

Neo-structuralism: A Makeover for Neo-liberalism in Latin America*

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There is a dynamic at work today in Latin America that echoes Western European developments after the devastation of World War II and the economic disasters of the inter-war period. The Center-Left governments of postwar Western Europe were committed to reforms that would stabilize the capitalist system and bring a higher standard of living to the general population. One goal was to defuse the appeal of political extremism: a resurrection of Fascism or the spread of Communist totalitarianism. In the U. S., extremist threats to the system came on the heels of the Great Depression, including destabilizing, large-scale strikes and Huey Long's share-the-wealth movement. FDR responded with the mollifying Second New Deal. Both in Europe and the U. S., what defined the Center-Left politics of social democracy was a program that aimed to humanize (and save) capitalism through construction of a welfare state. The welfare state would ward off social unrest and political extremism; it would tame anti-capitalist movements.

In Latin America today, the story is somewhat similar. The popular revolts against the neo-liberal disaster of the 1980s and 1990s have induced the Center-Left forces there to champion a more interventionist state devoted to social-democratic programs such as poverty reduction. That way, capitalism stays intact and the threats to it — grassroots rebellions and authoritarian regimes like that of Hugo Chavez (sometimes likened to Hitler) — are neutralized. Moderate reform is the answer to serious challenges to the status quo.

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Such a reformist stance is sometimes described as neo-structuralism.¹ This response to neo-liberalism and the consequent upheavals (Bill Clinton recently said “the world was too unequal to be stable”) is spearheaded by Jorge Casteñeda, Mexico’s foreign minister from 2000 to 2003 and Roberto Mangabeira Unger, formerly Brazil’s Minister of Strategic Affairs in Lula’s Government. These social democratic intellectuals and critics of the far left have created the academic organization, the Latin American Alternative Group. It promotes a neo-structuralism that opposes itself to the more brutal incarnation of neo-liberalism, the Washington Consensus, with its stripped-down state, privatization and cuts in the public sector. Casteñeda and Unger favor an expanded social service sector. The aim is to diminish poverty and increase the productivity of the marginalized. Governing in the manner of a reformed neo-liberalism, Lula recently described himself as a social democrat. He added that anyone who “remained loyal to left-wing ideas must have some sort of [mental] problem.”² His government has enacted some reasonably successful anti-poverty measures, such as Bolsa Familia. It has not, however, done anything about agrarian reform in a country with a high concentration of land ownership and a militant landless workers’ movement. And Unger was responsible for the resource-hungry multinational incursions into the Amazon region. (According to Obama biographer, David Remick, Unger who taught Obama at Harvard Law School, is a self-styled “revolutionary”!)

The political discourse of the reformed neo-liberalism draws on Casteñeda’s well-known distinction between the “good left” and the “bad left,” variously known as old vs. modern, cosmopolitan vs. nationalist, responsible vs. irrational. (Unger has called it the “swashbuckling left” and the “well-behaved left.”)³ Writing in *Foreign Affairs* in 2006, Casteñeda set up the model for much subsequent discussion of the left in Latin America. He distinguishes between the

left “that is modern, open-minded, reformist and internationalist . . . and the other, born of the great tradition of Latin American populism, [that] is nationalist, strident and close-minded.”⁴ The good left is comprised of market-friendly social democrats who came out of orthodox left parties and finally saw the light. They include leaders of Brazil, Chile (under Bachelet) and Uruguay. Cuban economist Roberto Regalado asserts that what he calls their “neo-liberal reforms” try to soften the “contradictions of capitalism without breaking with the system.”⁵ The populist left refers to those in the caudillo tradition — Chavez, Kirchner and Morales. They are ostensibly more interested in personal power and in verbally lambasting the colossus of the North than in developing policies for the poor.

The Buenos Aires Consensus (BAC) of 1997 formulated the amended neo-liberalism which is called neo-structuralism. It was drafted by the Latin American Policy Group led by Casteñada and Unger. Participants — the academic and political elite — came from the center and center-left of the political spectrum, including Lula and Ciro Gomes from Brazil, Vicente Fox from Mexico and Sergio Ramirez from Nicaragua. And the document builds on the taxonomy of the two lefts. Critical of the excesses of neo-liberalism and “market fundamentalism,” the BAC takes as its touchstone the modernizing cosmopolitan, reformist left.⁶ It distances itself from the “populist developmentalism of yesteryear.”⁷

The alternative to the old neo-liberalism is, in the words of Marta Harnecker, an effort “to give capitalism a facelift by making it more humane.”⁸ Indeed, the BAC bears some resemblance to the watered-down social democracy of Western Europe known in the UK as the Third Way — what the Brazilian sociologist Emir Sader calls “tropical Blairism.”⁹ (Tony Blair’s Third Way was an effort to combine a modernized i.e., eviscerated, welfare state with markedly business-friendly policies.) The document’s discussants emphasize the need for a strong state with

greater powers of taxation so as to fund and administer social programs. The goal is not just to alleviate suffering but to democratize the market: “the market must be the chief allocator of resources, but it is up to the state to create the conditions for the needs of the poorest to be transformed into solvent demands which it is able to process.” One of the most important of these is education. This kinder, gentler capitalism with more social services like education and health is opposed to both laissez-faire economics and populism. But concern with structural changes, poverty and reform should not obscure the technocratic and individualistic thrust of this modified neo-liberalism. The main rationale for educating the marginalized is that poor people need access to and information about the market economy so they can be efficiently inserted into it. This answer to poverty and inequality, like the Poverty Reduction Strategies promoted by the World Bank that find a vote for NGOs but not poor people's organizations, is relentlessly apolitical. There is no space for organized popular movements. And absent is any notion that the balance of power in the global economy in effect disenfranchises people.¹⁰ All these biases are apparent in neo-structuralism's posture toward education.

Education is seen through the lens of both poverty reduction and economic development. The BAC says that “poverty should nowadays be measured, not only in terms of income insufficiency, but chiefly in terms of the lack of basic opportunities for the development of each person . . . With citizens equipped with high educational standards, with knowledge and technology, we shall be ensuring sustainable development.”¹¹ Elsewhere, Roberto Mangabeira Unger makes a similar case for education.¹² In addition, he recommends a minimum investment per child and a redistribution of educational resources among rich and poor.¹³ His vision, like that of BAC, focuses on progressive social policies “to equip the individual Education must rescue the child from its family, its class, its

culture and its historical period.”¹⁴ As Samir Amin has noted in his recent book, *From Capitalism to Civilization*, this elevation of the individual historical actor, this by-passing of collective identities and entities as irrelevant if not downright harmful is a hallmark of liberal and capitalist ideology.¹⁵ Such an ideology also has the advantage for the moderate left of delegitimizing social protest. Popular movements are severely constrained in this understanding. They must play strictly by the rules of institutional and electoral politics or advocate for citizen, i.e., individual rights to be considered acceptable.¹⁶ (No role, says Unger flatly, for “anti-institutional or extra-institutional politics.”)¹⁷ This domesticates and demobilizes oppositional energy; it also takes care of the instability, protest and unrest decried in the introductory remarks of the BAC.

The upshot of the recent proposals for a reformed neo-liberalism is a mild redistributive element which sits comfortably in a more or less orthodox market framework. Neo-structuralism clearly does not address the vexing questions of gross inequality, class relations and social structures. It tries to buy off grassroots militancy with a commitment to increase human capital. In the end, Walden Bello has it right when he says that neo-structuralism is about “social management,” not “social liberation.”¹⁸

¹ Walden Bello, “The Post-Washington Dissensus,” *Foreign Policy in Focus*, September 24, 2007.

² *Socialism and Democracy: Latin America: The New Neoliberalism and Popular Mobilization*, ed. Gerardo Rénique, 23, No. 3 (November 2009), pp. 21-22.

³ *Leftovers: Tales of the Latin American Left*, ed. Jorge G. Casteñada and Marco A. Morales (New York, Routledge, 2008) p. 38.

⁴ “Latin America’s Left Turn,” *Foreign Affairs*, 85, No. 3 (May/June 2006), p. 29.

⁵ Marta Harnecker, “Latin America and Twenty-First Century Socialism,” *Monthly Review*, 62, No. 3 (July/August 2010) p. 19.

⁶ Casteñada elsewhere faults the moderate left governments of the region for insufficient attention to development and welfare measures. Unlike the populist and “hyper-nationalist” alternative, however, they are on the right path.

Leftovers: Tales of the Latin American Left.

⁷ <http://robertounger.com/alternative.htm>.

⁸ Harnecker, *Monthly Review*, 62, p. 20.p. 20.

⁹ *New Latin American Left*, ed. Patrick Barrett, Daniel Chavez and Caesar Rodriguez-Gararrito (Pluto Press, 2008), p. 7..

¹⁰ Marcus Taylor, “The Contradictions and Transformations of Neoliberalism in Latin America: From Structural Adjustment to ‘Empowering the Poor’,” *Post-Neoliberalism in the Americas*, ed. Laura MacDonald and Arne Ruckert, Palgrave Macmillan, 2009, 21-37. Taylor underlines the apolitical and social engineering aspects of a reformed neo-liberalism. Doug Porter and David Craig make a similar argument in reference to Poverty Reduction Strategy Papers so beloved by the World Bank since the late 1990s. “The Third Way and the Third World: Poverty Reduction and Social Inclusion in the Rise of the ‘Inclusive’ Liberalism,” *Review of International Political Economy*, 12, No. 2 (May 2004), 387-423.

¹¹ <http://robertounger.com/alternative.htm>.

¹² Ciro Gomes and Roberto Mangabeira Unger, *Una Alternative Practica al Neoliberalismo*, (Mexico, Oceano, 1998), Roberto Mangabeira Unger, *The Left Alternative*, (Verso, 2005) pp. 60-61.

¹³ *Leftovers: Tales of the Latin American Left*, p. 241.

¹⁴ Unger, *Left Alternative*, pp. 70-71.

¹⁵ *From Capitalism to Civilization: Reconstructing the Socialist Perspective* (Tulika Books, 2010) 5, 142, 166.

¹⁶ Gomez and Unger, pp. 125-126; Unger, *Left Alternative*, pp. 152-157.

¹⁷ Unger, *Left Alternative*, p. 157.

¹⁸ “The Coming Capitalist Consensus,” *Foreign Policy in Focus*, Dec. 24, 2008.

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Roberto Mangabeira Unger, *The Left Alternative*