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Legitimacy, Institutionalization, and Opposition in Exclusionary Bureaucratic-Authoritarian Regimes

The Situation of the 1980s

Edward C. Epstein

A now considerable literature has emerged on the regime type which O'Donnell labeled "bureaucratic-authoritarian," both in terms of its origins and the policies which typify its development.¹ While discussion of the end of all such regimes is premature, individual cases today appear to be subject to great challenges. The purpose of the present essay is to offer a coherent explanation as to when individual bureaucratic-authoritarian governments will be most vulnerable to collapse. To narrow the focus some, analysis will concentrate only on the four cases of "exclusionary" bureaucratic-authoritarianism still in power—Brazil since 1964, Chile and Uruguay since 1973, and Argentina (in its most recent version) since 1976.² Three particular aspects of the problem will be singled out for special attention: (1) the bases of legitimacy in bureaucratic-authoritarian regimes; (2) the likelihood of regime institutionalization; and (3) the possibilities for the emergence of opposition, culminating in the creation of an alternative regime in power.

What follows falls into two main sections plus a brief conclusion. The first is a synthesis of much of the existing writing as it relates to the three major concepts chosen for examination. As will be made clear, the new military regimes have sought to replace democratic governments with authoritarian rule supposedly legitimated by a restored sense of political and social order and by a renewal of economic growth. Successful economic "development," in turn, is expected to create the necessary popular support among a minority for the restructuring of the political system, eventually allowing for reduced levels of repression as the new regime gains hegemonic control. The opposition that will emerge will be highly restricted and will in no sense challenge the regime.

The second section compares the realities of the present with the new authoritarian wishes. What is stressed is the effects of serious economic problems in undermining the military's self-defined base of legitimacy and, with this change, in weakening its willingness to use repression to control dissension. Where military commitment to long-term praetorian rule is less than total and/or a plausible, not highly threatening civilian alternative exists, the effects of economic crisis have been to encourage an at least temporary military exit. Even where those in charge are determined to retain power at all costs, the increasingly catastrophic state of the economy is producing major divisions among the officers and less consistent

policies. The weakening of the bureaucratic-authoritarian regimes in power has emboldened those who dislike the new political system to express their opposition in ways never before tolerated.

The New Military Project

Despite their initial reliance on force, the various bureaucratic-authoritarian regimes seek to create an alternative base of legitimacy to replace that of the democracies they have destroyed.³ The principles behind this alternative relate to the reasons why the military and its civilian allies seized power.⁴ They are intended to provide a sufficiently clear sense of purpose to unify their ranks and to serve as justification to themselves for what will be the very high social costs necessary to implement their program. While presented as abstractions like "order," "development," and, perhaps, "Christian civilization," such vague notions are spelled out in the form of concrete goals. Given total control over the means of coercion, the military leaders do not hesitate to use the repression thought necessary to eliminate those seen as likely opponents, be they civilians or dissident military officers. Support from significant groups in the general population is less important at this initial stage of policy implementation than it will be later in terms of possible institutionalization.⁵

The likelihood of regime consolidation and institutionalization probably relates most directly to the perceived degree of success the new government has in achieving its goals. Alfred Stepan's treatment of "institutionalization" is particularly suggestive as to what such success must mean.

Institutionalization implies that a regime has consolidated the new political patterns of succession, control and participation; has managed to establish a viable pattern of economic accumulation; has forged extensive constituencies for its rule; and has created a significant degree of Gramscian "hegemonic acceptance" in civil society. It also implies that the majority of the weighty political actors in the polity are pursuing strategies to further their positions within the new institutional framework, rather than directing their energies to resisting, eroding or terminating that framework.⁶

Both the political and economic aspects call for amplification.

Politically, institutionalization requires formal decisions of a constitutional sort, such as how and at what intervals particular positions of government are to be filled, how power is distributed within the government, and how governmental power is related to particular functional groups in society. Such constitutional arrangements and subsidiary decrees place special restrictions on the forms of political participation, such as the need for official state recognition of political parties and interest groups.⁷ The political goal of the new military-dominated regime is to replace what was seen as the chaos of unstructured political competition before the change of regime with a new order where all group interaction occurs only through the prior mediation of the state and official channels. The intended result is the forcible demobilization of those lower status groups whose earlier

demands for more income had been perceived by the established elites as constituting a threat to their privileged status.⁸

The economic aspects of institutionalization call for solutions to the twin problems of recession and severe inflation occurring at the time of seizure of power. In this regard, the limitations imposed by force on previously expressed demands for higher wages can be seen as a necessary precondition for a model of economic growth based on market forces and a mix of international and domestic capital investment.⁹ This new model is expected gradually to reduce inflation, prior to the resumption of economic expansion.

While popular support was seen as unimportant in the initial stage of military rule, given the high level of military sense of purpose then, such support becomes critical if the subsequent regime is to be institutionalized. The attainment of high rates of noninflationary growth is meant to serve as a basis for creating a new type of legitimacy for the authoritarian regime among at least part of the civilian population, namely those most likely to benefit from the new economic policies. Given the class bias of the growth model where real income for factory workers and a good part of the middle class is required initially to drop substantially,¹⁰ little expectation can exist that the majority of those so suffering will become supporters of the new government.¹¹ The new constituency for the military will be found among those civilians who felt threatened by the old regime and supported the coup, especially the industrial and agricultural elites and the financial community.¹²

As mentioned above, efforts to control inflation logically would precede economic expansion. Wage freeze policies affecting those receiving salaries are likely to be accompanied by other orthodox stabilization measures like currency devaluation, higher taxes, and tight monetary credit, requiring varying degrees of sacrifice from initial supporters of the military, many of whom will be likely beneficiaries if the regime's new economic policies become successful.¹³ Such groups are appealed to, in the absence of immediate economic accomplishments, by mention of the regime's political achievements, that is, the establishment of the new authoritarian order and the contrast between this and the threats that existed before the coup from unrestrained mobilization and political polarization.¹⁴

With the partial exception of the Brazilian case, the various bureaucratic-authoritarian regimes sought to postpone any return to democratic activities until after the new order seemed well on its way to accomplishing its economic goal of a noninflationary renewal of growth. In the interim, the old political parties were suspended or dissolved, trade unions were placed under government control with no real right to strike, and censorship of the media was imposed.¹⁵ Individuals associated with the discredited precoup regimes were denied any means of challenging the new rulers. Where they existed, leftist guerrillas suffered intense repression, involving the arrest, torture, and often summary murder of anyone suspect.¹⁶ In the case of Brazil, elections continued but were made indirect for all important positions (and hence subject to manipulation), doubtful individuals had their political rights suspended, and Congress could be closed temporarily if it refused to do the military's bidding.¹⁷ None of the military regimes tolerated serious opposition as

long as they retained the internal unity necessary to use the available means of repression. But military unity did not last forever.

Bureaucratic-Authoritarianism under Stress

A seriously disunited military is likely to have real difficulty staying in power. The argument above focused on the unity of the officer corps in terms of the officers' perception of their success in implementing their program, the goals of which were to form the base of a new authoritarian legitimacy. While the political aspects of such a program, that is, restoration of a hierarchical sociopolitical order, were as important as the economic, the memories of past threats to this conservative order will fade in time. Judgment of the military-dominated regimes will fall increasingly on continued economic progress.

Economic Problems In the last two to three years, the economies of Argentina, Brazil, Chile, and Uruguay have deteriorated in terms of the measures of economic success that the military governments in these countries have themselves set. Given that these problems emerged after what was usually years of more positive accomplishments in the same areas, the perception of failure has been all the more intense. And such signs of failure inevitably will affect the future of these bureaucratic-authoritarian regimes.

Again, those in charge of the military-led coalition which seized power have had little regard for problems borne largely by lower status groups. Falling real income for the poor and worsening unemployment might be seen by the elite as positive elements if they lead to a more docile workforce and greater profitability and capital accumulation. Only if a contracting domestic market combined with difficulties in foreign sales to produce economic recession would the less socially conscious exhibit concern.

Examination of the present economic crisis in the four case countries focuses first on inflation and economic growth, both matters which previous democratic governments had let get out of control and which had served as justification for their overthrow. Discussion as to the causes of the present difficulties follows. Inflation figures for each country are found in Table 1, with each data series arranged to begin in the year of the military coup so that the reader can evaluate progress and subsequent deterioration.

The Argentine inflation figures are the least satisfactory of the four countries under review. After the first year, Argentine inflation hovered around an unexceptionally high 100 percent. The Argentine hesitance to use extreme antiinflation measures was due probably to memories of the social-political explosion of May-June 1969 and especially the events in the city of Córdoba which eventually led to the forced ending of the earlier Argentine authoritarian experiment led by General Juan Onganía. This time, the generals were much more cautious. The high 1982 figures reflect the costs of the disastrous Falklands or Malvinas war with Britain. Brazil was more successful in controlling its inflation, especially during the years of

Table 1 Inflation (December to December)*

	<u>Argentina</u>	<u>Brazil</u>	<u>Chile</u>	<u>Uruguay</u>
1964-1967		49.4		
1968-1972		20.4		
1973		26.6+	508.1	77.5
1974		28.7	375.9	107.2
1975		31.2	340.7	66.8
1976	347.5	44.8	174.3	31.9
1977	160.4	43.1	63.5	57.3
1978	169.8	38.1	30.3	46.0
1979	139.7	76.0	38.9	83.1
1980	87.6	86.3	31.2	42.8
1981	131.3	95.2	9.5	29.4
1982	209.7	99.7	19.4	-- -
			(thru	
			Nov.)	

* Based on changes in the Consumer Cost of Living Index for Buenos Aires, Santiago, and Montevideo. National figures for Brazil.

+ This figure is derived from World Bank data rather than the official figure of 15.1 which probably is too low. See Amaury de Souza and Boliver Lamounier, "Gobierno e sindicatos no Brasil," Dados, 24: no. 2 (1981), p. 146.

Sources: For Argentina, for 1976-1980, ECLA, Economic Survey of Latin America, 1980 (1982), p. 44; for 1981, Fundación de Investigaciones para el Desarrollo, Coyuntura y Desarrollo, Statistical Supplement (December 1982), p. 7; for 1982, Latin American Weekly Report, January 14, 1983, p. 4. For Brazil, 1964-1971 figures are from Albert Fishlow, "Some Reflections on Post-1964 Brazilian Economic Policy," in Alfred Stepan (ed.), Authoritarian Brazil (Yale: New Haven [Conn.] 1979), p. 72; for 1972, Thomas Skidmore, "The Politics of Economic Stabilization, in Post-War Latin America," in Malloy (ed.), p. 150; for 1974-1977, John Wells, "Brazil and the Post-1973 Crisis in the International Economy," in Rosemary Thorp and Laurence Whitehead (eds.), Inflation and Stabilization in Latin America (New York, 1979), p. 251; for 1978-1980, ECLA, p. 106; for 1981-1982, Latin America Economic Report, January 4, 1983, p. 5. For Chile, 1973 from ECLA, 1976 (1977), p. 145; 1974-1980, ECLA, data in UN, Monthly Bulletin of Statistics, January 1983, p. 201. For Uruguay, 1973-1980 from ECLA, 1980 (1982), p. 502; 1981 figure is calculated from UN, November 1982, p. 208.

the so-called "economic miracle." The two world oil price hikes in late 1973 and in 1979 set off a renewal of price hikes in a country then importing some 80 percent of its petroleum. Chile, through late 1982, was the most successful of the four countries under study, reducing inflation briefly to under 10 percent. As was true in Uruguay in the early 1980s and in Argentina in the 1979-1981 period, the Chilean currency was kept overvalued compared to the dollar. In all cases a worsening foreign trade balance and a depletion of foreign currency reserves resulted in forced devaluation—for Argentina several times in 1981 and 1982, for Chile in June 1982, and for Uruguay in November 1982—all leading to a rapid return to higher rates of inflation. The results of currency overvaluation in an effort to force down inflation was even worse inflation.¹⁸

The worsening inflation figures had a direct effect in inducing lower economic growth, given the greater concern for the need to control prices. Figures on economic growth (annual change in Gross Domestic Product) can be found in Table 2.

The Argentine economic growth rate has been consistently spotty under military rule, but the figures for 1981-1982 mark a severe recession. For Brazil, the pattern is more complex. After the slow growth of 1964-1967 during which inflation was slowly being brought under control, the economy exploded in rapid expansion, averaging an impressive 10.1 percent over the next seven years. Unfortunately, these rates could not be sustained, as average growth over the next six years increased at a lower but still significant 6.35 percent. The figures for 1981-1982, however, indicated a shift into recession as with Argentina, a recession meant to bring under control the escalating inflation in Brazil.¹⁹ Chile's 1982 figure, if it is accurate, marks an even more sudden downturn than those for Brazil in 1981-1982. Whatever the case, the Chilean economy by all accounts has suffered a dramatic

Table 2 Yearly Economic Growth*

	<u>Argentina</u>	<u>Brazil</u>	<u>Chile</u>	<u>Uruguay</u>
1964-1967		3.9		
1968-1972		9.9		
1973		11.4	-3.6	0.8
1974		9.6	5.7	3.1
1975		4.0	-12.9	4.8
1976	-0.2	9.0	3.5	4.2
1977	6.0	4.7	9.9	1.8
1978	-3.9	6.0	8.2	6.2
1979	6.8	6.4	8.3	8.6
1980	1.1	8.0	6.5	4.5
1981	-6.1	-3.5	5.3	-1.2
1982	-5.5	0.9	-13	-9.4 (thru Sept.)

* Growth is measured in change in G.D.P.

Sources: For Argentina, for 1976-1980, ECLA, 1980 (1982), p. 44, for 1981, El Bimestre Político y Económico, March-April, 1982, p. 21; for 1982, Latin American Weekly Report, March 4, 1983, p. 4. For Brazil from 1964-1967, Werner Baer and Isaac Kerstenetzky, "The Brazilian Economy," in Riordan Roett (ed.), Brazil in the Sixties (Vanderbilt: Nashville [Tenn.], 1972), p. 107; for 1968-1975, Werner Baer, "The Brazilian Growth and Development Experience," in Roett (ed.), Brazil in the Seventies (American Enterprise: Washington, D.C., 1976), p. 47; for 1976-1980, ECLA, 1980 (1982), p. 106; for 1981 and 1982, Latin America Weekly Report, February 26, 1982, p. 3, and January 7, 1983, p. 5, respectively. For Chile, for 1973, Laurence Whitehead, "Inflation and Stabilization in Chile, 1970-7," in Thorp and Whitehead (eds.), p. 88; for 1978-1980, ECLA, 1980 (1982), p. 198; for 1981, figure is calculated from data presented in UN, January 1983, p. L; for 1982, Chile-América, October-December, 1982, p. 29. For Uruguay, for 1973-1980, ECLA, 1980 (1982), p. 502; for 1981, figure is calculated from data presented in UN, p. Lii; for 1982, Latin America Weekly Report, March 4, 1983, p. 7.

reverse since late 1981. The Uruguayan figures are more uniform (and much higher than the disastrous Uruguayan ones of the 1960s), but also end in a major collapse.

In summary, the mixed pattern of economic growth during the 1970s, which ended in the recent negative figures, parallels the seeming success in controlling inflation followed by a sudden worsening. Whatever progress was temporarily made—at the cost of rising inequality and badly eroded real wages—seems to have been for nothing. The major devaluations of 1981 and 1982 and the reemergence of hyperinflation have created a situation no better than that prior to military rule.

The recent devaluations, in turn, have been a response to serious imbalances in foreign trade which in part have reflected an overvalued monetary exchange rate. Table 3 lists the trade balance (exports vs. imports) or Commercial Account for the four case countries. Where trade figures ran in deficit, the negative balance had to be made up by both running down international reserves and, especially, by contracting foreign loans. All the bureaucratic-authoritarian regimes have relied heavily on such foreign borrowing (as well as foreign investment when it was available), either official and/or private borrowing. Table 4 provides figures for the total foreign debt for the countries under discussion. The foreign debt figures—of world record proportion for Argentina and Brazil, and large for Chile and Uruguay given their much smaller economies—have caused all four countries tremendous repayment

Table 3 Trade Balances (in billions of U.S. dollars)*

	<u>Argentina</u>	<u>Brazil</u>	<u>Chile</u>	<u>Uruguay</u>
1970/1972		-0.45		
1973		-0.80	+0.13	+0.03
1974		-6.22	+0.57	-0.11
1975		-3.51	+0.12	-0.18
1976	+0.89	-3.40	+0.30	-0.04
1977	+1.49	-1.02	-0.22	-0.12
1978	+2.54	-2.01	-0.59	-0.08
1979	+1.10	-4.56	-0.45	-0.44
1980	-3.05	-4.87	-0.90	-0.56
1981	-0.13	-0.84	-2.40	-0.38
1982	+2.10	(thru +0.78 Sept.)	+0.20	-0.05

* A + indicates a trade surplus, a - a deficit.

Sources: Figures for all countries between 1970 and 1980 come from UN, Handbook of International Trade and Development Statistics, 1981 Supplement (1982), pp. 4-5. Argentine figures for 1981 and the first nine months of 1982 come from the Fundación de Investigaciones para el Desarrollo, Coyuntura y Desarrollo, Statistical Supplement, December 1982, p. 20. Brazilian, Chilean, and Uruguayan figures for 1981 are from the UN, Monthly Bulletin of Statistics, January 1983, pp. 106-108. Brazilian, Chilean, and Uruguayan 1982 figures are all from Latin America Weekly Report, January 8, 1983, p. 10, February 8, 1983, p. 6, and February 18, 1983, p. 8, respectively.

Table 4 Total Foreign Debt (in billions of U.S. dollars)

	<u>Argentina</u>	<u>Brazil</u>	<u>Chile+</u>	<u>Uruguay</u>
1964-1966		4.6		
1969-1972		7.6		
1973		12.6		
1974		17.2	4.3	
1975		21.2	4.8	1.0
1976	8.3	26.0	4.4	1.1
1977	9.7	32.0	4.6	1.3
1978	12.5	43.5	5.4	1.2
1979	19.0	49.9	5.8	1.7
1980	27.2	53.8	6.7	2.2
1981	35.7	72.0	16.7	- -
1982	38.7	83.6	18.0	3

+ The Chilean figures from 1974-1980 may include only public debt, while those for 1981 and 1982 include both public and private debt; responsibility for the latter was assumed by the Chilean government to January 1983. (See Latin America Weekly Report, January 28, 1983, p. 1.)

Sources: Argentine figures from 1976-1981 are from the Fundación de Investigaciones para el Desarrollo, Coyuntura y Desarrollo, Statistical Supplement, December 1982, p. 20; figure for 1982 is from Latin America Weekly Report, March 4, 1983, p. 7. Brazilian figures from 1964-1966 are from Riordan Roett, "A Praetorian Army in Politics," in his edited volume, Brazil in the Sixties, p. 12; for 1969-1972, From Werner Baer, "The Brazilian Growth and Development Experience," in Roett (ed.), Brazil in the Seventies, p. 49; from 1973-1980, from ECLA, 1980 (1982), p. 106. Those from Chile and Uruguay from 1974-1980 and 1975-1980, respectively, are also from ECLA, 1980 (1982), pp. 198 and 502. Brazilian and Chilean figures are for 1981-1982 are from Latin America Weekly Report, February 18, 1983, pp. 9-10. The 1982 figure from Uruguay is also from Latin American Weekly Report, February 11, 1983, p. 8.

problems. Once again, high world interest rates in 1981 and 1982 have gravely accentuated an already bad problem. The magnitude of the problem can best be seen by comparing the interest and debt amortization due in the 1980-1982 period for the three countries where a detailed breakdown was available for their obligations, Argentina, Brazil, and Chile. Such figures are available in Table 5.

The scope of the impending financial crisis facing Argentina, Brazil, and Chile can be seen by comparing the figures in Table 5 with the total dollar earnings from commodity exports in the same year, as seen in Table 6. To pay off Argentine short-term obligations in 1980 would have required almost twice as much as the value of all Argentine export earnings in that same year! From this rather alarming reality shared by the other countries, one can understand the rapid rise of Argentina's medium and long-term debt from \$16.9 billion in 1980 to \$30.9 billion in 1982, that of Brazil from \$44.9 billion to \$71.5 billion for the same three-year period, and that of Chile from \$12.5 billion to \$14.1 billion in only the single year between 1981

Table 5 Total Foreign Debt in Detail (in billions of U.S. dollars)⁺

	Argentina			Brazil			Chile		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
Short-term Debt*	10.3	9.6	7.8	8.9	10.6	12.1	--	4.2	3.9
Interest	0.8	1.3	1.3	--	--	--	0.2	0.5	0.5
Interest & Amortization Due on Medium & Long-term Debt	3.5	5.1	8.9	10.9	12.8	12.6	2.4	3.2	3.0
Total Short-Term Obligations	14.6	16.0	18.0	19.8'	23.4'	24.7'	--	7.9	7.4

+ No detailed breakdown was available for the Uruguayan debt.

' Omission of interest due on short-term debt means that real total short-term obligations are somewhat higher.

* Short-term debt is usually that due for repayment within one year.

Source: Latin America Weekly Report, February 18, 1983, pp. 9-10.

and 1982. Each country has been borrowing heavily to repay old obligations rather than for use as new investment capital. Clearly, such a situation can continue for only a limited time given the increasing sensitivity of world bankers to foreign debt profiles of Third World countries following the well publicized Mexican situation of August-September 1982. Within months after the Mexican crisis, Argentina, Brazil, Chile, and Uruguay were all forced, not only to devalue, but in addition to go to the International Monetary Fund to arrange massive emergency loans and/or the re-scheduling of existing foreign debt.²⁰ Economic conditions were very bad.

Increasing Political Opposition The magnitude of the economic difficulties encountered by the four bureaucratic-authoritarian regimes has led to increased political difficulties. The greater opposition faced by each raises the question of why the regimes did not seek to crush such criticism through a return to the levels of coercion employed in earlier periods. To answer this question, one has to say something about who the new critics of the regime are at this moment in time. If those calling for a return of the military to a more professional role outside of politics were only those against whom the officers first revolted—the unions, the working class and peasants, nationalist radicals, and the like—then violent repression could be expected. Instead, those increasingly opposed to the continuation of the military regime include upper class businessmen and middle class professionals,

Table 6 Export Earnings/Foreign Debt as Ratio* (in billions of U.S. dollars)

	Argentina			Brazil			Chile		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
(1) Total Short-term Obligations	14.6	16.0	18.0	19.8	23.4	24.7	--	7.9	7.4
(2) Above, <u>minus</u> Short-term Principal	4.3	6.4	10.2	10.9	12.8	12.6	2.6	3.7	3.5
(3) Export Earnings	7.5	9.2	7.9+	20.1	23.2	20.2	4.8	4.0	3.6
(4) Export Earnings/ (2)	.57	.70	1.30	.54'	.55'	.62'	--	.93	.97
(5) Export Earnings/ (1)	1.95	1.74	2.28	.99'	1.01'	1.22'	--	1.98	2.06

* Foreign earnings include here only commodity earnings, not those from services.

+ Export earnings for 1982 are based on the 9 month figures now available, extended for an entire year on the basis of the previous year's exports for the final quarter as a % of all that year's export earnings.

' Ratios would be higher if interest on short-debt was known and could be added to debt totals

Sources: Debt figures are from same source as in Table V; export earnings from same source as in Table III.

as well as some military officers themselves. The most prominent critics are core members of the military's original coalition, and their criticism is far more potent in its effects on military unity and morale. As has been argued, the economic disappointment is seriously undermining the credibility of the regime's ideology. Similarly, whatever regime institutionalization was achieved is now being rapidly undone. The present military regimes are either already unraveling (Argentina) or in serious danger of so doing (Uruguay, and even Brazil and Chile). Each of these four will be examined in the remaining pages.

The Argentine case is the most critical. Even before the disaster of the Falklands/Malvinas war, military unity was in tatters. The ouster of General Roberto Viola in November 1981 as president, only nine months into what was supposed to have been a five-year term, was a response to the economic difficulties charac-

terized by repeated devaluations of the peso from 2,000 to over 10,000 to the dollar.²¹ The crisis continued under General Leopoldo Galtieri. By February 1982, business failures reached a new record, over 50 percent more than in all of 1981.²² Prior to the Falklands/Malvinas war, government economic policy had been criticized by such major pressure groups as the Argentine Chamber of Construction, the Buenos Aires Commercial Stock Exchange, and the Argentine Industrial Union.²³ In this atmosphere, the divided trade unions staged a large demonstration in downtown Buenos Aires on March 30 which was violently attacked by the police.²⁴ The loose alliance of major political parties, the "Multipartidaria," issued numerous condemnations of the government as well.²⁵

While the initial response to the April 2, 1982, Argentine occupation of the Falklands/Malvinas was a dramatic shift in political opinion from criticism of the government to temporary national unity,²⁶ opposition resurfaced much more intensely after the Argentine military surrender on the islands, culminating in the Plaza de Mayo riots of June 15, 1982.²⁷ The forced resignation of General Galtieri from the presidency two days later left the military totally divided; the navy and the air force temporarily withdrew from the army-dominated junta which had named General Reynaldo Bignone as the new president.²⁸ Bignone, faced with incessant military bickering, was to serve as a transitional figure until a return to civilian rule through elections in October 1983.²⁹

In the interim, the continued erosion of military control encouraged both the unions and opposition groups of all social classes. The successful one-day general strike organized by the unions on December 6, 1982, and the mass demonstration assembled by the Multipartidaria on December 16, 1982, showed that a power vacuum existed in Argentina.³⁰ The military regime was in a state of virtual collapse, barely retaining the trappings of a now purely formal power.

The Brazilian military has not been as thoroughly discredited by its economic problems. Given an initial ambivalence to rather than total rejection of democracy, a semblance of elections and party competition has been allowed continuously since the 1964 coup.³¹ The 1974 shift toward greater political liberalization, introduced by the new government of General Ernesto Geisel, allowed a public discussion of the social costs of the "economic miracle" during the congressional election campaign of that year, including harsh criticism of human rights violations and the inequality of income distribution.³² The saliency of the income distribution issue at this time³³ had a significant impact in the strong showing for the official opposition party in those elections, the Brazilian Democratic Movement.³⁴ The opposition repeated its victories in the elections of 1978 and 1982, despite government gerrymandering and other manipulations of the rules. In the words of one observer, "[a]s the economic difficulties mounted, each election became a plebiscite against the government."³⁵ This same writer saw the increasing reliance of the regime on elections as a means of shifting from an economically focused legitimacy to one with a greater democratic foundation.³⁶

The dissolution of the government-created, two-party system and the allowance of any number of parties in 1979 probably was intended to divide the opposition in upcoming elections.³⁷ In those of 1982, the four opposition parties gained some 62

percent of the national vote and elected governors (in the first direct elections since 1965) in ten of the twenty-two states, including Rio de Janeiro, São Paulo, and Minas Gerais. The new progovernment party, the Social Democrats, did well only in the most traditional parts of the country like the Northeast. Nevertheless, the Social Democratic Party is still the largest in both houses of Congress (although lacking a majority in the Chamber of Deputies) and should have a safe majority in the electoral college that selects the president.³⁸

The military regime is still very much in power with General João Figueiredo in the presidency until 1985. As Candido Mendes points out, despite considerable redemocratization since 1974 and a series of constitutional changes, the generals still make the rules.³⁹ The relative frequency of these changes as well as the open violation of institutional procedures (as in the forced closing of Congress in December 1968 and in April 1977) raises serious questions about the degree of institutionalization achieved by the Brazilian military.⁴⁰

The degree of opposition permitted since 1974 has increased as the economy has worsened. Illegal strikes, which had virtually disappeared by the early 1970s due to hard-line repression, began a dramatic resurgence in 1978, almost equalling the precoup level of 1961–1964 (see Table 7).

While trade union leaders like Luiz Inácio da Silva (Lula) were arrested for violations of the authoritarian labor code, similar action seems less likely against critics who are prominent businessmen, like the leaders of the important São Paulo Industrialists Federation (FIESP).⁴¹ Business criticism has risen to new heights since the February 1983 devaluation of the cruzeiro and the government's inept handling of the present balance of payments crisis.⁴²

Until recently, the Chilean case seemed to be an exception to the pattern of government instability. Factors contributing to the greater security of tenure of the Chilean authoritarian regime include what for a time seemed to be its better economic performance (during the 1977–1980 period), the persistence of the memory by many Chileans of the instability and extreme polarization that had preceded the 1973 coup,⁴³ and the uniquely personalist nature of the regime of General Augusto Pinochet.

In its first five years, Pinochet used control over military promotions and retirements to remove other generals who might have challenged his personal position as the man in charge of the new Chilean government.⁴⁴ (The personal nature of military rule in Chile contrasts sharply with the institutional regimes of Argentina, Brazil, and Uruguay.) When air force head General Gustavo Leigh criticized the 1978 plebiscite, he was forced to resign from the junta, and most of the top air force officers were prematurely retired.⁴⁵ This personalism as well as the harshness of Chile's antiinflation program alienated most of the key groups, like the Christian Democrats, many important business leaders active in both the Society for the Development of Manufacturing (SOFOFA) and the National Party, collaborationist union leaders, and the leadership of the Catholic church, all of which had been part of the original military-led coalition.⁴⁶

General Pinochet has dealt with the narrowness of his organized political base by using classic "Bonapartist" instruments like the plebiscite. In the face of criticism,

Table 7 Strikes in Brazil

<u>Year</u>	<u>Number</u>
1961	180
1962	154
1963	302
--	---
1965	25
1966	15
--	--
1970	12
1971	0
--	---
1978	137
1979	224
1980	58
1981	94

Sources: 1961-1971 figures are from Kenneth Erickson, The Brazilian Corporative State and Working Class Politics (University of California: Berkeley, 1977), p. 159; 1978-1981 figures are from Maria Herminia Tavares de Almeida, "O sindicalismo brasileiro entre a conservação e a mudança," paper presented at the annual meetings of the National Post-Graduate Association of Research in Social Sciences, Friburgo, Brazil, October 1982, p. 16.

especially foreign criticism, he has organized direct consultations of the general population. After the United Nations vote of December 1977, cosponsored by the U.S., denouncing Chile for its human rights record, Pinochet announced the plebiscite of January 4, 1978, meant to repudiate such foreign interference by rallying nationalist opinion (not totally unlike the nationalism surrounding the Argentine Falklands/Malvinas affair). Supposedly 75 percent supported the government.⁴⁷ The September 11, 1980, plebiscite on the new 1980 constitution was more interesting, given the somewhat greater room allowed opponents to express their views in public. Every effort was made to attack those opposed to the constitution (and to

Pinochet's staying in the presidency until at least 1989 and possibly 1997) as leftists who would return Chile to the chaos of the Allende period.⁴⁸ The official 67 percent figure for those supporting the official position has been surrounded in controversy, with charges of fraud and vote inflation being common.⁴⁹

The attempt to institutionalize the Chilean regime through the 1980 constitution probably has come too late, given the rapid escalation of economic difficulties since September 1981. In its attempts to maintain an overvalued peso so as to preserve the gains previously made against inflation, the government was faced with a surge of imports in 1981 which, in turn, led to a rapid depletion of Chile's reserves and the need to raise interest rates.⁵⁰ As credit tightened, demand fell rapidly. Industrial production fell sharply in 1982, declining 17.3 percent in the first eight months alone.⁵¹ The ultimate result was the forced devaluation of the peso in June 1982 (and its subsequent float), having disastrous effects on the financial community and on private business which had contracted huge foreign loans in the late 1970s, loans now subject to repayment in much more costly dollars.⁵² By June 30, 1982, the private sector's debt in dollars amounted to some 7.5 billion, 60 percent due in less than a year.⁵³ The government was forced to intervene and take charge of eight large banks which were themselves responsible for \$3.8 billion of Chile's foreign debt. The bank takeover by the government has led to the collapse of a number of companies linked through common ownership in two of Chile's largest business groups, Cruzat-Larraín and Vial.⁵⁴ The fate of these large conglomerates themselves must now be in doubt.⁵⁵

In the face of possible economic collapse, the Pinochet regime faces a legitimacy crisis. The proposal for a rapid return to a more conventional democracy than that envisioned in the 1980 constitution, made by an opposition coalition calling itself the "Project for National Development" (Proden), may be but the first of a series of new calls for the liquidation of the Pinochet regime, now that its economic strategy has failed so disastrously.⁵⁶

As in Chile, the Uruguayan bureaucratic-authoritarian regime sought to give itself a measure of democratic legitimacy and institutionalization through a plebiscite on a new constitution. What was unexpected was the regime's admission that 57 percent of those voting on November 30, 1980, rejected that constitution (and, by inference, its military sponsors).⁵⁷ In an electoral schedule revised from that originally announced prior to the plebiscite, national elections for the presidency will occur in November 1984, in which only legally recognized parties can participate. The parties of the left which participated in the Frente Amplio coalition of 1971 and which were banned after the 1973 coup remain illegal.⁵⁸ The results of internal party primaries held on November 30, 1982, where the slates elected will pick the 1984 candidates, were a victory for those party factions opposed to the present military government. Such opposition groups received some 70 percent of the valid party vote.⁵⁹

In his analysis of the military's surprising willingness to accept the popular will, Luis González points to factors internal to the military institution, such as the persistence of a faith in abstract democratic values and the weakness of military cohesion.⁶⁰ Since 1976, the military has been openly committed to returning power

to the two traditional parties, the Colorados and the Blancos, although clearly under some form of continued military supervision. When the elected civilian president, Juan Bordaberry (who continued in office with military support after the 1973 coup), suggested that the traditional party system be scrapped and he continue indefinitely as president, he was ousted. Civilians have occupied most of the nominally key offices since the coup.⁶¹ In a military divided into many competing factions where none predominated for long, civilian consultation through a plebiscite (subject to much less manipulation than in Chile) was one neutral way of resolving differences of opinion as to what course of action to follow.⁶²

The role of economic factors in recent Uruguayan events is more complex. González argues that many of those voting against the military constitution may have done so more as a rejection of authoritarianism than as a calculated reprisal for losses due to the economic policies that the military followed. He is certainly right in asserting that the 43 percent supporting the promilitary position in the plebiscite represents far more people than could have been direct beneficiaries of the conservative economic measures in force in recent years.⁶³ Certainly, as was probably so in Chile, fear of a return to the situation prior to the coup may have influenced this sizable minority who stuck with the military.

The recent downturn in economic growth in 1981–1982 cannot have helped the prestige of the military-dominated government, headed since September 1981 by retired General Gregorio Alvarez. (Alvarez is seen clearly as a transitional figure who is to give way to a civilian in March 1985.)⁶⁴ A rising sense of impatience with economic policies has been noted among many military officers themselves since 1980.⁶⁵ The devaluation of the peso on November 24, 1982, and the subsequent float will not ease economic problems in the short-term.⁶⁶ Given an inflation rate of 15.4 percent for January 1983, the economy looks as if it will worsen before it improves.⁶⁷

Conclusions

This essay has examined the examples of four bureaucratic-authoritarian regimes presently in power in Brazil and the three Southern Cone countries of Argentina, Chile, and Uruguay. The underlying theme has been the importance all of them have placed on trying to substitute a new form of legitimacy based on economic achievement and a hierarchically structured political order. In the eyes of the military strategists, such a new order would create a sufficiently large clientele of upper status beneficiaries so as to be able to institutionalize these regimes.

As memories of the disorder which preceded the authoritarian coups have faded with the passage of time, the success of the military has rested increasingly on its economic accomplishments, with special attention to the containment of inflation and the creation of rapid economic growth.

The argument pursued here is that the recent economic difficulties of all these regimes have caused disunity among the military or strengthened already existing disunity, have caused the weakening of military resolution to pursue the goals

previously followed regardless of the obvious, high social costs, and have permitted the expression of significant opposition for the first time in years. As a result, the Argentine military promised presidential elections for October 1983, and the Uruguayans similarly for November 1984, with power to revert to civilians. In Brazil, the first direct elections for state governorships took place in November 1982, with those of most key states being won by opposition figures. The dominant office of the Brazilian presidency, however, remains for the time being likely to be retained by someone close to the regime. Even the Chilean regime, which as recently as 1980 looked impregnable, is now under sharp attack by its critics.

Whatever short-term economic success individual military governments may have had, none has been able to do well under the particular conditions of the early 1980s. To say that this economic failure will lead to the disappearance of all authoritarian military regimes now in power is premature; to say that any civilian regime which replaces military rule will do better or remain in office for any real time would be foolhardy. Recent economic conditions have been and will be difficult for any regime, authoritarian or democratic.

NOTES

1. O'Donnell's "bureaucratic-authoritarianism" clearly overlaps with many aspects of what Schmitter calls "state corporatism." See Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism* (Berkeley: Institute of International Studies, University of California, 1973); and Philippe Schmitter, "Still the Century of Corporatism?," *The Review of Politics*, 36 (January 1974). In addition, O'Donnell discusses the origin of "B.A." regimes in "Corporatism and the Question of the State," in James Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977). Commentary on the policy mix of the new regime type is found in the works of O'Donnell mentioned above, plus his "Tensions in the Bureaucratic-Authoritarian State," in David Collier, ed., *The New Authoritarianism* (Princeton: Princeton University Press, 1979); in Robert Kaufman, "Industrial Change and Authoritarian Rule," also in Collier; and in Karen Remmer and Gilbert Merkx, "Bureaucratic-Authoritarianism Revisited," *Latin American Research Review*, 17 (1982).

2. For the distinction between "exclusionary" and "inclusionary" bureaucratic-authoritarian regimes, see O'Donnell, *Modernization and Bureaucratic-Authoritarianism*, pp. 53-114; and Alfred Stepan *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press, 1978), pp. 74-89. Inclusionary regimes include Argentina under Perón to 1955, Brazil under Vargas' Estado Novo, Mexico since the 1930s, and Peru from 1968 to 1975.

3. Schaar's argument that legitimacy must relate to some principles conveying a right to rule rather than mere favorable popular response is a useful one. See John Schaar, *Legitimacy in the Modern State* (New Brunswick: Transaction, 1981) pp. 21-23. Clearly, the salience of particular principles to the populace structures their perception of a regime.

4. The sources in note 1 detail the problems experienced by these democracies at the time of their overthrow, problems like serious inflation, severe economic recession, and an escalation of trade union wage demands which provoked elite resistance and the threat of sociopolitical chaos. The elected civilian governments seemed to be incapable of resolving these issues.

5. The difference in the importance of popular support for the new regime in distinct time periods is one usually glossed over in conventional treatments of the concept. See, for example, the definition provided by Dolf Sternberger, "Legitimacy," in David Sills, ed., *International Encyclopedia of the Social Sciences*, vol. 9 (New York: Free Press, 1968) p. 244: "Legitimacy is the foundation of such governmental power as is exercised both with a consciousness on the government's part that it has a right to govern and with some recognition by the governed of that right."

6. Stepan, *The State and Society*, p. 292.

7. Such rules invariably have placed greater restrictions on trade unions and working-class political parties than on the more elite groups. See O'Donnell, "Corporatism and the Question of the State," pp. 59, 79.

8. See Guillermo O'Donnell, "State and Alliances in Argentina, 1956-1976," *Journal of Development Studies*, 15 (October 1978), and "Reflections on the Patterns of Change in the Bureaucratic State," *Latin American Research Review*, 13 (1978).

9. For one study of the apparent contradiction of reliance on the market for investment and pricing, but on the government in the setting of wages, see Sergio Bitar, "Libertad económica y dictadura política: La junta militar chilena, 1973-1978," *Chile-América*, 56-57 (1979).

10. See Edward Epstein, "Anti-Inflation Policies in Argentina and Chile or, Who Pays the Costs," *Comparative Political Studies*, 11 (July 1978).

11. Robert Kaufman, *Transitions to Stable Authoritarian-Corporate Regimes: the Chilean Case?* (Beverly Hills: Sage Professional Papers in Comparative Politics, 1976), p. 40.

12. Kaufman's treatment of the likely options for a resumption of growth and those groups benefitting is highly relevant here. See Kaufman, "Industrial Change and Authoritarian Rule," pp. 204-217.

13. A discussion of the likely effects of such imposed sacrifices on many of the initial civilian supporters of the military takeover is found in O'Donnell, "Tensions in the Bureaucratic-Authoritarian State," pp. 302-303.

14. See Stepan, *The State and Society*, pp. 58-59.

15. See O'Donnell, "Corporatism and the Question of the State," pp. 69-70.

16. For studies of human rights violations, see the sources in the bibliography section F ("Insurgency and Repression") in Collier, pp. 419-420; as well as "Pau de Arara," *La violencia militar en el Brasil* (Mexico City: Siglo XXI, 1972); Lois Athey, "Political Repression in Chile," and Howard Handelman, "Class Conflict and Repression of the Uruguayan Working Class," both papers presented at the University of New Mexico Conference on Contemporary Trends in Latin American Politics, April 1977; and Jacobo Timerman, *Prisoner without a Name, Cell without a Number* (New York: Random House, 1982).

17. See Peter Flynn, *Brazil: A Political Analysis* (Boulder: Westview, 1979), esp. pp. 366-471.

18. In fairness, the balance of payments crises were made much worse by the exceedingly high interest rates prevailing in 1981 and 1982 in much of the world.

19. The Brazilian G.D.P. figure for 1981 is that reported by the semiofficial Fundação Getúlio Vargas, rather than the -1.9 percent official one which probably is less accurate. See *Latin America Weekly Report*, Jan. 7, 1983, p. 5.

20. For information, see *Latin America Weekly Report*, Jan. 28, 1983, p. 12 for Argentina; Dec. 17, 1982, p. 1 for Brazil; Jan. 14, 1983, p. 5 for Chile; and Mar. 4, 1983, p. 7 for Uruguay.

21. *Latin America Weekly Report*, June 5, 1981, p. 2; June 26, 1981, p. 2; Nov. 6, 1981, p. 4; and Nov. 15, 1981, p. 1.

22. *El Bimestre Político y Económico*, 1 (March-April 1982), 8.

23. *Ibid.*, pp. 12, 13, 39.

24. *Ibid.*, p. 36.

25. *Ibid.*, pp. 13, 18-19, 31, 35.

26. *Ibid.*, pp. 40, 48, 55.

27. *Latin America Weekly Report*, June 18, 1982, p. 1.

28. *Latin America Weekly Report*, June 25, 1982, p. 1.

29. *Latin America Weekly Report*, July 2, 1982, p. 1; July 16, 1982, p. 7.

30. *Latin America Weekly Report*, Dec. 10, 1982, p. 1; Dec. 24, 1982, pp. 1-2; *The Times* (London), Dec. 18, 1982, p. 5; and Dec. 20, 1982, p. 6.

31. Alfred Stepan contrasts the commitment of those officers active in the government of General Humberto Castello Branco (1964-1967) to a "tutelary democracy" with the hard-liners more influential in the government of General Arthur da Costa e Silva (1967-1969) in *The Military in Politics: Changing Patterns in Brazil* (Princeton: Princeton University Press, 1971), pp. 234-250.

32. Flynn, p. 483. For a more general comment on the place of verbal criticism under the Brazilian military, see Dale Krane, "Opposition Strategy and Survival in Praetorian Brazil, 1964-1979," paper presented at the Southern Political Science Association Annual Meeting, Atlanta, November 1980; and Candido Mendes, "The Post-1964 Brazilian Regime: Outward Redemocratization and Inner Institutionalization," *Government and Opposition*, 15 (Winter 1980), 57-60.

33. The salience of such issues is documented by the survey administered in 1972-1973 by Peter McDonough et al. and reported in "Repression and Representation in Brazil," *Comparative Politics*, 15 (October 1982), 83-84.

34. The heavy 1974 vote for the opposition party in the more open political climate of that year is compared to the high number of abstentions and spoiled ballots four years earlier at the height of the political repression in Flynn, pp. 483-484.

35. Peter Knight, "Brazilian Socio-economic Development," *World Development*, 9 (November-December 1981), 1073.

36. *Ibid.*, p. 1071.

37. McDonough et al., p. 96.

38. *Latin America Weekly Report*, Dec. 3, 1982, p. 11.
39. Mendes, pp. 70–71.
40. See Stepan, *The Military in Politics*, p. 104.
41. *Latin America Weekly Report*, Feb. 27, 1981, p. 8.
42. *Latin America Weekly Report*, Mar. 4, 1983, pp. 1–2.
43. See Paul Sigmund, "The 1980 Constitution and Political Institutionalization in Chile," paper presented at the National Meeting of the Latin American Studies Association, Washington, D.C., March 1982, p. 20.
44. *Ibid.*, pp. 1, 6–7; Karen Remmer, "Public Policy and Regime Consolidation: The First Five Years of the Chilean Junta," *The Journal of Developing Areas*, 13 (July 1979), 44.
45. Sigmund, p. 10; Karen Remmer, "Political Demobilization in Chile, 1973–1978," *Comparative Politics*, 12 (April 1980), 292–293.
46. Remmer, "Political Demobilization," pp. 291–293; Remmer, "Public Policy," pp. 455–456. Details of regime labor policy through 1978 can be found in Francisco Zapata, "Las relaciones entre la junta militar y las trabajadoras chilenos: 1973–1978," *Foro Internacional*, 20 (October–December 1979).
47. Sigmund, pp. 9–10.
48. *Ibid.*, pp. 18–19.
49. While Sigmund, p. 19, accepts the official figures, others disagree. For a detailed critique of the procedure used and the results, see the official complaint of the "Group of 24," a group of prominent Christian Democratic and Social Democratic lawyers, "El reclamo del 'Grupo de los 24' acerca de los vicios del plebiscito," *Chile-América*, 5 (October–December 1980), 31–38; see also *Latin America Weekly Report*, Sept. 19, 1980, pp. 6–7.
50. *The Wall Street Journal*, Jan. 18, 1982, p. 1.
51. Figures from SOFOFA, the manufacturers group, as reported in *Latin America Weekly Report*, Oct. 8, 1982, p. 6.
52. *Latin America Weekly Report*, June 18, 1982, p. 2; Aug. 6, 1982, p. 9; Aug. 13, 1982, p. 2.
53. *Latin America Weekly Report*, Aug. 20, 1982, pp. 2, 4.
54. *Latin America Weekly Report*, Jan. 21, 1983, p. 1; Jan. 28, 1983, p. 1.
55. For a breakdown of the holdings of these and other financial groups in Chile as of the late 1970s, see Fernando Dahse, *Mapa de la extrema riqueza* (Santiago: Aconcagua, 1979).
56. *Latin America Weekly Report*, Mar. 4, 1983, p. 11.
57. *Latin America Weekly Report*, Dec. 5, 1980, p. 1; and esp. Luis González, "Uruguay 1980–81: Una apertura inesperada," paper presented at the National Meeting of the Latin American Studies Association, Washington, D.C., March 1982, to appear in the Fall 1983 issue of the *Latin American Research Review*.
58. Luis González, "La apertura política uruguaya," unpublished essay, Yale University, 1982, p. 6.
59. My calculations from raw data published in *El Día* (Montevideo), p. 2, and generously shared with me by Luis González. See also *Latin America Weekly Report*, Dec. 3, 1982, p. 6; and *The Times* (London), Nov. 30, 1982, p. 6.
60. González, "La apertura," pp. 9, 15–16.
61. *Ibid.*, pp. 9–10.
62. *Ibid.*, p. 16.
63. *Ibid.*, p. 18.
64. *Latin America Weekly Report*, Aug. 7, 1981, pp. 4–5.
65. González, "La apertura," pp. 36–37, note 13.
66. *Latin America Weekly Report*, Jan. 14, 1983, p. 8; Dec. 3, 1982, p. 2.
67. *Latin America Weekly Report*, Feb. 18, 1983, p. 8.