

CEPAL

Review

Executive Secretary of ECLAC
Gert Rosenthal

Deputy Executive Secretary
Andrés Bianchi

Director of the Review
Aníbal Pinto

Technical Secretary
Eugenio Lahera



UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

SANTIAGO, CHILE, AUGUST 1988

CEPAL

Review

Santiago, Chile

Number 35

CONTENTS

ECLAC: Forty years of continuity with change. <i>Gert Rosenthal.</i>	7
Agriculture as viewed by ECLAC. <i>Emiliano Ortega.</i>	13
Regions as the product of social construction. <i>Sergio Boisier.</i>	41
Some notes on the definition of the informal sector. <i>Martine Guerguil.</i>	57
Changes in development styles in the future of Latin America (Seminar in homage to José Medina Echavarría, Santiago, Chile).	67
Medina Echavarría and the future of Latin America. <i>Adolfo Gurrieri.</i>	73
Political culture and democratic conscience. <i>Enzo Faletto.</i>	79
A hopeful view of democracy. <i>Jorge Graciarena.</i>	85
The change of orthodoxy and the ideas of Medina Echavarría. <i>Aníbal Pinto.</i>	97
New light on the concepts of "private" and "public". <i>Aníbal Quijano.</i>	105
Significance and role of the universities: Medina Echavarría's view. <i>Aldo Solari.</i>	121
Dilemmas of political legitimacy. <i>Francisco C. Weffort.</i>	127
The social actors and development options. <i>Marshall Wolfe.</i>	143
Some recent ECLAC publications.	149

A different concept of the private sector, a different concept of the public sector

(Notes for a Latin American debate)

*Aníbal Quijano**

At a meeting held in honour of the memory of José Medina Echavarría, it seems appropriate to begin our conversation concerning the role of ideas by relating an anecdote about this great man. At some point in the late 1970s, I once ran into him as, with a disgruntled look on his face, he was leaving a discussion held at ECLAC. "How's it going, don José?", I asked him in greeting. "Oh, these people", he sighed. "Do you know what they have just said? That we should come up with new ideas. What do you think of that? Just coming up with ideas of *any* sort is difficult enough..."

Accustomed as he was to dealing in the realm of ideas, he knew what he was talking about. He produced them, and it is to him that we owe many of the ideas which continue to inspire us as we strive to understand and change our society. It is for this reason that, as we open a new round of discussions concerning the future of Latin America, nothing could be more appropriate than to take some of his ideas as a starting point.

Emphasis has been placed during this meeting on Medina Echavarría's view of Latin America as part of Western culture, as well as on his idea that one of the strongest links between the two is the struggle to attain modernity. For Medina, however, this was a particular type of modernity, one governed by an historical rather than an instrumental line of reasoning. And, as he himself stated, in Latin America this must, above all, be the result of an "effort to re-work and re-build", which must be made under conditions entirely different from those of the past.

I believe that using these ideas as a starting point may be a productive way to go about our work here. And along these lines, one of the most important issues to consider is that of the relationship between Latin America and modernity, because this relationship involves certain elements which can play a pivotal role in formulating a Latin American response to a number of pressing problems that affect not only this but other parts of the world as well.

I

Modernity and "modernization" in Latin America

Latin America has been under pressure to "modernize" throughout most of this century, but this pressure has been particularly strong and has been marked by a number of quite distinctive characteristics since the end of the Second World War. Firstly, this pressure has, to a large extent,

been exerted by non-Latin American —or, if you will, external— agents acting in their own interests. Secondly, it has taken the form of proposals that the region should make itself fully receptive to the mode of production, consumption patterns, culture, and the social and political forms of organization of the developed capitalist countries, which are regarded as paradigms of a successful "modernization" effort. In practice, what the region is being urged to do is to make

*Former Social Affairs Officer of the Social Development Division of ECLAC.

changes so as to adapt to the requirements of capitalism as it approaches a mature stage of inter- or trans-nationality.

Following the Second World War, the core elements of the historical rationale of modernity were in a weakened state, and modernity as such was in crisis as a result of the fierce attacks launched against it by malignant political forces that appealed to mankind's irrational side. An effort had been made to beguile the people into a cult of power by presenting the unashamed use of naked force as its most attractive legitimizing feature. These forces, such as Nazism, had been soundly defeated in the war; but after this experience, after Auschwitz, the promises of modernity would never again—as Medina Echavarría observed—be taken up “with the enthusiasm and hopefulness of days gone by”. Moreover, this experience surely consolidated the present reign of the instrumental rationale, which now—vying against the historical rationale—lays claim to the prestige and lustre of the title of modernity. And it should also be pointed out that at that time it was still not clear—nor was it an accepted fact for many people—that this reign was to encompass not only the so-called Western world, but the world forged under Stalinism as well.

At this point, I believe it is necessary to examine two of the implications that these processes had for Latin America. Firstly, because “modernization” came late to our shores as a *foreign import already formed and practised*, an idea took hold in the region which continues to hold many of us in its thrall: that Latin America has always been no more than a passive and belated “receptor” of modernity. The second, which is implicit in the first, is the habit of confusing modernity with “modernization”.

The concept of modernity as a category was surely developed in Europe, particularly from the eighteenth century onward. Nevertheless, it was an outgrowth of a series of changes which began to occur in the late fifteenth century throughout the whole of that part of the world which was subject to European rule. The intellectual processing of these changes, however, revolved around Europe, in keeping with its central and dominant position within that aggregate of nations.

The starting point for the formation of this new historical aggregate, within whose context “modernity” as such was to arise, was the conquest of what was later to be known as Latin America and its incorporation into the European sphere of domination. In other words, the process by which modernity came about bears a direct and essential relationship to the historical establishment of Latin America. The reference here is not confined solely to the well-known fact that the output, primarily of metals, of America was one of the basic originating factors in capital accumulation, nor to the fact that the conquest of America was the first step in the formation of the world market, even though this market was the real-life context within which capitalism and its worldwide logic were to emerge as the material foundations for European modernity.

For Europe, the conquest of America was also a discovery, not only—and perhaps not most importantly—in the commonplace geographical sense of the word. Above all, it was a discovery of new and different historical experiences and directions. To the astonishment of the Europeans of that time, in addition to the “exotic” features of this new continent, they found in it the historical crystallization of a number of long-standing social aspirations which until then they had viewed as no more than myths belonging to a remote and shrouded past. No matter that this European view of the American experience was largely the product of an imagination which came to know no bounds as Europe marveled at its discovery. It does not matter because it was America itself which was responsible for this expansion of Europe's imaginative capacity. Today, it is now common knowledge that the American experience (which was, first of all, an Andean experience) included a number of concrete examples of forms of social existence aspired to by the Europeans—the joy associated with a form of social solidarity unmarred by glaring instances of arbitrariness, the legitimacy accorded to diversity among a group of human beings sharing a sense of community—conditions which were completely divorced from the society that they knew.

I therefore contend that this discovery of America completely revolutionized the European imagination and, from thence, the imagination of the world which had been

Europeanized by its rule: *the past, as a golden age that had been lost forever, was replaced by the future, as a golden age to be conquered or constructed.*

This is, for me, the basic significance of the utopias developed in Europe following the discovery of America. The emergence of these utopias can be regarded as the first step in the process leading to modernity. Without the new position occupied by the future in man's imagination, the very idea of modernity would simply have been unthinkable.

For the Europe of this period—which had not yet emerged from the crisis of feudal society—the utopia of a society free of abhorrent hierarchies, arbitrariness and obscurantism was the ideology of a prolonged struggle against the feudal hierarchies, against the despotism of the absolute monarchies, against the use of the Church's power to control and hinder the development of knowledge, against the supremacy of private interests which went hand in hand with mercantilism. In other words, it played a part in the struggle to establish a rational society, this being the greatest hope held out by modernity. Thus, America figured prominently in this first phase in the process leading to modernity.

I therefore suggest that during the stage associated with the crystallization of modernity, as the movement known as the Enlightenment unfolded in the eighteenth century, America was not merely a bystander or "receptor" but was instead part of the world within which this movement arose and developed.

This is demonstrated, first of all, by the fact that throughout the eighteenth century, the institutions, studies, ideas and knowledge which, together, were to be known as the Enlightenment were formed and disseminated at the same time in both Europe and America. Circles of reformers were established in both the Old and New Worlds at the same time; the same topics of study and the same issues for debate and research

made the rounds; the same interest in exploring nature was pursued in both places using the same tools of knowledge. Everywhere, the desire took hold to reform society and its institutions, paving the way for political and intellectual freedom, as did the criticism of inequalities and arbitrariness in human relations.

When Humboldt arrived in America, he was openly surprised to find that circles of American intellectuals and scholars, in each of the main centres that he visited, had the same knowledge and were studying the same subjects as their European counterparts. Not only did they read the same books; even more importantly, they were interested in the same problems because they had raised the same issues and were striving to investigate them with the same zeal, albeit under less favourable conditions. The spirit of modernity, its potentials and its demands, were developing on an equal footing in America and Europe.

There is, thus, more than merely an anecdotal significance in the fact that a Peruvian, Pablo de Olavide y Jáuregui, gained renown in the European circles of the Enlightenment, that he was a friend of Voltaire, was deeply involved with the French encyclopedists and in the political experiences of the Spanish Enlightenment. When Olavide was subjected to the obscurantist persecution of the Inquisition, it was none other than Diderot himself who wrote his first bibliography and launched the campaign in his defence. Nor is it surprising that in virtually all the European centres of the Enlightenment a great campaign in his support was mounted.

Nor is there anything surprising, therefore, about the fact that at the beginning of the following century, when the *Cortes* of Cádiz met in 1810, the Latin American delegates were among the most consistent in upholding a modern ideology and in defending liberal radicalism, and thus played a prominent role in the drafting of the liberal constitution.

II

The paradox of modernity in Latin America

It can therefore be demonstrated that the movement towards modernity in the eighteenth century took place in Latin America at the same time as in Europe. Nevertheless, this fact entails a surprising paradox.

In Europe, the spread and growing influence of modernity was aided by the development of capitalism, along with all that this implied for the production of material goods and for interpersonal relations. In Latin America, however, and particularly from the last third of the eighteenth century onward, a noticeable gap began to open up between, on the one hand, the ideological and social demands of modernity and, on the other, the stagnation and disarticulation of the mercantile economy, which were so severe as to lead to its retrogression in some areas, such as the Andean zone. A leading position in the society and power structure was thus assumed by those sectors and groups most closely associated with inequality and arbitrariness, with despotism and obscurantism. With the well-known exception of some of those sectors most closely linked to the development of European capitalism, this contradictory situation was typical of the emerging Latin American region.

In Europe, some aspects of modernity took firm hold as a part of daily life, as a social practice and as its legitimizing ideology. In Latin America, however, until well into the twentieth cen-

tury modernity was gradually evolving into an ideology whose social practice was either repressed by the authorities or accepted only as a means of legitimizing other practices that ran directly counter to it.

This last circumstance points up the ideological importance of modernity in Latin America, in spite of the fact that it was hemmed in by a society that was moving in the opposite direction. It also sheds light on, for example, the curious sort of relationship existing between the region's nominally liberal institutions and constitutions and the conservative power that set itself up at the time of independence. This, in its turn, can only be understood if it is remembered that modernity as a philosophical movement was not simply a foreign import but rather a homegrown Latin American product, cultivated when the region was still a rich and fertile field for mercantilism, despite its colonial status.

Be that as it may, and particularly from the nineteenth century onward, modernity in Latin America came to be accepted as an intellectual attitude, but not as a day-to-day social experience. Perhaps this accounts for the fact that an entire generation of Latin American liberals during that century were lured into the trap of cultivating the chimera of modernity without revolution. And the region has not yet managed to struggle completely free of this trap.

III

Power and modernity in Europe

The history of modernity in Latin America is clearly a paradoxical one. However, its European avatar not only failed to eliminate its contradictions, but also subjected it to the Procrustean exigencies of the very power which owed its existence to it: the bourgeois rationale.

The concept of rationality inherent in the process leading to modernity was not regarded

as having the same meaning in all the various European centres which generated and disseminated it. In simplified terms and within the limitations of this article, the Saxon countries can be said, from the very beginning, to have viewed this concept of rationality as being linked in a quite essential way to what, since Horkheimer, has been known as an instrumental rationale.

This, first and foremost, serves as a way of relating the ends to the means. Rationality was seen as a tool, and a tool's usefulness is determined by the predominating perspective in which it is viewed, i.e., the perspective of power.

In the southern countries, on the other hand, within the context of the debate concerning the nature of society, from the very outset the idea of rationality was linked to the definition of the ends to be pursued: to free society from all inequality, arbitrariness, despotism and obscurantism. In short, it was in opposition to the ruling power. Seen in this light, modernity holds out the hope of a rational social existence in the form of freedom, equity, social solidarity and of an ongoing improvement in the material conditions of that (and not some other) existence. This is the historical rationality that was so dear to Medina Echavarría.

I wish to underscore the fact that, due to the exigencies of the occasion, I am simplifying the differences between the southern and northern European concepts of modernity and rationality, but in so doing, I am not attempting to absolve Southern Europe of its sins, which may be just as serious as those of Northern Europe. However, I would add that, while the distinction drawn here may be a simplified one, it is not, in my opinion, overly arbitrary.

It is surely not a mere coincidence that the leaders of the anti-modernist "neoconservative" movement in the United States stress their rejection of the "Franco-Continental Enlightenment" and their adherence to the "Anglo-Scottish Enlightenment" of Locke, Hume and Smith in attempting to vindicate the privileged position of some groups in respect of others within society. Nor is it mere happenstance that the spokesmen for this school of thought do not hesitate to state that, except insofar as it serves to defend law and order (which involves inequalities, despotism and arbitrariness), modernism is nothing more than a utopia in the pejorative sense of the word.

This difference became a crucial element in determining the fate of modernity and of the hopes it held out; the dominant power in terms of capital and the position of greatest strength in the power relations among the bourgeoisie of Europe gradually shifted, beginning in the eighteenth century but especially in the nineteenth,

towards the British bourgeoisie. Thus, the "Anglo-Scottish" version of the Enlightenment and of modernity came to dominate the bourgeois rationale as a whole, not only in Europe but internationally as well, due to the worldwide imperial presence attained by the British bourgeoisie. So it was that the instrumental rationale gained precedence over the historical rationale. And its worldwide dominion became even more firmly entrenched and far-reaching as Britain's imperial hegemony gave way to that of the United States after the end of the First World War.

Then, under the Pax Americana and its extreme version of the instrumental rationale, after the Second World War pressure began to be exerted upon Latin America to "modernize": the rationality in question had by now been divested of any connection whatsoever to the promises originally held out by modernity and was instead based solely on the exigencies of capital, productivity and the effectiveness of given means in achieving the ends dictated by capital interests and by the empire. In the final analysis, then, it was merely an instrument of power. In broad sectors of Latin America, this reinforced the beguiling chimera of a type of modernity not involving any sort of revolution. The consequences of this deception are still with us; we have not yet completely emerged from the dark tunnel of militarism and authoritarianism.

The most comprehensive example of what successful "modernization" has meant for Latin America is perhaps the changeover from an oligarchic to a modernized State. In all of the countries, the State has been "modernized". Its institutional apparatus has grown and has even become somewhat more professionalized; the State is less of a prisoner to society and, in one sense (within its scope of action), is more national. All of this, however, has not made it more democratic or more conducive to the organization of national societies with a view to meeting the needs of the population, or more legitimately representative or, perhaps, more stable either.

The system of beliefs of the bourgeoisie was not the only school of thought to be affected by the dominating influence of the instrumental rationale. Even socialism, which arose as an alternative to the bourgeois rationale and was presented as the most direct and legitimate vehi-

cle for the hopes of liberation held out by modernity, gave in to the attractions of the instrumental rationale for quite some time and was unable to establish itself as anything but "socialism as it was actually practised", i.e., as Stalinism.

This is the modernity which has been proclaimed to be crisis by new prophets, almost all of whom are apostates of their former faith in socialism, or at least, in radical liberalism. On both sides of the Atlantic, these prophets of "post-modernity" or of the most blatant form of anti-modernism also want to persuade us that the hopes of liberation held out by modernity are not only unattainable now, but always were so; that, after Nazism and Stalinism, no one could still believe in them; and that the only thing that is real in this world is power, the technology of power, the language of power.

The crisis of this version of modernity, redefined as it has been by the unchallenged pre-eminence of the instrumental rationale, is following the same path as the crisis of capitalist society, especially as regards the course taken by these two processes since the late 1960s. And this type of modernity certainly need not be defended or be viewed with any trace of nostalgia whatsoever, particularly in Latin America. It was under its reign that we were charged with the task of satisfying the worst demands of foreign capital and of rooting out the dominating influence of the historical rationale from the Latin American consciousness just when independence was being won.

The problem, however, is that the prophets of "post-modernity" and of anti-modernity are not only inviting us to attend the funeral of the hopes of liberation associated with the historical rationale and its particular type of modernity, but also, and even more importantly, are urging us to refrain, henceforward, from addressing the issues raised by the latter, to refrain from resuming the struggle to liberate society from the sway of power and, from now on to accept nothing but the logic of technology and the language of power. Behind the smoke screen thrown up by this debate, there are the unmistakable signs of the same forces which, after the crisis that erupted into the First World War, banded together to assault and to try to destroy all traces of any sort of utopia of equity, solidarity and freedom. They were not entirely successful, but

they did manage to weaken the position of the historical rationale. Today, these same forces appear to be raising their heads once again.

Moreover, the convergence of these two crises has transformed a number of the cross-roads at which the present debate concerning society has arrived into what appear to be dead-end streets. This is particularly serious as regards the debate concerning the problems of dependent societies which have been established on the basis of extreme inequalities and which have not entirely or definitively eradicated the arbitrary and despotic use of power, even within the limited confines of developed capitalist societies. The dependent societies, such as those of Latin America, are the ones which feel the pressures of the problems created by the extreme concentration of power, as well as bearing the brunt of those generated by the capitalist development of Europe or the United States.

The history of modernity in Latin America is, however, more complex than that of Europe and the United States in that it contains the elements of an alternative rationality—elements which, moreover, are taking shape once again. Because the logic of capital and of the corresponding instrumental rationale was not fully developed, it was unable to completely override the historical insights which, once they had entered the consciousness of an astonished Europe in the early sixteenth century, gave birth to this new rationality.

The main blind alley to which the instrumental rationale leads is undoubtedly the one represented by the conflict between private and State ownership of production resources. Even the most general sort of discussion of the relations between the State and society will ultimately revolve around this dispute.

Of course, when couched in these terms, the debate as to the proper roles of the public and private sectors in the economy and in society cannot break out of its present deadlock. Basically, both sides work on the basis of the same assumptions and the same categories: for both, "private" refers to the private sector as it has been shaped by capitalist interests, and "State" or "public" refers to the State/public facet of the private sector as defined in those terms and is perhaps its rival, but not its opponent. For both sides, the instrumental rationale turns back upon itself, creating a vicious circle.

IV

The bases for a different type of modernity: a different concept of the private sector and a different concept of the public sector

There are two extreme positions vying with one another for the dominant role in establishing the economic orientation of present-day society. The first is "socialism as it is actually practised", i.e., that which was structured under Stalinism. For this school of thought, State ownership of all production resources and distribution mechanisms and State control of all decisions concerning the orientation of the entire economic apparatus are central to the idea of socialism. This idea, as expressed in Latin America, has influenced not only socialist propositions as such, but also the various versions of populism/nationalism/developmentalism. Seventy years after its first appearance, it is reasonable to conclude that this approach will not carry us very far along the road towards a rational society in terms of the hopes held out by socialism. Under this type of socialism, the economy can only be developed up to a certain point, after which it is paralysed by the weight of bureaucracy. Equity, social solidarity and freedom, democracy for producers, cannot take root or flourish under this sort of system.

At the other extreme there is "neo-liberalism", for which the private capitalist ownership of production resources and the "invisible hand" of the market—free, ideally, of any limitation, control or guidance by the State—are the *sine qua non* for the creation and widespread distribution of wealth and for any full expression of political democracy. Yet it has been shown beyond all doubt—and especially in the experience of the vast majority of Latin Americans—that this line of thought, too, fails to lead to equality, social solidarity or political democracy.

Within the historical context of today, this concept of the private sector has given rise to the vertical structure that is typical of large corporations, which can very probably be equated with the "modernized" vertical structure (i.e., a structure which has been liberalized by the reintro-

duction of some degree of private ownership and of a private market) of the vast bureaucracies associated with "socialism as it is actually practised".

In the Latin America of today, very few people other than the most steadfast defenders of the power of capital hearken to the songs of these "neo-liberal" sirens. At the same time, however, after the region's recent experiences with "real socialism", it is very likely that the proponents of State control over the economy have also declined in number. The virtual paralysis of purposeful economic action in the countries of the region is perhaps a manifestation of this, rather than of anything else. All the countries of the region, without exception, are marking time as they concern themselves with short-term (and, frequently, with extremely short-term) measures, while lacking long-term plans or, for that matter, many proposals pointing in that direction. Indeed, the stand-off between "neo-liberalism" and this sort of "neo-developmentalism" ("neo", because the issues and proposals associated with it have paled and become less forceful but are otherwise the same as those of the old type of developmentalism) has become a trap, an apparently dead-end street.

Behind the scenes of this deadlocked debate, it is fairly easy to discern the fact that two forces have lined up in opposition to one another: the capitalist private sector and the capitalist State sector, i.e., two faces of the same instrumental rationale, each masking one of the social agents now vying for control over capital and power; in other words, the private bourgeoisie and the bureaucracy (which some regard as the State bourgeoisie). In the final analysis, neither of them offers a solution for the pressing problems affecting the region's societies, much less a means of realizing the hopes of liberation held out by the historical rationale.

The capitalist or, more generally, the mercantile private sector represents interests that run counter to those of society as a whole; as a result, the private sector's interests are compatible with equity, solidarity, freedom or democracy only up to a certain limit. In terms of this type of private sector, the State or public sphere is the expression of that limited compatibility; it goes into action and imposes its authority precisely when the ultimate logic of domination is threatened (and, as regards the exercise of such authority in its limited forms, when it is pressured to do so by those it dominates). State capitalism, "real socialism" and the welfare State all belong to the same family, but act within different contexts and in response to different sorts of specific needs. Complete State control over the economy and State dominance in society can thus be seen as representing the interests of the society as a whole *vis-à-vis* private interests. Nevertheless, since this neither eliminates the presence of domination and inequality nor even tends to do so, the private sector is eventually reinstated in these economies. Under these circumstances, private activity arises as a necessary reaction when the suffocating weight of bureaucracy entailed by State ownership and control causes production to stagnate.

The private sector and its activity thus serve a function. Nonetheless, the historical experience of Latin America suggests that the capitalist or mercantile private sector is not the only possible form of private activity and that the State or public sector in this specifically State-oriented sense is not the only other possible counterpart to the private sector either. Indeed, although it does not figure as such in the debate of these issues, there is another concept of what is private and of what is public, a concept which was not only part of Latin America's earlier history but which is still with us today, one that tends to come to light in broader and more complex spheres.

For purposes of illustrating this point (it being understood that, in doing so, I am not setting it forth as the most desirable or effective option), I would like to use the Andean community as an example. The first question to be asked is whether this community is private or State/public. And the answer is that it is private. This community functioned in the past and it con-

tinues to function today. Before its subjugation by the empire and throughout the whole time that it was a colony, it represented a unique environment, one characterized by reciprocity, solidarity, democracy and its corresponding freedoms; indeed, it was an island of solidarity and of the feeling of well-being that goes along with it amidst a sea of domination. Later, it continued to function in the face of the assault of a type of liberalism that had already been won over by the instrumental rationale and in the face of the power of the *caciques*. And it continues to function now in the face of the power wielded by capital. And it is private.

What I wish to demonstrate by means of this example is that there is another possible type of private sector which is neither capitalist nor mercantile; there is more than just one form of private activity. What name should this other form be given? For the time being, for want of a better term, I will refer to it as a "socially-oriented" form of private activity in order to differentiate it from self-seeking types of private endeavour.

I wish to make it clear, however, that I am in no way proposing a return to an agrarian communism such as that characteristic of the Andean zone in pre-colonial times or even today. Present-day society, its needs and potentials are undoubtedly too complex for such an institution to cope with them satisfactorily. This does not mean, however, that such an institution could not serve as the basis, or one of the bases, for the establishment of another type of rationale. After all, wasn't its impact on the European imagination what marked the beginnings of European modernity and of the compelling utopia of a rational society?

By the same token, I also wish to make it clear that if I refer to the re-establishment of the concept of a socially-oriented type of private sector in Latin America, likening it to that of the Andean community, it is because it is possible to see such a concept at work in the region within today's highly complex and tremendously diversified society. A democratic form of organization based on solidarity and collective effort, which restores reciprocity as the foundation for solidarity and democracy, is currently one of the most widespread ways of organizing the day-to-day activities and life experiences of a vast portion of

the population in Latin America as these people band together in an effort to survive, to withstand the crisis and to defy the capitalist logic of underdevelopment.

These forms of social experience cannot be regarded as merely circumstantial or transitory phenomena. At this point, they have become sufficiently institutionalized to warrant their acceptance as established social practices for many sectors, especially the urban poor, who constitute the great majority of the population in many cases. For example, in Peru, what is known as the *barriada* contains around 70% of the urban population, which, in turn, makes up 70% of the national population. It is therefore not an overstatement to assert that the *barriada* has represented, particularly as regards the development of a new sort of inter-subjectivity, the primary form of social and cultural experience in Peru for the past 30 years. And these new forms of socially-oriented private activity are a central element of this experience.

In other words, the reciprocity seen within the Andean community has engendered the type of reciprocity seen today in the most oppressed strata of the "modernized" urban society associated with the dependent and underdeveloped capitalism of Latin America. This provides the basis for the formation of a new concept of socially-oriented private activity which represents an alternative to the concept of capitalist private activity that predominates today.

Two issues need to be clarified at this point in the discussion. Firstly, there is no doubt about the fact that capitalist private enterprise is, by a wide margin, the predominant form of activity in the country as a whole, in the urban population living in the *barriada* as a group, and among the poor strata within that population. Moreover, its logic not only exists alongside that associated with reciprocity, solidarity and democracy, but also intermingles with it and alters it. The institutions formed on the basis of reciprocity, equality and solidarity are not —within the urban areas— islands in a capital-dominated sea. They are part and parcel of that sea and, in their turn alter and control the logic of capital. Secondly, these are not scattered and unconnected institutions. On the contrary, especially during the past two decades, they have tended to form links with one another, thereby setting up

vast networks which, in many cases, cover the whole of the country concerned. These institutions have also begun to increase the complexity of their links with one another; just as the traditional sort of labour unions do or used to do, they group together both by sector and in national organizations. In the case of these new institutions of socially-oriented private activity, however, their sectoral linkages and the formation of a national network made up of all these sectors do not necessarily involve the establishment of any body as such. In other words, the institutionalized socially-oriented private sector tends to generate its own public institutional sphere, but the latter does not necessarily exhibit the characteristics of a State; it does not take on the form of an institutional apparatus which sets itself apart from or which places itself above the social practices and the institutions associated with day-to-day life in society. Thus, even though the institutions providing overall or sectoral links among the components of the socially-oriented private sector constitute a public sphere, they do not represent a State power, but rather a type of power within society.

Because these institutions of the socially-oriented private sector and of its public sphere are to be found within a context in which individually- rather than socially-oriented private activity and the corresponding type of State predominate, they are inevitably affected by the prevailing logic of capital. The presence of manipulation, bureaucratization and the exploitation of power are signs of the influence exerted by individually-oriented private activity, by the logic of capital, by its State. Even under these conditions, however, the practices and institutions associated with this new socially-oriented private sector and its public, non-State institutions not only manage to exist but also to perpetuate themselves, to grow in both number and variety, thereby forming a new and far-reaching organizational network for a new sort of "civil society".

The expansion of this process in Peru is probably due to the severity of the crisis affecting that society. A large part of the population has been pushed into rediscovering and re-establishing —within the setting of a new and more complex historical context— one of the

most deeply-rooted, longest-lasting and richest facets of Peruvian culture: the Andean community.

This new socially-oriented private sector and its public, non-State network are able to function under the most adverse and severe conditions; indeed, they are precisely what permit the people to survive in such a situation. In other words, a social praxis based on solidarity, equality, freedom and democracy is the only means of surviving in spite of and in opposition to the present logic of power, of capital and of the

instrumental rationale. It is, therefore, neither unfounded nor overly bold to suggest that under favourable conditions, these new social practices and the corresponding public institutional networks might not only permit survival, but could also serve as both a setting and a foundation for a genuinely democratic integration of society and could provide a real opportunity for true and differentiated self-fulfilment of the individual. Put another way, they could act as the vehicles for the hopes of liberation represented by a rational and, in this sense, modern society.

V

Latin America: The bases for a different type of rationale

In addition to the crisis of the present form of European/North American modernity, there is not only a shift away from the historical rationale and towards the instrumental rationale, but also a sort of "culturalism", whose main feature is its rejection of any sort of modernity at all. This rejection therefore applies to what might be referred to as the "rationale of liberation" as well, and involves a return to the elements of each individual culture, which are seen as the only true criteria for establishing the legitimacy of social practices and their institutions.

The interests of these two movements coincide. Indeed, together they form the basis of the fundamentalist approaches now flourishing in all parts of the world and in all types of doctrines. In both, the predominance of prejudice and myth play a basic role in orienting social practices because only on this basis can they mount a defense of all sorts of inequalities and hierarchies, no matter how reprehensible they may be, including all the various forms of racism, chauvinism and xenophobia.

As the crisis of present-day capitalist society becomes more visible and proves to be a more drawn-out process, confidence in the instrumental rationale has ebbed in more and more sectors of this society. In parallel with this, a more pressing need has been felt for a different type of comprehensive historical perspective. Ironically

enough, particularly among the subjugated peoples within this society, this has prompted demands that a break be made with European modernity and the rationale associated with Europe and the United States and has been conducive to a return to a purely culturalist idiosyncratic approach. However, it has also led people to look to other cultures in an attempt to find new elements with which to lay the foundations for a liberating rationale; these cultures are the same ones which Eurocentrism, during the height of its power, pictured as being divorced from any rationale whatsoever or as being completely immobilized under its domination; the same ones which, as a result of the impact they had on the European imagination beginning in the late fifteenth century, served as the starting point for the utopia of a liberating form of modernity. The documentation which has been amassed in this connection over the years is voluminous and quite compelling.

Hence, the debate concerning the relationship between the region's own cultural heritage and the demands of a new type of historical rationale has once again come to the fore in Latin America. I suggest that the components of this cultural heritage can be viewed as representing an historical path or direction which runs counter both to the primacy of the instrumental rationale and to obscurantist culturalism and which is

primarily manifested in the social experiences of large collectivities. These social practices, whose basic components include reciprocity, equity, solidarity, individual freedom and democracy as expressed in daily life, have, in the face of highly adverse circumstances, demonstrated their suitability as part of a new type of liberating rationale.

It is necessary to clarify a few things at this point in the discussion. First of all, the fact should be borne in mind that modernity arose in America at the same time as it did in Europe and that the people playing the major role in this process were members of the ruling class and descendants of Europeans. These people's position as members of this ruling class blinded them to the fact that the culture of the groups they ruled, the "Indians", contained many of the elements which would later form part of European rationality when it was still guided by the relationship between reason and liberation. When this connection became obscured and was relegated to a secondary position as the relationship between domination and a different type of reasoning gained sway, this ruling group became even blinder still.

The supremacy of the oligarchical *criollo* culture, which was promoted by this shift, is now coming to an end throughout Latin America. Its social foundations and its sources have been undermined and, in most of the countries, have now disintegrated, and this culture is consequently no longer perpetuating itself. At one time, the decline of this culture appeared to be making way solely for a cultural "modernization", i.e., for the primacy of the instrumental rationale. And this might indeed have been the case if it had not been for the fact that the outward expansion of international capital ran up against the limitations which are evident today and entered into a severe and prolonged crisis, along with all the rest of the power structure in these countries. As it is, however, the region's social, ethnic and cultural diversity has been reinforced during the crisis, and the one-track one-way transition from "tradition" to "modernization" envisioned by ideologues is not, in fact, taking place. On the contrary, at a time of conflict and crisis in both society and the culture, the more underdeveloped the capitalist system is, the wider are the breaches through which the overall cultural heritage opposed to

"modernization" is re-emerging. Clearly, this heritage comes into its own when the subjugated groups move up into the front lines of this battle.

All of this does not mean, however, that the overall cultural heritage of Latin America, or that which is produced and lived by subjugated groups, stems only from the region's ancestral culture of pre-colonial times. Far from it. It is true that this heritage draws strength from the wellsprings of the past conquests of rationality in these lands, which resulted in reciprocity, solidarity and the joy of collective work, but these historical currents also converge with those of the African experience and, together, they keep the tree of life intact, while in other cultures a gap has opened up between the tree of life and that of knowledge; and this is what has thwarted the reduction of rationality to no more than a feeble and superficial type of rationalism. The European and Euro-North American cultures, too, which have continued to influence the region, have contributed elements that are not part of the rationale of power. More recently, Asia has also helped to enrich and diversify this multi-faceted heritage. This is, therefore, a strong heritage capable of withstanding attempts to reduce it to no more than an instrumental rationale. The peculiar tension to be noted in Latin American thought stems from the complexity of this heritage.

There is therefore no reason why we should confuse the rejection of the elements of Eurocentrism present in the culture and of the instrumental logic of capital with some sort of obscurantist appeal to reject or abandon the hopes of liberation originally held out by modernity; the desanctification, first and foremost, of the authoritarian elements to be found in our way of thinking and in society, of social hierarchies, prejudices and their corresponding stereotypes; the freedom to think and to learn, to doubt and to question; freedom of expression and of communication; individual freedom freed of individualism; the idea of the equality and fraternity of all peoples, and of their human dignity. Not all of this originated in Europe, nor was it fulfilled or even respected there either. But it was from Europe that it came to Latin America.

The concept of a socially-oriented private sector and of the institutions linking up its components within a non-State public sphere

represents an alternative to the blind alley into which we have been led by the State and private adherents of the logic of capital and its power. The backdrop for this Latin American concept is the fact that Latin America is the oldest and most continuous source in the world today of an historical rationale shaped by the amalgamation of

the victories of reason won in all the cultures of the globe. The utopia of a rationale that would liberate society is more than just an enlightened vision in the Latin America of today. Its threads have begun to be woven into a part of our daily life. This rationale may be repressed, perhaps even defeated; but it cannot be ignored.

VI

The issues and the risks

Many far-reaching issues are raised at this point. Within the limited scope of this article, I cannot hope even to address all of the most important ones, much less discuss them in depth. Some of them should at least be identified, however.

First of all, there is an evident need to redefine the whole issue of what is public and what is private, and not only within the framework of the current debate going on in Latin America. It seems to me to be relatively less difficult to grasp the idea and image of a different type of private sector which is basically opposed to that of private ownership and the power structure that goes along with it. I believe something more needs to be said, however, about the idea of a non-State public sphere, which is both distinct from and opposed to the State and its public sector.

One important aspect of this question of what is public and what is private is that, within the relationship established between the two within the capitalist system (and, in general, within any power structure which includes the State), the private sector represents an independent sphere of social practices and institutions which are counterposed to those of the State at the same time that they are linked to it and are expressed through it. In this connection, the main issue is the independence of the private sphere from the State and its ability to exert a major influence over society. Within this contradictory relationship, the public institutions which establish links among various practices in civil society are not as visible as are the public institutions of the State. The State is, by nature, a sphere of practices and institutions which stand

above and outside the sphere of daily life within civil society. These types of conflicts do not arise between the socially-oriented private and non-State public sectors, since the public sphere exists only as a means of linking up the various components of the socially-oriented private sphere; indeed, this could not be otherwise without changing the very nature of the non-State public sphere and converting it into a State. In contrast, all States are able to exist, and to establish and perpetuate their specific institutions, not only outside the scope of civil society, but often in opposition to its institutions. This peculiar type of clash can be observed throughout the history of Latin America. In the debate concerning the State and civil society in Latin America, the former is one of the most indistinct concepts, precisely because the best-known analysis of it is based on the assumption that State institutions are in keeping with the character of civil society and thus fails even to question the representativeness of this State. The whole of the regions' historical experience runs counter to these assumptions, however. And now, given the present situation, a crisis has clearly arisen in respect of the question of representation as well.

This issue brings us back to the subject of freedom and democracy in relation to the public and private spheres, which is a pivotal element in the current debate going on both inside and outside Latin America. As everyone knows, today a leading school of thought, of Scottish-Anglo-North American origins, in the field of political theory views individual freedoms as being features of the private sphere which must be defended against public/State interference.

On the other hand, however, it focuses on the need for law and order, which must be imposed and defended by the State. Thus, a contradictory relationship is set up between freedom, on the one hand, and law and order, on the other, which at bottom reflects the relationship existing between the State and civil society. The problem, then, remains unresolved; nor does this focus provide any prospect of a solution other than the empirical one which is to be found in the none too attractive history of the trade-offs made between order and freedom, especially in Latin America.

I therefore contend that it is not surprising that the instrumental rationale —rather than the historical rationale of liberation— is the one which governs the relationships between freedom and order in both theory and practice, even though the idea of political freedom is one of the victories of modernity. This points up the fact that the relationships between personal freedom and the needs of society as a whole (i.e., "order") are radically different within the context of the relationships between the socially-oriented private and non-State public sectors. In this setting, the needs of society as a whole, as expressed in the non-State public sphere, are not and could not be anything other than the articulation of the needs of the socially-oriented private sector. This is why there is neither opposition nor conflict between the requirements of collective solidarity, reciprocity and democracy, on the one hand, and the requirements for the differentiated self-fulfilment of the individual, on the other.

The defence of personal freedom and even of equality may not, given certain conditions, be so difficult to achieve within the private sphere. Throughout history, the problem has always been how to establish them and exercise them within the public sphere, which is where they are at risk. Within the framework of the relationships between the private and State sectors, it has thus far proved possible, for all intents and purposes, for personal freedom to be exercised only by some people at the expense of others. There are always some who are not only "more equal" than others, but also more free. Within the alternative framework, however, "order" cannot be the result of anything but the personal freedom of all; but this is precisely what order

does not and cannot do within the context of the relationships existing between the State and society. This type of order always upholds the freedom of some at the cost of the freedom of others. It thus becomes evident that the relationship between the socially-oriented private and non-State public spheres which is emerging in Latin America makes it necessary to regard the issue of freedom and democracy in a different light and from a different angle.

Returning to the concept of socially-oriented private activity, this idea makes it possible to consider the issue of production and distribution, as well as their prospects and foundations, within a new context. This involves the question of reciprocity, which has been presented earlier in this article as one of the main and necessary elements of a different concept of private activity. The mercantile or capitalist concept of private endeavour is based on the supplantation of reciprocity by the market; within the context of the socially-oriented private sector, however, the market cannot play the same role or cannot have the same character. Although, in the course of the current debate in this connection, the idea of the market has been transformed into an almost mystical concept, it is surely obvious to the entire world that it involves nothing less than an alignment of forces. In other words, it involves a power-based relationship, a power structure, or at least a component and instance thereof. This is why the rationale of the market is incapable of accommodating any type of reasoning other than the most blatant sort of instrumental rationale. By its very nature, the market rules out the possibility of reciprocity, or allows for its presence only as a means to its own ends, and then only on an exceptional basis. Reciprocity is a special type of exchange; it is not necessarily related to value in terms of the objects involved in a transaction, but instead tends to be based on value in terms of usefulness. It is not a question of an abstract equivalence whereby the commonality of objects is what counts, but rather their diversity. In one sense, it is an exchange of services which can take the form of an exchange of objects but need not always nor necessarily do so. It is therefore more practicable to associate reciprocity with equality and solidarity. Reciprocity is not a single, well-defined concept nor is there just one way of practising it, at least insofar as it

is defined in the anthropological literature. Nonetheless, it is safe to say that, whereas the market involves the fragmentation and differentiation of interests within society and is coupled with an atomistic world view, reciprocity involves the linkage of interests within society and is part of an aggregative concept of the world.

In the history of the Andean zone, for example, the presence of reciprocity did not prevent the exercise of power and domination. Nevertheless, it did act at both the base and the apex of the ruling structure as a mechanism of solidarity, as a form of exchange between equals and, at the same time, as a mechanism for articulation and solidarity between the rulers and the ruled, between groups that were not on an equal footing. This suggests that reciprocity does not necessarily imply equality. But, unlike the market, it does imply solidarity. Within the context of the market, people act only as agents for the exchange of equivalent objects. Within the framework of reciprocity, objects are no more than symbols of people themselves. The market is, by nature, impersonal. Reciprocity is personal.

As part of the current process of establishing social practices, reciprocity is linked to equality, freedom and democracy, rather than only to solidarity. This constitutes a visible indication of the convergence of the Andean rationale and the rationale of European modernity. Even though the former is not, therefore, completely free from the onslaught of potentially dominant forces, in this new context it can be considered as a basis for a new type of rationale borne of a history that has been enriched by many other different histories. Nevertheless, it should also be regarded as part of a power structure rather than as some sort of mechanism by which all power is eliminated. The co-ordinated diversity which reciprocity entails, social solidarity, social equality and personal freedom, when seen as components of a new system of democracy, do not imply the dissolution of all power. Democracy, no matter how *demos* it may be, is also *cratos*. This is, for that matter, implicit in the formation of a public sphere within this new private environment. However, this is necessarily a different type of power structure than that linking the capitalist private and State sectors. In

this new type of structure, power regains its social dimension; there is an enormous demand for a politically direct form of social expression which is not necessarily channelled through the State.

This issue is too important to be omitted from the present discussion. It is essential to underscore the fact that these new types of public and private practices cannot gain ascendancy among social practices as a whole unless they represent an alternative sort of power. Private enterprise in its current form, together with the corresponding type of State, will not cease to try to obstruct, divide, distort or eliminate these new institutions, which will only be able to develop and to consolidate themselves if they are powerful enough to defend themselves against the present power structure and, ultimately, to win out over it. Unlike other options, this alternative power is not only a goal but also a road to that goal, and we are currently travelling down that road.

This is not the proper place to raise issues whose consideration would carry us beyond the scope of this discussion. I believe that what has been said up to this point provides sufficient material with which to initiate a debate. It is, however, necessary to provide a few explanations and clarifications.

Some people have wondered whether, because such socially-oriented private and non-State public institutions, are based on reciprocity and solidarity, they might not be a phenomenon found only in certain cultural or even, perhaps, ethnic areas in which reciprocity is a key element in the cultural history (as, for example, in the Andean culture). But, they ask, what do such practices have to do with other areas of Latin America, particularly the countries of the Southern Cone?

There is no doubt about the fact that these new types of social practices, which embody a new historical rationale, are accepted and cultivated more easily in areas where they are rooted in the historical legacy of the past. This is certainly the case among the population of Andean origin. Nonetheless, there is a great deal of documentation of the same types of practices in virtually all sectors of the urban population that have become impoverished during the long crisis

being experienced today, in all or almost all of the Latin American countries. Sufficient evidence to this effect can be found in the history of the invasions and settlement of urban land which have taken place in the region by examining the forms of organization, mobilization and subsistence to be observed in these cases. This has been a fairly recent part of Chile's history, for example. In that country, recent research projects concerning the agrarian process since 1973 have indicated that peasant communities have been established in areas formerly inhabited only by small landowners or tenant farmers because some groups of peasants have discovered that they can survive only by pooling their small farms and scant resources. This discovery of reciprocity and solidarity among equals as a means of survival does not necessarily, then, occur only as an extension of a people's own cultural history; nor is it always solely a response to an ultimate need, such as survival. It may also occur as a response to the need for a collective historical perspective in order to withstand the collapse of those which were formerly in dominant or firmly entrenched. One good example of this is the wide-ranging network of organizations formed by Christians who uphold the theology of liberation, the poor, the persecuted and core groups of intellectuals and professionals as they band together in resistance movements throughout all the countries of the region.

Recently, in some countries (such as Peru, for example), slogans such as "self-management", "associative enterprises", etc., have been used to describe institutions which are basically bureaucratic but which are nevertheless depicted—in what amounts to a successful advertising campaign, especially outside the country—as being institutions of a system of direct democracy. The social groups associated with so-called "self-managing" bodies were thus seen as laying the foundations for a corporative reorganization of the State as a means of overcoming a very protracted crisis of representation. These schemes failed, chiefly due to contradictions within the system supporting them, and their objectives were therefore not achieved; hence, the crisis has only grown worse, thereby strengthening the long-standing belief among many people that the past was a better time than the present. In Latin America, the past

few decades have been so disastrous for so many people that they have come to think that only something worse can be expected from the future. This gives rise to the suspicion that the new types of social practices characteristic of the socially-oriented private and non-State public sectors are always, or may be, in danger of being redefined and distorted. This danger is a very real one, as is the more open sort of repression aimed at the destruction of these practices rather than only at their improper appropriation or distortion.

A similar definition of terms may be called for with respect to the whole range of ideological and political derivations associated with the concept of the "informal sector", which is referred to so frequently these days in Latin America. Within the scope of this discussion it will suffice, for the moment, to underscore something which was said earlier. In the world of the *barriada* (or in the slum dwellings and shantytowns, whatever the name used to refer to them, in the various countries) the normative structures of the market and of capitalism coexist with, oppose and rely on those of reciprocity and solidarity and vice versa. A large part of the population moves easily back and forth between these two normative contexts as their needs dictate, which suggests that their adherence and loyalties to one or the other are not yet completely defined. In this not only psycho-social but also structural sense, this population continues to be a marginal one which forms part of the great social diversity characterizing the structure of Latin American society today. The "informal" economy is, to a great extent, made up of this population, although another part of it is formed by people who definitely espouse the logic and norms of capital and its interests. The clash between the outlook associated with the logic and interests of capital and that corresponding to an approach based on reciprocity and solidarity is exploited, to the benefit of the former, by certain political movements.

Obviously, for "neoliberalism", nothing could be more laudable than the so-called "informal" economy; within its sphere, the rules of the market can function with the greatest possible freedom; the quality and price of products (goods or services) are subject to no controls

whatsoever; wages are not governed by any sort of legislation; there is no social security, no vacations, benefits or union rights. No one pays any direct taxes, even though everyone uses services provided by the State. No form of organization by exploited groups within the sector would be tolerated. All this makes it possible for a complicated apparatus to exist which links large-scale "formal" enterprise with "informal" labour and markets. It is obvious who benefits from this arrangement, since no "informal" economy is really divorced from the overall financial apparatus of capital interests in each country, and nobody has demonstrated the existence of any sort of blockage or breakdown in the channels by which value and profits are transferred between the "informal" and "formal" economies. This does not detract from the exceptional energy and initiative exhibited by "informal" workers in their daily lives as they manage to survive under crisis conditions, to produce and earn, and to obtain work, income and housing outside the scope of the State and sometimes against its will. All of this, certainly, can and should be promoted and developed. But it may also be directed and channelled, and therein lies the problem: will it be directed towards the more complete develop-

ment of capital or towards solidarity, reciprocity, and direct democracy for producers?

Caution must be used in underlining this point. It is not merely a question of choosing between statism and control, on the one hand, or the freedom of the market and of profit-making on the other. The advocates of the second alternative depict it as being the only real way of safeguarding democracy against the danger of statist totalitarianism represented by the first option. This is a false dichotomy, however. In the final analysis, the other path leads to the same thing, to vertical corporate structures which can and do compete with the State, but which are invariably closely linked to it. The private/State dichotomy is no more than a distinction between two components of the same instrumental rationale, whose ascendancy has ended up by producing an extremely protracted crisis and the present situation of disorder and confusion.

Capitalist statism and privatism are actually the Scylla and Charybdis of the navigators of contemporary history. We need not choose between them or fear them. Today, the ship of the liberating rationale is propelled forward by the fresh winds of a new hope.