

Old and new developmentalism in Latin America: social order, social welfare and social security fifty years later

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Abstract

This paper shows the conceptual and theoretical results of the author's undergoing postdoc research project, in which he analyzes the economic and social development agenda for Latin America between 1960 and 1980, but which indeed boosts many questions regarding current development agenda. The 1960s' and 1970s' development policies for Latin America -specially, for the larger countries- were thought as welfare policies, or as the closest that Latin America can be to the European welfare states. Of course they were led by economic purposes, but there were very strong utopias beneath them. These utopias were those of the European welfare society: a full-employment society, in which workers could work forever in the same company, with social protection, public education, health insurance and an accelerated technological progress. Actually, the fact that this path could even lead to some sort of social equality was not uncommon. At the beginning, there was even a strong belief on a sort of developmentalist spill-over theory: economic growth and industrialization -constrained by a tough social order- would automatically contribute to social welfare. After 30 years of undisputed neoliberalism -which's utopias were quite the opposite- a new era of developmentalism arose in Latin America during the first decade of the new century. Social protection, economic development and industrialization returned to the agenda. But, were the utopias the same as before? In this paper we argue that despite economic similarities, the social and political utopias were very different, and thus they would lead to different -even economic- results.

1. Research project's presentation

This paper is a theoretical and somehow political output of the author's post-doc research project at the Central Institute for Latin American Studies, Catholic University of Eichstätt-Ingolstadt, Germany under the supervision of Prof. Dr. Thomas Fischer, which began in October, 2018, and which is financed by an ALEARG joint scholarship between the Argentinean Ministry of Education and the German Academic Exchange Service (DAAD). Part of the research is also financed by the Catholic University of Eichstätt-Ingolstadt through a proFOR+ Subsidy for Foreign Fellows.

The project has a strong historical perspective, and its main results refer to the history of Latin American economic ideas, but some of the conclusions lead to thoughts on the present and, above all, on possible teachings from the past to be brought back to the present. Thus, this paper, which is strongly preliminary, tries to show what we can learn from our past experiences in order to think about the economic and social development policies in Latin America today.

In order to understand this connection between past and present it is necessary to present the project's outlines and the links between the paper and a much wider research program. The project is entitled "Economic development, structural heterogeneity and social security: the incorporation of social issues in Latin America's development planning agenda (1960–1980)" and intends to continue the methodological procedures developed in the author's doctoral research, which is entitled "Argentinean social security between developmentalism and neoliberalism (1957–1994): economic ideas and theories in the debates on its reform". The author's PhD in Social Sciences was awarded at the University of Buenos Aires in 2015 and financed by the Argentinean National Scientific and Technological Research Council (CONICET), being the workplace the Center for Labour Studies and Research (CEIL) in Buenos Aires. In both cases, the research task has consisted of analyses of different sources, such as academic texts, official documents, newspapers, public speeches, extracts from legislative debates or conferences, among others, so as to identify which economic ideas—as a wide concept, usually implicit—and theories—as a more strict concept, usually explicit—appear in the different discourses.

One of the main results of the previous research was the identification of a shift regarding the role of social policies around the mid-60s: whereas since the end of the second world war until the mid-60s the economic thought in Latin America had been dominated by a specific kind of developmentalism-recalled 'modernization theories' by some authors—that thought of social issues as something not important, since the mid-60s a new consensus starts to arise, in which social issues and social policies begin to play a central role within the development agenda. This does not

concern only the expected results, but also the preconditions of development. This shift also includes a change in the diagnosis of the Latin American economies, which moves from the underdevelopment hypothesis to the structural heterogeneity hypothesis. While this shift does not exist during the 50s and it is somehow completed by the early-70s, the 60s will be a transition decade, in which the conceptualizations regarding it will not have solid foundations yet, but the questionings will be very frequent.

A synthesis of the results of the analysis of this shift for the Argentinean case was published in 2017 in a paper entitled “Social security and economic development in Argentina (1966-1973). The incorporation of social issues in the development agenda during the “Argentinean Revolution”. Some of the main outcomes of this paper are reproduced here in the Argentinean sections.

On the one hand, the underdevelopment hypothesis emerges from the arrival of the development theories—such as Lewis¹ (1955) or Hirschman² (1958)—according to which—whilst fragmentation or heterogeneity was a strong diagnosis—the Latin American economies could be characterized with shortage of capital and abundant low-productivity workforce, which meant that the traditional Keynesian path towards economic growth—successful in central economies—would not be effective. These economic theories promoted developmentalist policies, recommending the channeling of development processes that would increase productivity and industrial integration, which needed both state intervention and foreign investment. In this sense, the development process would easily mitigate the mentioned fragmentation. As stated by Anthony Hall and James Midgley, these theorists

“pointed out that these countries had a dual economy comprised of a large, impoverished agrarian sector and a small but vibrant modern, urban sector [...]. The task for policy-makers was to expand the modern sector so that it would draw labour out of the subsistence into the modern sector. This, they suggested, could be achieved through massive investments in industrial enterprises. Industrialization, they argued, creates employment on a large scale, transferring labour out of the impoverished subsistence and informal economy into the modern, urban industrial sector. As people enter wage employment, incomes and standards of living rise, resulting eventually in the eradication of poverty” (Hall & Midgley, 2004, p. 66).

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- 1 Arthur Lewis (1915-1991) was a Saint Lucian economist and Nobel Prize winner, who contributed to development theories by focusing on dual underdeveloped countries and the theoretical differences between them and the developed ones. Despite being Caribbean, his academic work was entirely produced in the United Kingdom.
 - 2 Albert Hirschman (1915-2012) was a German economist, who had to flee the country during the Third Reich, first to Italy and France, and finally to the United States. He developed a theory of unbalanced development and his ideas were very influential during the late 50s and early 60s, specially in Argentina and Brazil.

The way this was received in Latin America enabled the developmentalist paradigm, which managed to become hegemonic in Argentina and Brazil since the late-50s and elsewhere in the region during the following decade. The document that summarizes this conception of development is the well-known 1961 Charter of Punta del Este, keystone of the “Alliance for Progress”, which intended to promote economic development by increasing the GDP, boosting industrialization and prioritizing foreign investment and friendly relationships between the Latin American and the advanced countries (OAS, 1961, p. 10).

As stated before, social policy or social issues just played an accompanying role, or, in some cases, a role that only referred to the political stability or legitimacy of the ongoing economic processes. The European welfare states—precisely, the ones that followed Esping-Andersen’s conservative model³—constituted the social policy ideals: homogeneous, payroll-financed protection systems which would become universal due to the full-employment expectations.

On the other hand, the hypothesis of structural heterogeneity as a new diagnosis of the Latin American economies—mainly, the larger ones—begins to arise during the mid-60s as a result of the identification of the persistence of structural problems even after more than a decade of accelerated economic growth. Even though, as stated before, the development theories that had arrived during the 50s included categories of fragmented economies, since the late-60s we find a new consensus, which stresses the description of Latin American economies as heterogeneous, in which sectors with high productivity coexist with others with very low productivity and extremely low generation of surpluses⁴. The concept was initially formulated by Aníbal Pinto⁵ (1965) but utterly developed by other authors, such as Sunkel⁶ & Paz⁷ (1970) and Diamand⁸ (1973). Considering that the first developmentalist generation could be thought of as the application of Keynesian ideas to the underdeveloped countries—as assumed by some of its most important authors—, Osvaldo Sunkel’s

3 Gosta Esping Andersen developed a widely spread theory of the European welfare states, dividing them into three models: the liberal, the conservative and the social-democratic. (Esping-Andersen, 1990). The conservative model is the one applied in France and Spain, countries that influenced the social legislation of most Latin American countries during the 50s (see Dvoskin, 2015, Chapter 2).

4 Some authors, for instance Di Filippo and Jadue (1976), propose a structural heterogeneity approach that divides the Latin American economies into not two but three different types of sectors, conceptualizing the intermediate one as a “wide range of productive techniques that are already obsolete in central economies” (Di Filippo & Jadue, 1976, p. 171).

5 Aníbal Pinto (1919-1996) was a Chilean economist. During the 60s he was the chief of the ECLA/ILPES (Latin American Institute for Economic and Social Planning). During the 70s he was director of the ECLA’s Development Division.

6 Osvaldo Sunkel (1929-) is a Chilean economist. He directed the ECLA office in Brazil and became a member of ECLA/ILPES. During the late-70s he founded and directed the ECLA’s Environment Department.

7 Pedro Paz (1936-1989) was an Argentinean economist. During the 60s and until the military coup of 1973 he worked at ECLA/ILPES.

8 Marcelo Diamand (1929-2007) was an Argentinean engineer, businessman and economist, member and linked to several industrial think-tanks.

criticism of the problems of traditional (Keynesian) macroeconomic theory explains the need for a structural heterogeneity approach:

“Macroeconomic theory fails because it is reduced to some large aggregates [...], which are a sum of heterogeneous elements that are constitutive of part of opposed and diverse social, political and cultural structures. In consequence, those aggregates cannot constitute homogeneous and coherent groups which allow adequate interpretations of the economic development process. It is so mainly in the underdeveloped countries, characterized by their large structural heterogeneity, in the economic, technological, social, political and cultural fields” (Sunkel, 1978, p. 6).

More accurately,

“depending on the country, some productive sectors are characterized by high levels of capitalization, technology, productivity, organization and human resources capability, which should not envy anything from their partners in the developed countries. From this end [...] we get to the opposite one, where the activities are frankly primitive and are characterized by low productivity, lack of capitalization and are individually or family-run businesses. Due somehow to this productive structure’s heterogeneity, our economies show an excessive differentiation of income distribution, consumption and life conditions as well (Sunkel, 1978, pp. 6 - 7).”

Furthermore, this heterogeneity approach helped explain the failure of the developmentalist spill-over assumptions, which stated that the government-led growth of an important sector -or bunch of sectors- would somehow lead to the development of the whole economy. This was clearly explained by Aníbal Pinto. Regarding the debate with the early-developmentalists, he states that the development path of central economies shows an evident

“long-run tendency towards the so-called ‘homogeneization’ of the systems which is reproduced in every sphere. Nonetheless, while it is obvious that this path did not mean an unvarying advance, but it expressed itself through the emergence of focuses or lead-sectors, the decisive key is that these dragged the others towards similar or higher productivity levels. The influence of economic and social policies, specially during the post-war period, is a key factor of this process. Thus, it is not a spontaneous or natural tendency. Without any doubt, this vision was in the minds of those who proposed the industrialization path in Latin America [...]. Briefly, they expected that the new core, established around the industry and projected centripetally-led, would fulfill an homogeneization function, similar to the one registered in the centers. For some time, during the first phases of substitutive

industrialization, it could be thought that this perspective had a chance to become true. Nowadays, however, it is obvious that this optimism has either diminished or vanished” (Pinto, 1970, pp. 87 – 88).

As this proved to be wrong, social policy-and specifically heterogeneous social policy for specific sectors, regions or age-groups-began to be understood as a channel towards the diminishing of this heterogeneity and, thus, the pursuit of an expanded economic development. Specifically referring to social security, and speaking from the social security administration offices and not from theoretical economic development schools, Ecuadorian actuary Gonzalo Arroba explained, back in 1969, that

“the Latin American countries that followed the European example without paying enough attention to the differences in their economic and social structures find themselves today in the hard situation of having social security schemes that were juridically, financially and administratively designed for the special conditions of the wage-earners, inapplicable for most of the economically active population, either rural workers or urban self-employed. Thus, Latin America, after forty years of social security experience, has only one fifth of its economically active population covered, and it is undergoing serious efforts to change the theoretical, financial and technical grounds, so as to cover the rest of the population, which, indeed, needs the highest grade of protection because it is the economically least privileged group” (Arroba, 1969, p. 49).

Therefore,

“the share of the GDP allocated to social security should be equitably distributed, preferably towards the poor sectors, so as to boost a fairer distribution of the national income, which must be the main target of a proactive economic and social organization” (Arroba, 1969, p. 51).

Returning to Hall and Midgley, this new way of seeing economic underdevelopment argues that

“economic growth engendered by industrialization does not automatically result in prosperity for all. In fact, economic development has disproportionately benefited those in the modern sector, and the poor have often been left behind. The ubiquity of ‘uneven’ or ‘distorted’ development as they called it, must be addressed through a comprehensive range of policies and programmes that promote economic growth and, at the same time, target the poor and raise their incomes” (Hall & Midgley, 2004, p. 68).

This project intends to deepen the author's doctoral research results on the period that begins during the mid-60s and widen its reach towards other Latin American countries—beginning with Brazil-, expand the sources and focus on the relations between the social policy and social security reform proposals and the structural, mesoeconomic and macroeconomic determinants of the Latin American structural heterogeneity. Its primary goal is to understand which were the economic motives, ideas and theories that contributed to the Latin American social security and social policy reform proposals during the 60s and 70s. This includes both applied and not applied projects, and both the discourse of those in favor and against them.

2. The methodological framework

The project's methodology is an attempt towards an analysis of the social consensuses and hegemonic paradigms of each time. As a study that belongs to the field of the history of economic thought, the core will be the economic ideas that are not necessarily expressed or written by economists, or the feasible links between the theoretical ideas by the economists and the widespread ideas received and popularized by non-economists. There is a special interest for those ideas that reach the public opinion and the governmental projects and official texts.

Therefore, we try to connect the contributions of those authors that, from a semiotic framework, have tried to explain the building of strong hegemonic consensuses and common senses, such as Marc Angenot, and of those that, criticizing the traditional intellectual history that has overvalued the autonomy of the author's minds and undervalued the contexts in which any idea is formulated, have understood the links between texts and contexts, but focusing on expert discourses, such as Quentin Skinner and Reinhardt Koselleck.

In this sense, we introduce those categories that were widely acknowledged and used during each time, taking into account the practical meaning that they had, and not the formal or original definitions of the terms. Actually, as we will see in the next section, some categories change their meanings and sometimes there is a struggle between terms. Of course, period-segmentation is, as always, controversial, specially when we try to perform this without specific and fixed boundary-dates, recalling a whole region and not a single country and without using political references, such as wars, elections of decisions, as the shifting moments. In this sense, time segments refer to trends, to movements and to fluctuations.

In this paper we divide the Latin American history between the mid-20th century and the early-21st century into four moments. The key for the segmentation will be the different hegemonic paradigms

regarding social, political and economic models. Within each paradigm there are different conceptions of diagnoses, legitimacies and utopias. As assumed, different diagnoses, legitimacies and utopias will necessarily lead to different conceptions of social policy and social rights. Of course, some paradigms will be exclusively Latin American, some will even be only acceptable for some sub-regions or countries (like the one that arises after the 90s) and some will be global (like neoliberalism). Besides, there will exist moments of solid unchallenged consensuses, such as the late-50s and early-60s or the 90s, and moments in which the different paradigms will enter into open struggles and, therefore, in which some unspoken criteria will become explicit, such as the late-70s or the early-2000s.

For instrumental rather than ontological purposes we will state that since the 1950s and until the mid-60s the most significant hegemonic paradigm in Latin America will be what we have previously named as early-developmentalism. As pointed before, the Anglo-Saxon literature refers to these ideas as modernization theories. The period that begins around the mid-60s and ends around the mid-70s will be defined as late-developmentalism. The core of this research project deals with the transition between them.

Since the mid-70s and throughout the 80s and 90s Latin America will undergo its neoliberal paradigm, perhaps even earlier than other regions of the world. Since the turn of the century and for around a decade, Latin America will experience another paradigmatic change that will be the consequence of the neoliberal crises, which can be defined as neo-developmentalism. This shift will be specific for this region, and actually perhaps just for the southernmost part of it, and there is absolutely no clear consensus on what it was, how it should be named and whether it is still on⁹ or it is not. What we can agree on is that the neoliberal utopias and legitimacies happened to decline during the first years of the 21st century as counter-neoliberal projects began to arise in some countries, and a new tendency towards the acceptance of state intervention and the disbelief in the unstoppable advantages of free-market and globalization took over the scene.

How do these paradigms relate to the role of social protection and its link with social order and economic and social development? In the next section we will try to provide some answers, which will not justify or demonstrate the validity of the scheme but they might open discussions on the possibility of using a time segmentation that relies on consensuses and trends rather than on important historical events.

9 The author is currently working on another paper, in collaboration with Mayra Bevegni, on the current affairs in South America, where the main questions are whether the neo-developmental era is already over or not and, if not, if the continent is undergoing a return of old neoliberal legitimacies and utopias or something else.

3. The research project and the DSA conference

Although the author's most frequent forums are those that deal with the history of economic thought and focus on theoretical and academic debates, the research project intends to have a link with the present and, specifically, on the possibility to intervene in current development policy affairs. This is why this paper was submitted to the DSA conference and to the M5 Panel entitled "Understanding social protection as technologies of social ordering and reproduction within contemporary development". The core is to analyze the role that development policies and specifically social protection policies embedded in development programs played during the Latin American developmentalist era in terms of social ordering and social legitimacy, and to figure out which differences can be found between this process and the neo-developmental process that, according to some authors, occurred during the 1st decade of the 21st century in the region.

In terms of social protection, the discussion will be on the following issues: social insurance, social security, social justice, social development, social assistance and social inclusion. Are they all alike? What are the differences between them? Do they relate to different utopias? What is the history of each of them? When did they become frequent? And, in terms of the research project, what are the relations between policies and utopias according to each of them? For the specific cases of Latin American countries, we launch the following hypotheses:

a) Social security as a concept will change from a mere technical term by the early 20th century to a political goal around the mid-60s, altogether with the differentiation between social insurance and social security, which in previous years were considered as synonyms. Social insurance will begin to be considered as means towards social security. While the Anglo-Saxon literature will sometimes use the term social security to refer exclusively to old-age pension systems, in Latin America this concept will remain as a general reference to different social protection subsystems. Since the arrival of American ideas on social security and social policy reform during the mid-70s, social security will remain as a more technical concept, separated from any utopic meaning. Therefore, unlike all the other exposed concepts, social security will not be specific of a certain time, but its meaning will not always be the same.

b) Social justice will be a strong utopia between the 1940s and the early 1960s, and it will be coincident with the previously entitled early-developmental era. In some countries, such as Argentina, Brazil or Chile, the utopia of social justice begins earlier, by the end of the second world war and the consolidation of the substitutive industrialization processes in the region. The utopia

will be related to social homogeneity, and this homogeneity will agree with the Fordist paradigm: homogeneous goods to be produced at a large scale and to be consumed by a booming middle-class that will enjoy both full-employment and social benefits. Economic growth and productivity growth shall make this process unstoppable, but social protection is needed in order to ensure that the supply will meet the effective demand and that, therefore, the economy will be able to keep growing at an accelerated rate. The core of the pursuit of social justice will be that homogeneous policies will lead to homogeneity.

c) Social development is a new concept that arises during the early-70s, which is precisely intended as a way to explain the difference between economic growth or mere economic development and well-being. This concept will be strongly used by the international organizations such as the United Nations or the International Labour Office. Social policy will have a much more important role, and the different goals expected in a social development process will be measured and quantified. Contrary to the social justice paradigm, the social development paradigm will be based on the fact that it is heterogeneous policies what will bring us to a homogeneous society.

d) The rise of neoliberalism will lead to an abandonment of most of the proposals, intentions and policies from the previous decades. The new mainstream will be that the market itself is able to solve all our problems and that any attempt to regulate it or diminish its reach will necessarily lead to bad results. Nonetheless, whereas some extreme neoliberals will deny any social policy, some will still recognize that the intended transformation processes takes time and that, thus, social policy will be needed during the transition. This is what the international financial institutions, especially the World Bank, started to promote during the 90s. The term that gained popularity was social assistance: it does not entitle any rights or claims, it should not be available for everyone or forever, it must be justified and, most importantly, it should be reduced, so that it does not interfere with the free-market. In this sense, in the long-run there shall not be any differential regimes or special protections. This means, with the only exceptions of short-run social assistance policies that will provide the needed political stability, policies should be homogeneous. But neoliberalism will likewise deny the virtues of a homogeneous society, being heterogeneity the primary incentive that makes the market-forces move on. In this sense, homogeneous policy (or, in this sense, homogeneous rules and the absence of specific policies) will lead to the desired heterogeneity.

e) The following topic will be almost exclusively Latin American, precisely because it is in this region where the crises of neoliberalism led to a paradigmatic change around the beginning of the 21st century. Some authors, such as Emir Sader, will refer to post-neoliberalism. Others will speak about the rising of neo-developmentalists. The fall of neoliberal utopias will happen a few years later

in other parts of the world, but the outcome will be very different. In Latin America, these processes will be accompanied by the recognition of minorities or undervalued groups, such as indigenous communities, women, LGBTTIQ people and so on. There will be a deep recognition of both the impossibility and the inconvenience of social homogeneity, precisely because diversity and pluralism are now strong tendencies. There is a similar process in other parts of the world in terms of diversity (for instance, more and more countries are authorizing gay marriage), but only in Latin America this process took place as a criticism of the results of neoliberalism. In this sense, social protection took social inclusion as its main concept. We will and we shall all be different, but these differences must not be excluding. We must all be included in an heterogeneous society, but as we are all different we all deserve different treatments, and the historically excluded groups should be prioritized. In this sense, heterogeneous policies shall lead to an heterogeneous society.

All this hypotheses can be summarized in the following chart:

Chart 1: Social policy standards and paradigm utopias.

| | | Utopic society | |
|---------------|---------------|--|--|
| | | Homogeneous | Heterogeneous |
| Social policy | Homogeneous | Social justice Early Developmentalism 1940s to 1960s | Social assistance Neoliberalism 1980s to 1990s |
| | Heterogeneous | Social development Late Developmentalism 1970s | Social inclusion New Developmentalism 2000s |

How can we explain these affirmations? What are the grounds of the connections between hegemonic paradigms, development models and social policies?

4. Social policy and economic development: ideas and materiality

One of the first conclusions of the previous analysis summarized in the chart is that when we are asked about the differences between the old and the new developmentalisms in Latin America we should not take just the policies into account, or the rejection of free market, but the utopias instead. Similar policies or schemes applied in different contexts and looking forward to different reasons will lead to different outcomes. While old developmentalisms (early and late alike) pursued social homogeneity, new developmentalism has always pursued social inclusion, pluralism and diversity. Perhaps, this is the way to deal with the current and presumably unbreakable rising inequality. But, perhaps, there is a change in the way we deal with heterogeneity and homogeneity from a political rather than economic point of view.

In this sense, in this section we will present the material and technological bases that may help us explain the rejection of homogeneity-utopias since the late 20th century. Fordist industrial technologies, grounded during the first decades of the 20th century but widespread for civilian use after the end of the 2nd world war, had a very important restriction, which we have previously introduced: in order to take advantage of the enormous productivity-gains of the technical transformations, the scale had to be huge and the goods produced had to be homogeneous (Coriat, 1979). For Latin American countries, whose manufacturing sectors did not have the capacity to compete abroad and, therefore, depended on the internal demand, the production of homogeneous goods needed an expanded internal aggregate demand. The technological features of the industrial goods of the 50s and 60s implied that they would be long-lasting and, in today's terms, highly energy-consuming. If the industry needed to produce a large amount of equal goods to be sold within the national borders, everybody would buy the same goods. This is a technological constraint that leads, precisely, towards social homogeneity as an economic need.

The technological shift of the 70s, with the introduction of flexible production processes, robots and the possibility of replicating the Fordist-era productivity gains without needing to produce thousands or millions of equal goods, made capitalist accumulation once again compatible with a growing income inequality. Additionally, the mean durability of industrial goods decreased, mainly because of constant innovation and the fact that they are reaching obsolescence very quickly (Lipietz, 1997). We do not want to mean that the technological transformation is the primary cause of the rise of neoliberalism (this means, we will not make a material-deterministic statement), but it is necessary to recognize the compatibilities between industrial technologies and political and economic models. This flexibility allows companies to compete via product-differentiation and,

most importantly, to sell different goods to different social groups, thus making it feasible to generate enough effective demand out of a reduced high-income share of the population.

The Latin American industries will face another challenge since the rise of neoliberalism. There is not only a change in the way industrial goods are produced but a change in the where. The development of global value chains and the outsourcing of some phases of the industrial productions have opened new questionings to Latin American industrial perspectives (De la Garza Toledo, 2001). The developmentalists had recognized that the most significant expression of the region's underdevelopment was the low manufacturing-workforce-productivity in comparison with European or North American countries. Thus, the industries were not able to export and needed strong protections from the government if they wanted to sell to the internal markets precisely because their productivity was lower than the international standards. The emergence of global value chains added a second challenge: the Latin American industries are not only constrained by the lack of productivity or technology when compared to Europe or the United States, but nowadays they have to face the low wages that are paid in countries like Vietnam, Philippines or Bangladesh. Even China has played this role in the past. How can the Latin American underdeveloped industrial structures face this double challenge? It is not random that neoliberal policy suggestions for Latin America have always recommended the abandonment of industrialization, the return to the natural-resources bases of the region's economies and the elimination of barriers and restrictions to free-trade.

If the post-neoliberal paradigm is an expression of a rejection of neoliberal policies, projects, legitimacies and utopias, but the material and global structures are the same, how can this neo-developmentalism or post-neoliberalism be similar to the old-developmentalism? Can there be substitutive industrialization in times of global value chains, extremely developed and interconnected financial markets and post-Fordist technologies? Can there be an utopia for an homogeneous society in times of product differentiation and growing inequality? Or should the progressive utopias transform themselves into quests for plurality and diversity?

5. Equality vs. Inclusion

The most important outcome of the previous arguments is precisely the invention of social inclusion as a new concept that manages to combine the criticisms towards neoliberalism and the need for active state intervention with the recognition of diversities. But, how is social inclusion linked to the utopias of its time? What is the difference with the utopias of previous times?

Like the European welfare states, the developmentalist program included an implicit call for social order. Actually, during its first stage there is a very evident belief in the possibility of a technical solution to the political conflicts. The growth of GDP and productivity would eventually eliminate every cause of struggle and the Latin American countries would live endless peace and progress. The late-developmental period did not express such a simple optimism, the impossibility of an easy technological solution to political struggle became evident and the emergence of authoritarian regimes was a consequence of this. Compared to the previous period, the call for a certain type of social order, now embedded with catholic morality and communitarism, was mainly a recognition of the unseen difficulties of the process rather than a change in the main principles¹⁰.

But, regardless of the path towards the desired order, what was this order like? Certainly, this was an era of strong conflicted utopias worldwide. The 50s, 60s and early-70s can be considered as highly optimistic decades in Latin America, where almost every political party or interest group not only pursued radical transformations, but believed that these transformations would take place too.

In Latin America, lots of youth movements were inspired by the Cuban revolution first and by the events of May, 1968 in Paris in order to promote radical transformations and strong egalitarianism. Neo-marxists, dependentists, anti-colonialists, even the third-world christian movements were included into these trends, and most of them called for the overcoming of capitalism. But, of course, despite connections and some similarities, they did not belong to hegemonic paradigms. Mid-20th-century developmentalism, both in its early or its late versions, envisioned a high-income capitalist economy. The society would be organized into nuclear heterosexual families, in which the men should be employed and earn a wage that should be high enough to support a housewife, kids, and the possibility to spare and improve the consumption basket every year.

Summarizing, whereas early-developmentalists thought that technology would be the key to the ordering of the society, late-developmentalists believed that religion and communitarism would be necessary ordering inputs, because the technological advance would not lead to social pacification so easily. Thus, in political terms whilst early-developmentalists believed in a strong democracy that would accompany the simultaneous recognition of civil, political and social rights, late-developmentalists did not necessarily disagree with authoritarian regimes that would enforce the social order that economic development needed in order to be achieved.

Neoliberalism rejected the possibility of a society organized by the government, the communities or any active institution: societies would be adequately organized by the market, which would provide

¹⁰ See Dvoskin (2015, Chapter 3; 2017).

the incentives for individual progress and individual responsibility. Sacrifice, good intentions and cleverness should be rewarded while laziness should be reprimanded. This opened the gate to new diversity claims. There are now different ways to organize our living. If the market approves them by rewarding us, why should morality contradict the market? And, if individual incentives should promote well-being, what would be the point of equality as a goal?

Of course, while neoliberal discourses happened to encourage diversity, its real consequences somehow reinforced traditional power structures. The withdrawal of the state left care-giving responsibilities to households, and within households to women. The reduction of real-wages led to the fact that the salary of one member of the home (namely, the man) was not enough to satisfy the needs of the whole family. Women started to look for jobs, but they remained responsible for the home tasks and, after the relative withdrawal of the state, for care-giving as well. The real working hours of women, including working both outside and inside of their homes, experienced a huge increase.

As stated before, around the mid-90s the same financial institutions that had empowered and promoted neoliberal reforms recognized that the path towards a developed free-market economy was not as easy as expected, and that is when social assistance arose as the primary social policy (Draibe, 1994; Vilas, 1997).

Many social programs developed during the late-90s and early-2000s were designed to especially protect women. There were both programs to improve working skills and programs based on conditioned money transfers that prioritized women over men. The debate regarding the consequences on gender inequality of these programs, between empowerment and reproduction of submissive structures, is still open.

As pointed before, neoliberals thought that social assistance should play a temporary role. Social programs should only be applied during the short transitional term, until the structural transformation begins to show the expected results and everybody that deserves so can get a real job in a free labor-market. Social programs should have been transitional programs. Nonetheless, what ended up being transitional was neoliberalism.

We arrive at the new-developmental times, that can be seen as a Latin American response to the terrible economic and social consequences of neoliberalism. Of course, conditioned money transfers were not eliminated, but enlarged instead. Non-contributive pension-systems were widely expanded, especially for the old-aged that were not able to get a pension through the traditional

contributive schemes, because due to either informality or unemployment they had not been able to pay the 30 years of payroll-taxes needed (Rofman et al., 2014).

Although the institutional frameworks of these new policies were not that different from the neoliberal times, its discursive legitimacy and its framing were different. In some cases, where neoliberal crises had not been so terrible, such as Chile, the differences were slight. In others, such as Argentina, Bolivia or Brazil, the differences were much bigger.

The beginning of the new century made us realize that the structural transformations caused by neoliberal reforms would have long-run consequences. For the countries that had experienced a full-formal-employment situation in the past, such as Argentina, Uruguay, Chile and parts of Brazil, the 2000s showed that the possibility of returning to such a situation in the short-run was highly unlikely. Thus, social policy was granted a permanent status. Large population-groups would require assistance and support for a long time before they could be able to get a formal job.

Would it be possible, thus, to turn this policy into a quest for equality? That would have required deeper social, political and economic changes, which were part of the discursive legitimacy of governments in Venezuela and Bolivia, but not in the rest of the continent. The material heritage of neoliberalism and the political restrictions made it impossible to turn the neoliberal crises into radical transformations that could lead us to equality. Instead, the quest was for inclusion. If we succeeded, we would not be all alike, but nobody would be left apart.

Economic persistent inequality is coherent with social heterogeneity as well. Should all families be alike? Should every school teach the same contents? Although, as pointed before, this refers to a global trend, in Latin America this is the moment in which claims for minority rights received the highest pursuit. Gay-marriage, indigenous autonomy, racial quotas, handicapped-quotas, gender-identity, etc., became part of the daily agenda. The inclusion utopia was able to incorporate these claims much more easily than an equality utopia, because, precisely, we should not all necessarily be alike.

Of course, both late-developmentalism and new-developmentalism have shared the need for income redistribution as a key element of its social and economic intervention. If someone will be receiving something, at least in the short- or medium-run someone must resign something. The 2000s were a decade of diminishing inequality for most Latin American countries, even for the ones that did not experience strong political changes in comparison with the previous decade. The foreign conditions were friendly during the first half of the decade, mainly because of the rise of the export-prices and the low interest-rates. This changed after the 2008 global financial crisis, and most of the new-

developmentalist experienced started to be at stake. In some cases there were minor reversions of the new-developmental processes and in others the changes were huge. Now we can ask ourselves: Were the social utopias and proposals coherent with the economic transformations that took place? Did these transformations need stronger social and political support? Or was it that the cultural change was not enough in order to overcome three decades of neoliberalism? Would more radical economic reforms (for instance, massive expropriation of private lands and corporations) have been able to prevent the reversions? All these questions remain naturally open yet.

6. Final remarks and current affairs

The year 2018 shocked the whole region when Jair Bolsonaro became elected president of Brazil. The conservative turn had already started in Latin America with the elections of Macri in Argentina, Piñera in Chile, Kuczinsky in Peru and Duque in Colombia, the conversion of Moreno's administration in Ecuador and the judiciary coup against Dilma Rousseff in Brazil. A similar process is going on throughout the world with only a few exceptions (perhaps Spain, Portugal and Mexico, where the administration changes of the last years have shown a turn towards the left instead).

Bolsonaro's discursive challenge has been replicated throughout the region with a combination of two issues: the return of economic neoliberalism and the return of a moral claim against diversity¹¹. Contrary to classical neoliberalism, that thought that moral issues were irrelevant or that they would be solved by market-incentives alone, this new conservatism proposes a moral and ethical struggle against inclusion and diversity. It is some sort of mixture between the moral, authoritarian political legitimacies of the late-developmentalism with the economic perspectives of neoliberalism. This means: a total reaction against their predecessors.

What about social policy? No new right-wing government has made strong changes on this issue yet, apart from the effects of fiscal constraints. For instance, old-age pension reforms are part of the agendas in many countries, but none have been able to be passed yet. The political limitations are stronger when the ruling paradigms are not hegemonic, and this might be the case right now. But, actually, that was the case during the new-developmental times and still, despite facing lots of challenges, restrictions and retractions, it managed to pursue structural changes.

But, as we have tried to show, utopias, which will necessarily link social order, economic progress and political regime, are not to be undermined. When utopias arise as consequences of hegemonic

11 I have developed this issue in Dvoskin (2019).

paradigms, they can be very powerful in defining the legitimacy and, thus, efficacy, of public policies.

So, discussing the successes and limitations of the new-developmental years in Latin America and arguing about the possibility of fighting against the new neoliberal trend will require an analysis of these discursive issues altogether with the material constraints and wider economic conditions. In this sense, this paper aims to show some lessons from the not-so-distant past in order to analyze the role that social policy can play in the ordering of society, legitimacy of politics and pursuit of development.

9. References

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