

# Development, Liberty, & Governance in Latin America

## I. Defining Development

## II. Pursuing Development

## III. Defining Liberty

## IV. Pursuing Liberty

## V. Defining Governance

## VI. Pursuing Governance

### ✚ I. Defining Development

#### ■ *Growth-first approach*

- growth in production of goods & services

#### ■ *Basic needs approach*

- ability to satisfy material needs & wants

#### ■ *Relative poverty approach*

- distribution of wealth & income that covers people's needs (& limits conflict over income distribution)

#### ■ *Sustainable development approach*

- ability to maintain economic activity in future generations

### ✚ I.B. Conceptualizing Poverty

#### ✚ Absolute Poverty

- *an inability to meet one's core biological needs*

#### ✚ Relative Poverty

- *a substantial inability to meet one's needs & wants relative to others*

### ✚ I.C. Measuring Absolute Poverty

#### The Basic Needs Approach

- determine the extent of poverty by measuring whether or not basic needs are being met
  - e.g. the UN Human Development Index
    - average life expectancy
    - education
      - adult literacy rate
      - school enrollment
    - real GDP per capita

table w/ The (old-form) HDI data for 2010

	Life Expectancy	Adult Literacy	School Enrollment	GDP per capita	HDI
Arab States	70	74%	64%	\$8,603	0.66
East Asia & Pacific	73	94%	69%	\$6,504	0.71
Latin America & Carib.	74	92%	83%	\$11,092	0.77
South Asia	65	66%	59%	\$3,398	0.57
Sub-Saharan Africa	52	65%	54%	\$1,466	0.43
ALL THIRD WORLD	68	81%	66%	\$5,873	0.64
CIS	69	99%	82%	\$11,866	0.75
High-Income OECD	80	99%	92%	\$37,185	0.89

NOTE: This is an updated version of items in Table 4.1 of PLA, p.74.

### The Poverty Line Approach

- determine the extent of poverty by measuring whether or not people have enough income to meet their needs
  - e.g. World Bank “indigence line” of \$1/day (recently shifted from \$1.08 to \$1.25)
  - e.g. World Bank “poverty line” of \$2/day
  - e.g. U.S. federal poverty line of \$22,250/year for a family of four in 2009
    - which works out to \$15.23/day per person

Table 4.2 re: The World Bank \$2/day Poverty Line

Region	Year				
	1981	1990	1996	1999	2002
East Asia and Pacific	84.8	69.9	53.3	50.3	40.7
Latin America and the Caribbean	26.8	28.4	24.1	25.1	23.4
Middle East and North Africa	28.9	21.4	22.3	24.3	19.8
South Asia	89.1	85.5	81.7	78.1	77.8
Sub-Saharan Africa	73.7	75.0	75.1	76.1	74.9
<i>Total</i>	66.7	60.8	55.8	54.4	50.0

SOURCE: Adapted from World Bank, *World Development Indicators 2006 Online*, Table 2.7, <http://devdata.worldbank.org/wdi2006/contents/Section2.htm> (accessed on September 17, 2006).

## ✚ I.D. Measuring Relative Poverty

- **Calculating Distance from the Middle**
  - compare each individual to the middle (median) of the national income distribution
    - Statisticians often calculate the share of the population with incomes 50% or less than the median income to create a relative poverty rate
- **Using Income Shares**
  - compare the share of income controlled the wealthiest &/or poorest segments of the population
    - see Table 3.1 from *PLA* on income shares by world region:  
Latin America & Africa are, by far, the most unequal regions
- **Using the Gini Coefficient**
  - this statistic -- valued between 0 and 1 -- summarizes the disparity in income across all households
    - a score of 0.00 would mean that all households have equal incomes
    - a score of 1.00 would mean that there was perfect inequality
    - a score of .40 or higher is an indicator of higher than average inequality in world terms

## ✚ II. Pursuing Development

	Market capitalism	State capitalism	Command economy
Property ownership	Largely or entirely private	Mix of private and public ownership	Largely or entirely public
Investment policy	Low or no barriers to foreign investment	Domestic participation (and, sometimes, control) required in some economic sectors	Government control of all investment conditions
Trade policy	Low or no trade barriers	Trade barriers used to promote the entry of domestic firms into some economic sectors	Government management of all foreign trade opportunities
Agrarian policy	Promotion of large-scale commercial agriculture via infrastructure and tax incentives	Effort to avoid land underutilization via land reform that redistributes unused land to the landless	Nationalization of agriculture (at times with a role for small farmers' markets)
Employment policy	Employment opportunities created largely by private initiative	Employment opportunities created by private initiative, public firms, and by public policies to promote domestic firms	Employment opportunities promoted via full employment orientation of the managers of public firms
Social policy	Focus on educational opportunities with minimal or no use of public policy to redistribute wealth and income	Effort to redistribute income via the tax code and by the provision of health, education, and welfare programs	Provision of all basic services to all citizens (at times via rationing)

### III. Defining Liberty

- **Positive v. negative liberty**
  - **Positive liberties**
    - Freedom *to* realize capabilities
  - **Negative liberties**
    - Freedom *from* constraint and harm
  - **One example: the 1948 Universal Declaration of Human Rights**
    - <http://www.un.org/en/documents/udhr/>
- **The question of inviolability**
  - Which rights are absolutely inviolable?
  - What determines when other rights can be violated?

### IV.A. Pursuing Liberty: Transitional Justice

**TABLE 4.5** Four Major Policy Options for Handling Past Human Rights Violations

	Strategy	Potential risks
Domestic prosecution	Enforce the rule of law in the pursuit of deterrence, justice, legitimacy, and reconciliation	Might endanger reconciliation if security forces reject trials as unjust and/or illegitimate
Amnesty for the violators	Avoid prosecution in the pursuit of reconciliation	Might endanger reconciliation if victims and their families reject the amnesty as unjust and/or illegitimate
Truth commission	Account for violations without confronting the risk of trials or the risk of amnesty as the lone policy	The effort to find a middle ground between prosecution and amnesty might anger both the violators and the victims, and it may also not achieve its middle-ground goal because it can expand the pressure to prosecute
Victim reparations	Provide monetary compensation to victims and their families in pursuit of justice, legitimacy, and reconciliation (this strategy can be pursued in combination with any of the other options)	Does not address the goal of deterrence and might not achieve the other goals if pursued alone or if inadequately funded

SOURCE: Adapted from Brian Walsh, "Resolving the Human Rights Violations of a Previous Regime," *World Affairs* 158, no. 3 (1996): 111–120.

#### ✚ IV.B. Pursuing Liberty in the Present

- **The Executive Branch**
  - Are police resources & training adequate?
  - Are the leaders of the executive branch committed to protecting people's liberties?
  - Are prisons adequately resourced?
- **The Judiciary**
  - Are judges sufficiently impartial and independent of influence from the executive & the legislature?
  - Are the courts adequately resourced?
- **The Legislature**
  - Which liberties will it entrench via laws?
  - Will it provide adequate oversight of the other 2 branches?
- One more question: Do you think *case law* or *code law* modes of judicial decision-making (p.91) are more likely to secure basic liberties?

#### ✚ V. Defining Governance

- **How important is it for government to be able to act quickly?**
  - the more one values speed of response, the more tempted one is to centralize authority in fewer hands
- **How important is it for government decisions to be informed by multiple voices in setting its priorities & designing policy responses?**
  - the more one values consensus, the more tempted one is create checks & balances
- **How important is it for government to be able to act effectively – and how can/should it do so?**
  - Put differently, what balance of speed & consensus building will lead to the best policy outcomes?

#### ✚ VI. Pursuing Governance

- National governments throughout Latin America have presidential systems of executive-legislative relations
  - How do presidents and other government officials interact with others inside and outside of the government to achieve their goals?
  - How do citizens try to influence the process?

## VI.A. Presidential System (e.g. U.S.)

- Separation of Powers
- **Separation of Mandate**
  - independently elected branches
  - PRES: fixed 4-yr term, 2-term limit
  - LEG: fixed terms, no term limits
- Legal Responsibility to others
  - Compare this with political responsibility in PARL systems:
    - the chief executive is chosen from the legislature by majority vote and serves at its pleasure (no fixed terms for PRES or LEG)

## VI.B. Presidential Legislative Powers

- veto &/or partial veto
  - key issue is override procedures in LEG
    - strong if a qualified (that is, large) majority is needed to override
- exclusive introduction of (some) legislation
  - helps PRES to set agenda
- legislative decree power
  - constitutional decree powers tend to be agenda-setting tools (rather than policy-making devices)

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### Contemporary Legislative Power Scenarios for PRES

- |                               |                               |
|-------------------------------|-------------------------------|
| ▪ <b>POTENTIALLY DOMINANT</b> | ▪ <b>REACTIVE</b>             |
| ▪ decree                      | ▪ exclusive intro             |
| ▪ exclusive intro             | ▪ strong veto                 |
| ▪ strong veto                 |                               |
| ▪ <b>PROACTIVE</b>            | ▪ <b>POTENTIALLY MARGINAL</b> |
| ▪ decree                      | ▪ no (or weak) veto           |
| ▪ exclusive intro             |                               |
| ▪ weak veto                   |                               |
| ▪                             |                               |

<b>Pot. Dominant</b>	<b>Reactive</b>
Argentina	Dom. Republic
Chile	El Salvador
Ecuador	Guatemala
Venezuela	Mexico
	Panama
	Uruguay
<b>Proactive</b>	<b>Pot. Marginal</b>
Bolivia	Costa Rica
Brazil	Honduras
Colombia	Nicaragua
Peru	Paraguay

## ✚ VI.C. Evolution of Latin American Presidentialism

- No-reelection as a remedy for *continuismo*
  - 19<sup>th</sup>-C presidents often served for long periods & were accused of centralizing power for personal gain
    - LA countries adopted no-reelection clauses to prevent *continuismo*
  
- For most of the 20<sup>th</sup> C, most countries had non-reelectable presidents elected via **plurality electoral systems** & legislatures chosen via **proportional representation (PR) systems**
  - this tended to lead to “**double-minority**” **presidents** with no electoral majority and no LEG majority
  - no possibility of immediate reelection made all presidents lame ducks (unless they could influence/manage succession)
  
- POTENTIAL REMEDIES: Double-minority presidents used persuasion, patronage, & spending to build governing coalitions
  - this is similar to the U.S. pattern, but LA presidents faced
    - tougher demands on all fronts from a more divided and less affluent society
    - and, usually, more divided legislatures than in the U.S.
  
- In the last two decades, several countries have
  - moved toward ballotage PRES elections
    - PRES must get a majority (not a plurality)
    - if no majority in first round, there is a runoff between the top two candidates (thereby ensuring an electoral majority)
  - enabled PRES to run for reelection
  - given more decree powers to PRES
  - all three of the above options
  
- **The Big Tradeoff to be considered:**
  - Have these sorts of contemporary changes
    - made countries easier to govern?
    - created “delegative democracies” that are democratic in form but dictatorial in content?
    - both things simultaneously?
    - neither?