

State, capital and social policy in Latin America

This issue of the *Revista Katálisis*, raises one of the most important and least discussed issues in the specialized literature: What is the relationship between the state and social policies in Latin America today? Any reader who is minimally attentive to the changes that the nation-states have suffered since their original configuration from the 19th century until the first decade of the 21st century in Latin America can observe their structural continuity through the distinct types of capitalism, that is, under the hegemony of distinct fractions of the dominant class. But if it is possible to sustain that the “essence” of this complementarity between state and capital has not changed, its dynamic re-articulation in the various phases of Latin American capitalism can also be found. Currently, what role do social policies play in this process? Or more concretely, what role do social services play?

Social policies are the result of correlations of forces (correlations of classes), they are the manifestation of the distribution tensions of positions, identities and material and symbolic resources in the social structures, they are the expression of the conflict between various actors that defend distinct interests and prepare rival discourses. Thus, the private accumulation of capital, the legitimation of the conditions of domination and the systemic reproduction (super-structural) in the long term, vary in their historic formations in distinct institutional modalities that are the manifestation of the interests and ideas in play. And in the same way that we can find a complementarity among the developing states, the industrial bourgeoisie and the classic proletariat (at least in some Latin American countries) during the hegemony of the ISI model (industrialization by substitution of imports), it is worth considering a new interaction between globalizing-globalized states, financial capital, scarcity of employment and growing rates of incarceration. Thus, if during the ISI period social policy responded to the diagnosis that dependency would be overcome through endogenous development, and justified an interventionist state of a corporatist nature (à la Bismarck), which operated through social security models that were poorly inclusionary, in which social services involved purely public assistance benefits, and were extremely peripheral in their institutional design, what is happening today?

In general, the nation-state is currently less independent, but it is not true that it has lost all its power, it simply exercises it in another manner. The Gramscian notion of its relative autonomy should be considered. After the dictatorships and the neoliberal policies, not all the Latin American states have taken the same route. Certainly due to the differing combinations between exogenous pressure (globalization) and endogenous ones they follow their position in the international division of labor and capital. Globalization allows the deterritorialization of capital, but limits the international mobility of labor, and this asymmetry of power limits the negotiating power of the labor force. The threats of relocation because of fiscal, environmental and labor laws harmful to the interest of investors act as a form of blackmail on governments; capital has the option to leave, but labor is locked within borders.

The transnational capitalist class is more and better articulated in global networks than any of its opponents. This capitalism is intensive in capital and extensive in employment, the surplus is not obtained as much from the surplus value obtained from the direct exploitation of salaried labor (although it includes this), but above all by means of financial speculation. This model of capitalism does not need an extensive labor force that is minimally healthy and instructed to be more productive, it does not need a social policy that transforms the capacity to work into a salaried labor force. The subjects to exploit today are no longer only the salaried workers, but the entire set of citizens. The process of contemporary accumulation includes domination by financial capital. The complex legal and discursive mechanism that allows the “legitimate” conversion of private bank debt into public debt, makes possible an accumulation through expropriation. Thus, it not only produces a (limited) direct appropriation of the surplus value from the weak labor markets, but also a diffuse exploitation through the reduction of the social rights and quality of public services.

Perhaps for this one can think of the displacement of the social conflict from the inequalities of class to the inequalities of citizenship, and it is in this context the struggles of the so-called new social movements (for transportation, housing, democracy...) gain meaning. It would be wrong to think that the important quantitative and qualitative expansion of social services in the region simply responds to a desire to change the basic redistributive matrix. But it could very well be due to the need to manage the growing social unrest caused by the scarcity of decent employment. The *lumpen* proletariat reappear in the worst of its versions, human beings no longer serve even to be exploited. The containment of social spending caused by successive reforms in healthcare, pension and educational systems (privatization policies) and liberalizing labor reforms, places enormous pressure on social programs based on contributions (social security), on public assistance and on the philanthropic expansion of the so-called Third Sector. In this way there is a combination of restrictive pressure on spending, with voluntary services, and the congruent expansion of public assistance networks of services and income transfers, which are important elements for managing conflict and purchasing social peace.

But it is appropriate to clarify while these formulas can be found worldwide, the domination of financial capital is not complete, there is considerable variation in the interpretations and the institutional formations are not homogeneous. The liberal democracies, which have been established in most Latin American countries with differing characteristics, have developed distinct rhythms and intensities of adjustment to these pressures derived from financial globalization. In general, there has been an expansion of public social spending, although this has grown less than the growth of the Gross National Product, which has allowed legitimating governments of various kinds in parallel to the intensification of the privatization policies. In the same way, Conditional Income Transfer policies have increased their rate of coverage, displaying their efficiency both for winning elections and for making a significant contribution to reducing extreme poverty. The structural reforms were imposed by the IMF and World Bank, but did not affect land ownership or the tax system.

It is possible, to think of social policies in a decolonized manner, far from the one-dimensional thought, and with a counter hegemonic perspective, and there are examples. Specific and indigenous forms of knowledge such as “el Buen vivir” [Living Well] (Sumak Kawsay) movement in Ecuador, genuine practices such as the participatory experiences in Brazil, the innovations in the repertoires of collective action like the “piquetero” movement in Argentina, indicate that it is possible for new ideas and new practices to blaze trails. Nevertheless, in addition to being able to develop new horizons to be aimed at, it is necessary to establish how to overcome the institutional designs inherited from a residual concept of the state and citizenship, and how to reorient them in a Republican sense. It is necessary to determine how to transform a public assistance focus not into something minimal but universal, if not complete, assuring that it is financially sustainable over time. How is it possible for the Third Sector to not become a mere executor of the policies defined by the government in power, and conduct work to emancipate communities and make them more dynamic? It is urgent to consider that demographic costs are already affecting the elderly and will soon affect the younger generations. How can we see that the quality of public healthcare and education discourage private services? How should youths be professionally educated and for what kind of work?

These thoughts are a reflection suggested by the reading of the articles of this issue about the debilities, threats, strengths and opportunities for a new combination between the state, capital, and “another” social policy. But, this editorial cannot substitute the wealth of the analyses and reflections that appear in the essays and theoretical investigations that they develop, for which I recommend your attentive reading.

José Adelantado Gimeno, Barcelona, March de 2014.

José Adelantado Gimeno

Senior Professor in the Department of Sociology of the Autonomous University of Barcelona (UAB)
 Researcher in GEPS UAB
 Researcher in IGOP UAB

UAB – Departament of Sociology

Edificio B
 08193 Bellaterra
 Cerdanyola del Vallès