. 2006. *La política chilena: entre la rutina, el mito y el modelo.* Barcelona: Bellaterra.

Alvarado, A., and D. Davis. 2004. "Mexico City: The Challenge of Political Transition." In Chavez and Goldfrank, eds., *The Left in the City.* 135–68.

Andersson, K. P. 2004. "Who Talks with Whom? The role of repeated interactions in decentralized forest governance." *World Development* 32 (2): 233–249.

Andolina, Robert. 2001. "Between Local Authenticity and Global Accountability: The Ayllu Movement in Contemporary Bolivia." Public presentation, Princeton University, March 2–3.

Andolina, Robert, S. Radcliffe, and N. Laurie. 2005. "Development and culture: Transnational identity making in Bolivia." *Political Geography* 24 (6): 678–702.

Andrews, George Reid. 2004. *Afro-Latin America, 1800–2000.* New York: Oxford University Press.

Angell, Alan, and Benny Pollack. 1990. "The Chilean elections of 1989 and the politics of the transitions to democracy." *Bulletin of Latin American Research* 9 (1): 1–23.

Angell, Alan, Benny Pollack, and Cristóbal Reig. 2006. "Change or continuity? The Chilean elections of 2005/2006." *Bulletin of Latin American Research* 25 (4): 481–502.

Annis, Sheldon. 1992. "Overview: poverty, natural resources, and public policy in Central America." In S. Annis, ed., *Poverty, Natural Resources, and Public Policy in Central America*. New Brunswick, NJ: Transaction Publishers, pp. 3–27.

Arce, Moisés. 2005. *Market Reform in Society: Post-Crisis Politics and Economic Change in Authoritarian Peru*. University Park: Pennsylvania State University Press.

Arpa, Georgina. Letter to Mr. D. Vikram Haksar, Mission Chief for Nicaragua, Western Hemisphere Department, International Monetary Fund. July 25, 2006.

Arruti, Jose Mauricio. 2001. "Agenciamentos Políticos da 'Mistura': Identificação Étnica e Segmentação Negro-Indigéna entre os Pankararú e os Xocó." *Estudos Afro-Asiáticos* 23 (2): 215–254.

Assies, W. 2003. "David versus Goliath in Cochabamba: Water rights, neoliberalism, and the revival of social protest in Bolivia." *Latin American Perspectives* 130 (30): 14–36.

Associação Brasileira de Antropologia. 1994. "Documento do Grupo de Trabalho sobre Comunidades Negras Rurais." Rio de Janeiro.

Association of Nongovernmental Organizations. 2002. "Cráteres, Venenos y Derechos Humanos." Tegucigalpa: ASONOG.

Auyero, Javier. 2006. "Protest politics in contemporary Argentina." In S. Levitsky and M. V. Murillo, eds., *Argentine Democracy: The Politics of Institutional Weakness*. University Park: The Pennsylvania University Press, pp. 250–268.

Avritzer, L. 2003. "Limites e potencialidades da expansão democrática no Brasil." Paper presented at the Fórum Social Brasileiro, Belo Horizonte. November 7–8.

Avritzer, Leonardo. 2002. *Democracy and the Public Space in Latin America*. Princeton: Princeton University Press.

Baiocchi, G. 2002. "Synergizing civil society: state–civil society regimes in Porto Alegre, Brazil." *Political Power and Social Theory* 15: 3–52.

———. 2004 "Porto Alegre: The Dynamism of the Unorganised." In Chavez and Goldfrank, *The Left in the City*, pp. 37–66.

Bakker, Karen. 2002. "From state to market? Water *mercanitilización* in Spain." *Environment and Planning A*, 34: 767–790.

———. 2003a. "A political ecology of water privatization." *Studies in Political Economy* 70: 35–58.

———. 2003b. *An Uncooperative Commodity: Privatizing Water in England and Wales*. Oxford: Oxford University Press.

Baldez, Lisa, and John M Carey. 1999. "Presidential agenda control and spending policy: lessons from general Pinochet's constitution." *American Journal of Political Science* 43 (1): 29–55.

Barth, Fredrik. 1969. "Introduction." In F. Barth, ed., *Ethnic Groups and Boundaries: The Social Organization of Culture Difference*. Boston: Little, Brown and Company, pp. 9–38.

Bezmalinovic, B., and Knowles C. 1992. "Part IV: Appendix." In S. Annis, ed., *Poverty, Natural Resources, and Public Policy in Central America*. New Brunswick, NJ: Transaction Publishers, pp. 170–191.

Bhagwati, Jagdish. 2002. *Free Trade Today*. Princeton, NJ: Princeton University Press.

Birdsall, Nancy, Augusto de la Torre, and R. Menezes. 2001. "Washington contentious: economic policies for social equity in Latin America." Washington D.C.: Carnegie Endowment for International Peace and the Inter-American Dialogue.

Boeninger, Edgardo. 1997. *Democracia en Chile. Lecciones para la gobernabilidad*. Santiago: Editorial Andrés Bello.

Bonner, Michelle. 2006. "Defining rights in democratization: the Argentine government and human rights organizations, 1983–2003." *Latin American Politics and Society* 47 (4): 55–76.

Bourdieu, Pierre. 1998. "The essence of neoliberalism." *Le Mode Diplomatique*, December, http://mondediplo.com/1998/12/08bourdieu.

Brenner, Neil, and N. Theodor. 2002. "Cities and geographies of 'actually existing liberalism.'" *Antipode* 34 (3): 351.

Bresser Pereira, Luiz Carlos, and Yoshiaki Nakano. 1998. "The missing social contract: governability and reform in Latin America." In P. Oxhorn and G. Ducatenzeiler, eds., *What Kind of Market? What Kind of Democracy? Latin America in the Age of Neoliberalism*. University Park, PA: The Pennsylvania State University Park, pp. 21–41.

Bresser Pereira, Luiz Carlos, and Yoshiaki Nakano, and Carmen Augusta Varela. 2004–2005. "The second Washington Consensus and Latin America's quasi-stagnation." *Journal of Post Keynesian Economics* 27 (2): 231–250.

Bridge, Gavin. 2000. "The social regulation of resource access and environmental impact: production, nature and contradiction in the U.S. copper industry." *Geoforum* 31: 237–256.

———. 2004a. "Editorial: gas and how to get it." *Geoforum* 35: 395–397.

———. 2004b. "Contested terrain: mining and the environment." *Annual Review Environmental Resources* 29: 205–259.

Bridge, Gavin, and Phil McManus. 2000. "Sticks and stones: environmental narratives and discursive regulation in the forestry and mining sectors." *Antipode* 32 (1): 10–47.

Brysk, Alison. 2000. *From Tribal Village to Global Village: Indian Rights and International Relations in Latin America*. Stanford: Stanford University Press.

Buchanan, Paul. 1997. "Counterhegemonic strategies in neoliberal Argentina." *Latin American Perspectives* 24 (November): 30–75.

Buechler, Hans. 1980. *The Masked Media: Aymara Fiestas and Social Integration in the Bolivian Highlands*. The Hague: Mouton.

———. 2006. *Entre la Pachamama y la galería de arte: vidas y propuestas de artistas paceños de origen aymara y quechua*. La Paz: Plural Editores.

Buechler, Hans, and Judith-Maria. 1971. *The Bolivian Aymara*. New York: Holt, Rinehart, and Winston.

———. 1978. "Combatting feathered serpents: the rise of protestantism and reformed Catholicism in a Bolivian highland community." In U. Oberem and R. Hartman, eds., *Estudios Americanistas I: Homenage a H. Trimborn*. St. Augustin: Soll. Inst. Anthro. 20. pp. 92–97.

———. 1992. *Manufacturing Against the Odds: Small Scale Producers in an Andean City*. Boulder: Westview Press.

———. 2000. "Farm Managers and Social Identity in Sachsen-Anhalt", *Identities: Global Studies in Culture and Power*, 7(1): 39–83.

———. 2002 *Contesting Agriculture: Cooperativism and Privatization in the New Eastern Germany*. Albany: State University of New York Press.

Bureau of the Western Hemisphere. 2008. *Background Note: Nicaragua*. Washington: U.S. Department of States, January. http://www.state.gov/r/pa/ei/bgn/1850.htm.

Burgess, Katrina. 2004. *Parties and Unions in the New Global Economy*. Pittsburgh: University of Pittsburgh Press.

Burgess, Katrina, and Beatriz Tinajero. Forthcoming. "Collective remittances as non-state transnational transfers: patterns of transnationalism in Mexico and El Salvador." In Stuart Brown, ed., "Non-State Transnational Transfers" special issue of *International Studies Review*.

Bustamante, Rocío. 2002. "The 'water war' in Cocahabamba: a war against privatisation." In *Water Law and Indigenous Rights—WALIR studies*, volume 2. "Indigenous Water Rights, Local Water Management, and National Legislation," Wageningen University (The Netherlands)/IWE and United Nations/CEPAL, pp. 40–43.

Bustamante, Rocío, and Zulema Gutierrez. 1999. "Usos y costumbres en la gestión de riego: caos u orden en la gestión de agua para riego." In Paul Hoogendam, ed., *Aguas y Municipios*. La Paz: Plural Editores, pp. 163–188.

Cabannes, Y. 2004. "Participatory budgeting: a significant contribution to participatory democracy." *Environment & Urbanization* 16 (1): 27–46.

Canales, Alejandro I. 2005. El papel económico y productivo de las remesas en México: Una visión crítica. Paper read at Seminario Problemas y Desafíos de la Migración y el Desarrollo en América, 7–9 de abril, at Cuernavaca, Mexico.

Cardoso, Fernando Henrique. 1997. *Reforma Agrária: Compromisso de Todos*. Brasília, DF: Presidência da República Secretaria de Comunicação Social.

Cassen, B. 1998. "Participative democracy in Porto Alegre." *Le Monde Diplomatique*. October, mondediplo.com/1998/10/08brazil. Accessed September 1, 2004.

Castañeda, Jorge. 1993. *Utopia Unarmed: The Latin American Left After the Cold War*. New York: Vintage Books.

———. 2006. "Left vs left in Latin America." *Foreign Affairs* 85 (3) online at http://www.foreignaffairs.org/20060501faessay85302/jorge-g-castaneda/latin-america-s-left-turn.html.

Castaneda, Jorge C, and Marcos A Morales. eds. 2008. *Leftovers. Tales of the Latin American Left*. New York: Routledge.

Centro de Cartografia Aplicada e Informação Geográfica da Universidade de Brasília. *O Segundo Cadastro Municipal dos Territórios Quilombolas do Brasil,* 2005.

CEPAL. 1989. *Transformación Ocupacional y Crisis Social en America Latina*. Santiago: United Nations, Comisión Económica para América Latina y el Caribe.

———. 2006. *Balance preliminar de las economías de América latina y el Caribe. 2006*. Santiago: CEPAL.

———. 2007. *Balance preliminar de las economías de América latina y el Caribe. 2007*. Santiago: CEPAL.

Cerney, Philip.2004. "Mapping Virieties of Neoliberalism." Posted online by the Political Studies Association, http://www.psa.ac.uk/cps/2004/cerny.pdf.

Cervantes-Rodriguez, Ana Margarita. 2006. "Nicaraguans in Miami-Dade county: immigration, incorporation, and transnational entrepreneurship." *Latino Studies* IV (2), July–August (Spring): 232–257.

Chavez, Daniel. 2004. "Montevideo: from popular participation to good governance." In Chavez and Goldfrank, eds., *The Left in the City*, pp. 67–101.

Chavez, D., and B. Goldfrank, eds. 2004. *The Left in the City: Participatory Local Governments in Latin America*. London: Latin American Bureau and Transnational Institute.

Chilcote, Ronald H. 2003. "The left in Latin America, theory and practice." *Latin American Perspectives* 30 (131): 10–15.

Chimhowu, Admos, Jenifer Piesse, and Caroline Pinder. 2005. "The socio-economic impact of remittances on poverty reduction." In Samuel Munzele Maimbo and

Dilip Ratha, eds., *Remittances: Development Impact and Future Prospects*. Washington, DC: World Bank, pp. 83–102.

Christen, C., S. Herculano, K. Hochstetler, R. Prell, M. Price, and J. T. Roberts. 1998. "Latin American environmentalism: comparative views." *Studies in Comparative International Development* 33 (2): 58–87.

Chua, Amy. 2004. *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*. New York: Anchor Books.

Claude, Marcel. 2006. *El Retorno de Fausto. Ricardo Lagos y la Concentración del Poder Económico*. Santiago: Ediciones Política y Utopía.

Cleary, Edward. 2004. "New voice in religion and politics in Bolivia and Peru." In Edward Cleary and Timothy Steigenga, eds., *Resurgent Voices in Latin America: Indigenous Peoples, Political Mobilization, and Religious Change*. New Brunswick: Rutgers University Press, pp. 43–64.

Cohen, John M., and Norman T. Uphoff. 1980. "Participation's place in rural development: seeking clarity through specificity." *World Development* 8 (3): 213–235.

Colburn, Forrest. 2002. *Latin America at the End of Politics*. Princeton: Princeton University Press.

Collier, David, ed. 1979. *The New Authoritarianism in Latin America*. Princeton: Princeton University Press.

Collier, Stephen J. 2005. "The Spatial Forms and Social Norms of Actually Existing Neoliberalism: Toward a Substantive Analytics." New School International Affairs Work Paper 2005–04.

Comissao Pro-Indio de Sao Paulo. 2008. http://www.cpisp.org.br/terras/html/pesquisa_oquerevela_placar.asp.

Conaghan, Catherine, and James Malloy. 1994. *Unsettling Statecraft: Democracy and Neoliberalism in the Central Andes*. Pittsburgh: University of Pittsburgh Press.

Conaghan, Catherine, James Malloy, and L. A. Abugattas. 1990. "Business and the 'boys': the politics of neoliberalism in the Central Andes." *Latin American Research Review* 25 (2): 3–30.

CONAPO. 2004. *La nueva era de las migraciones: Características de la migración internacional en México*. México, DF: Consejo Nacional de Población.

Conferencia Episcopal de Guatemala. 2005. "Comunicado." January.

Consejo Nacional de Pueblos Indigenas. 2004. "Press Release." April.

Constable, Pamela, and Arturo Valenzuela. 1991. *A Nation of Enemies. Chile Under Pinochet*. New York: Norton.

Coordinadora Civil. 2008. "'Nicaragua' 7 mil personas protestan contra el FIM, 20 mil firmas entregadas a la Asamblea Nacional." *Unmundo América Latina*. March 13, 2008. http://amlat.oneworld.net/article/view/141778/1.

Corrales, Javier. 2006a. "Hugo Boss." *Foreign Policy*. January/February.

———. 2006b. "The many lefts of Latin America." *Foreign Policy*. November/December.

Cortina, Jeronimo, and Rodolfo de la Garza. 2004. *Immigrant Remitting Behavior and Its Developmental Consequences for Mexico and El Salvador*. Los Angeles: Tomás Rivera Policy Institute.

Craig, Murphy. 1997. "Freezing the north–south bloc(k) after the east–west thaw." *Socialist Review* (July–September 1990): 25–46.

———. *International Relations Theory: Realism, Pluralism, Globalism*. Paul Viotti and Mark Kauppi, eds., second edition. Needham Hights, Massachussets: Allyn and Bacon, pp. 513–531.

Crespo, Carlos. 2000. "Superintendencias: nuevos superpoders (democracia y regulación en Bolivia)." Unpublished manuscript, Cochabamba, Bolivia: CESU-UMSS (Centro de Estudios Superiores Universitarios—Universidad Mayor San Simón).

CUBAENCUENTRO. "Hugo Chávez hace promesas a Daniel Ortega." Comentarios, January 17, 2008. http://www.cubaencuentro.com/es.encuentro-en-la-red/internatcional/noticias/hugo-chavez-hace-promesas-a-daniel-ortega/.

Damiani, Marco, Ricardo Miranda, and Rudolfo Lago. 2006. "A Consagração do Lulismo." In *Isto É*. 06/09/2006, pp. 28–33.

Davalos, Pablo. 2008. "Analisis de la coyuntura." Instituto Científico de Culturas Indígenas. January 1. http://icci.nativeweb.org/Analisis.htm. Accessed March 25, 2008.

De Echave, Jose. 2008. "La Iglesia Catolica ye el Campo de lo Opinable." *Actualidad Minera del Peru*, February 2008, p. 3. http://www.cooperaccion.org.pe/modulo/boletin/boletin_106.pdf.

De la Cadena, Marisol. 2000. *Indigenous Mestizos: The Politics of Race and Culture in Cuzco, Peru, 1919–1991*. Durham: Duke University Press.

De la Peña, Guillermo. 2005. "Social and cultural policies toward indigenous peoples: perspectives from Latin America." *Annual Review of Anthropology* 34: 717–739.

Degregori, Carlos Iván. 2006. "Un fantasma (todavia) amistoso recorre el Perú." *Ideele*: *Revista del Instituto de Defensa Legal* 169 (April): 32–36.

Desmarais, A.-A. 2002. "The Vía Campesina: consolidating an international peasant and farm movement." *Journal of Peasant Studies* 29 (2): 91–124.

Diaz, Alvaro. 1996. "Chile: ¿Hacia el pos-Neoliberalismo?" (unpublished manuscript).

Dominguez, Jorge, and Michael Shifter, eds. 2003. *Constructing Democratic Governance in Latin America*, second ed. Baltimore: John Hopkins University Press.

Dornbusch, Rudiger, and Sebastian Edwards. 1991. *The Macroeconomics of populism in Latin America*. Chicago and London: University of Chicago Press.

Dove, M. R. 2006. "Indigenous people and environmental politics." *Annual Review of Anthropology* 35: 191–208.

Drake, Paul, and Iván Jaksic, eds. 1995. *The Struggle for Democracy in Chile. 1982–1990*, revised ed. Lincoln: University of Nebraska Press.

Durand, Jorge. 2005. "Nuevas regiones de origen y destino de la migración mexicana." In *Working Paper Series*. Princeton: Center for Migration and Development, Princeton University.

Economist. 2007. "Tightening his grip: Ecuador's Rafael Correa." April 19, 2007. http://www.economist.com/displaystory.cfm?story_id=9040321.

Ellner, Steve. 2004. "Leftist Goals and the Debate over Anti-Neoliberal Strategy in Latin America." *Science and Society* 68 (1).

Engel, Eduardo, Ronald Fischer, and Alexander Galetovic. 2000. "The Chilean infrastructure concessions program: evaluation, lessons and prospects for the future." In F. Larraín and R. Vergara, ed., *La transformación económica de Chile*. Santiago: CEP, pp. 201–246.

Ensalaco, Mark. 1994. "In with the new, out with the old? The democratising impact of constitutional reform in Chile." *Journal of Latin American Studies* 26 (2): 409–429.

Escala-Rabadán, Luis. 2004. "Migración y formas organizativas en los Estados Unidos: los clubes y federaciones de migrantes mexicanos en California." In Guillaume Lanly and M. Basilia Valenzuela, eds., *Clubes de migrantes oriundos*

mexicanos en los Estados Unidos. Guadalajara: Centro Universitario de Ciencias Económico Administrativas, Universidad de Guadalajara, pp. 425–454.

Escobar, Arturo. 1995. *Encountering Development: The Making and Unmaking of the Third World*, Princeton, NJ: Princeton University Press.

———. 2001. "Culture sits in places: reflections on globalism and subaltern strategies of localization." *Political Geography* 20: 139–174.

Escobar Latapí, Agustín. 2000. "Progresa y el bienestar de las familias. Los hallazgos." In *Más oportunidades para las familias pobres: Evaluación del resultados del Programa de Educación, Salud, y Alimentación*. Mexico, DF: Progresa.

Espinosa, Victor. 1999. "The federation of Michoacán clubs in Illinois." Report commissioned by the Heartland Alliance for Human Needs and Human Rights. Chicago, IL.

Estellano, W. 1994. "From populism to the coca economy in Bolivia." *Latin American Perspectives* 21 (4): 34–45.

Fajnzylber, Pablo, and J. Humberto López. 2007. *Close to Home: The Development Impact of Remittances in Latin America*. Washington, DC: World Bank.

Farthing, Linda, 1991. "The new underground." *NACLA Report on the Americas* 25 (1): 18–23.

Fazio, Hugo. 2006. *Lagos: El Presidente "progresista" de la Concertación*. Santiago: LOM Ciencias Humanas.

Fazio, Hugo, Magaly Parada, Hugo Lattore, Manuel Riesco, Gabriel Salazar, Felipe Portales, Horacio Brum, Rafael Otano, Claudia Lagos, and Gonzalo Villarino. 2006. *Gobierno: balance crítico*. Santiago: LOM/Ciencias Humanas.

Ferguson, James, and Akhil Gupta. 2002. "Spatializing states: toward an ethnography of neoliberal governmentality." *American Ethnologist* 29 (4): 981–1002.

Fernandez, F., and Juan de Dios. 1993. *Nicaragua: Desde su conquista y colonización española a la situación actual*. Madrid: Asociación Rubén Darío.

Ferris, Elizabeth. 1987. *The Central American Refugees*. New York: Praeger.

Finnegan, William. 2002. "Leasing the rain." *The New Yorker* 78 (7) (April 8): 43–53.

FISDL. http://www.fisdl.gob.sv/2005/.

Fitzgerald, Edmund Valpy Knox. 1985. "Agrarian reform as a model of accumulation: the case of Nicaragua since 1979." *The Journal of Development Studies* 22 (1) (October): 208–226.

Foxley, Alejandro. 1983. *Latin American Experiments in Neoconservative Economics*. Berkeley: University of California Press.

Fraser, Nancy. 1998. "Social justice in the age of identity politics: redistribution, recognition, and participation." In G.B. Peterson, ed., *The Tanner Lectures on Human Values*, vol. 19. Salt Lake City: University of Utah Press, pp. 1–67.

———. 2000. "Rethinking Recognition." *New Left Review* 3: 107–120.

French, Jan Hoffman. 2002. "Dancing for land: law-making and cultural performance in northeastern Brazil." *Political and Legal Anthropology Review* 25 (1): 19–36.

———. 2004. "Mestizaje and law making in indigenous identity formation in northeastern Brazil: 'After the conflict came the history,'" *American Anthropologist* 106 (4): 663–674.

———. 2006. "Buried alive: imagining Africa in the Brazilian northeast." *American Ethnologist* 33 (3): 340–360.

Fox, Jonathan. 1995. "The crucible of local politics." *NACLA Report on the Americas* 29 (1) July/August: 15–19.

Fox, Jonathan. 2005. "Mapping Mexican civil society." Woodrow Wilson International Center for Scholars. Washington, D.C., November 4–5.

Foxley, Alejandro. 1983. *Latin American Experiments in Neoconservative Economics.* Berkeley: University of California Press.

Friedman, Edward. 1999. "The painful gradualness of democratization: proceduralism as a necessarily discontinuous revolution." In H. Handelman and M. Tessler, eds., *Democracy and Its Limits: Lessons from Asia, Latin America, and the Middle East.* Notre Dame: University of Notre Dame Press, pp. 321–340.

Friedman, Mike. "Nicaragua: the first year of the Ortega government—a balance sheet." Interview with Mónica Baltodano. *Monthly Review*, February 3, 2008. http://www.monthlyreview.org/mrzine/friedman020308.html.

Fukuyama, Francis. 1992. *The End of History and the Last Man.* New York: Free Press.

Funk, Robert, ed. 2006. *El gobierno de Ricardo Lagos: La nueva vía chilena hacia el socialismo.* Santiago: Universidad Diego Portales.

Funkhouser, Edward. 1995. "Remittances from international migration: a comparison of El Salvador and Nicaragua." *The Review of Economics and Statistics* 77 (1): 137–146.

Gamarra, E. A. 1994. "Market-oriented reforms and democratization in Latin America: Challenges of the 1990s." In W. C. Smith, C. H. Acuña, and E. A. Gamarra, eds., *Latin American Political Economy in the Age of Neoliberal Reform.* New Brunswick: Transaction Publishers, pp. 1–16.

García Alberto, Fernando García, and Luz Quitón. 2003. *La "Guerra del Agua" Abril de 2000: La Crisis de la Política en Bolivia.* La Paz: PIEB.

García, Fernando. 2000 *Las sociedades interculturales: un desafío para el siglo XXI.* FLACSO – ECUADOR, Ibis Dinamarca. Quito, Ecuador.

Garcia, María Elena. 2005. *Making Indigenous Citizens: Making Indigenous Citizens: Identity, Development, and Multicultural Activism in Peru.* Stanford: Stanford University Press.

———. 2007 "(Un)Learning indigeneity:The PROEIB Andes, indigenous professionals, and the contradictions of decolonization." AES and CASCA Joint Conference, Toronto, Canada, May.

———. Forthcoming. "Authenticating Indians and movements: interrogating indigenous authenticity, social movements, and fieldwork in contemporary Peru." In Laura Gotkowitz, ed., *From Purity of Blood to Indigenous Social Movements.*

Garcia, María Elena, and José Antonio Lucero. 2004. "'Un País Sin Indígenas'? Re-thinking indigenous politics in Peru," In Nancy Grey Postero and Leon Zamosc, eds., *Indigenous Struggles in Latin America.* Brighton, UK: Sussex, pp. 158–188.

Garcia Perez, Alan. 2007. "El sindrome del perro hortelano," *El Comercio*, October.

Garretón, Manuel Antonio. 1989. *The Chilean Political Process.* Boston: Unwin Hyman.

———. 1995. "The political opposition and the party system under the military regime." In P. Drake and I. Jaksic, eds., *The Struggle for Democracy in Chile. 1982–1990.* Lincoln: University of Nebraska Press, pp. 211–250.

———. 2000. "Chile's election: change and continuity." *Journal of Democracy* 11 (2): 78–84.

———. 2003a. *Incomplete Democracy: Political Democratization in Chile and Latin America.* Translated by R. K. Washbourne, with Gregory Horvath. Chapel Hill: University of North Carolina.

———. 2003b. *Latin America in the 21st Century: Toward a new Sociopolitical Matrix.* Miami: University of Miami North-South Center Press.

Gerchunoff, Pablo, and Juan Carlos Torres. 1998. "Argentina: the politics of economic liberalization." In M. Vellinga, ed., *The Changing Role of the State in Latin America,*. Boulder: Westview, pp. 115–148.

Gibson, Bill. 1987. "A structural overview of the Nicaraguan economy." In Rose J. Spalding, ed., *The Political Economy of Revolutionary Nicaragua.* Boston: Allen and Unwin, pp. 24–44.

Gidi, Antonio. 2003. "Class actions in Brazil—a model for civil law countries." *American Journal of Comparative Law* 51 (2): 311–408.

Gill, Lesley. 2000. *Teetering on the Rim: Global Restructuring, Daily Life, and the Armed Retreat of the Bolivian State.* New York, NY: Columbia University Press.

Gisbert de Mesa,Teresa. 1980. *Iconografía y mitos indígenas en el arte.* La Paz: Gisbert.

Glassman, James. 1999. "State power beyond the 'territorial trap': the internationalization of the state." *Political Geography* 18: 669–696.

Godoy, Oscar. 1994. "Las elecciones de 1993." *Estudios Públicos* 54: 301–337.

Goldfrank, Benjamin. 2002. "Fragile flower of local democracy: a case study of decentralization/participation in Montevideo." *Politics & Society*, 30 (1).

Goldfrank, Benjamin. 2007. "Lessons from Latin American experience in participatory budgeting." In Anwar Shah, ed., *Participatory Budgeting.* Washington, DC: WBI, pp. 91–126.

Goldman, Michael. 2005. *Imperial Nature: The World Bank and Social Justice in the Age of Globalization.* New Haven: Yale University Press.

Goldring, Luin. 2003. "From market membership to transnational citizenship?" Paper available on the Documentos page of the Red Internacional de Migración y Desarrollo. http://www.migracionydesarrollo.org/.

———. 2004. "Family and collective remittances to Mexico: a multi-dimensional typology." *Development and Change* 35 (4): 799–840.

Gordon, Edmund T., Galio C. Gurdián, and Charles R. Hale. 2003. "Rights, resources, and the social memory of struggle: reflections on a study of indigenous and black community land rights on Nicaragua's Atlantic coast." *Human Organization* 62 (4): 369–381.

Gougan de Contreras. 1972. "Capítulo II (Demografía)." In Mario Monteforte, ed., *Centro América: Subdesarrollo y dependencia. (volumen 1).* Mexico: Universidad Nacional Autónoma. Cambridge, Mass.: Harvard University Press.

Greene, Shane. 2006. "Getting over the Andes: the geo-eco-politics of indigenous movements in Peru's twenty-first century Inca empire." *Journal of Latin American Studies* 38 (2): 1–28.

Gustafson, Bret. 2002. "The paradoxes of liberal indigenism: indigenous movements, state processes, and intercultural reform in Bolivia." In D. Maybury-Lewis, ed., *The Politics of Ethnicity: Indigenous Peoples in Latin American States,* Cambridge, MA: Harvard University Press, pp. 267–306.

Gwynne, R. N., and C. Kay. 2000. "Views from the periphery: Futures of neoliberalism in Latin America." *Third World Quarterly* 21 (1): 141–156.

Hagen-Zanker, Jessica Sabine, and Mirtha Rosaura Muñiz Castillo. 2005. *Remittances and Human Development: The Case of El Salvador.* Maastricht Graduate School.

Haggard, Stephen, and Robert Kaufman. 1995. *The Political Economy of Democratic Transitions.* Princeton: Princeton University Press.

Hale, Charles R. 1994. "Between Che Guevara and the Pachamama: Mestizos, Indians and identity politics in the Anti-quincentenary campaign." *Critique of Anthropology* 14 (1): 9–39.

———. 2002a. "Rethinking indigenous politics in the era of the 'Indio Permitido.'" *NACLA Report on the Americas*. New York, September/October. Vol. 38 (2).

———. 2002b. "Does multiculturalism menace? Governance, cultural rights and the politics of identity in Guatemala." *Journal of Latin American Studies* 34 (3): 485–524.

———. 2004 "Neoliberal multiculturalism: the remaking of cultural rights and racial dominance in Central America." *Political and Legal Anthropology Review* 28 (1): 10–28.

———. 2006. *Más Que Un Indio (More than an Indian): Racial Ambivalence and the Paradox of Neoliberal Multiculturalism in Guatemala*. Santa Fe: SAR Press.

Hall, Gillette, and Harry Anthony Patrinos. 2006. "Key messages and an agenda for action." In G Hall and HA Patrinos, eds., *Indigenous People, Poverty, and Human Development in Latin America: 1994–2004*. Hampshire, U.K.: Palgrave Macmillan, pp. 221–240.

Harnecker, M. 1995. *Haciendo Camino al Andar*. Santiago, Chile: Ediciones LOM-MEPLA.

Harris, Olivia, and Javier Albó. 1975. *Monteras y guardatojos: campesinos y mineros en el norte de Potosí*. La Paz: CIPCA, Cuadernos de investigación 7.

Harvey, David. 1974. "Population, resources and the ideology of science." *Economic Geography* 50 (3): 256–277.

———. 1990. *The Condition of Postmodernity*. Oxford: Blackwell.

———. 1996. *Justice, Nature and the Geography of Difference*. Oxford: Blackwell.

———. 2000. "Cosmopolitanism and the banality of geographical evils." *Public Culture* 12: 529–564.

Healy, Kevin. 2001. *Llamas, Weavings, and Organic Chocolate: multicultural grassroots Development in the Andes and Amazon of Bolivia*. South Bend, IN: University of Notre Dame Press.

Healy, Kevin, and Susan Paulson. 2000. "Political economies of identity in Bolivia 1952–1998." *The Journal of Latin American Anthropology* 5 (2): 2–29.

Hellman, Joel S. 1998. "Winners take all: the politics in new democracies: East German, Hungary, Poland, and Slovakia 1989–93." *World Politics* 50 (July): 547–581.

Heyck, Denis. 2002. *Surviving Globalization in Three Latin American Communities*. Toronto: Broadview Press.

Hindery, D. 2004. "Social and environmental impacts of World Bank/IMF-funded economic restructuring in Bolivia: An analysis of ENRON and Shell's hydrocarbons projects." *Singapore Journal of Tropical Geography* 25(3): 281–303.

Hirschman, Albert. 1979. "The turn to authoritarianism in Latin America and the search for its economic determinants." In D. Collier, ed., *The New Authoritarianism in Latin America.*. Princeton: Princeton University Press, pp. 61–98.

Homer-Dixon, Thomas. 1995. "The Ingenuity Gap: Can Poor Countries Adapt to Resource Scarcity?" *Population and Development Review* 21, no. 3: 587–612.

Honneth, Axel, and Nancy Fraser. 2003. *Redistribution or recognition?: A Political-Philosophical Exchange*. London and New York: Verso.

Hoogendam, Paul, and Gonzalo Vargas. 1999a. "Continuidades y discontinuidades en la gestión de agua después de la implementación del nuevo marco legal." In

Paul Hoogendam, ed., *Aguas y Municipios*. Cochabamba: PEIRAV/Plural Editores, pp. 151–161.

———. 1999b. "La compleja relación entre municipalización, governabilidad, y la gestion de agua." In P. Hoogendam, ed., *Aguas y Municipios*. Cochabamba: PEIRAV/Plural Editores, pp. 21–35.

Htun, Mala. 2004. "From 'racial democracy' to affirmative action: changing state policy on race in Brazil." *Latin American Research Review* 39 (1): 60–89.

Huber, Evelyne, ed. 2002. *Models of Capitalism: Lessons for Latin America*. University Park: The Pennsylvania State University Press.

Huber, Evelyne, and Fred Solt. 2004. "Successes and failures of neoliberalism." *Latin American Research Review* 39 (3): 150–164.

Huntington, Samuel. 1968. *Political Order in Changing Societies*. New Haven: Yale University Press.

Hvalkof, Soren. 2002. "Beyond indigenous land titling: democratizing civil society in the Peruvian Amazon." In J. Chase, ed., *The spaces of neoliberalism: land, place and family in Latin America*. Bloomfield, CT: Kumarian Press, pp. 87–118.

Hylton, Forrest, and Sinclair Thomson. 2004. "Insurgent Bolivia." *NACLA Report on the Americas* 38 (3): 15–19.

Hylton, Forrest, and S. Thomson. 2007. *Revolutionary Horizons: Past and Present in Bolivian Politics*. London: Verso.

Instituto Nacional de Estadísticas y Censos (INEC). Fondo de Naciones Unidas Para Actividades de la Población (FNUAP). 1992. *La migración internacional en Nicaragua*. Managua, Nicaragua: Editorial Ciencias Sociales.

Instituto Nacional de Estadísticas y Censos (INEC). 1996. *Séptimo censo nacional de población y tercero de vivienda, 1995*. Managua, Nicaragua: Instituto Nacional de Estadísticas y Censos.

Insunza, Andrea, and Javier Ortega. 2005. *Bachelet. La historia no oficial*. Santiago: Debate.

Inter-American Development Bank. 2006. *Remittances 2005: Promoting Financial Democracy*. www//migrantsremittances.org.

International Monetary Fund (IMF). 2006. Nicaragua. *Country Reports* 06/174.

———. 2008. "Statement at the Conclusion of an IMF Mission to Nicaragua." Press Release No. 08/45.

Iriarte, Gregorio, and equipo CIPCA. 1980. *Sindicalismo campesino, ayer, hoy y mañana*. Cuaderno de Investigación, La Paz, CIPCA.

Izquierdo, José Miguel, and Patricio Navia. 2007. "Cambio y continuidad en la elección de Bachelet." *América Latina Hoy* 46 :75–96.

Jaquette, Jane, ed. 1989. *The Women's Movement in Latin America: Feminism and the Transition to Democracy*. Boston: Unwin Hyman.

Jelin, Elizabeth, and Eric Hershberg, eds. 1996. *Constructing Democracy: Human Rights, Citizenship and Society in Latin America*. Boulder: Westview Press.

Jessop, Bob. 2002. "Liberalism, neoliberalism, and urban governance: a state-theoretical perspective." *Antipode* 34: 452–472.

Kaimowitz David, Graham Thiele, and Pablo Pacheco. 1999. "The effects of structural adjustment on deforestation and forest degradation in lowland Bolivia." *World Development* 27 (3): 505–520.

Kapur, Devesh. 2003. "Remittances: the new development mantra?" G-24 Technical Group Meeting.

Karl, Terry Lynn. 2003. "The vicious cycle of inequality in Latin America." In S. Eckstein and T. Wickham-Crawley, eds., *What Justice? Whose Justice?*

Fighting for Fairness in Latin America. Berkeley: University of California, pp. 133–157.

Kelly, Thomas J. 2001. "Neoliberal reform and rural poverty," *Latin American Perspectives* 28 (3): 84–103.

Kent, R. K. 1965. "Palmares: an African state in Brazil." *Journal of Negro History* 6: 161–175.

Kesselman, Mark. 1973. "Order or movement: the literature of political development." *World Politics* 26 (October): 139–154.

Khazanov, Anatoly. 1995. *After the USSR: Ethnicity, Nationalism, and Politics in the Commonwealth of Independent Status*. Madison: University of Wisconsin Press.

Kingstone, Peter R. 2006. "After the Washington Consensus: the limits to democratization and development in Latin America." *Latin American Research Review* 41 (1): 153–164.

Klein Herbert S. 1992. *Bolivia: The Evolution of a Multi-Ethnic Society*, second ed. New York: Oxford University Press.

Kohl, B. 1999. "Economic and political restructuring in Bolivia: tools for a neoliberal agenda?" Unpublished PhD dissertation, Cornell University.

———. 2002. "Stabilizing neoliberalism in Bolivia: Popular participation and privatization." *Political Geography* 21: 449–472.

———. 2003. "Democratizing decentralization in Bolivia—the law of popular participation." *Journal of Planning Education and Research* 23 (2): 153–164.

Kohl, Benjamin, and Linda Farthing. 2006. *Impasse in Bolivia: Neoliberal Hegemony and Popular Resistance*. London: Zed Books.

Komives, Kristin. 1999. "Designing pro-poor water and sewer concessions: early lessons from Bolivia.' World Bank Policy Research Working Paper No. 2243.

Kuczynski, Pedro-Pablo, and John Williamson. 2003. *After the Washington Consensus: Restarting Growth and Reform in Latin America*. Washington, DC: Institute for International Economics.

Kuipers, James. 2003. *Putting a Price on Pollution*. Washington, DC: Mineral Policy Center.

Kurtz, Marcus. 2004. *Free Market Democracy and the Chilean and Mexican Countryside*. Cambridge: Cambridge University Press.

Lanly, Guillaume, and Volker Hamann. 2004. "Introducción." In Guillaume Lanly and M. Basilia Valenzuela, eds., *Clubes de migrantes oriundos mexicanos en los Estados Unidos*. Guadalajara: Centro Universitario de Ciencias Económico Administrativas, pp. 11–36.

Larner, Wendy. 2003. "Neoliberalism?" *Environment and Planning D: Society and Space* 21: 509–512.

La Razon. 2006. "Los sectores aguardan a Evo Morales con grandes pedidos." La Paz: January 3.

Laserna, Roberto. 1995. *Paradojas de la Modernidad*. La Paz: Fundación Milenio.

Latinobarometro. 2007. "Informe Latinobarómetro 2006." Santiago: Latinobarómetro.

Laurie N., and Marvin S. 1999. "Globalisation, neoliberalism, and negotiated development in the Andes: Water projects and regional identity in Cochabamba, Bolivia." *Environment and Planning A* 31 (8): 1401–1415.

Laurie N., S. Marvin, Robert Andolina, and Sarah Radcliffe. 2003. "Indigenous professionalization: transnational social reproduction in the Andes." *Antipode* 35 (3): 464–491.

———. 2005. "Ethnodevelopment: social movements, creating experts and professionalising indigenous knowledge in Ecuador." *Antipode* 37 (3): 470–496.

Lemanski-Valente, Karla. 2001. "The Cardoso administration and Brazil's transition to the third millennium." In J. Demmers, A. E. F. Jilberto, and B. Hogenboom, eds., *Miraculous Metamorphoses: The Neoliberalization of Latin American Populism*. London, New York: Zed Books, pp. 89–107.

Levitsky, Steven. 2003. *Transforming Labor-Based Parties in Latin America: Argentine Peronism in Comparative Perspective*. Cambridge: Cambridge University Press.

Lindblom, Charles Edward. 1977. *Politics and Markets : The World's Political Economic Systems*. New York: Basic Books.

Linhares, Luiz Fernando do Rosário. 2004. "Kilombos of Brazil: identity and land entitlement." *Journal of Black Studies* 34 (6): 817–837.

Lipset, Seymour Martin. 1959. "Some social requisites of democracy: economic development and political legitimacy." *American Political Science Review* 53 (March): 69–105.

Liverman, D. M., and S. Vilas. 2006. "Neoliberalism and the environment in Latin America." *Annual Review of Environment and Resources* 31: 327–363.

López Córdova, Ernesto. 2004. *Globalization, Migration and Development: The Role of Mexican Migrant Remittances*. Washington, D.C.: Inter-American Development.

López Maya, Margarita. 1999. *Lucha popular, democracia, neoliberalismo : protesta popular en América Latina en los años de ajuste*. Caracas, Venezuela : Editorial Nueva Sociedad. Bank.

Lora, E., and U. Panizza. 2003. "The future of structural reform." *Journal of Democracy* 14 (2) April: 123–137.

Loveman, Brian. 1991. "¿Misión cumplida? Civil military relations and the Chilean political transition." *Journal of Inter American Studies and World Affairs* 33 (3): 35–74.

Lozano Ascencio, Fernando. 2005. "Hogares receptores de remesas en México: límites y posibilidades para el desarrollo local y regional." *Working Paper Series*. Princeton: Center for Migration and Development, Princeton University.

Lucero, José Antonio. 2006. "Representing 'real Indians': The challenges of indigenous authenticity and strategic constructivism in Ecuador and Bolivia," *Latin American Research Review* 41 (2): 31–56.

———. Forthcoming. *Struggles of Voice: Indigenous Representation in Bolivia and Ecuador*. Pittsburgh: University of Pittsburgh Press.

Lucero, José Antonio, and María Elena García. 2007. "In the shadows of success: indigenous politics in Peru and Ecuador." In Marc Becker and Kim Clark, eds., *Highland Indians and the State in Modern Ecuador*. Pittsburgh: University of Pittsburgh Press, pp. 234–257.

Lustig, Nora, and Omar Arias. 2000. "Poverty reduction." *Finance & Development* 37 (1): 30–33.

MacLeod, Gordon, and Mark Goodwin. 1999. "Space, scale and state strategy: rethinking urban and regional governance." *Progress in Human Geography* 23 (4): 503–527.

Magno da Silva, Rosemiro, and Eliano Sérgio Azevedo Lopes. 1996. *Conflitos de Terra e Reforma Agrária em Sergipe*. São Cristovão, Sergipe: Editora UFS.

Makki, Fouad. 2002. "The genesis of the development framework: the end of *Laissez-faire*, the eclipse of colonial empires and the structure of U.S. hegemony."

In Ramón Grosfoguel and Ana Margarita Cervantes- Rodríguez, eds., *The odern/ Colonial/Capitalist World-System in the Twentieth Century*. Westport, CT: Greenwood Press, pp. 215–236.

Mayer, Enrique. 1994. "Reflexiones sobre los derechos individuales y coletivos: Los derechos étnicos." In Eric Hershberg and Elizabeth Jelin, eds., *Construir la democracia: Derechos humanos, ciudadanía, y sociedad en América Latina*. Caracas: Nueva Sociedad, pp. 171–178.

McCarthy, James, and Scott Prudham. 2004. "Neoliberal nature and the nature of neoliberalism." *Geoforum* 35: 275–283.

McKenzie, David, and Hillel Rapoport. 2007. "Network effects and the dynamics of migration and inequality: theory and evidence from Mexico." *Journal of Development Economics* 84 (1): 1–24.

Mego, Andres. 2005. "Experiences with dialogue." *Latinamerica Press* 37 (2) (January 26, 2005): 16.

MIF. 2004. "Remittances to Latin America and the Caribbean: Goals and Recommendations." Washington, D.C.: Multilateral Investment Fund, Inter-American Development Bank.

———. 2006. "Remittances 2005: Promoting Financial Democracy". Washington, D.C.: Multilateral Investment Fund, Inter-American Development Bank.

———. 2008a. "Remittances to Latin America and the Caribbean slower, IDB fund says." Press release, March 11, 2008. http://www.iadb.org/news/.

———. 2008b. "Remittances to Latin America and the Caribbean 2007." http://www.iadb.org/mif/remesas_map.cfm?language=English&parid=5.

Moctezuma, Miguel. 2004. "Construcción extraterritorial de la ciudadania sustantiva y la Ley Migrante de Zacatecas." In Gonzalo Badillo Moreno, ed., *La Puerta que llama. El voto de los mexicanos en el extranjero*. México, DF: Senado de la República.

Moran, Robert. 2001. "An alternative look at a proposed mine in Tambogrande, Peru." Washington: Oxfam America, Mineral Policy Center, Environmental Mining Council of British Columbia.

———. 2002. "What's the big secret? Observations and comments on the San Andres mine and mining regulation in Honduras." Tegucigalpa: Development Commission of the Department of Copan and the Association of Nongovernmental Organizations.

Moog Rodrigues, M. G. 2003. "Privatization and socioenvironmental conditions in Brazil's Amazonia: Political challenges to neoliberal principles." *Journal of Environment and Development* 12 (2): 205–238.

Moore, M. 1989. "The fruits and fallacies of neoliberalism: The case of irrigation policy." *World Development* 17: 1733–1750.

Morales, Mauricio. 2008. "La primera mujer presidenta de Chile. ¿Que explicó el triunfo de Michelle Bachelet en las elecciones de 2005–2006?" *Latin American Research Review* 43 (1): 7–32.

Murillo, Maria Victoria. 1997. "Union politics, market-oriented reforms, and the reshaping of Argentine corporatism." In D.A. Chalmers, C. Vilas, S. Martin, K. Piester, K. Hite, and M.M. Segarra, eds., *The New Politics of Inequality in Latin America: Rethinking Participation and Representation*. Oxford: Oxford University Press, pp. 72–95.

Mutersbaugh, T. 2002. "The number is the beast: A political economy of organic-coffee certification and producer unionism." *Environment and Planning* A 34 (7): 1165–1184.

Naím, Moisés. 1995. "Latin America: the second stage of reform." In Larry Diamond and Marc F. Plattner, eds., *Economic Reform and Democracy*. Baltimore: Johns Hopkins University Press, pp. 28–44.

Nash, June C. 2001. *Mayan Visions: The Quest for Autonomy in an Age of Globalization*. New York: Routledge.

Navia, Patricio. 2004. "Modernización del Estado y Financiamiento de la Política: Una Crisis que se Transformó en Oportunidad." In C. Stefoni, ed., *Chile 2003–2004. Los nuevos escenarios (inter) nacionales*. Santiago: FLACSO, pp. 177–194.

———. 2005a. "La elección presidencial de 1993. Una elección sin incertidumbre." In A. San Francisco and Á. Soto, eds., *Las elecciones presidenciales en la historia de Chile. 1920–2000*. Santiago: Centro de Estudios Bicentenario, pp. 435–462.

———. 2005b. "Transformando votos en escaños: leyes electorales en Chile, 1833–2003." *Política y Gobierno* 12 (2): 233–276.

———. 2006a. "Bachelet's Election in Chile." *ReVista. Harvard Review of Latin America* (Spring/Summer): 9–11.

———. 2006b. "La izquierda de Lagos vs la izquierda de Chávez." *Foreign Affairs en Español* 6 (2): 75–88.

Nickson, Andrew, and Claudia Vargas. 2002. "The limitations of water regulation: the failure of the Cochabamba concession in Bolivia." *Bulletin of Latin American Research* 21 (1): 99–120.

Nosthas, Ernesto. 2006. "El caso de El Salvador: Programa Unidos por la Solidaridad." In Rafael Fernández de Castro, Rodolfo García Zamora, and Ana Vila Freyer, eds., *El Programa 3x1 para Migrantes: ¿Primera Política Transnacional en México?* México, DF: Instituto Tecnológico Autónomo de México, Universidad Autónoma de Zacatecas, pp. 45–59.

O'Connor, James. 1996. "The second contradiction of capitalism." In *The Greening of Marxism*. New York: Guilford. Santa Fe, New Mexico: School of American Research Press, pp. 197–221.

O'Donnell, Guillermo. 1973. *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*. Berkeley: Institute of International Studies.

———. 1979a. *Modernization and Bureaucratic Authoritarianism*. Berkeley: University of California Berkeley.

———. 1979b. "Tensions in the bureaucratic authoritarian state and the question of democracy." In D. Collier, ed., *The New Authoritarianism in Latin America*. Princeton: Princeton University Press, pp. 285–318.

———. 1993. "On the state, democratization and some conceptual problems: a Latin American view with glances at some postcommunist countries." *World Development* 21 (8): 1355–1369.

———. 1994. "Delegative democracy." *Journal of Democracy* 5 (1): 56–69.

———. 1996. "Illusions about consolidation." *Journal of Democracy* 7 (April): 34–51.

———. 2001. "Democracy, law, and comparative politics." *Studies in Comparative International Development* 36 (1): 7–36.

O'Donnell, Guillermo, and Philippe C. Schmitter. 1986. *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*. Baltimore: Johns Hopkins University Press.

Ocampo, José Antonio. 2004–2005. "Beyond the Washington Consensus: what do we mean?" *Journal of Post Keynesian Economics* 27 (2): 293–313.

Oltremari, A. J. V., and K. D. Thelen. 2003. "Evolution of the planning process for protected areas in Latin America." *Natural Areas Journal* 23 (2): 174–179.

Ong, Aihwa. 2006. *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty.* Durham: Duke University Press.

Onis, Ziya. 2003. "Rethinking the emerging post-Washington Consensus: a critical appraisal." *ERC Working Paper in Economics.* Ankara, Turkey: Economic Research Center, Middle East Technical University.

Orozco, Manuel. 2002. "Workers' remittances as a development tool." Research Report. www.adb.org/documents/reports/consultant/worker_remittances_psi.pdf. http://www.usaid.gov/policy/budget/cbj2006/lac/ni.html.

———. 2003. "Hometown associations and their present and future partnerships: new development opportunities?" *Report commissioned by the U.S. Agency for International Development.*

———. 2004. "Remittances to Latin America and the Caribbean: issues and perspectives on development." *Report Commissioned by the Organization of American States.* Washington, D.C.

———. 2007. "Migrant hometown associations and opportunities for development: a global perspective." *Migration Information Source.* Washington, D.C.: Migration Policy Institute.

Orozco, Manuel, and Steven R. Wilson. 2005. "Making migrant remittances count." In Donald F. Terry and Steven R. Wilson, eds., *Beyond Small Change: Making Migrant Remittances Count.* Washington, DC: Inter-American Development Bank, pp. 375–392.

Orta, Andrew. 1999. "Syncretic subjects and body politics: doubleness, personhood, and Aymara Catechists." *American Ethnologist* 26 (4): 864–889.

———. 2004. *Catechizing Culture.* New York: Columbia University Press.

Ottone, Ernesto, and Carlos Vergara. 2006. *Ampliando horizontes. Siete claves estratégicas del gobierno de Lagos.* Santiago: Debate.

Oxhorn, Philip. 1994. "Where did all of the protesters go? Political mobilization, transition to democracy and the new democratic regime in Chile." *Latin American Perspectives* 26 (October): 49–68.

———. 1995. *Organizing Civil Society: The Popular Sectors and the Struggle for Democracy in Chile.* University Park, Pennsylvania: Pennsylvania State University Press.

———. 1998a. "The social foundations of Latin America's recurrent populism: problems of class formation and collective action." *Journal of Historical Sociology* 11 (June): 212–246.

———. 1998b. "Is the century of corporatism over? Neoliberalism and the rise of neopluralism." In Philip Oxhorn and Graciela Ducatenzeiler, eds., *What Kind of Democracy? What Kind of Market? Latin America in the Age of Neoliberalism.* University Park, Penn.: Pennsylvania State University Press, pp. 195–217.

———. 2002. "History catching up with the present? State–society relations and the Argentine crisis." *Cambridge Review of International Affairs* 15 (3): 499–514.

———. 2003. "Social inequality, civil society and the limits of citizenship in Latin America." In S. Eckstein and T. Wickham-Crawley, eds., *What Justice? Whose Justice? Fighting for Fairness in Latin America.* Berkeley: University of California, pp. 35–63.

———. 2006. "Citizenship as consumption or citizenship as agency: comparing democratizing reforms in Bolivia and Brazil." Latin American Studies Association Congress, Puerto Rico.

———. Forthcoming. "Neopluralism and the challenges for citizenship in Latin America." In J. S. Tulchin and M. Ruthenberg, eds., *Citizenship in Latin America*. Washington, D.C.: Woodrow Wilson Center Press.

Özden, Caglar, and Maurice Schiff, eds. 2005. *International Migration, Remittances, and the Brain Drain*. Washington, D.C.: World Bank.

Páez, Ángel. 2006. "Perú: Candidáto indigenista remonta vuelo." Inter Press Service News Agency. http://www.ipsnoticias.net/nota.asp?idnews=36051.

Pallares, Amalia. 2002. *From Peasant Struggles to Indian Resistance*. Norman: University of Oklahoma Press.

Papademetriou, Demetrios G. 2003. "The shifting expectations of free trade and migration." In J Audley et al., eds. *NAFTA's Promise and Reality*. Washington, D.C.: Carnegie Endowment for International Peace, pp. 39–59.

Passel, Jeffrey. 2004. "Mexican immigration to the U.S.: the latest estimates." In *Migration Information Source*. Washington, D.C.: Migration Policy Institute. http://www.migrationinformation.org/USfocus/display.cfm?ID=208.

Patzi, Felix. 1999. *Insurgencia y sumisión: Movimientos indigeno-campesinos 1983–1998*. La Paz: Muela del Diablo.

Peck, Jamie. 2004. "Geography and public policy: constructions of neoliberalism." *Progress in Human Geography* 28 (3): 392–405.

Peck, Jamie, and Adam Tickell. 2002. "Neoliberalizing space." *Antipode* 34: 380–404.

Peredo, Carmen, Carlos Crespo C., and Ómar Fernández. 2004. *Los Regantes de Cochabamba en la Guerra del Agua*. Cochabamba: CESU/UMSS.

Pérez Carrillo, Carmen. 2007. "'El mal del Gobierno es su soberbia,' Víctor Hugo Cárdenas, Licenciado en Literatura y Educación." El Deber.com.bo, Santa Cruz de la Sierra, September 17.

Perreault, Thomas. 2005. "State restructuring the scale politics of rural water governance in Bolivia." *Environment and Planning A* 37: 263–284.

———. 2006. "From the *Guerra del Agua* to the *Guerra del Gas*: Resource governance, popular protest, and social justice in Bolivia." *Antipode* 38 (1): 150–172.

Perreault, Thomas, and P. Martin. 2005. "Geographies of neoliberalism in Latin America." *Environment and Planning A* 37: 191–201.

Peruzotti, Enrique. 2006. "Demanding accountable government: citizens, politicians, and the perils of representative democracy in Argentina." In S. Levitsky and M. V. Murillo, eds., *Argentine Democracy: The Politics of Institutional Weakness*. University Park: The Pennsylvania State University Press, pp. 229–249.

Petkoff, Teodoro. 2006. *Dos izquierdas*. Caracas: Alfadil.

Petras, James. 1999. *The Left Strikes Back: Class Conflict in Latin America in the Age of Neoliberalism*. Boulder: Westview Press.

———. 2006. "'Centre-left' regimes in Latin America." Countercourrents.org, http://www.countercurrents.org/petras080406.htm.

Petras, James. "Latin America—four competing blocs of power." The James Petras Website (April, 17, 2007), http://petras.lahaine.org/articulo.php?p=1700&more=1&c=1.

PNUD. 2004. *Democracia en América Latina: Haca una democracia de ciudadanas y ciudadanos*. New York: Programa de las Naciones Unidas Para el Desarrollo.

Polanyi, Karl 1944. *The Great Transformation*. New York: Farrar & Rinehart.

Polaski, Sandra. 2003. "Jobs, wages, and household income." In J Audley et al., eds. *NAFTA's Promise and Reality*. Washington, D.C.: Carnegie Endowment for International Peace, pp. 11–38.

Portes, Alejandro. 1985. "Latin American class structures: their composition and change during the last decades." *Latin American Research Review* XX (3): 7–39.

———. 1997. "Neoliberalism and the sociology of development." *Population and Development Review* 23 (2) (June): 229–259.

Portes, Alejandro, and Kelly Hoffman. 2003. "Latin American class structures: their composition and change during the neoliberal era." *Latin American Research Review* 38 (1): 41–82.

Postero, Nancy Grey, and León Zamosc. 2004. "Indigenous movements and the Indian question in Latin America." In N.G. Postero and L. Zamosc, eds., *The Struggle for Indigenous Rights in Latin America.*, Portland, Or.: Sussex Academic Press, pp. 1–31.

Power, Thomas. 2002. *Digging to Development: A Historical Look at Mining and Development.* Washington, D.C.: Oxfam America.

Programa de Naciones Unidas para el Desarrollo, Chile (PNUD-Chile). 1998. "Desarrollo Humano en Chile: Las pardojas de la modernización." Santiago: PNUD-Chile.

Radcliffe, Sara, Nina Laurie, and Robert Andolina. 2004. "Indigenous people and political transnationalism: globalization from below meets globalization from above?" WPTC-02-05.

Ratha, Dilip. 2005. "Migrant remittances as a source of development financing." In Irena Omelaniuk and Thomas L Weiss, eds. *World Migration 2005: Costs and Benefits of International Migration*. Geneva: International Organization for Migration, pp. 269–274.

REDESMA. 2005. "Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas." *Boletín* 7–17 *Extra* II: 1–2.

Reichmann, Rebecca Lynn. 1999. *Race in Contemporary Brazil: From Indifference to Inequality*. University Park, Pa.: Pennsylvania State University Press.

Repetto, Robert. 2004. *Silence is Golden, Lead and Copper*. New Haven: Yale School of Forestry Studies.

Reuters. 2007. "Nicaragua se liberar del FMI antes de cinco años, asegura Daniel Ortega." *La Jornada*. Mexico, Distrito Federal, No. 8142, April 22.

Rivera Cusicanqui, Silvia. 1983. "Luchas campesinas contemporáneas en Bolivia: el movimiento 'katarista': 1970–1980." In René Zavaleta Mercado ed., *Bolivia Hoy*. Mexico: Siglo Veinte, pp. 129–168.

Rivera-Salgado, Gaspar, Xóchitl Bada, and Luis Escala-Rabadán. 2005. "Mexican migrant civic and political participation in the U.S.: the case of hometown associations in Los Angeles and Chicago." Woodrow Wilson International Center for Scholars. Washington, D.C., November 4–5.

Roberts, Bryan, and Erin Hamilton. 2005. "The new geography of emigration: emerging zones of attraction and expulsion, continuity and change." *Working Paper Series*. Princeton: Center for Migration and Development, Princeton University.

Roberts, J. T., and N. D. Thanos. 2003. *Trouble in Paradise: Globalization and Environmental Crises in Latin America*. London: Routledge.

Roberts, Kenneth M. 1995. "Neoliberalism and the transformation of populism in Latin America: The Peruvian case." *World Politics* 48 (1) (October): 82–116.

———. 1998. *Deepening Democracy? The Modern Left and Social Movements in Chile and Peru*. Stanford: Stanford University Press.

Robinson, William. 2003. *Transnational Conflicts: Central America, Social Change, and Globalization*. London and New York: Verso.

Rodriguez, Margarita. 1999. "Different Paths, Same Destination: International Migration in Cuba and Nicaragua." PhD Dissertation, University of Miami, 1999.

Rodríguez Ramírez, Héctor. 2005. "El vínculo migración-remesas y pobreza en el contexto actual de la emigración mexicana." Seminario Problemas y Desafíos de la Migración y el Desarrollo en América, Cuernavaca, Mexico.

Rodríguez-Pose, Andrés, and Javier Sánchez-Reaza. 2003. *Economic Polarization Through Trade: Trade Liberalization and Regional Growth in Mexico.* Helsinki, Finland: United Nations University/World Institute for Development Economics Research.

Rojas, Isaias. 2003. "The push for zero coca: democratic transition and counternarcotics policy in Peru." *WOLA, Drug War Monitor*, February.

Sader, E. 2005. Presentation at the V World Social Forum. January.

Sagárnaga, Rafael L. 2007. "Víctor Hugo Cárdenas: 'El MAS no creó los conflictos, pero los agravó.'" *Los Tiempos.com.,* August 5.

Sanabria, Harry 2000. "Resistance and the arts of domination: miners and the Bolivian state." *Latin American Perspectives* 27 (1): 56–81.

Schamis, Hector. 1999. "Distributional coalitions and the politics of economic reform in Latin America." *World Politics* 51 (2): 236–268.

———. 2006. "Populism, socialism and democratic institutions." *Journal of Democracy* 17 (4): 20–34.

Schmitter, Philippe C. 1974. "Still the century of corporatism?" *Review of Politics* 36 (January): 85–131.

Schönwälder, Gerd. 2004. "Metropolitan Lima: a new way of making politics." In Chavez and Goldfrank, eds., *The Left in the City*, pp. 11–35.

Schumpeter, Joseph A. 1950. *Capitalism, Socialism and Democracy*, third ed. New York: Harper and Row.

Schvarzer, Jorge. 1998. "The economic reform in Argentina: which social forces for what aims?" In P. Oxhorn and G. Ducatenzeiler, eds., *Latin America: What Kind of Market? What Kind of Democracy?* University Park: The Pennsylvania State University Press, pp. 61–88.

Schwartz, Stuart B. 1992. *Slaves, Peasants, and Rebels: Reconsidering Brazilian Slavery.* Urbana and Chicago: University of Illinois Press.

Scott, James. 1998. *Seeing Like a State: How Certain Schemes to Improve the Human Condition have Failed.* New Haven: Yale University Press.

Scott, John. 2001. "Who benefits from social spending in Mexico?" Working Paper 208. Programa de Presupuesto y Gasto Público, CIDE. México, DF.

SELA. 2004. "Current trends in migrants' remittances in Latin America and the Caribbean: an evaluation of their social and economic importance." Migrants' Remittances: An Alternative for Latin America and the Caribbean? July 26–27. Caracas, Venezuela.

SERVINDI. 2005. "Perú.- La rebelión de Humala." January. http://claret.org.mx/jpic/coyuntura/latam/050125a.htm.

Shifter, Michael. 2006. "In search of Hugo Chávez." *Foreign Affairs* 85 (3): 45–59.

Shifter, Michael, and Vinay Jawahar. 2005. "Latin America's populist turn." *Current History* 104 (679): 51–57.

Siavelis, Peter. 2000. *The President and Congress in Post-Authoritarian Chile: Institutional Constraints to Democratic Consolidation.* University Park: Penn State University Press.

———. 2002. "The hidden logic of candidate selection for Chilean parliamentary elections." *Comparative Politics* 34 (4): 419–438.

Siavelis, Peter. 2006. "How new is Bachelet's Chile?" *Current History* 106 (697): 70–76.

Sierra, R. 2006. "A transnational perspective on national protected areas and ecoregions in the tropical Andean countries." In K.S. Zimmerer, ed., *Globalization and the New Geographies of Conservation*. Chicago: University of Chicago Press, pp. 276–302.

Sletzkine, Yuri. 1994. "The USSR as a communal apartment, or how a socialist state promoted ethnic particularism." *Slavic Review* 53: 414–452.

Smith, Richard Chase. 2001. "Pueblos Indígenas y el Estado Plurinacional en el Peru." *Quehacer* 129: 82–86.

Soto Priante, Sergio. 2005. "Impactos Sociales de la Migración y el 3x1 para migrantes." Seminar on México: Pais De Migrantes. Monterrey, México.

Soto Priante, Sergio, and Marco Antonio Velázquez Holguín. 2006. "El proceso de institucionalización del Programa 3x1 para Migrantes." In Rafael Fernández de Castro, Rodolfo García Zamora, and Ana Vila Freyer, eds., *El Programa 3x1 para Migrantes: ¿Primera Política Transnacional en México?* México, DF: Instituto Tecnológico Autónomo de México, Universidad Autónoma de Zacatecas.

Spalding, Rose J. 1994. *Capitalists and Revolution in Nicaragua: Opposition and Accommodation 1979–1993*. Chapel Hill: University of North Carolina Press.

Speth, J. G. 2003. *Worlds Apart: Globalization and the Environment*. Washington, D.C.: Island Press.

Spronk, Susan, and Jeffrey R. Webber 2005. "Bolivian president resigns amidst blockades of the New Left and a belligerent Old Right." *Z-Net Magazine online*, March 7, 2005. www.zmag.org/content/showarticle.cfm?SectionID=52&ItemID=7388.

Squella, Agustín. 2005. *El jinete en la lluvia*. Santiago: Aguilar.

Starn, Orin. 1999. *Nightwatch*. Durham: Duke University Press.

Stern, Steve. 1982. *Peru's Indian peoples and the challenge of Spanish conquest : Huamanga to 1640*. Madison, Wis. : University of Wisconsin Press.

Stern, Steve, ed. 1987. *Resistance, Rebellion, and Consciousness in the Andean Peasant World, 18th to 20th Centuries*. Madison: University of Wisconsin Press.

Stokes, Susan Carol. 2001. *Mandates and Democracy: Neoliberalism by Surprise in Latin America*. Cambridge and New York: Cambridge University Press.

Sullivan, Kevin. 2005. "Protests from Guatemala's pulpits: mine dispute kindles resurgent activism in Catholic Church." *Washington Post*, April 13, p. A10.

Sundberg, J. 2003. "Conservation and democratization: constituting citizenship in the Maya Biosphere Reserve, Guatemala *Political Geography* 22/7, September 2003, 715–740.

———. 2006. "Conservation, globalization, and democratization: exploring the contradictions in the Maya Biosphere Reserve, Guatemala." In K. S. Zimmerer, ed., *Globalization and the New Geographies of Environmental Conservation*. Chicago: University of Chicago Press, pp. 339–363.

Swyngedouw, Erik. 1997. "Neither global nor local: 'glocalization' and the politics of scale." In Kevin R. Cox, ed., *Spaces of Globalization: Reasserting the Power of the Local*. New York: Guilford Press, pp. 137–166.

———. 2000. "Authoritarian governance, power, and the politics of rescaling." *Environment and Planning D: Society and Space* 18: 63–76.

Tapia, Luis. 2000. "La densidad de la síntesis." In Luis Tapia, et al., eds., *El retorno de la Bolivia plebeya*. La Paz: Muela del Diablo Editores.

Taylor, J. Edward, et al. 2005. "Remittances, inequality and poverty: evidence from rural Mexico." American Agricultural Economics Association Annual Meeting, Providence, Rhode Island, July 24–27.

Taylor, John D. 2004. *Remittance Corridors and Economic Development: A Progress Report on a Bush Administration Initiative.* Office of Public Affairs, U.S. Treasury.

Teichman, Judith A. 2001. *The Politics of Freeing Markets in Latin America: Chile, Argentina, and Mexico.* Chapel Hill: University of North Carolina Press.

Tendler, Judith. 2000. "Safety nets and service delivery: What are social funds really telling us?" In Joseph Tulchin and Allison Garland, eds., *Social Development in Latin America.* Boulder: Lynne Rienner Publishers.

Terry, Donald. 2005. "Remittances as a development tool." In Donald F. Terry and Steven R. Wilson, eds., *Beyond Small Change: Making Migrant Remittances Count.* Washington, DC: Inter-American Development Bank, pp. 3–20.

Tilly, Charles. 2004. *Social Movements, 1768–2004.* New York: Paradigm Press.

Torres-Rivas, Edelberto. 1995. *Centro América 1995: Una introducción a la realidad contemporánea de la región.* Guatemala City, Guatemala: INCEP. USAID. *U.S. Budget: Nicaragua*, 2006.

Tsing, Anna Lowenhaupt. 2005. *Friction: An Ethnography of Global Connection.* Princeton and Oxford: Princeton University Press.

United Nations Development Programme. 2004. *Human Development Report 2004: Cultural Liberty in Today's Diverse World.* New York: UNDP.

Unzueta Q. O., with J. A. Tosi and L. R. Holdridge. 1975. *Mapa ecológica de Bolivia.* La Paz: MACA. División de Suelos, Campesinos, y Agropecuarios.

Valenzuela, Arturo. 2005. "Beyond benign neglect: Washington and Latin America." *Current History* 104: 58–63.

Valenzuela, Arturo, and Lucia Dammert. 2006. "Problems of success in Chile." *Journal of Democracy* 17 (4): 65–79.

Van Cott, Donna Lee, ed. 1994. *Indigenous Peoples and Democracy in Latin America.* New York: St. Martin's Press.

———. 2000. *The Friendly Liquidation of the Past: The Politics of Diversity in Latin America.* Pittsburgh: University of Pittsburgh Press.

———. 2005. *From Movements to Parties: The Evolution of Ethnic Politics.* Cambridge: Cambridge University Press.

———. 2006. "Multiculturalism vs. neoliberalism in Latin America." In Keith Banting and Will Kymlicka, eds., *Multiculturalism and the Welfare State.* Oxford and New York: Oxford University Press, pp. 272–296.

Velasco Arregui, Edur, and Richard Roman. 2000. *Neoliberalism, NAFTA (North American Free Trade Agreement) and Migration: Their Impact on Labor Markets in North America, at Buenos Aires, Argentina.*

Veltmeyer, H., and A. O' Malley, eds. 2001. *Transcending Neoliberalism: Community-based development in Latin America.* Bloomfield, CT: Kumarian Press.

Véran, Jean-François. 2002. "Quilombos and Land Rights in Contemporary Brazil." *Cultural Survival Quarterly* 25 (4): 20.

Verduzco, Gustavo. 2005. "La continuidad y el cambio de las migraciones entre México y Estados Unidos: Una interpretación desde México." *Working Paper Series.* Princeton: The Center for Migration and Development, Princeton University.

Via Campesina. 2001. "The position of Via Campesina on biodiversity, biosafety and genetic resources." *Development* 44 (4): 47–51.

Vidal, John. 2003. "All dried up." *The Guardian Weekly*. March 27.

Vilas, Carlos M. 1987. "Troubles Everywhere: An Economic Perspective on the Sandinista Revolution," In Rose J. Spalding, ed., *The Political Economy of Revolutionary Nicaragua*. Boston: Allen and Unwin, Inc., pp. 233–246.

Vogt, Daniel. 2004. Letter to World Bank Executive Directors, June.

Wade, Peter. 1997. *Race and Ethnicity in Latin America*. London: Pluto Press.

Waisman, Carlos. 1999. "Civil society, state capacity, and the conflicting logics of economic and political change." In P. Oxhorn and P. Starr, eds., *Political and Economic Liberalization in Latin America: Convergence or Divergence*? Boulder: Lynne Reinner.

Walker, Ignacio. 2006. "Democracia en América Latina." *Foreign Affairs en Español* 6 (2). http://www.foreignaffairs-esp.org/20060401faenespessay060202/ignacio-walker/democracia-en-america-latina.html.

Wallerstein, Immanuel. 1992. "The concept of national development, 1917–1989: elegy and requiem." *American Behavioral Sciences* 35: 517–529.

Walton, Michael. 2004. "Neoliberalism in Latin America: good, bad, or incomplete?" *Latin American Research Review* 29 (3): 181–196.

Wampler, Brian, and Leonardo Avritzer. 2004. "Participatory publics: civil society and new institutions in democratic Brazil." *Comparative Politics* 36 (3): 291–312.

Warren, Kay. 1998. *Indigenous Movements and Their Critics*. Princeton: Princeton University Press.

Warren, Kay, and Jean Jackson, eds. 2002. *Indigenous Movements, Self-Representation, and the State in Latin America*. Austin: University of Texas Press.

Watts, M. 2004. "Antimonies of community: Some thoughts on geography, resources, and empire." *Transactions of the Institute of British Geographers* 29 (2): 195–216.

Waylen, Georgina. 1994. "Women and democratization: conceptualizing gender relations in transition politics." *World Politics* 46 (April): 327–354.

Weeks, John. 1986. "An Interpretation of the Central American Crisis." *Latin American Research Review* 21, no. 3. 31–53.

Weisbrot, Mark. 2006. "Latin America: the end of an era." http://www.cepr.net/index.php?option=com_content&task=view&id=373.

———. 2007. "Bolivia's economy the first year." Issue Brief. Center for Economic and Policy Research. www.cepr.net/documents/publications/bolivias_economy_the_first_year.pdf.

Weismantel, Mary. 2006. "Real and imagined communities in the Andes." In Gerald Creed., ed. *The Seductions of Community: Emancipations, Oppressions, Quandaries*. Santa Fe: School of American Research Press, pp. 77–100.

Western, D., and R. M. Wright, eds. 1994. *Natural Connections: Perspectives in Community-Based Conservation*. Washington, D.C.: Island Press.

Weyland, Kurt. 2002. *The Politics of Market Reform in Fragile Democracies: Argentina, Brazil, Peru, and Venezuela*. Princeton, NJ: Princeton University Press.

———. 2003. "Latin American neopopulism—neopopulism and neoliberalism in Latin America: how much affinity?" *Third World Quarterly* 24 (6): 1095–1115.

———. 2004a. "Critical debates: neoliberalism and democracy in Latin America: a mixed record." *Latin American Politics and Society* 46 (1): 135–157.

———. 2004b. "Threats to Latin America's market model?" *Political Science Quarterly* 119 (2): 291–313.

———. 2004c. "Neoliberalism and democracy in Latin America: a mixed record." *Latin American Politics and Society* 46 (1) (Spring): 135–157.

———. 2005. "The growing sustainability of Brazil's low-quality democracy." In F. Hagopian and S. P. Mainwaring, eds., *The Third Wave of Democratization in Latin America: Advances and Setbacks*. Cambridge: Cambridge University Press, pp. 90–120.

Williamson, John, ed. 1990a. *Latin American Adjustment: How Much has happened?* Washington, DC: Institute for Internatinal Economics.

———. 1990b. "What Washington Means by Policy Reform." In John Williamson, ed.,? Washington: Institute for International Economics.

———. 1993. "Democracy and the Washington Consensus." *World Development* 21 (8): 1329–1336.

———. 2000. "What should the World Bank think about the Washington Consensus." *The World Bank Observer* 15 (2): 251–264.

———. 2003. "An agenda for restarting growth and reform." In P.-P. Kuczynski Godard and J. Williamson, eds., *After the Washington Consensus: Restarting Growth and Reform in Latin America*. Washington, D.C.: Institute for International Economics, pp. 1–19.

Wilson, Scott. 2004. "Peru's mines dig deep at local discontent." *Washington Post,* February.

Winn, Peter, ed. 2004. *Victims of the Chilean Miracle. Workers and Neoliberalism in the Pinochet era, 1973–2002*. Durham: Duke University Press.

Wolford, Wendy. 2005. "Agrarian moral economies and neo-liberalism in Brazil: competing world-views and the state in the struggle for land." *Environment and Planning* A 37 (2): 241–261.

Woodruff, Christopher, and Rene Zenteno. 2001. "Remittances and microenterprises in Mexico." Unpublished manuscript.

World Bank. 2002. "An asset for competitiveness: sound environmental management in mining countries." Washington, D.C.: World Bank.

———. 2007. *Nicaragua at Glance*. September. http://devdata.worldbank.org/AAG/nic_aag.pdf.

World Bank and Interamerican Development Bank. 2002. *Peru: Restoring Fiscal Discipline for Poverty Reduction: A Public Expenditure Review*. Washington: World Bank and Interamerican Development Bank.

Yashar, Deborah J. 1997. "Contesting citizenship in Latin America: indigenous movements and democracy in Latin America." *Comparative Politics* 31 (1): 23–42.

———. 1999. "Democracy, indigenous movements, and the postliberal challenge in Latin America." *World Politics* 52 (1): 76–104.

———. 2005. *Contesting Citizenship in Latin America: The Rise of Indigenous Movements and the Post-Liberal Challenge*. Cambridge: Cambridge University Press.

Young, K. R., and L. O. Rodríguez. 2006. "National and non-national scientists in the development of Peru's Protected Area system." In K. S. Zimmerer, ed., *Globalization and the New Geographies of Environmental Conservation*. Chicago: University of Chicago Press, pp. 303–338.

Zamosc, León. 1994. "Agrarian protest and the Indian movement in the Ecuadorian highlands." *Latin American Research Review* 3: 37–68.

———. 2004. "Indigenous movements and class struggles in Ecuador (1992–2002)." In Nancy Grey Postero and León Zamosc, eds., *The Struggle for Indians Rights in Latin America*. Brighton, UK: Sussex Press.

Zapata, Francisco. 1998. "Trade unions and the corporatist system in Mexico." In P. Oxhorn and G. Ducatenzeiler, eds., *What Kind of Democracy? What Kind of*

Market? Latin America in the Age of Neoliberalism. University Park: Pennsylvania State University Press, pp. 152–167.

Zimmerer, K. S. 2006. "Multi-level geographies of seed flows and seed use in agro-biodiversity conservation in the Andean countries." In K.S. Zimmerer, ed., *Globalization and the New Geographies of Environmental Conservation.* Chicago: University of Chicago Press, pp. 185–218.

Zimmerer, K. S., and E. D. Carter. 2002. "Conservation and sustainability in Latin America." *Yearbook of the Conference of Latin Americanist Geographers* 27: 22–43.

Zimmerer, K. S., R.E. Galt, and M.V. Buck. 2004. "Globalization and multi-spatial trends in the coverage of protected-area conservation (1980–2000)." *Ambio: A Journal of the Human Environment* 33 (8): 514–523.

Zimmerman, E.W. 1933. *World Resources and Industries: A Functional Appraisal of Agricultural and Industrial Resources.* New York: Harper and Brothers.

Zolberg Aristide R., Astri Suhrke, and Sergio Aguayo. 1989. *Escape from Violence: Conflict and the Refugee Crisis in the Developing World.* New York: Oxford University Press.

Contributors

Hans Buechler is professor of anthropology at Syracuse University. His books include *The Bolivian Aymara* (1971), *The Masked Media: Fiestas and Social Interaction in the Bolivian Highlands* (1980), and *Entre la Pachamama y la galería de arte: vidas y propuestas de artistas paceños de origen aymara y quechua* (2006).

John Burdick is professor of anthropology at Syracuse University. His publications include *Legacies of Liberation: The Progressive Catholic Church in Brazil at the Start of a New Millennium* (2004), *Blessed Anastacia: Women, Race and Popular Christianity in Brazil* (1998), and *Looking for God in Brazil* (1993).

Katrina Burgess is associate professor of international political economy at the Fletcher School of Law and Diplomacy at Tufts University. She is author of *Parties and Unions in the New Global Economy* (2004) and *The California–Mexico Connection* (1993).

Margarita Cervantes-Rodríguez is assistant professor Latin American and Latino Studies Department, SUNY Albany. She is author of *International Migration in Cuba: Accumulation, Imperial Designs and the Development of Transnational Social Fields* (forthcoming); and coeditor of *Caribbean Migrations to Western Europe: Essays on Identity, Incorporation and Citizenship*, and *The Modern/Colonial/ Capitalist World-System in the Twentieth Century*.

Jan Hoffman French is an assistant professor of anthropology in the Department of Sociology and Anthropology at the University of Richmond. She is author of *Becoming Black or Indian: Legalizing Identities in Brazil's Northeast* (forthcoming).

Benjamin Goldfrank is assistant professor of political science at the University of New Mexico. He is coeditor of *The Left in the City: Participatory Local Governments in Latin America* (2004).

José Antonio Lucero is assistant professor of political science at Temple University. His book *Voices of Struggle, Struggles of Voice: Indigenous Representation in the Bolivia and Ecuador* is forthcoming.

Patricio Navia is professor at the Instituto de Ciencias Sociales at Universidad Diego Portales in Chile, and adjunct professor in the Center for Latin American and Caribbean Studies at New York University. He is author of *Las grandes alamedas. El Chile post Pinochet* (2004) and *Mérito y Competencia: Amores de mercado* (coauthored with Eduardo Engel).

Philip Oxhorn is associate professor of political science and director of the Centre for Developing Area Studies at McGill University. His publications include *Decentralization, Civil Society, and Democratic Governance: Comparative Perspectives from Latin America, Africa, and Asia* (2004), *The Market and Democracy in Latin America: Convergence or Divergence?* (1999), *What Kind of Democracy? What Kind of Market? Latin America in the Age of Neoliberalism* (1998), and *Organizing Civil Society: The Popular Sectors and the Struggle for Democracy in Chile* (1995).

Thomas Perreault is associate professor in the Department of Geography at Syracuse University. His publications include "From the *Guerra del Agua* to the *Guerra del Gas*: Resource governance, neoliberalism and popular protest in Bolivia" [*Antipode*, 38 (1): 150–172, 2006], and numerous other articles.

Kenneth M. Roberts is professor of government at Cornell University. He is the author of *Deepening Democracy? The Modern Left and Social Movements in Chile and Peru* (1998) and *Changing Course: Parties, Populism, and Political Representation in Latin America's Neoliberal Era* (forthcoming, Cambridge University Press).

Keith Slack is senior policy advisor in the Washington, D.C., office of Oxfam America, an international humanitarian relief and development agency. He coordinates the organization's extractive industries reform program. His publications include articles in *Ethics and International Affairs, Human Rights Quarterly* and *the Los Angeles Times*.

Karl S. Zimmerer is chair of the Department of Geography, University of Wisconsin, Madison. He is the author of *Globalization and the New Geographies of Environmental Conservation* (2006), and *Political Ecology: An Integrative Approach to Geography and Environment-Development Studies* (2003).

Index

Note: Page references in *italics* refer to tables.