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## Promoting Capitalist Polyarchy: The Case of Latin America

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SOCIAL change is driven by contradictions that make the continuation of an existing set of social arrangements impossible. Over the past 30 years the world economy has experienced dramatic crises and restructuring as globalization has unfolded. Structural changes have had a profound transformative effect on the social and political fabric of each nation, on international relations, and on the global system as a whole. By the 1980s it had become clear to dominant groups, and especially to emergent transnational elites and their organic intellectuals, that the old methods of political domination were no longer workable. Elite rule required renovation in the face of the global integration of social life and the mass mobilization of people whose way of life was becoming fundamentally altered by capitalist globalization. Sweeping changes in the mode of social control were necessary if the global order was to hold together.

The shift in US policy that took place in the 1980s from promoting authoritarianism and dictatorship in much of the Third World to promoting polyarchy has been one factor, more reactive than proactive, in this scenario. Elsewhere I have argued that, at the level of theoretical generalization, the shift to promoting polyarchy may be conceived, in the Gramscian sense, as signaling new forms of transnational control accompanying the rise of global capitalism. Specifically, behind this shift is an effort to replace coercive means of social control with consensual ones within a highly stratified global system, in which the United States plays a leadership role on behalf of an emergent *transnational* hegemonic configuration. At the practical level, this shift has involved the development of new organs of the US state and new modalities of engagement abroad conducted under the rubric of 'democracy promotion'.<sup>1</sup>

Latin America provides a good illustration of these processes. Authoritarianism there as the predominant mode of social control faced an intractable crisis by the late 1970s. The region's authoritarian regimes were besieged by mass popular movements demanding not only democracy and human rights but also fundamental change in the social order. These movements threatened to bring down the whole elite-based order along with the dictatorships, as actually happened in Nicaragua in 1979, and threatened to happen in Haiti, El Salvador, Guatemala, and elsewhere. This threat from below, combined with the inability of the authoritarian regimes to manage the dislocations and adjustments of globalization, generated intra-elite conflicts that unravelled the ruling power blocs.

The crisis of elite rule was resolved through transitions to polyarchy that took place in almost every country in Latin America during the 1980s and early 1990s. What transpired in these contested transitions was an effort by transnational dominant groups to reconstitute the hemispheric order through a change in the mode of political domination, from coercive to more consensually-based systems of social control. At stake was what type of a social order—the emergent global capitalist order or some popular alternative—would emerge in the wake of authoritarianism. Transnationalized fractions of local elites in Latin America, with the structural power of the global economy behind them, as well as the direct political and military intervention of the United States and other transnational forces, were able to gain a controlling influence over democratization movements and steer the breakup of authoritarianism into polyarchic outcomes.

In this chapter, I will examine these transitions in light of the shift in US policy. I will discuss what US policymakers mean by 'democracy promotion', draw out the relationship between capitalist globalization and promoting polyarchy, and examine some instances of US polyarchy promotion in Latin America. I will also focus on the antinomy in promoting capitalist polyarchy, and in particular the contradiction between simultaneously promoting a consensual-based political system and promoting an exclusionary socioeconomic system. The dilemmas of the new polyarchic regimes in Latin America are symptomatic of the social contradictions of emergent global society.

### Making the World Safe for Capitalism

Projects of domination are always unstable. The terror that the privileged few have of the dispossessed many has been expressed in diverse pathologies throughout the ages founded on fantastic and often delusional discourses aimed at rationalizing domination and inequality as part of the drive to secure social order. Earlier colonial and racial theories that naturalized social inequalities have been replaced more recently by arguments of 'cultural difference' and a 'clash of civilizations' that purport to explain current global

<sup>1</sup> See William I. Robinson, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (Cambridge and New York: Cambridge University Press, 1996); William I. Robinson, 'Globalization, the World System, and "Democracy Promotion" in US Foreign Policy', *Theory and Society*, 25 (1996), pp. 616–65.

stratification.<sup>2</sup> It is in this context that we must see a discourse of 'democracy promotion' that portrays those political agents at the centre of power and privilege in global society as the highest representatives of freedom and democracy in the world.

What US policymakers mean by 'democracy promotion' is the promotion of polyarchy. Polyarchy refers to a system in which a small group actually rules and mass participation in decision-making is confined to leadership choice in elections carefully managed by competing elites. This polyarchic or 'institutional' definition developed in US academic circles closely tied to the policy-making community in the post-World War II years of US world power and built on the early twentieth century elitism theorists of Gaetano Mosca and Vilfredo Pareto. This redefinition of the classical concept as rule, or power (*cratos*) of the people (*demos*), started with Joseph Schumpeter's 1942 call for 'another theory of democracy' and culminated in Robert Dahl's 1971 study, titled *Polyarchy*.<sup>3</sup> Democracy, however, is an essentially contested concept, and the polyarchic conception competes with concepts of popular democracy. Popular democracy is seen as an emancipatory project of both form and content that links the distinct spheres of the social totality, in which the construction of a democratic political order enjoys a theoretically internal relation to the construction of a democratic socioeconomic order, and democratic participation is a tool for changing unjust social and economic structures. The polyarchic definition of democracy had achieved, in the Gramscian sense, hegemony among scholars, journalists, and policymakers, not just in the United States but in international public discourse in general. It is the conception that informed the 1980s 'transitions to democracy' or 'democratization' literature on Latin America and the 1990s 'consolidating democracy' literature. Smith's claim that 'academics across the political spectrum have come to something of a consensus as to what they mean by the word *democracy*'<sup>4</sup> indicates the hegemony that the polyarchic definition of an essentially contested concept, and one that is necessarily value- and theory-laden, has achieved. As a result of this hegemony, sets of assumptions that set *a priori* limits on the intellectual as well as political agenda are left unproblematicized.

<sup>2</sup> See for example Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996); and for a wide-ranging analysis and critique, Kenan Malik, *The Meaning of Race: Race, History and Culture in Western Society* (New York: New York University Press, 1996).

<sup>3</sup> Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1942), especially Chs 21 and 22; Robert A. Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1971).

<sup>4</sup> Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton: Princeton University Press, 1994), p. 13. John Markoff notes that the meaning of democracy is historically determined—it shifts over time—and democracy is defined and redefined by historical social struggles. This is crucial, but Markoff's phrase 'really existing democracy' is not satisfying because it ignores the contemporary dispute over the meaning of a highly contested concept, and denies that this dispute is itself part of the social struggle to establish that meaning. Moreover, it can be argued that 'really existing democracy' is no more genuine democracy than 'really existing socialism' was genuine socialism. See 'Really Existing Democracy: Learning From Latin America in the Late 1990s', *New Left Review*, 223 (1997), pp. 48–68.

What concerns us are three interwoven propositions. First, the polyarchic definition, resting on the theoretical model of pluralism and of structural-functional sociology, isolates explicitly the political from the social and economic spheres and situates democracy within the bounds of the former—and even at that, it limits democratic participation to voting in elections—in contrast to the popular definition. This separation is crucial to 'democracy promotion' and I will return to this issue below. Second, behind essentially contested concepts are *contested social orders*. Mass movements for democratization around the world are movements seeking fundamental social change, including but encompassing much more than reforms leading to contested elections and other institutional structures of polyarchy. Third, the contradiction between popular democracy and polyarchy is a contradiction between distinct class and group protagonists and their opposing projects for organizing society.

The emergence of polyarchy promotion is in contrast to prior periods in US foreign policy history and to the general practice of capitalist world powers, in which military dictatorships or authoritarian client regimes, and before them colonial states, were sustained as the best guarantor of social control and of stability.<sup>5</sup> As mass popular movements in the Third World spread in the latter part of the twentieth century against repressive political systems and exploitative socioeconomic orders, support for authoritarianism became an increasingly ineffective means of assuring stability and confronting mass demands for popular social change. A crisis of elite rule began to coalesce in the 1970s at the world systemic level. American state managers and organic intellectuals in the extended policymaking community reflected on the best means to resolve this crisis. In the early 1980s their long-running debate over whether authoritarianism or polyarchy was the better means of achieving order was decisively resolved in favour of the latter.

Seen in structural perspective, the shift to promoting polyarchy corresponds to the emergence of the global economy since the 1970s. Globalization redefined the basis for international relations and class formation, created new sets of actors which became transnational in character, and generated new pressures for political change in global society. New modes of social control constitute a political exigency of macroeconomic restructuring on a world scale, in the context of the transnationalization of the economy, political processes, social classes and civil societies. Specifically, transnational capital has emerged as the agent of globalization.<sup>6</sup> At the apex of the global economy

<sup>5</sup> On authoritarianism as the principal colonial and post-colonial mode of domination, see Thomas Y. Clives, *The Rise of the Authoritarian State in Peripheral Societies* (New York: Monthly Review Press, 1984). This study reminds us of the centrality of analysing the historical and structural basis for the development of political systems in the mediation of class relations.

<sup>6</sup> There has been an explosion of literature in the 1990s on globalization, including a number of important works on transnational class formation. In addition to Robinson, *Promoting Polyarchy*, see Leslie Sklair, *Sociology of the Global System*, 2nd edn. (Baltimore: Johns Hopkins University Press, 1995), which discusses the formation of a 'transnational capitalist class'; Roger Buech and William I. Robinson, 'The Fin de Siècle Debate: Globalization as Epochal Shift', *Science and Society*, 63/1 (1999), pp. 10–39, also provides empirical discussion on the emergence of transnational fractions in

is a transnational managerial elite, based in the centres of world capitalism, which controls the levers of global policymaking and which responds to transnational capital as the hegemonic fraction of capital on a world scale. The agenda of this transnational elite is to promote the economic and political conditions around the world for the unfettered activity of transnational capital. The economic component includes international economic integration processes, the establishment of the World Trade Organization, negotiations over the Multilateral Agreement on Investment, and so on, all of which are intended to convert the world into a single unified field for global capitalism. It also embraces 'neoliberalism' or what Robert Cox has termed 'hyper-liberalism',<sup>7</sup> involving the elimination of state intervention in the economy and the regulation of individual nation states over the activities of capital in their territories. The neoliberal 'structural adjustment' programmes sweeping the South seek to achieve the macroeconomic equilibrium and liberalization required by transnationally mobile capital and to integrate each nation and region into new globalized circuits of accumulation.<sup>8</sup>

If this economic component is to make the world available to capital, the political component is to 'make the world safe for capital'. This requires developing social control systems and political institutions most propitious for achieving a stable world environment. Interaction and economic integration on a world scale are obstructed by authoritarian or dictatorial political arrangements, which are unable to manage the expansion of social intercourse associated with the global economy. The turn to promoting polyarchy in US foreign policy is an effort to modernize political systems in each country incorporated into global structures so that they operate through consensual, rather than through direct, coercive domination. The demands, grievances and aspirations of the popular classes tend to become neutralized less through direct repression than through ideological mechanisms, political co-optation and disorganization, and the limits imposed by the global economy. While mediating inter-class relations, polyarchy is also a more propitious institutional arrangement for the resolution of conflicts among dominant groups. With its mechanisms for intra-elite compromise and accommodation and for hegemonic incorporation of popular majorities, polyarchy is better equipped in the new global environment to legitimize the political authority of dominant groups and to achieve a minimally stable environment, under the conflict-ridden and fluid conditions of emergent global society, for global capitalism to operate.

the South. On the emergence of transnational groups in the North, see among several important works: Robert Cox, *Production, Power, and World Order: Social Forces in the Making of History* (New York: Columbia University Press, 1987); Stephen Gill, *American Hegemony and the Trilateral Commission* (Cambridge and New York: Cambridge University Press, 1990); Kees van der Pijl, *Transnational Classes and International Relations* (London: Routledge, 1998).

<sup>7</sup> Cox, *Production, Power, and World Order*.

<sup>8</sup> These issues are discussed more broadly in William I. Robinson, 'Globalisation: Nine Theses of our Epoch', *Race and Class*, 38/2 (1996), pp. 13-31; William I. Robinson, 'A Case Study of Globalisation Processes in the Third World: A Transnational Agenda in Nicaragua', *Global Society*, 11/1 (1997), pp. 61-91.

The shift to global capitalism thus requires concomitant shifts in the global polity, in particular, the rationalization of domination. It is in this context that promoting polyarchy is a political counterpart to the project of promoting capitalist globalization, and that 'democracy promotion' and the promotion of free markets through neoliberal restructuring has become a singular process in US foreign policy. Opening up the markets and resources of the world for capital, assuring investment opportunities, and seeking to create the general social and political conditions for international capital accumulation have always been at the core of the foreign policies of capitalist powers. What theoretical or empirical basis is there to claim now that promoting polyarchy has any different function? Even if some academics posit an autonomous state guided by moral or ideological concerns, US state managers are under no such illusions. The forefather of modern polyarchy promotion, Woodrow Wilson, made quite clear that US state policy in the international arena was to serve private capital. 'Since trade ignores national boundaries, and the manufacturer insists on having the world as a market, the flag of his nation must follow him, and the doors of the nations which are closed against him must be battered down', he stated. 'Concessions obtained by financiers must be safeguarded by ministers of state, even if the sovereignty of unwilling nations be outraged in the process. Colonies must be obtained or planted, in order that no useful corner of the world may be overlooked or left unused.'<sup>9</sup>

Wilson was the first to 'promote democracy' and he did so in order to secure the best conditions for international capital accumulation. The difference in the age of globalization is that the US state promotes polyarchy not to stabilize the old interstate system of Wilson's day but to stabilize a new transnational capitalist historic bloc. It is the logic of global accumulation, rather than national accumulation, that guides the political and economic behaviour of the transnational ruling bloc. As this transnational bloc emerged in the 1980s and 1990s it carried out a 'passive revolution' in the Gramscian sense, involving modifications made from above in global social and economic structure through the agency of state apparatuses. The ruling groups coopted potential leaders of subaltern social groups through the strategy of 'assimilating and domesticating potentially dangerous ideas by adjusting them to the policies of the dominant coalition'.<sup>10</sup> The 'dangerous idea' to be assimilated and domesticated was that of popular democracy and the policies of the dominant coalition were neoliberalism and polyarchy. The transitions to polyarchy have not been illusions of reform; they constitute real political reform. Clives predicted

<sup>9</sup> Cited in Michael Parenti, *Against Empire* (San Francisco: City Lights Books, 1995), p. 40. Transnational corporate executives are also aware of the relationship between 'democracy' and profits. As reported by the World Trade Organization, business executives in the vast majority of countries believe 'democracy' would 'lower the cost of doing business' and improve the climate for profit making. World Trade Organization, *Annual Report* (1997), p. 314, as cited in Craig N. Murphy, 'Inequality, Turnout, and Democracy: Global Political-Economic Visions at the End of the Century', *New Political Economy*, 4/2 (1999), pp. 289-304.

<sup>10</sup> Roger Simon, *Gramsci's Political Thought* (London: Lawrence and Wishart, 1982), pp. 48-9, as cited and discussed by Mark Newfield, 'Democratization In/Of Foreign Policy: Critical Reflections on the Canadian Case', forthcoming in *Studies in Political Economy*, 58 (1999), pp. 97-119.