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TECHNOPOLS

Freeing Politics and Markets in
Latin America in the 1990s

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To Our Families

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1

Technopols

Ideas and Leaders in Freeing Politics and
Markets in Latin America in the 1990s

Jorge I. Domínguez

“Men make their own history,” Karl Marx wrote in 1852, “but they do not make it just as they please.”¹ Scholars of Latin America have spent much energy understanding the second half of that sentence, namely, the importance of structures and their legacies. In this book,² we are mindful of that second half but call attention to its first half: the conscious choices made by

1. Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (New York: International Publishers, 1963), 15.

2. This book is a collective project, and as a result, this is not a freestanding chapter. It is

some political actors in the 1980s and the 1990s in Latin America to foster freer politics and freer markets and, in that way, to reinvent Latin American history.

We do so not just to record that the ideas, styles, and wisdom of specific leaders make a difference but because the leaders we study have used strategies and tactics that are not just personal or idiosyncratic but also potentially universal in their applicability. Some constraints can be overcome, others cannot. In this work, we are especially interested in how technopols employ some constraints that are difficult to overcome in order to help foster a national consensus on desirable policies to modify the impact of such constraints in the long term. We study these technopols because we think that their approach to politics and economics is “portable”—leaders in other countries can learn from their successes and failures.³

In the first half of the 1990s, Argentina, Brazil, Chile, and Mexico each had a more pluralistic political system, a more market-oriented economy, and a more intense and competitive insertion into international markets than had been the case as recently as the mid-1970s. In each, there has been a simultaneous effort to address major economic and political questions. For the first time perhaps since the 1930s, each of these countries is engaged in a far-reaching national project to reshape its future. As the case of Mexico shows, however, market-oriented reforms can be implemented in a nondemocratic political system; and Mexico's December 1994 financial crisis also indicates that the success of economic reforms is by no means guaranteed. Even in the wake of this crisis, however, the extent and significance of the changes enacted during the first half of the decade remain impressive. And just as impressive is the persistence of these countries, including Mexico, on the path of reform.

In this book, we seek to understand the relationship between ideas and leaders, on the one hand, and democratic politics and market-oriented government policies, on the other. We focus on five political leaders who have taken

largely based on, calls attention to, and, to some degree, summarizes themes that emerge in the chapters that follow. There are textual references to the other chapters; at times, a few bibliographic references are given. This approach to writing the introduction to this book has two advantages. The Harvard Center for International Affairs and the Inter-American Dialogue and its funders will find it easier to assert that the views expressed here are mine alone, and the authors will be free to claim, accurately, that all the errors in this draft are mine and that all the insights are theirs. Other authors in this book disagree with some of the specific statements and interpretations in this chapter. Nonetheless, I am especially grateful to my coauthors and to Eva Bellin, Richard Feinberg, Stanley Hoffmann, María Victoria Murillo, Theda Skocpol, Ashutosh Varshney, Jennifer Widner, and Deborah Yashar and to the members of the Sawyer Seminar at the Harvard Center for International Affairs for their comments, criticisms, and suggestions; they too are not responsible for my errors.

3. I am grateful to Javier Corrales for this and many other insights.

ideas seriously and who have acted in politics and government based in part on these ideas. The chapters that follow analyze five cases: Argentina's economy minister Domingo Cavallo; Mexico's finance minister Pedro Aspe; Brazil's senator, foreign minister, finance minister, and president Fernando Henrique Cardoso; Chile's deputy Evelyn Matthei; and Chile's finance minister Alejandro Foxley.

Four of the five have been finance ministers. Matthei was chosen for this study so that we could focus on a younger technically trained leader who was, at the time the study began, a rising star in her nation's politics, playing a role in the opposition that recalled aspects of the early political careers of Cavallo, Cardoso, and Foxley. All five have been or, in my judgment, are likely to be candidates for the presidency, and Cardoso is president. These five leaders personify the ideas and behavior that concern us. Their actions have made a major difference already. In our biographic approach to the subject, therefore, we focus on the principal agents of change. We call them technopols.

They differ along several dimensions. One is their relationship to democracy. Aspe, Cavallo, and Matthei worked at some point for nondemocratic governments, but Cavallo and Matthei were also able to become prominent political figures under democratic regimes.⁴ Cardoso and Foxley never worked for nondemocratic governments. Another dimension of variation at the outset of our project was that three were finance ministers but two (Cardoso and Matthei) were just prominent leaders of the opposition in Congress. Finally, they differ as well on the extent to which they have accomplished the goals they set for themselves; on this account, as of this writing Aspe and Matthei are somewhat less successful than the others.

We address three general questions: Where do ideas that become economic policy come from, and how and why do those ideas become policy? What do these ideas imply about the role of the state in the context of a market economy? And what is the relation between highly technically trained, politically engaged public figures (technopols) and the practices and prospects for democracy?

We argue that those whom we study have taken ideas seriously in their professional careers. The ideas on which they have focused are cosmopolitan and meet normal international professional standards. Moreover, most of these people have themselves contributed to the formulation of the ideas that they eventually come to implement.

4. For a powerful argument that Mexico's “technocratic revolution” has not been democratic, see Miguel Angel Centeno, *Democracy Within Reason: Technocratic Revolution in Mexico* (University Park: Pennsylvania State University Press, 1994), esp. chap. 8.

What makes some technopols successful at reaching the goals they set for themselves? Those whom we study are not “mere” technical economists invested with power by politicians.⁵ Instead, successful technopols have made economics “political” and, in so doing, have created their own power and have enabled their politician allies to govern more effectively. Technopols have made economic policies acceptable to the public at large in democratic or authoritarian settings. More important, technopols have fashioned economic policies guided by their political analysis of the circumstances of their respective countries at given historical junctures; economic policies must meet requirements that originate in the political sphere. Thus technopols often act in ways that are unfamiliar to many professional economists.⁶ Technopols design economic policies by understanding their nations’ politics first: the forces of politics are harnessed to fashion economic programs. The unsuccessful cases of economic reform feature “technos” who consciously choose not to be pols or who are not allowed by their presidents to behave openly as pols (see discussion about Mexico in Chapter 3). They disdain political work; they may cherish the majestic beauty of econometrics but not the rough and tumble of partisanship. In the apt phrasing of Catherine Conaghan and James Malloy, such economists wear a “mental shield” to keep out the messiness of politics.⁷ In contrast, successful technopols are not mere cooks reproducing the recipes of their foreign instructors, or mere photocopyers of the economic dogmas of other countries. Their discovery of the necessity of politics for the making and the “selling” of sound economic policy in the real contexts of real countries is what makes them pols.⁸

For technopols to be successful in either democratic or authoritarian political systems, they must also build their own teams and institutional bases to provide them with ideas, cadres, and bases of support for their work and, as Javier Corrales emphasizes, to create their own independent power—connected to but not fully representative of the societal actors targeted for reform—from which they can contribute to a wider political coalition and the implementation of change. The strategies chosen by technopols help to

5. Robert Bates seems to hold this view. See his “Comment” in *The Political Economy of Policy Reform*, ed. John Williamson (Washington, D.C.: Institute for International Economics, 1994), 29–34.

6. This is why we part company with John Toye’s “Comment” in *The Political Economy of Policy Reform*, ed. John Williamson, 35–38. I am grateful to Javier Corrales for calling this fine article to my attention.

7. Catherine M. Conaghan and James M. Malloy, *Unsettling Statecraft: Democracy and Neoliberalism in the Central Andes* (Pittsburgh: University of Pittsburgh Press, 1994), 174.

8. I am grateful to Jeanne Kinney Giraldo for this and for many other insights.

shape the extent of their influence.⁹ They are not the marionettes of other politicians.

We are also conscious, however, that there may be an empirical limit to the replicability or portability of our argument beyond these cases. The political and economic crises in these four Latin American countries in the 1970s and 1980s would in the end open the way for democratic technopols in Argentina, Brazil, and Chile and contribute to political and economic change in Mexico. The rise of these technopols had a structural origin but a voluntarist outcome. It remains for subsequent research to determine whether successful technopols can arise in contexts with less traumatic economic and political antecedents.

What is the relationship between technopols and democratic politics? Worldwide, democracies have been consolidated only in countries with market economies. In the long run, the market has been good for democracy, although markets flourish in many nondemocratic countries, too. In addition, we argue, in the late twentieth century substantially pluralist, and preferably fully democratic, politics can best address the problem of how to shape long-run rational expectations concerning the economies of Latin American countries. Pluralist regimes can give more-credible assurances that today’s competent but less intrusive state and its market-oriented economic policies will still endure tomorrow. In Latin America’s present and likely future circumstances, democracy is good for markets, although it had not always been so in the past.

Better than many of their predecessors, the technopols we study have understood that there may be in the long run an “elective affinity” between freer politics and freer markets. And where there has been a “democratic deficit” as in Mexico in 1994, the weakness of democratic practices—lack of effective procedures to compel the executive to listen to critics—helps, in part, to explain the eventual failure of economic policy.

Technopols and Technocrats

Technocrats have received much attention in scholarly, policy, and journalistic writings. A familiar definition of technocrats is “individuals with a high level of specialized academic training which serves as a principal criterion on the

9. For examples dealing with an earlier era, see William Ascher, *Scheming for the Poor: The Politics of Redistribution in Latin America* (Cambridge: Harvard University Press, 1984). See also Eliza J. Willis, “Explaining Bureaucratic Independence in Brazil: The Experience of the National Economic Development Bank,” *Journal of Latin American Studies* 27 (1995): 625–61.

basis of which they are selected to occupy key decision-making or advisory roles in large complex organizations—both public and private.”¹⁰

In the 1970s, important scholars associated the rise and diffusion of technocrats with the rise and consolidation of authoritarian regimes. In perhaps the most important book published in that decade, Guillermo O'Donnell argued that technocrats believe that “the ambiguities of bargaining and politics are hindrances to ‘rational’ solutions.” Technocrats, O'Donnell argued, often studied abroad but could not operate effectively back home until they “constitute[d] the core of the coalition that [would] attempt the establishment of an authoritarian, ‘excluding’ political system. The usual verbal allegiance to political democracy is apparently the weakest component in their [foreign] role models. It is easily abandoned to promote an authoritarian political system that will (it is believed) facilitate more effective performance by the [technocratic] role incumbents.”¹¹ Scholars have long understood the centrality of ideas for such roles, but have asserted that the ideas are likely to be antidemocratic.¹²

Our views differ from these definitions and arguments. We do not assume that technocrats must always be appointed or selected; some highly trained individuals could be elected to public office. Similarly, an opposition leader could become a shaper of the parameters of fundamental policies. More important, technocrats can and have served under very different political regimes. They can operate in market economies as well as in those that were once centrally planned. They need not be beholden to any one substantive ideology, nor are they inherently “democratic” or “authoritarian.” Rather, technocrats offer a methodology to understand social problems that rests on a belief in the ability to arrive at the optimal answer to any problem. Their key criteria for action are realism and efficiency. Their legitimacy, they believe, comes from their appeal to rationality and science in their methodology.¹³

10. David Collier, ed., *The New Authoritarianism in Latin America* (Princeton: Princeton University Press, 1979), 403.

11. Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism* (Berkeley: Institute of International Studies, University of California, 1973), 79–89, quotations from 84, 87. For a more recent statement reiterating similar views, see Guillermo O'Donnell, “Democracy's Future: Do Economists Know Best?” *Journal of Democracy* 6, no. 1 (1995): 23–28.

12. See, for example, Magali Sarfatti Larson, “Notes on Technocracy: Some Problems of Theory, Ideology, and Power,” *Berkeley Journal of Sociology* 17 (1972–73), 29.

13. This definition benefits from Miguel Angel Centeno's thoughtful analysis in “The New Leviathan: The Dynamics and Limits of Technocracy,” *Theory and Society* 22 (1993): 307–35. Centeno appears to be more skeptical, however, about the prospects for reconciling technocrats to democratic politics. For a persuasive argument that the distinction between “technician” and

Though technocrats are often economists, other social scientists (Cardoso) may qualify as well.

Technopols are a variant of technocrats. In addition to being technocrats as just defined, technopols are political leaders (1) at or near the top of their country's government and political life (including opposition political parties) who (2) go beyond their specialized expertise to draw on various different streams of knowledge and who (3) vigorously participate in the nation's political life (4) for the purpose of affecting politics well beyond the economic realm and who may, at times, be associated with an effort to “remake” their country's politics, economics, and society. Technopols so defined may operate in either authoritarian or democratic regimes. Whereas technocrats often rise through bureaucratic ranks (as do some technopols), technopols may have also been outsiders to the bureaucracy—successful economic consultants, prominent academics, or leading opposition figures. Technopols fear politics much less than technocrats because technopols define the “rational” somewhat differently from technocrats; for technopols, a rational policy is not just technically correct but also politically enduring. Rationality thus defined can only be achieved through politics. Technocrats are not new. Authoritarian technopols are not new. Technopols in democratic or democratizing politics are relatively new, however.¹⁴ It is to them that we devote the bulk of our attention.

Cautionary Tales: The Stories of Joseph and Turgot

In order to assess the significance of the cases in the chapters that follow, one may consider aspects of the subject that are as ancient as political systems. In this section, I look at two historical cases to set a baseline from which to make comparisons. I look well into the past and outside Latin America to make the point that the question of technocrats or technopols is timeless and cross-cultural.

The Book of Genesis (chapters 39–41) describes one of the first technopols, Joseph, who rose to become Pharaoh's chief minister. Joseph demonstrated great professional skill and administrative competence in governing Egypt.

“politician” has been overdrawn in the scholarship on Mexico, see Juan D. Lindau, “Schisms in the Mexican Political Elite and the Technocrat/Politician Typology,” *Mexican Studies* 8, no. 2 (1992): 217–35, and idem, *Los tecnócratas y la élite gobernante mexicana* (Mexico City: Mortiz, 1993).

14. For the relatively rare example of a book describing democratic technopols (though neither the word nor the concept as such is presented there) who are more effective at advancing the goals of democracy and efficiency than authoritarian technopols are, see Ascher, *Scheming for the Poor*.

(Joseph does not fully qualify as a technocrat or technopol, however, because his initial specialized knowledge—divining Pharaoh's dreams—came from God, not from specialized education.) What made Joseph a technopol, rather than a mere technician, was his ability to connect his evolving practical knowledge and skill to the power of the state. Joseph was an effective forecaster and planner who designed successful programs to store food during seven years of plenty in order to survive through seven years of famine. He applied specialized knowledge to empirical analysis, implemented actions, and sorted through effects well into the future. He combined ideas and implementation with a long time horizon. Joseph was not a populist. He smoothed out the economic cycle at a time of plenty by means of forced savings for the time of famine.

Joseph operated in a constrained international environment. Egypt's survival and power depended on his technocratic success, while his authority derived from his superior. Joseph was not just a captive of these constraints, however; he acted to enlarge his freedom of action. His performance centralized political power in two ways. One was procedural: "I am Pharaoh; without your command no one shall move hand or foot in the whole land of Egypt" (Gen. 41:44). The second was substantive. Joseph's policies centralized the economy and weakened citizen rights: "Joseph, therefore, bought all the land of Egypt for Pharaoh, for every one of the Egyptians sold his field because the famine was unbearable for them. Thus the land became Pharaoh's, and from one end of Egypt to the other Joseph made the people slaves" (Gen. 48: 20–21). Joseph was an authoritarian technopol. He was not "merely" an economist but a master of that expertise needed to reshape the economy, the society, and the polity to serve centralized authority. Joseph foreshadowed the state-aggrandizing economic policies evident in Brazil during much of the 1970s—not every technopol has believed in free markets, and certainly not in free politics.

Many technopols, however, have believed in freer markets and have acted to make them a reality. In 1774, France's Louis XVI recalled the Parlements (sovereign law courts) abolished in earlier decades and appointed a reform government, headed by Turgot, a philosophe and widely respected government administrator. Turgot deregulated the economy by suppressing the guilds, which were privileged monopolies in various trades. He liberalized domestic trade in grain. He took steps to "shrink the state"; he moved to abolish the "corvée"—the annual compulsory peasant labor on France's roads. He launched a tax-reform process. He favored legal toleration for Protestants. However, the Parlement of Paris, supported by provincial estates

and the Roman Catholic Church, opposed him, and, in 1776, Turgot resigned.

More clearly than in Joseph's case, Turgot's education and specialized training were his merits. He combined ideas and implementation. His skills were conceptual as well as administrative. He, too, planned ahead in a constrained international environment, as France prepared for war. As with Joseph, Turgot's authority came from the monarch; as with Joseph, Turgot was no "mere" economist; he was also a philosophe. Turgot had a broad agenda to reshape France, even extending to religious toleration. Turgot, too, was an authoritarian technopol, commanding on the king's behalf, but one who believed in freeing markets, a mixture of authoritarian rule and market-oriented policies not unlike those that prevailed in Argentina and Chile in the 1970s.

The stories of Turgot and Joseph illustrate why scholars have been skeptical that technocrats or technopols could foster liberal democracy. To save Egypt, Joseph reduced its citizens into slavery—a metaphor heard at times in southern South America in the 1970s. Turgot's economic reform program was defeated in court, challenging his claim to superior wisdom and showing that constitutional procedures can come in the way of market reforms. These examples suggest why technopols and technocrats have worked for authoritarian regimes: such regimes may seem more capable of adopting "sound policies" than governments that operate under constitutional restraints. Authoritarian Egypt managed well the transition from plenty to famine; independent sovereign law courts in France blocked efficient economic reforms and liberalizing political changes.

And yet, Joseph and Turgot are not alike. There has always been variance among technopols. Joseph was an intentional centralizer. Turgot centralized power to accomplish reform, but many of his policies, if successful, would have devolved state power to the society and economy (deregulation of business relationships, freer labor, wider religious toleration). If technopols are to work for democratic regimes, there must be a large political coalition to empower them to act, to keep them in power, and to keep them accountable to the principle of eventual devolution of power to those outside the state apparatus.

The Tensions Within the Role of Technopol

Technocrats combine aspects of other professional vocations: scholar and administrator. Technopols add a third: politician. Democratic technopols must also operate within two constraints of procedural democracy: unlike Joseph,

they must face rules and structures that prevent them from reducing the autonomy of civil society, and unlike Joseph and Turgot, they must work through constitutional government. These roles and constraints pose many difficulties, however. Max Weber has shed some light on the tensions inherent in the role of technopol.¹⁵ I turn to him to show the universality of the concern with such public roles well beyond contemporary Latin America and the tensions that technopols must resolve.

For Weber, three qualities matter in a politician of the sort we seek to understand: passion, a feeling of responsibility, and a sense of proportion. "Passion" means devotion to a cause outside of the self. "Responsibility" need not, for Weber, have a democratic component; it is not whether a politician is responsible before the voters but, instead, whether the politician is responsible to the cause and makes it the "guiding star of action." "Sense of proportion" is what we call pragmatism: the "ability to let realities work upon him with inner concentration and calmness."¹⁶ Politics is born in the heart but is made in the head. Politics seeks power, that is, the means to influence others and shape their behavior.

Scholarship, in contrast, seeks its own undermining: "[T]he very meaning of scientific work . . . raises new questions; it asks to be surpassed and outdated." In that same spirit, scholarship must be nonpartisan: "The primary task of a useful teacher is to teach his students to recognize . . . facts that are inconvenient for their party opinions."¹⁷ Weber therefore doubted that scholars could be political leaders and remain scholars.

The bureaucrat is different yet again. Office holding requires a "firmly prescribed course of training, which . . . [takes] a long period of time."¹⁸ In this "duty," the relationship to others is impersonal; there is no loyalty to any one person but to the procedures of science. Officials should have independence from their superiors and the electorate. Bureaucracy provides for a "rationalist way of life" that has, at best, an ambiguous relationship to democracy.

Weber would doubt that a technopol could exist, because the requirements of "passion" in politics and the "responsibility" to advance a cause require a faith that is at odds with the perpetual questioning of the scholar and the nonpartisan rationalism of the bureaucrat. Weber would doubt that technopols could build

15. I rely on three of Weber's essays: "Politics as a Vocation," "Science as a Vocation," and the sections on bureaucracy in *Wirtschaft und Gesellschaft* in *From Max Weber*, ed. H. H. Gerth and C. Wright Mills (London: Oxford University Press, 1958).

16. Weber, "Politics as a Vocation," 115.

17. Weber, "Science as a Vocation," 138, 147.

18. Weber, "Bureaucracy," in *From Max Weber*, ed. Gerth and Mills, 198-99.

partisan teams and still meet the standards of high technical expertise. A technopol's claim to scientific legitimacy would be flawed because politicians could not meet fundamental tests of scholarship: they have too much passion, they are too responsible, and they are too partisan.

Weber's approach sheds light on the dilemmas faced by authoritarian technopols. The authoritarian technopol acts on a passion to create technocratic policy dogmas to be applied relentlessly through economic policy making independent of popular constraint. Such an official, however, would be likely to lose a sense of proportion and would, in the end, be equally ineffective as politician and bureaucrat: the proposed "efficient reforms" would not be consolidated, because the governed would not have consented. This helps to explain the inherent weaknesses in the economic policies adopted in Argentina and Chile in the 1970s, and some of the problems faced in Mexico in the mid-1990s.

The democratic technopol is more likely to retain the "sense of proportion" necessary to shift policies in response to practical circumstances, not necessarily from personal virtues, but because the procedures of democracy require such prudence from politicians who seek to be effective. The commitment to a sense of proportion and the readiness to change policies explain the policy corrections and adjustments evident in several of the cases we study—a principled pragmatism, not wedded to dogma but also not volatile or capricious. Thus democratic technopols may combine the roles of politician, scholar, and bureaucrat more successfully than do authoritarian technopols. Some democratic technopols may behave as "teachers to the nation," that is, bearers of a more impersonal loyalty to a democratic regime, committed to educate the public about facts that may be inconvenient for their party opinions. Such a technopol is well suited to the politics of opposition, as Cardoso, Foxley, Matthei, and Cavallo have demonstrated at various times.¹⁹

The Choices of Democratic Technopols in Latin America in the 1990s

Democratic politics in Latin America has been marked in recent decades by instability, policy ineptitude, corruption, and countless other ills. And yet, authoritarian politics in Latin America over roughly the same time period has also been characterized by instability, policy ineptitude, corruption, and countless other ills. No doubt, in 1976, many Argentines viewed the democratically

19. Some authoritarian technopols exhibit similar traits—a sense of proportion and action as teachers to the nation—as was the case in Chile in the second half of the 1980s and as has been the case more generally in Mexico.

elected Peronist government then in power as the worst in Argentine history, only to realize a few years later that a military government could perform even worse. Likewise, in Mexico, it was an authoritarian Mexican political system that plunged the country into the economic collapse of the early 1980s. No doubt democratic Costa Rica's economy suffered a severe decline in its gross domestic product (GDP) at the birth of the so-called debt crisis in 1982, but General Augusto Pinochet's authoritarian government in Chile had an even more severe economic collapse that year. By 1984, democratic Costa Rica had surpassed the level of its 1981 gross domestic product (in 1988 constant dollars); authoritarian Chile surpassed its 1981 GDP level only in 1987.²⁰

In the 1990s, democracy, Latin Americans knew, was no cure-all for their ills, but their own experience had led them to distrust the claims of would-be authoritarians. Many Latin American democratic regimes remained partial, fragile, and in many ways incapable of delivering on the promise of democracy. But, for a significant portion of technopols and the public at large, the logic of democracy had gained much ground over the logic of authoritarianism.

The influence of technopols in Latin America in the 1990s stems less from the simple presence of the technically skilled at the apex of the state and more from the belated recognition by technopols and by the public that there may be, in Weberian terms, an "elective affinity" between freer markets and freer politics. By this expression Weber did not mean a mechanistic or deterministic connection; he meant, instead, a correspondence ("affinity") of choices ("elective") and institutions in the areas of politics and economics similar to what we highlight in this book: deliberate political entrepreneurship and institutional design can draw upon markets and democracy to reinforce one another.²¹

Democratic technopols in Latin America in the 1990s chose freer markets for both political and economic reasons. In economic terms, freer markets are typically a part of the professional training of most technopols; that has changed little.²² In politics, democratic technopols have come to appreciate that freer markets permit less room for arbitrary state actions such as those that gripped much of the region from the mid-1960s to the late 1980s. Markets do

20. Inter-American Development Bank, *Economic and Social Progress in Latin America: 1991 Report* (Baltimore: Johns Hopkins University Press, 1991), 273.

21. I am grateful to Delia Boylan for this and many other insights.

22. For qualifications on this point, and a fine synthesis of the evolution of economic thought in Latin America, see Albert Fishlow, "The State of Latin American Economics," in *Changing Perspectives in Latin American Studies*, ed. Christopher Mitchell (Stanford: Stanford University Press, 1988).

not ensure civil society against an authoritarian state, but markets can be one important check on the abuse of state power. Markets may not disperse power enough, and in Latin America's small economies market power is often highly concentrated, but markets disperse power more than if it were centralized just in the hands of state decision makers.

Democratic technopols in Latin America in the 1990s chose a competent state (in contrast to the vanishing state in some neoliberal prescriptions) in order to foster consultation with business and labor to create and maintain stable and clear rules by means of the exchange of information and points of view; in that way, they sought to reduce market instability. Democratic technopols also chose the competent state to invest in education and health ("human capital"), both because they considered it ethically right and because it contributes to market efficiency. The competent state can also more readily address market failures and, in particular, can channel resources to enable the poor to overcome their condition.

In the long run, I wish to suggest, the logic of democracy best promises to set the parameters that may ensure the success of the market. That is, a democratic political system committed to a market economy, and capable of delivering on that commitment, is the more effective and stable long-term political response to the problems posed by the rational expectations of economic actors. Rational economic actors look for rules and institutions that endure even as presidents, ministers, and economic cabinets change; authoritarian regimes can provide certain assurances to economic actors for some time, but democratic regimes can provide assurances for the long run, provided government and opposition are committed to the same broad framework of a market economy. In this sense, the opposition gives the most effective long-term guarantees about the continuity of a market economy; when the opposition supports the basic principles and rules of a market economy, then economic actors rationally can expect that a change of government leaders will not imply the overthrow of a market economy. And only democratic political systems embody the compromises and commitments that may freely bind government and opposition to the same framework of a market economy.

To be sure, in a number of East Asian countries authoritarian regimes have managed the economy exceedingly well for several decades. In this book, however, we analyze societies where the extent of political contestation and political participation are already intense and widespread and where military governments were quite unstable. For countries with these political structures, the logic of democracy surpasses the logic of authoritarianism.

Democracy's procedures can restrain the passionate extremism of government officials while permitting more circumscribed forms of commitment. In democratic political systems, moreover, elections provide routinized means for sweeping away failed policies and politicians and starting afresh, which can contribute to the credibility of new, sounder economic policies. Authoritarian regimes cannot get rid of mistaken policies or wrongheaded leaders so readily.²³ In the logic of democracy, to be sure, leaders must elicit the consent of the governed and are thus more likely to consolidate efficient economic reforms for the long run, setting and signaling clear and stable political and economic policy rules that help to shape the rational expectations of economic actors. That has been the long-term experience of Western Europe, North America, and Japan.

Latin America's democratic technopols are also keenly aware of the sorry economic record of democracy in Argentina, Brazil, and Chile at various key junctures during the third quarter of the twentieth century. In these countries, various democratic regimes failed to deliver on the promise of the logic of democracy for markets. The task of democratic technopols in the 1990s has been, therefore, to make the logic of democracy work for its own sake and for the consolidation of market economies in these same countries.

Latin America's democratic technopols in the 1990s sought to turn democracy's capacity to elicit the consent of the governed into an effective instrument for political and economic reform. A broad democratic consensus would help to make and consolidate changes; that consensus would contribute to the credibility of the reforms in the eyes of economic actors precisely because the changes would have been made with the opposition's consent. This was the essence of the strategy followed by Foxley, Cavallo, and Cardoso. In a non-democratic political system, Aspe, too, widened the scope of consultations with societal leaders.

Today's economic policies, economic actors in Argentina, Chile, Mexico, and perhaps Brazil have reason to expect, would endure tomorrow even if the largest opposition party were to win. Today's market-based policies made in a democratic or in a democratizing regime (as in Mexico in the late 1990s), citizens have reason to expect, would make it less likely that dictators or demagogues could imperil citizens' lives and liberties or, in the future, those of their children. That is the hope in all four countries, and certainly the intention of all those whom we study.

23. In the 1990s, this point has been made often by Harvard professor Jeffrey Sachs.

The Making of Technopols

Technopols are made in school, in religious and secular faiths, in teams, on the world stage, and in specific national contexts. These five factors identify their commitment to high standards, their passionate convictions, their mode of professional work, their cosmopolitan vision, and their devotion to their homeland. Together, these factors point to the sources of the ideas and the means of their implementation.

Pedro Aspe's early education was forged in the rigor of a fine Jesuit school, as was Alejandro Foxley's in a Franciscan school. Early on, both combined a Roman Catholic faith with a commitment to academic excellence. Evelyn Matthei's education at a Roman Catholic university resembled the religious schooling of Aspe and Foxley. A more decisive combination of schooling and secular faith developed during their respective university educations.

Even as an undergraduate in Mexico's Autonomous Institute of Technology (Instituto Tecnológico Autónomo de México, or ITAM), Aspe became part of a team that embodied a secular faith: the training of technically skilled young economists who would eventually reshape the nation's economic policy. Overt mentoring and team construction (by Antonio Bassols, Javier Beristain, and Francisco Gil Díaz) were an integral goal of the ITAM Economics Department. The same pattern recurred as Aspe studied at MIT, where Rudiger Dornbusch instilled in him the "passions" for technical sophistication, cosmopolitan breadth, and policy relevance.

A comparable pattern marked Fernando Henrique Cardoso's university life. He, too, became part of a team that embodied a comparable secular faith: the development of sociology as a science with the same rigor as that of the natural sciences. Overt mentoring and team construction (by Florestán Fernandes at the University of São Paulo) were also integral goals. The sociology Fernandes taught to Cardoso was a tropical transplant of what Fernandes had learned at the University of Chicago; thus, while remaining in Brazil, Cardoso's early intellectual training acquired a cosmopolitan dimension that would be reinforced by his subsequent work and residence in other countries.

Foxley and Cavallo followed a path similar to that taken by Aspe, studying economics in the United States (Foxley at the University of Wisconsin-Madison and Cavallo at Harvard), while Matthei's path was closer to that of Cardoso; she studied economics at the Universidad Católica in Santiago, an institution that had come to emulate and adapt the University of Chicago's Economics Department.

The cosmopolitanism of this training would be crucial for their subsequent work. None of these technopols was intellectually or personally parochial. None fell into the trap of believing that "my" country is so different that the international norms of technical analysis should not apply, or that "no foreigner can teach me about my homeland." All were concerned with universal questions; all addressed their work as professionals whose standards and tools were worldwide and universalistic. Cardoso's early studies of race relations, for example, were funded by a grant from UNESCO and addressed universal concerns in the sociology, economics, and politics of race. Aspe, Cardoso, and Foxley wrote doctoral dissertations in economics on topics, and with tools, that were consistent with standard norms in their respective disciplines. Cosmopolitan ideas, understood, applied, and developed according to universalistic professional standards, became parts of their selves.

When these young adults were in school, this cosmopolitan trajectory entailed some professional risks. Two of Latin America's best-known economists of the 1950s and 1960s, for example, denounced this trajectory: "The majority of young economists who go to industrialized countries for training return to their home environment with theoretical schemes that are to a greater or lesser extent divorced from objective reality and from the economic problems of their own countries, and often with research methodologies that have no possibility of being usefully applied."²⁴ They bemoaned the practice of "copying painfully and without critical adaptations whatever emanates from Harvard" and other such universities.²⁵ They went on to write that "it would be unfortunate if these new professionals should assume" government posts "with ideas, attitudes, and analytical equipment that are entirely inapplicable and lacking in realism."²⁶

Perhaps in tacit reply to this concern, the three who got their doctorates in economics in the United States—Aspe, Cavallo, and Foxley—wrote their dissertations on topics bearing directly on their respective countries. Foxley, for example, did not eschew complex mathematical models but developed one for the Chilean economy. Aspe may have reached the furthest in the attempt to "creolize" economics by studying the history of Mexico with Harvard's historian John Womack Jr.

More important, their cosmopolitan ideas and skills along with their concern with their homelands gave them the professional autonomy needed to

24. Aníbal Pinto and Oswaldo Sunkel, "Latin American Economists in the United States," *Economic Development and Cultural Change* 15, no. 1 (1966), 83.

25. *Ibid.*, 80.

26. *Ibid.*, 83.

challenge prevailing orthodoxies back home. Cavallo's doctoral dissertation, for example, took issue not only with structuralist and dependency analyses of Argentina's economy but also with the monetarist ideas that informed Argentine government policy in the mid-1970s. Cardoso's work on race relations helped to puncture the then prevailing myth of Brazil as a racial paradise.

Equally noteworthy, cosmopolitan team building in a national context became an essential task for these would-be technopols early on in their respective professional careers. Their professional autonomy and eventual political clout would be buttressed by creating analytic and policy teams. The teams would have links to government and business but retain their distance from both. The connections helped to generate information and build trust; the distance enabled the teams to formulate their own ideas and recommendations, at times contrary to the wishes of economic, societal, or governmental actors. These teams would embody the secular faith in social science; their mission—in Corrales' characterization of Cavallo—would be to spread the faith.

Soon after Aspe's return from MIT to his intellectual birthplace at ITAM, he became chairman of ITAM's Economics Department. As the critics of training Latin American economists in the United States would have suspected, Aspe realized that the theoretical models and empirical cases he had studied suggested that Mexico's economic policies in the late 1970s were gravely mistaken. To change them became a professional mission; to do so required training a new generation of economists. Aspe reshaped the ITAM economics curriculum and raised academic standards, all the while creating a team of economists that would in due course follow him into government office. He continued to send a steady flow of students to U.S. universities. Aspe, his former students, and his current staff members similarly described to Golob their "shared vision" and Aspe's role in defining that vision; all agreed that this common faith made their team effective. During the Salinas presidency, Aspe's people colonized ministries beyond Aspe's portfolio in Finance—filling senior posts in Agriculture, Social Development, the Central Bank, Education; others became state governors and members of Congress. The ideas shaped the team, and the latter, in turn, became the collective carrier of those ideas in universities and in government agencies.

Cavallo returned to Argentina and founded his own think tank, the Institute for Economic Studies of the Argentine Reality (*Instituto de Estudios Económicos sobre la Realidad Argentina y Latinoamericana*, or IEERAL); he eventually gained the full support of the *Fundación Mediterránea*, with which he has

remained associated.²⁷ Cavallo, too, recruited young, highly trained and internationally oriented economists. They shared Weber's "passion" to reduce the weight of the state on the nation's economy and the "responsibility" to foster policies to that end; they also became loyal to Cavallo. Diagnosis, analysis, and prescription built around a faith in a market economy and in the universalistic tools of economics were at this team's core. When Cavallo became Argentina's minister of economy, virtually the entire staff of IEERAL was appointed to key positions in the ministry—for a grand total of nearly three hundred people who had worked at the institute or who were otherwise connected to its staff. The ideas shaped the team, and the team became the collective carrier of the ideas.

A similar story is evident in Foxley's case. Foxley returned to Chile to work in the National Ministry of Planning in President Eduardo Frei's Christian Democratic government in the late 1960s. Upon the defeat of the Christian Democrats in the 1970 presidential elections, Foxley left the government to found an economic think tank that would eventually be known as CIEPLAN (Corporación de Investigaciones Económicas para América Latina [Economic Research Enterprise for Latin America]). As with Cavallo's IEERAL, Foxley's CIEPLAN gave a technical voice to the opposition. CIEPLAN's "passion" was for the market in a democracy; its "responsibility" was to advance both. Its associates needed to demonstrate their command of technical economics, just as good as and preferably better than that of the economic team (commonly known as the Chicago Boys) that worked for General Pinochet's government. CIEPLAN criticized the government's dogmatic refusal to address the costs of opening Chile's economy to international markets as well as the government's technically misguided exchange rate policies of the late 1970s and early 1980s. When Chile's economy crashed in 1981, Foxley's and CIEPLAN's scientific credentials were vindicated. As in the cases of Cavallo and Aspe, CIEPLAN staff followed Foxley in 1990 into the Christian Democratic government of President Patricio Aylwin, colonizing various Chilean government agencies, where they assumed senior posts.

Cardoso's path is consistent with this analysis. In April 1969, Cardoso and his colleagues founded CEBRAP (Centro Brasileiro de Análise e Planejamento [Brazilian Center for Analysis and Planning]); he served as its president and senior researcher until 1982. CEBRAP became a refuge for the intellectual opposition to the military government that had come to power in Brazil in 1964.

27. For a detailed account of the circumstances and climate of ideas shaping IEERAL and Cavallo, see Enrique N'haux, *Menem-Cavallo: El poder mediterráneo* (Buenos Aires: Ediciones Corregidor, 1993). I am grateful to María Victoria Murillo for the reference.

It became as well a leading research institute on social, economic, and public policy issues. Like CIEPLAN, CEBRAP was motivated by its passion for democracy and its commitment to research excellence. CEBRAP's role as a source of government officials awaited the return to civilian government in 1985. When Cardoso was appointed finance minister in May 1993, several former CEBRAP scholars became senior government officials in various ministries; months later, upon Cardoso's election to the presidency, many of these colleagues were promoted as well.

Although Matthei did not found or participate in a research-based institution herself, at the Catholic University of Chile she, too, was recruited into a team committed to the vision of economic transformation associated with the Pinochet government in the 1970s and 1980s. She, too, demonstrated impressive intellectual talent and effectively mastered the tools of economics. Miguel Kast was the mentor; the Chicago Boy ideas were the faith. She was schooled in perhaps the best organized and orthodox economic team seen to date in any Latin American country. Matthei never forged, however, a formal institutional tie beyond her government service with the founders of this model in Chile. Unlike others in this book, Matthei entered political life as a somewhat isolated player. This lack of experience with a team and the absence of an institutional base of her own from which to inform her ideas and forge alliances may have hurt her political career, as Delia Boylan's discussion of Matthei's weak institutional base in her own political party suggests. Institutional founders, therefore, were more likely to become successful technopols; Matthei's too different career trajectory may have left her insufficiently prepared for the top of Chilean politics.

All technopols began their careers, therefore, with early experiences that emphasized academic excellence, faith in a cause (religious or secular), the centrality of a cosmopolitan vision anchored in professional competence that met universalistic standards, and deep immersion in each nation's historical context. At the political level, the four more successful technopols founded teams and institutions in opposition to the government policies of the time. The politics of opposition would become "scientific" in response to governments that claimed that their policies were based on economic science. Incumbents would be challenged in the same rational terms on which incumbents wished to be judged: authoritarians would be challenged in terms of their economic policies, democrats in terms of their occasional willingness to resort to rule by decree.

Those teams and institutions would become the eventual vehicles to articulate, develop, and transmit key ideas and to colonize state agencies through the

appointments of team members to various ministries. There was a "passion" for a set of ideas and a shared responsibility to seek to implement them. Even before they reached power, these technopols differed from Weber's notion of scholarship: these were politically engaged intellectuals, "partisans" of their ideas through their teams.²⁸

The Making of Democratic Technopols: Ideas, Institutions, and Opposition Parties

Democratic technopols are made in the opposition to the government of the moment. They build up a political party as well as a program of government consistent with the ideas that they wish to implement once in power. As seen in the previous section, their initial location in the opposition fosters the team's cohesion and induces a sharpening of their technical skills, thus enabling them to advance their ideas more effectively in public debate.

Cardoso spent much of his adult life understanding and seeking to change Brazil's political and social conditions. As João Resende-Santos notes, Cardoso published a wide array of books and articles in which he developed, refined, and modified his views on democracy, equality, participation, the role of the state, and the place of Brazil in the world. To turn those ideas into reality, institutions were needed beyond CEBRAP: a political party had to embody and carry forward these ideas. In the early 1970s, Cardoso joined the only legally permitted opposition party, the Brazilian Democratic Movement (Movimento Democrático Brasileiro, or MDB), and attempted to turn it from mere reliance on clientelism into a programmatic party. In 1988, Cardoso and his associates founded a new party, the Brazilian Social Democratic Party (Partido da Social Democracia Brasileira, or PSDB); Cardoso became the party's leading intellectual spokesman. Cardoso and the PSDB pressed the new civilian government to move more firmly to install democratic practices and to combat corruption. They advocated replacing Brazil's presidential system with a parliamentary system. The PSDB adopted internal democratic practices to set an example.

28. Curiously, scholars often write as if the creation of teams were unique to the countries that they study. Mexicanists write about *equipos* and *camarillas*, for example, as if they were unique Mexican flowers. For a relatively rare comparative analysis that touches on some of these themes, see Catherine M. Conaghan, James M. Malloy, and Luis A. Abugattás, "Business and the 'Boys': The Politics of Neoliberalism in the Central Andes," *Latin American Research Review* 25, no. 2 (1990): 3-30.

The massive abuses committed by the Brazilian authoritarian regime, and the subsequent failures of the state's economic policies, turned Cardoso and his party toward a wider role for the market than had been the case in their earlier thought and experience: the stronger the market and the more constrained the state, the less likely that the state could exercise arbitrary power or hurt the economy. Cardoso and the PSDB sharply criticized the large, cumbersome, arbitrary, and excessively intrusive Brazilian state but also insisted that the state has an important role in protecting the poor and leading the nation through a viable industrial economic strategy. The policies of both Cardoso and his party differ substantially from socialist programs well to their political left in contemporary Brazil;²⁹ in particular, Cardoso and his party differ from the Workers' Party (Partido dos Trabalhadores, or PT) in their critique of the state. Nonetheless, the commitment to redress the "social deficit" in education and health and to reduce widespread inequalities remains a centerpiece of their thought.

Cardoso's task, to turn ideas into practice, was made unusually difficult by the nonprogrammatic nature of Brazil's political parties, by their lack of internal discipline, and by the fluidity of party and factional alliances.³⁰ Much of his energy was invested in constructing vehicles to advance the notions of democracy that flowed from his Brazilianist and cosmopolitan commitments. It was also invested in constructing political coalitions in Congress to the same end. For this technopol, democracy has always been at the center of his thought and political action. His training and his values have been linked from the very beginning.

Foxley's political trajectory is somewhat different. From his youth, he has been a member of Chile's Christian Democratic Party and, as such, has been committed to making democratic politics work in Chile. Unlike Cardoso, Foxley did not have to build a democratic party, because one already existed; the task was to wed Christian Democracy to market-oriented policies and to do so within a wider political coalition to defeat the dictatorship and return Chile to democratic rule. This was not merely a tactical concern. As Jeanne Kinney Giraldo argues, Foxley believed that just as the free market was inadequate to the task of managing the transformation of the economy, so too the political free market was unsuitable to reconstructing democracy. In economics, Foxley believed in greater cooperation among government, business, and labor as well

29. Cardoso has always been sharply criticized by many to his political left. See, for example, John Myer, "A Crown of Thorns: Cardoso and Counter-Revolution," *Latin American Perspectives* 2, no. 1 (1975): 33-48.

30. Scott Mainwaring, "Brazilian Party Underdevelopment in Comparative Perspective," *Political Science Quarterly* 107, no. 4 (1992-93): 677-707.

as in state action to address severe social ills. In politics, Foxley believed that only through concerted actions could agreed-upon limits be set to prevent the polarization that in the early 1970s had destroyed Chilean democracy.

In the 1980s, Foxley labored much of the time to reconstruct Chilean democracy and to retain a largely market-oriented economy. The key effort was to build a political and programmatic alliance between the democratic left and center, mainly between the Christian Democrats and the various democratic socialist parties. As Kinney Giraldo makes clear, one of Foxley's important goals was to fashion both an electoral and a governing coalition, that is, a political coalition that would win the election and remain together to implement an agreed-upon program of government. In so doing, Foxley and CIEPLAN changed some of the substance of their views and the specific content of some of their critiques of government policy. By 1987, Foxley realized that Chile had successfully transited out of a strategy of import-substitution industrialization (which he had long criticized) and toward an export-oriented strategy and that many entrepreneurs were behaving consistently with the new economic model. Thus the new task was to criticize implementation but also to consolidate Chile's insertion in the international market and to protect the gains in economic efficiency while seeking to add new protections for the weak and the poor. To do so, Foxley the politician assertively led his party and its allies to adopt views more favorable to freer markets than those toward which the parties had been inclined.

Better than the Chicago Boys and the Pinochet government, Kinney Giraldo argues, Foxley and CIEPLAN anticipated an international idea that came to prevail by the end of the 1980s and the early 1990s—that markets should foster “growth with equity.” They contributed impressively to the creation of a victorious coalition committed to markets in a democracy that would receive international backing. Indeed, Foxley had warned the Chilean right nearly a decade before its electoral defeat that it had forgotten its own ideological roots: “In the political sphere, [the Chilean government's] model has not been able to solve the inherent contradiction between economic freedom, a basic objective of the model and of [Milton Friedman's] ‘ideary’, and the political authoritarianism which accompanies it. After all, facing the dilemma, it seems that the Chilean model has certainly chosen capitalism, but has forgotten all about freedom.”³¹ Sooner than the political right, Foxley understood the power of combining freer politics and freer markets. His party's 1989 electoral victory rewarded

31. Alejandro Foxley, “Towards a Free Market Economy: Chile 1974–1979,” *Journal of Development Economics* 10, no. 1 (1982), 28–29.

the commitment to markets and democracy on which he had built his professional life.

Matthei illustrates the same principle at a different moment. For her, the key political question was how to salvage the parties of the right for democracy and how to ensure that the nation's market orientation would continue. As Boylan notes, Matthei offered and fashioned a new face for Chile's right. After Patricio Aylwin's inauguration as president in March 1990, the right moved to the opposition for the first time since the early 1970s. There were two tasks for a democrat of the right. The first was to ensure that the parties of the right would remain within the rules of the new democratic regime. The second was to position these parties to do well in elections and eventually to win back power democratically.

Matthei undertook both tasks with clarity and effectiveness. She played an important role in the negotiations over tax reform between her party, National Renovation (Renovación Nacional, or RN), and the government. In so doing, she demonstrated to RN and to the government that civilized politics was possible and that RN was loyal to the democratic regime, though from the political opposition. Toward the longer term, Matthei fashioned a political strategy that emphasized social issues to win cross-class political support. Common crime, the regulation of organ transplants, the defense of the family, the modification of divorce laws, the rights of the unborn, and the improvement of education and curricular change were issues to which she devoted political attention. Her political strategy was to diversify the portfolio of issues on which the parties of the right could win elections, beyond her and her party's longstanding belief in the virtues and utility of the market economy.

Matthei combined this political strategy with impressive communications skills, as Boylan notes. Her abilities to articulate her party's position and to project sincerity and caring for ordinary human beings were noteworthy political assets. Much more than any of the other trained economists in our project, Matthei was able to move her attention successfully to topics and concerns beyond those of the economics profession. Her work toward the transformation of the ideas, practice, and appeal of her party, while remaining true to the earlier faith in markets, contributed to the consolidation of Chilean democracy and has earned her a place among the democratic technopols.

Cavallo came to democratic politics later in life than Cardoso, Foxley, and Matthei. Under the Argentine military government, he served as undersecretary for internal affairs in 1981 and as president of the Central Bank in 1982; the sum total of his government service in these two posts was ten weeks. Cavallo's IEERAL, however, was typically critical of many of the economic policies of

both military and civilian governments—a classic role in the opposition. Like Cardoso and Foxley, however, Cavallo soon discovered that more than just a “think tank” was needed to make political change happen. In 1987, Cavallo chose to run for Congress as a Peronist candidate, in opposition to the governing Radical Party, rather than wait for someone to name him again to appointive office.

Aspe’s career in the technical niches of Mexico’s government foreclosed a role in the democratic opposition, though, as shown earlier, Aspe’s professional career began in the “technical” opposition to Mexican economic policies in the late 1970s. Nor did this career pattern enable him to contribute to Mexico’s very gradual political opening.

At the outset, these technopols differed in the relative importance that they accorded to the market and to democratic ideas. Democracy was a particularly high value for Foxley and CIEPLAN and for Cardoso and CEBRAP. They would not succumb to the temptations of Joseph or Turgot. Democracy was not a predominant concern for Aspe and his team at ITAM, or for Cavallo and Matthei while they served in military governments. Belief in the market was also a high value for all but Cardoso and CEBRAP, and even these Brazilians, as Resende-Santos makes clear, gradually moved to embrace markets, just as Cavallo and IEERAL, and Matthei, moved to embrace democracy. By the early 1990s, the views of these technopols (though least so in the case of Aspe) had converged to uphold both democracy and markets.

The making of democratic technopols thus begins in the opposition. The technically talented must engage in persuasion to secure funding and to spread their ideas; they must look for allies to advance their cause. In the opposition, they hone their technical skills to improve the efficacy of the presentation of ideas, but to be truly effective in the long term, they must link up with a political party and work to build or to reshape such a party. They learn the utility of democratic behavior in advancing their technical ideas, and they learn to refashion their technical ideas to serve democratic goals.

Much of the professional careers of Cardoso, Foxley, and Matthei was spent in this fashion; at a later time, similar behavior would become evident in Cavallo’s career. Cardoso from the left, Foxley from the center, and Matthei from the right moved their associates from their early policy predilections. Cardoso struggled against the Brazilian left’s love affair with the state. Matthei fought the Chilean right’s Olympian forgetfulness of the politics of daily life. Foxley shifted politicians toward positions supportive of freer markets, while he ensured the bases for political and economic agreement in a fragmented party system. Cavallo, too, struggled against Peronist nostalgia for

economic autarchy. As Max Weber’s scholars should, all four made a case that, at the time in each instance, was inconvenient for their respective party opinions. Each sought to combine democracy and markets to varying degrees and in different forms, and each was an effective political entrepreneur in so doing. They helped their countries to consolidate or to approach politics consistent with their ideas.

These technopols came to recognize that political pluralism and markets work best if the effort is made to make them work together. The full flowering of these technopols, therefore, occurred (Mexico excepted) in the context of both democracies and markets, in response to the economic catastrophes that befell these four countries and to the harsh dictatorships suffered in the three South American cases.

The Critical Juncture

The historical moment for the technopols we study came when the pillars of the old order crumbled. There was a structural origin to the economic and political changes evident in these countries by the early 1990s, but there was also a voluntarist resolution. The structural crisis helped to provide the opening for the actions of technopols.

Our subjects rose to influence in their respective countries at a specific historical moment, typically when five factors had converged. (1) An economic crisis unequaled in severity since the Great Depression of the 1930s gripped these countries in the early 1980s (in Chile, a severe economic breakdown had also occurred in 1973). (2) When the crisis broke, authoritarian regimes of varying harshness held power in each of the four countries;³² incumbents were blamed for the economic crisis to varying degrees, which blame helped to discredit or at least to weaken support for authoritarian approaches. Cavallo, in particular, learned that military governments were unlikely to generate or sustain sound and politically viable economic policies. (3) Authoritarian technocrats and technopols held positions of power in each of the four countries, and to some degree they and their style of governing were discredited or challenged. (4) For diverse reasons, including the economic crisis, the political process opened up, though to varying degrees, in

32. For some comparative indicators of repression, see Jorge I. Domínguez, Nigel S. Rodley, Bryce Wood, and Richard Falk, *Enhancing Global Human Rights* (New York: McGraw-Hill, 1979), 93–102.

each of these countries during the 1980s, first accelerating the circulation of elites at the top of the government, and eventually leading to democratic regimes in Argentina, Brazil, and Chile and toward a further easing of Mexico's always less-severe authoritarian regime. (5) Democratic governments pursuing statist economic policies at first proved incapable of resolving severe economic crises in Argentina under President Raúl Alfonsín, Brazil under President José Sarney, and Chile, earlier, under President Salvador Allende, thereby increasing political support for more market-oriented alternatives. The failures of statist policies pursued to varying degrees by the Alfonsín, Sarney, and Allende governments impressed Aspe, Cardoso, Cavallo, Foxley, and Matthei.

In 1982, Latin America's foreign debt crisis erupted, announcing the birth of economic trauma. In that year, Chile's GDP per capita fell 14.5 percent, Argentina's 7.2 percent, Mexico's 3 percent, and Brazil's 1.6 percent; in 1983, Brazil and Mexico each lost an additional 6 percent of GDP per capita. From 1981 through 1989, GDP per capita fell by over 9 percent in Mexico and by over 23 percent in Argentina; Brazil ended the decade at the same GDP per capita as when it began, while Chile's economic recovery during the second half of the 1980s erased the losses of the early 1980s and led to a meager net cumulative gain (1981–89) of just under 10 percent. From the early to the late 1980s, real average wages plummeted in the four countries. During the 1980s, Mexico, accustomed to low inflation rates, suffered from rapidly accelerating inflation. From 1983 through 1988, Argentina and Brazil had annual triple-digit consumer price inflation every year but 1986; both countries had annual four-digit price inflation in 1989 and 1990.³³

At the moment of economic crisis, there was available an international pool of theoretical and empirical ideas that emphasized the utility of markets; these ideas had become dominant in the industrial countries during the 1970s and the 1980s, precisely when these technopols-in-the-making lived there. These market-oriented international ideas were nested in economics departments, the international financial institutions, and in major private foundations, which fostered and funded the spread of these ideas through the think tanks and teams founded by these technopols.³⁴ The international context was

33. United Nations Economic Commission for Latin America, *Preliminary Overview of the Economy of Latin America and the Caribbean, 1989*, LC/G.1586, 19–20.

34. For an excellent summary of this ideological consensus, see John Williamson, "What Washington Means by Policy Reform," in *Latin American Adjustment: How Much Has Happened?* ed. John Williamson (Washington, D.C.: Institute for International Economics, 1990). By "Washington" Williamson means not just U.S. government agencies but also "the technocratic

favorable as well because these ideas were supported by the U.S. government, its major allies, and public and private international financial institutions. They "demanded" competence from the economic policy makers of Latin American countries. Technically trained leaders, therefore, would help to generate international and eventually domestic political legitimacy: they knew how to act in accord with "universal" and "scientific" requirements.³⁵

From our vantage point, the economic crisis alone did not "cause" the opening of politics, but it facilitated such an opening. The economic crisis permitted technically qualified opposition leaders to criticize authoritarian technocrats on their own terms. The technical criticism of failed economic policies opened a wedge for political liberalization at the elite level, complementing mass protests against prevailing policies. In this fashion, technically qualified people in the opposition derived political legitimacy from the international community to challenge the government and, because they were competent to do so, garnered support for themselves within the opposition and for the opposition in the wider public.

Beginning in the late 1970s, another international pool of ideas became available. It asserted the centrality of democracy as the way to govern and the importance of respect for human rights in the relationship between state and society. The support for democracy and human rights became a part of the worldwide federations of Christian Democratic, social democratic, and liberal parties of special pertinence in Western Europe. The international action of many leaders and parties in the industrial democracies helped to weaken international backing for authoritarian rule in Latin America. In the United States, this idea first reached policy salience during Jimmy Carter's presidency. Though nearly discarded during Ronald Reagan's first term, the centrality of democracy as an organizing principle for U.S. foreign policy gathered support during Reagan's second term and especially during the Bush and Clinton

Washington of the international financial institutions . . . and the think-tanks" (*ibid.*, 7). See also his *Progress of Policy Reform in Latin America*, no. 28 (Washington, D.C.: Institute for International Economics, 1990). Thirty years earlier, a narrower ideological consensus had developed in Latin America around the influence of the United Nations Economic Commission for Latin America—another international pool of ideas that was in part implemented into policy. See Christopher Mitchell, "The Role of Technocrats in Latin American Integration," *Inter-American Economic Affairs* 21, no. 1 (1967): 3–29; David C. Bruce, "The Impact of the United Nations Economic Commission for Latin America: Technocrats as Channels of Influence," *Inter-American Economic Affairs* 33, no. 4 (1980); and esp. Kathryn Sikkink, *Ideas and Institutions: Developmentalism in Brazil and Argentina* (Ithaca: Cornell University Press, 1991).

35. For a compatible argument, see John Markoff and Verónica Montecinos, "The Ubiquitous Rise of Economists," *Journal of Public Policy* 13, no. 1 (1993): 37–68. I am grateful to Jeanne Kinney Giraldo for the reference.

presidencies. The U.S. government and the European Union also came to “demand” democratic leadership in Latin America. Cardoso especially, but also Foxley, gained personally from his international standing as a democrat. In Latin America, moreover, normative commitments to democracy have been especially noteworthy among intellectuals and politicians in the 1980s and 1990s.³⁶ Most cosmopolitan technopols gradually came to incorporate the two international pools of ideas—one favorable to markets, the other to democracy.

The availability of international pools of ideas that emphasized the utility of markets and democracy does not, of course, explain the policy choices and value commitments of the technopols we study. As shown in the previous section, these technopols came to these ideas on their own, in part by “swimming” in these pools of ideas during their time abroad; Cardoso and Foxley, for example, strongly believed in democracy well in advance of the Reagan administration’s embrace of democratic ideas in the second half of the 1980s. Having made their own choices to foster markets and democracy, however, several of the technopols we study at first were not listened to by their fellow citizens.

The structural crisis in state and economy opened the wedge for these technopols to be heard and to enter government as carriers of their own ideas. By the early 1990s, these ideas were at last legitimated and reinforced by the changed international intellectual and political climate. (In Mexico, it took a second economic crisis in 1994–95 to make way for a democratizing political system.) Would-be technopols had learned as well as generated ideas of interest to the international community and to their fellow citizens. Technical skills had become widespread and respected enough to legitimate the importance and validity of the teams that these technopols had founded. These technopols and their teams stood ready to fashion government programs to respond to the crisis by means of new ideas and their teams’ staffing of the national governments, especially in the wake of the economic policy failures of preceding civilian governments in Argentina, Brazil, and Mexico. They were the idea makers who were about to become idea carriers and policy makers.³⁷ Unlike technocrats in the past, democratic technopols joined oppo-

36. See Scott Mainwaring, “Transitions to Democracy and Democratic Consolidation: Theoretical and Comparative Issues,” in *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective*, ed. Scott Mainwaring, Guillermo O’Donnell, and J. S. Valenzuela (Notre Dame, Ind.: University of Notre Dame Press, 1992), 294, 308–12.

37. For the notion of idea carrier and its relationship to leaders and institutions, I am indebted to Peter A. Hall, introduction to *The Political Power of Economic Ideas: Keynesianism Across Nations*, ed. Peter A. Hall (Princeton: Princeton University Press, 1989). See also Emanuel Adler,

sition political parties to ride into government power (Mexico, again, an exception). All five technopols gained power thanks to their association with political parties.

These technopols linked a wide vision, universalistic ideas about markets and politics,³⁸ and technical skills with a strong commitment to their homelands and to political pluralism. In their careers, they falsified the proposition that those trained abroad, or trained “abroad at home,” could not operate sensibly and effectively in government office. They would act to open up markets and politics and, in so doing, remain faithful to the twin cosmopolitan ideas of the age. To the parochialism of some in the past, they responded with an effort to install a patriotic cosmopolitanism, grounding international experience in the empirical context of each country. In such fashion, the structural crises facilitated the voluntarist resolution in favor of markets and democracy.

The Actions of Technopols: From the Fat to the Fit State

A central concern of the technopols we study has been to recraft the state. In so doing, these technopols demonstrate that they are not neoliberals (the usual label applied to all, even, in the mid-1990s, to Cardoso), if by neoliberal one means a proponent of the strategies associated with Ronald Reagan or Margaret Thatcher. Our technopols have sought not to kill the state but to save it, to force the state to shed its “fat” but to ensure that the state will be “fit” to govern and to elicit the consent of citizens. In each case, these technopols have sought to cut back the state’s reach into the society and the economy, but they have also sought to increase government revenues and improve the delivery of government services. In several cases, they have sought to redirect the savings from cutting back on certain state actions to redress inequalities or to improve support for the poor.

The Power of Ideology: The Quest for Technological Autonomy in Argentina and Brazil (Berkeley and Los Angeles: University of California Press, 1987), and Sikkink, *Ideas and Institutions*.

38. For examples, from quite different empirical realms, of the utility of focusing on ideas to understand political and economic changes, see Ashutosh Varshney, “Ideas, Interests, and Institutions in Policy Change: Transformation of India’s Agricultural Strategy in the mid-1960s,” *Policy Sciences* 22 (1989): 289–323, and Kathryn Sikkink, “Human Rights, Principled Issue-Networks, and Sovereignty in Latin America,” *International Organization* 47, no. 3 (1993): 411–41.

For Matthei, there have been fewer opportunities to recraft the state, because she has not wielded top executive power. In the 1970s and 1980s, Matthei had supported the Chilean government policies of privatization of state enterprises, and in the 1990s, as Boylan notes, she advocated the privatization of several enterprises that remained in the state's hands. But "state shrinking" does not, in fact, characterize her position. The social policies that she advocated would expand certain areas of state activity. Most important, she was the government's key ally from the opposition, helping to obtain broad enough support in Congress for a tax reform to raise revenues to pay for new social expenditures. Matthei's political career, as Boylan indicates, exemplifies how even certain politicians from the right support the competent state, "fit" but not "fat."

From Congress and the center-left, Resende-Santos notes, Cardoso argued strongly against the bloated and ineffective Brazilian state while also seeking to deconcentrate power in the presidency by means of a constitutional shift to a parliamentary regime. Cardoso is among these technopols also the strongest advocate of government services for the poor and the weak. For Cardoso, the arbitrary state was democracy's worst enemy, and the "fat" state was the main source of corruption, evident most tragically in 1992 with the impeachment and subsequent resignation of Brazil's first directly elected president in three decades, Fernando Collor de Mello. As finance minister, Cardoso raised revenues and protected government services for the poor even as he sought to limit the state's intrusion into society and economy.

As Kinney Giraldo notes, Finance Minister Alejandro Foxley sought to retain and foster Chile's integration into the international economy, to stabilize the economy from its inflationary bout at the end of the Pinochet regime, and to foster social equity. Minister Foxley fostered freer trade agreements while resisting calls for trade protectionism. By institutionalizing free trade, the nation would set clear and stable rules for the future. On the other hand, Foxley understood the need for regulation of financial markets to prevent the reckless inflow of funds that unraveled Chilean economic policies in the late 1970s and early 1980s. But perhaps Foxley's most important accomplishment was his management of macroeconomic policies and the social deficit.

Could Chilean democrats manage the economy? The authoritarian regime's claim to fame had been its ability at last to foster real economic growth by the second half of the 1980s. Nonetheless, rational investors would expect a continued significant "political risk" from operations in Chile because there was reason for uncertainty about future government policies: Could the

economic policies of an authoritarian regime elicit enough consent from the governed to endure? If parties of the center and the left were to replace the dictatorship, what economic policies might they follow?

Chile's "Chicago Boys" in their various incarnations could not successfully address this problem of rational expectations so long as the Pinochet regime continued. This rational-expectations problem could best be addressed in a democracy, in which either the renovated right would receive popular endorsement or the center and the left would govern through market-oriented and stable macroeconomic policies. From the perspective of the rational investor, paradoxically, the second of these options would best ensure the future, for it would signal a truly comprehensive consensus on the wisdom of Chile's new economic trajectory: only when there was a democracy committed to markets and governed by the center-left could the rational investor be certain that market norms would prevail no matter which party governed. (Sociologically, of course, most investors typically do not behave this way; they tend to prefer center-right governments. They understand the utility of market-oriented center-left governments only after markets and democracy are consolidated without their active support.)

Foxley understood the utility of democracy for markets and the utility of markets for democracy. Democracy would address the problem of rational economic expectations; markets would generate the growth to consolidate democracy and provide the funds to address the social agenda. This technopol exemplifies the long-term elective affinity between markets and democracy.

Foxley's opening economic policies were austere; public spending was sharply restrained in order to break the late Pinochet regime's inflationary spiral and to stabilize public finances even at the cost of slow economic growth in the short term. These policies set the basis for spectacular noninflationary economic growth in 1991 and 1992 and for continuing good economic growth rates thereafter.

To address genuine problematic social legacies of the Pinochet regime, Foxley led the government to negotiate with the right-wing party National Renovation (prominently including Deputy Evelyn Matthei) over a tax reform whose revenue proceeds would fund government initiatives especially in health and education. Through these technically competent policies, Foxley demonstrated that "growth with equity" was not just a slogan but a feasible policy goal. Foxley also demonstrated that the parties of the center and the center-left had no wish to resurrect the fat state but were more competent to recraft the fit state to address the nation's needs and hopes.

Economy Minister Domingo Cavallo faced a different problem of rational expectations as he sought to govern under President Carlos Menem and the Peronist party. There was "certainty" that Argentina was ungovernable, that the state apparatus was inept, and that the economy would repeat the cycles of decline and decline that had marked it for decades, the best example of a country that had succeeded at becoming "underdeveloped" in the twentieth century. There was a related rational expectation—the "certainty" that the Peronists, given their past record in government, were "closet populists" and incompetent rulers.

If Foxley's opening policy package had to combine a progressive social policy with an austere fiscal policy to become credible, Cavallo's had to be shocking but democratic, for anything less would have been seen as lacking credibility. This policy took the form of the 1991 Convertibility Law, which made the national currency freely convertible into dollars at a fixed and unchanging value. The law ended contract indexation and prohibited the Central Bank from printing money to cover deficits unless new currency releases were backed by gold or foreign reserves. The law had to be shocking to make it clear that hyperinflation would not recur, but this alone would not have made Cavallo so different from some of his predecessors.

The genius of Cavallo's strategy, as Corrales notes, was to use democratic constraints to implement this policy. He chose to act through congressional action, rather than by decree, and in the future to require prior congressional authorization for any change in the exchange rate or printing of more money. Through congressional approval, Cavallo was signaling the commitment of the executive and legislature to alter permanently the course of Argentina's macroeconomic policies. Cavallo induced the Congress to assume responsibility for macroeconomic stability and tied his hands via the democratic process. Self-binding behavior is a long-recognized strategy to demonstrate credibility and to address the problem of rational expectations.³⁹ Henceforth, the president or the Central Bank would find it much more difficult to change monetary policy; henceforth, the basis for macroeconomic policy would be supported even by Peronists, those who had hitherto been most suspect of recklessness.

Corrales quotes Cavallo's belief that Argentina's past economic problems had not been technical. The technical problems were understood; good technical prescriptions existed as well. Cavallo accurately diagnosed the problem as political; this political problem could only be addressed via democratic procedures. For this technopol, democracy was not an option; it was a neces-

39. Thomas C. Schelling, *The Strategy of Conflict* (London: Oxford University Press, 1960).

sity. Only by binding himself, his president, his government, and his party allies to the consent of Congress could Cavallo persuade rational actors to believe that, this time, Argentines, indeed, the Peronists, meant to get their house in order.

The remainder of Cavallo's unprecedented economic program was consistent with his opening salvo. The national government deficit was sharply curtailed; state enterprises were privatized; provincial governments were cajoled into fiscal restraint. Cavallo urged voters to unseat governors who failed to reform. In October 1991, the government adopted a far-reaching program of deregulation. Cavallo also sharply reduced tariffs and other forms of trade protection in order to open up Argentina's economy to the forces of the world market. His search for freer trade agreements was also an effort to use self-binding constraints to institutionalize the rules of an open economy.

And yet, as with the other technopols, Cavallo was particularly interested not in weakening the state but in making it competent. His comprehensive tax reforms sought the inconceivable. As Cavallo has stated (and Corrales quotes), the only miraculous thing his ministry has achieved is to get Argentines to pay taxes. In addition to implementing various tax policy changes, Cavallo strengthened the state's capacity to collect taxes. He also greatly fortified the state's capacity to regulate the markets created through the privatization of state enterprises.

Cavallo's accomplishments, therefore, featured the use of democratic procedures to address rational expectations and transform the state so that it could govern at last. That he was also technically highly skilled was, of course, necessary to the task but not so remarkable. Cavallo is more unusual for his political skill than for his economics, and so he is an example of a democratic technopol.

The "Mexican miracle"—restoring growth while reducing inflation—is more a collective than a personal accomplishment, as Golob reminds us, because Pedro Aspe's role was less singular than those of Foxley and Cavallo. (President Carlos Salinas de Gortari played a far more salient role in fashioning economic policies than did Presidents Aylwin and Menem.) Nonetheless, Aspe played a key role in recrafting the Mexican state, making it "fit" to govern.

As in Argentina and Chile, a far-reaching program of privatization of state enterprises was also undertaken in Mexico under Aspe's general purview. Aspe's ministry also worked in sustained and effective fashion to improve tax collection and to increase the state's revenues. The proceeds from privatization in Mexico were directed to paying off parts of the public debt, thus freeing budget funds to be spent on health, education, housing, and basic

infrastructure. Regular tax revenues were also directed to these purposes. The reduction of poverty became an objective of the Salinas presidency; in turn, this goal was made possible by Aspe's successful financial policies. The channeling of public funds to address the social deficit was, as Golob makes clear, an integral part of Aspe's intellectual concerns before his rise through the bureaucracy; as a scholar, Aspe had worked thoughtfully on problems of inequality and poverty.

There was, perhaps, a second Mexican "miracle" that interests us as well, namely, the ability to make significant progress without a Cavallo-like policy shock but also under a politics of elite inclusion in a nondemocratic system. In October 1987, the Mexican stock market crashed more severely than world stock markets did; an unexpected run on the peso sent inflation out of control. At that very moment, Carlos Salinas had been nominated as the ruling party's presidential candidate, and Pedro Aspe had become budget and planning secretary. The ingenious and impressively effective solution to this crisis was a "social pact" of the sort that scholars seem to think never works.

The Economic Solidarity Pact was based on the recognition that the government could not address all problems by decree. The state could not impose a solution; labor and business had to agree to bear some of the burden. And by making policy through negotiations, leading to mutually binding commitments, Aspe and the government increased the likelihood that the pact would be credible at home and abroad. Within a half year of its enactment, the pact had brought Mexican inflation down to just over 1 percent per month; the pact would subsequently be renegotiated various times, but Mexican inflation would remain low through the first half of the 1990s.

As Golob makes clear, little about this pact was truly new. Aspe had learned from the failures of previous inflation-control efforts in Argentina and Brazil and from successes in Israel and Spain; he understood that only fiscal discipline would provide a stable underpinning to price and wage controls. Aspe may have learned a more important lesson from his MIT mentor, Dornbusch; as Golob quotes Dornbusch, "[E]ffective stabilization is, above all, not a technical issue but a political one." Aspe applied this concept to Mexico through negotiation of concerted action among key economic and political actors to avoid shock policies and to succeed in slaying the inflation dragon. Political inclusion was needed, though it fell well short of the democratic politics of Cavallo and Foxley.

By intention and, in the cases of the ministers, by accomplishment, these technopols sought to recraft the state. The state has shed (or is in the process

of shedding) its "fat" in order to become more competent ("fit") to tackle a narrower array of tasks that only it can perform. Technopols not only privatize state enterprises in the belief that the state is generally not capable of conducting such business, but they also raise taxes so that the state's public finances are sound. Especially in Chile, Mexico, and Brazil, these technopols take seriously the state's obligations to address the social deficit and have increased government spending on education, health, and basic infrastructure. The support for the competent state is a value shared among these technopols, no matter how much they may differ in other aspects of their politics.

These technopols have also understood that rational investors expect policy continuity. To achieve this fundamental objective, the technopols have followed two strategies. The first harkens back to their founding cosmopolitan vision. They have pursued international trade agreements to "lock in" their country's new, freer market-oriented policies well into the future and thus set the market rules that will meet the rational expectations of investors.

The second strategy has been to foster a political opening in order to ensure that all key actors participate in the shaping of the new policies and, as a result, remain committed to them. In Brazil, where such consent was most elusive, less had been accomplished by the mid-1990s to reorient the economy and secure the bases of democratic politics, though President Cardoso was accelerating the pace of change. Where such consent remained imperfect because transparent democratic procedures had not characterized the polity, as in Mexico, greater uncertainties remained. Nonetheless, the commitment to market-oriented reforms seemed strong by the mid-1990s. Even after Mexico's financial crisis and economic recession of 1994-95 (and a less severe but still noteworthy simultaneous economic crisis in Argentina), whose wider effect was to discourage international investment to varying degrees in Latin American countries, all four governments remained committed to market-oriented policies.

Foxley and Cavallo, therefore, appear as the most successful of these technopols, for their behavior and their policies have fostered freer trade as well as the consent of the governed with regard to market-oriented policies under democratic politics. The democratic center-left parties in Chile and the Peronists in Argentina could demonstrate better than any military governments that the countries' new commitments would endure in the future, and in this way democratic politics responded effectively to the rational-expectations problem.

The Deepening of Democracy

The political actions of the technopols we study have advanced the practice of democracy in each of these countries, though to varying degrees. For the most part, they have acted to deepen democracy because they believe in its values; at a minimum, they have sought to deepen democracy because obtaining the consent of the governed, especially the actual or potential partisan or sectoral opposition, is the most effective way in the long run to consolidate their preferred economic policies.

Foxley and Matthei worked jointly to bridge the gap between parties that had been adversaries in the preceding presidential elections and for the duration of the Pinochet regime. For Matthei, the political risks were higher. She was the daughter of an air force general who had served on the military junta during the Pinochet regime. Her party had just begun life in the opposition. She had barely entered national politics and lacked a strong partisan base. She had to change the right's expectation that it would lack the ability to influence policies under the new government. Even for Foxley, there were risks: would the Christian Democrats in power betray their campaign promises to bring greater fairness to Chile? The Pinochet dictatorship had been accustomed to giving orders as its method of rule. The constitution that President Aylwin and Minister Foxley had inherited vested great powers in the executive branch; instead, they turned to Congress to govern democratically. Led by Aylwin and Foxley, the government reached out to the congressional opposition, led among others by Matthei, to reach an agreement on tax increases and new government expenditures. Foxley repeated as minister the technique that he had first developed within the opposition coalition: the forging of agreements on a sound technical basis to advance policy goals. For her part, Matthei innovated a strategy for her party as the loyal opposition, credible and capable of government. As "teacher to the nation," she communicated a new, caring, democratic image for the parties of the right that should serve them and Chilean democracy well.

Within the government, Foxley spent much time defending his policies before his party and its coalition partners and before the Congress. He fostered the growth of various means for regular political consultation. As Kinney Giraldo reminds us, Foxley also reached out to a dynamic business class that had long distrusted him, his party, and his party's allies, at a time when business was being asked to accept tax increases and labor law changes that they opposed. Foxley also worked to develop fluid conversations with labor, and among business, labor, and the government. Democracy required, above all,

that both the political and the economic right remain allegiant; Foxley bargained with the right in Congress and dealt professionally with business.

Foxley also became a "teacher to the nation," using television and other mass media successfully. His public "persona" emphasized sober competence and effectiveness. So, too, as Boylan notes, Matthei had made exemplary use of television and other media to portray a "caring" as well as an always competent image for the right. In Chile, democrats understood democracy required that the "Weberian scholar" hidden within a technopol should surface to consolidate public beliefs in the utility and efficacy of democracy.

Cardoso's central contributions to Brazilian democratic politics have been discussed in an earlier section: the creation of a team, an intellectual institution, a political party, and the sustained effort to insert programmatic ideas into party programs and political discourse. As finance minister and later as president, Cardoso worked with Congress to enact economic reform measures even though Congress was often an obstacle to the adoption of such measures. The 1993 dispute over wage adjustments illustrates Cardoso's approach. In June, the Congress had enacted into law monthly wage adjustments to ensure that workers' pay would remain fully abreast of inflation. Cardoso's Finance Ministry prepared a technical analysis that showed the highly inflationary effects of such a measure, while Cardoso's team lobbied members of Congress. In August, Congress changed the wage law to dampen the inflationary flames. Democracy had to be made to work in Brazil—that had been and remained Cardoso's commitment.

Cardoso has also made three other important contributions to Brazilian democracy. First, he is the peerless teacher to his nation, combining a lively sense of humor and a gift for phrase making with an accessible public demeanor that is unmatched by other technopols we study (except Matthei). His ability to transform important abstract thoughts into more readily understood concepts has helped to deepen mass democracy. Second, Cardoso has been accused by critics of having shifted his views according to prevailing political winds. Resende-Santos discusses in some detail the consistency of the central features in Cardoso's thought while acknowledging that there have been changes of emphasis and substance. That is, of course, what ought to happen in democratic politics. Politicians should shed dogmas in response to new facts; Cardoso has exemplified how this is to be done: in public. Finally, in a political system marked by infidelity to parties, Cardoso has been respectful of his party's discipline, even turning down an early offer to become foreign minister because his party had chosen not to join the president's

political alliance. Democratic governance requires party discipline; Cardoso has practiced what he has preached.

As finance minister in a nondemocratic political system, Aspe's role in furthering Mexico's political opening was modest. Nonetheless, as noted earlier, the design of the 1987 Economic Solidarity Pact featured political inclusion within the elite. More important, during the 1980s the Mexican Congress assumed a more active role in questioning government ministers; this role increased once the opposition made major gains in the 1988 national elections. Aspe appeared regularly and often before Congress. Although he occasionally lost his temper, as is the case with the other technopols, Aspe, too, became a teacher to the nation through his congressional testimony.

Cavallo's contribution to deepening Argentina's democratic practice is the most surprising because he had worked for the military government in 1981–82 and because President Menem had demonstrated a penchant for ruling by decree. And yet, as minister, Cavallo, too, made a net contribution to democracy in his country. This process began but did not end with the 1991 Convertibility Law. At times Cavallo was criticized for having compromised too much in his dealings with Congress, but that is of the essence of democratic politics. To secure support from Peronist backbenchers and from the main opposition, the Radical Party, Cavallo permitted the Congress to scrutinize and approve every major step in the reform of the state. Privatizations had been carried out by presidential decree, but Cavallo preferred that those decisions, too, should require congressional approval. He understood clearly that congressional and opposition participation increased the likelihood that such privatizations would be seen as broadly legitimate. Cavallo knew that his democratic predecessors had failed in Congress; it was therefore not just desirable but also efficient to engage the Congress.

In the Economy Ministry, Cavallo built not just a technical team versed in economics but also a political team versed in dealing with Congress, the parties, and the provinces; this team was institutionalized through a new undersecretary's office in the Economy Ministry. Cavallo understood that the making of economic policy was too important to be left to economists alone. Corrales quotes Cavallo's insistence that the economy has to be governed by laws, not by decrees, as a means to ensure endurance of the new rules.

Cavallo became a teacher to his nation by appearing in Congress and on television talk shows, by speaking wherever he had an opportunity to convince his president, his party, the Congress, and the nation at large that the time had come at last to break with Argentina's unstable and undemocratic

past, to link democracy and markets in the building of a more secure future. As a scholar, he spoke about things as they were, not about the promises of an imaginary utopia. Cavallo became as well a teacher to the international community—to change the expectation that Argentina would forever be an economic or political pariah. In this fashion, Cavallo redeemed his nationalist credentials in defense of the country's interests.

The time that the four ministers—Cavallo, Cardoso, Foxley, and Aspe—spent in political work also had an economic payoff. By working to improve the government's relations with both labor and business, technopols, through more open politics (and in Argentina and Chile specifically democratic politics), built a consensus behind efficient and realistic policies while reducing transaction costs—fewer strikes, fewer budget allocations for repression, the end of the international isolation of the more authoritarian regimes, and less likelihood of business support for coups. Brazil lagged in the development of this market-oriented policy consensus, but the effort to achieve these objectives began in earnest in 1994. (Mexico's delayed democratization was associated with increased protests demanding greater political opening.) The reduction in transaction costs in Argentina, Brazil, and Chile also probably increased business support for democracy.

More generally, in each of these cases (except Mexico) democratic technopols sought to deepen democracy as an integral part of their task and as a component of their own self-definition in politics. Political openings, and democracy more specifically, moved forward in these countries thanks to the political acts of these technopols.

The Contradictions: Techno Versus Pol

The role of technopol features inherent contradictions, some of which were noted earlier. This book reports not only the successes of technopols but also less fortuitous outcomes. One was Matthei's alienation from her party. Beyond the specifics of her case is the larger problem evident in all the cases, namely, that the skills and predispositions that make for the technical side of the technopol are in some tension with those that make for the political side. To this extent, the themes that have long concerned scholars who have focused on technocrats remain pertinent, namely, whether the technical virtues may undermine the democratic possibilities. We disagree with the extant scholarship in that we

believe that it has exaggerated the problem, not that it has lacked a fundamental insight.⁴⁰

Boylan's chapter on Matthei points to three distinct, though related, factors that may account for Matthei's political difficulties. Matthei lacked a team, a think tank, an institutional base of her own that would enrich her ideas and values and temper her political actions. Her technical training had not prepared her for the formation of alliances and the building of institutional bases that are essential for successful political action and that are present to a greater degree in the other four cases. Nor did Matthei have a good sense of timing. To some degree, her meteoric rise in national politics was part of her near undoing; her business background and technical training had not prepared her adequately for the circumspection at times required in political action. Nor did she have enough time to hone the skills for making political judgments in the earlier period of her political career.

The tensions within the role of technopol have had different effects on Aspe. His actions fostered some political inclusion at the elite level, but Mexican politics did not become democratic, and Aspe, unlike the others, did not act in a democratic context. Like Cavallo and Foxley, Aspe, too, could display the arrogance of the flawlessly technically trained, express impatience and disdain for members of Congress, and become too preachy in his approach to the public, the press, and the parliament. Constrained in part by the "division of labor" between economic and political affairs within President Salinas's cabinet, Aspe resolved the tensions within the role of technopol by eschewing the building of democracy, and in so doing, he differed in important ways from the other four technopols.

Golob aptly observes that the "insider" style of Mexico's technopols made it more difficult for them to develop the skills of conciliation and negotiation associated with more openly competitive politics—an observation that echoes Boylan's analysis of some of Matthei's political difficulties. What made Mexico's technopols successful in their country also made it less likely that they would press hard to open up the political system. Aspe was never a member of an opposition political party, unlike the four others we discuss. The unpreparedness of Mexican technopols for democracy may have made them less sensitive as well to the greater readiness of Mexican citizens for democratic politics.⁴¹ Salinas's team of technopols listened too little and too late to the

40. For recent thoughtful discussions of these issues, see Conaghan and Malloy, *Unsettling Statecraft*, 220–24; see also Conaghan, Malloy, and Abugattás, "Business and the 'Boys.'"

41. For elaboration, see Jorge I. Domínguez and James A. McCann, *Democratizing Mexico*:

demands for a more open political system; in 1994, those demands were among the factors that would contribute to the unraveling of the economic policies so carefully fashioned by Salinas and Aspe. Salinas, Aspe, and their associates thought that they were more skillful in reforming the Mexican economy than Mikhail Gorbachev was in reforming the Soviet Union's economy. Gorbachev's project may have been undone by the general breakdown of the Soviet system; the Salinas-Aspe project was gravely injured, in part, by its "democratic deficit." A key question for Mexico's future is whether a more democratic political regime can fashion better and more sustainable economic policies.

In economic terms, Aspe is also the least successful of the finance ministers. Mexico's financial panic of December 1994, and the fiscal and monetary policy errors committed by the Mexican government during that year, contributed to a new severe economic recession in Mexico during 1995. The lack of democratic procedures in Mexico to compel the executive to listen to criticism and take it into account insulated top decision makers to an extent unprecedented elsewhere—and at a political and economic cost not found anywhere else on the continent.⁴² A short-term political rationality (win the August 1994 election for the governing party) along with this "democratic deficit" contributed to the unmaking of elite economic policies and threatened the decades-old rule of the Institutional Revolutionary Party.

Related problems are evident also in the other cases. Cavallo, Corrales tells us, had little patience for congressional questioning or for delays attributable to mere political factors. This impatience stemmed precisely from the intensity and clarity of his convictions. That is, the more persuaded he became of the technical soundness of his view, the less effective he could be at getting such views accepted politically. This is the Cavallo who lost his temper and shouted at members of Congress; Cavallo the thoughtful "teacher" turned

Public Opinion and Electoral Choices (Baltimore: Johns Hopkins University Press, 1996), chap. 2.

42. On economic factors underlying the crisis in Mexico, see Jeffrey Sachs, Aaron Tornell, and Andrés Velasco, "The Collapse of the Mexican Peso," working paper no. 95-97, Center for International Affairs, Harvard University, Cambridge, July 1995. On the closed nature of the policy-making process, see David Wessel, Paul B. Carroll, and Thomas T. Vogel Jr., "Peso Surprise: How Mexico's Crisis Ambushed Top Minds in Officialdom, Finance," *Wall Street Journal*, 6 July 1995. For the most part the crisis was limited to Mexico. Despite a brief initial negative fallout from the Mexican crisis, the economies of Brazil and Chile continued on their high growth path during 1995. Argentina was hit more severely; the country slipped into recession, and in May 1995 open unemployment rose to 18.6 percent. By year's end, however, Argentina's economic crisis was abating. For statistics, see United Nations Economic Commission for Latin America, *Economic Panorama of Latin America, 1995*, 17–31, 41–45, 55–64.

into a shrill "preacher." The same "candid and sincere" Cavallo could make condescending statements in public. There was both an authoritarian streak in the Olympian technical skills and a certain ill-preparedness for the normal rough and tumble of democratic politics that stemmed as well from technical training, orientation, and demeanor.

Institutionally, more worrisome was Cavallo's continued reliance on government by decree to sidestep the Congress because Congress might overrepresent those most resistant to change. This was the reason to deregulate by decree rather than by congressional law. Democratic procedures, then, might be seen as optional tools to be used and discarded in the building of the altar of market-oriented reforms. To this extent, there remained an incompatibility between Cavallo's technical and democratic-political dimensions. And yet, as Corrales reminds us, in reorienting the economy within a democratic polity, Cavallo bested Chile's record under Pinochet and Mexico's under Salinas.

The tensions between techno and pol were evident as well in Foxley's case. As Kinney Giraldo notes, perhaps Foxley's most important political action may have been his veto of the economic program that the technical committees of the opposition parties had negotiated in 1989. In the end, the parties were well served electorally by succumbing to Foxley, but Foxley seemed to expect compliance in deference to expertise. Foxley's occasional flashes of arrogance and extensive use of the mass media could suggest a discomfort with some of the normal conduct of democratic politics.

More seriously, Foxley sought to prevent the Congress, and especially the parties in his coalition, from constraining his technically "correct" policies, because he preferred to retain maximum flexibility. He also continued to see value in the institutional obstacles to party and congressional exercise of power that were inherited from the authoritarian regime, because they forced wide agreements prior to the implementation of major policies. Moreover, Foxley also played on labor unions' fear of the authoritarian regime to moderate labor demands. And yet, Foxley was the first finance minister in Chilean history to succeed at maintaining and developing market-oriented economic policies in a fundamentally democratic context.

Foxley experienced the tensions within the role of technopol more vividly when he became Christian Democrat Party president in 1994. In that new job, he found it difficult to cope with the murky and often personalized nuances of party politics. His commitment to emphasize ideas as the guiding star of politics was at times overwhelmed by the need to attend to egos, jealousies, and interests that palpitate at the heart of politics.

The tensions in the role of technopol also had different consequences for Cardoso, who can be located at the opposite end of the spectrum from Aspe. As Resende-Santos notes, Cardoso never had the "love for the state" evident among so many Brazilians on the political left or in the armed forces, but Cardoso has always been suspicious of the "magic" of the market. With the passing of time and with his growing frustration with the corruption and abuse of the bloated Brazilian state, Cardoso's interest in and respect for markets rose, but Resende-Santos's careful analysis makes evident that Cardoso found it difficult to celebrate a market-oriented economic policy in the manner that came so easily to the others whom we study. Cardoso, in short, resolved the tensions within the role of technopol by emphasizing the primacy of political goals and methods.

Technopols discover ongoing difficulties in reconciling the various dimensions included within this role. In part for that reason, Matthei's political career nearly aborted after a very promising start. Also in part for that reason, Aspe and for a long time Cardoso addressed these internal role contradictions by focusing on one dimension at the expense of the other. Cavallo and Foxley, and eventually Cardoso as finance minister and president, wrestled with these contradictions with far greater effectiveness. By this we do not exempt Cavallo, Foxley, and the latter-day Cardoso from some criticism, but we believe that they should be held to realistic standards in the context of their countries or the region as a whole. No finance minister in Chile and no economy minister in Argentina had pursued market-oriented economic policies in a democratic context as successfully as these two, and no Brazilian president had attempted ambitious and joint democratic and economic reforms.⁴³ These were historic accomplishments.

Conclusions

"Look at a success story," U.S. undersecretary of state-designate (and former World Bank vice president) Lawrence Summers exhorted his audience at the 1993 Annual Meeting of the Inter-American Development Bank. After having praised the general trend toward "popular, democratic elections and institutions," Summers continued: "Chile is an excellent example of a country that

43. See convergent analysis by Alejandra Cox Edwards and Sebastian Edwards, "Markets and Democracy: Lessons from Chile," *World Economy* 15, no. 2 (1992): 203-19.

has implemented far-reaching macroeconomic reforms [and] encouraged the development of the private sector and markets. . . . Now the government can concentrate its resources on the social sector. . . . Chile has demonstrated the political will to make social programs a priority. This is a good example for other countries."⁴⁴

After a decade-long economic decline in most Latin American countries in the 1980s, growth resumed in most countries in the early 1990s. After a legacy of political instability, Argentine and Brazilian civilian governments in the late 1980s and early 1990s survived the sort of hyperinflation that brought European and Latin American governments tumbling down earlier in the twentieth century.

In this book, we argue that there was a structural political and economic origin to the changes evident in several major Latin American countries in the early 1990s but that there has been a voluntarist resolution through the effective use of each nation's institutions. The structural crisis posed the problems; its severity forced elites to consider a wider range of policy options. The fact of an economic crisis does not by itself explain the course of policy adopted in the early 1990s. For example, in the 1980s and early 1990s Brazil suffered a similar crisis but only belatedly did it begin to adopt some policies comparable to those of Argentina, Chile, or Mexico. Similarly, Argentina suffered a severe economic crisis earlier in the 1980s; while it shifted toward democratic politics, it did not at that time adopt the market-oriented policies that it did in the early 1990s. The explanation for the joint adoption of policies that would foster freer markets and freer politics lies in the strategic actions of technopols working with their allies through democratic institutions to formulate new policy designs. They learned from the democratic or economic policy failures (or both) of their authoritarian and democratic predecessors.

The more successful outcomes have been those shaped by political leaders whose ideas were forged in both national and cosmopolitan contexts. They drew on the available international pool of ideas about the utility of markets to legitimate their views and, at a critical juncture, acted to turn ideas into policy. There was a second international pool of available ideas: respect for democracy. Fortunately for the fate of political openings, authoritarian regimes everywhere but in Chile had failed to deliver sound economic policies, depriving them of political support and opening the gates for new political regimes.

44. U.S. Department of the Treasury, *Treasury News*, 30 March 1993, 4–5.

In Argentina, Brazil, and Chile the leaders we study drew upon both sets of international ideas to fashion new market-oriented economic policies and to advance toward and consolidate more open politics rooted in each country's national experience. (In Mexico, the reforms focused mainly on economic issues.) This comprehensive shift was in place only by the early 1990s, ten years after the birth of the economic crisis in most Latin American countries—one reason why the crisis is only an important background factor and not the explanation for the direction and content of the new policies.

These political leaders are not Reagan, Thatcher, or International Monetary Fund “clones.” In fact, Cardoso since the 1960s and Aspe and Foxley since the 1970s have spent much time and intellectual energy, in speeches and publications, calling attention to the need for state action to address not just the problems of growth but also those of poverty. These technopols not only drew from but also helped to change the international “consensus” directing greater attention and channeling greater resources to social policies in the midst of economic adjustment and market liberalization. Cavallo's dissertation was a critique of the monetarist policies of Argentina's military government in the late 1970s, a critique—in which he was joined by the others whom we study—of policies once favored by the international community.

From Matthei on the center-right to Cardoso on the center-left, all five leaders we study in this book have advocated or implemented improvements in the state's capacity to tax. “Read my lips, pay your taxes” seemed to be their shared motto. These technopols helped to change the international “consensus” that the state had to be recrafted, not merely reduced, that nations needed competent governments, not puny ones. They are neoliberals neither in their views and policies on the social deficit nor in their views and policies on the state. They forced the state to shed its “fat” not to kill it by starvation but to render it “fit” to serve the nation's interests.

These political leaders learned early on the importance of ideas and of high professional standards. They internalized the norms of their respective technical professions. They returned home to build teams that would seek to conquer the state. They were classic idea carriers who went on to implement those ideas. They were bearers of a “passion” for open politics and open markets, “responsible” for the consequences of those beliefs and guided generally by a “sense of proportion”: in these ways, they were classic Weberian politicians. As scholars in Weber's sense, they became teachers to the nation. And though they came to function in bureaucracies, theirs was a more varied career pattern than that of Weberian bureaucrats and, as a result, more open to democratic politics.

As finance ministers, Aspe, Cavallo, Cardoso, and Foxley suffered to some degree Turgot's difficult relations with constitutional government, and Aspe, Cavallo, and Matthei had worked for governments in undemocratic regimes. The trend for them over time, however, was away from the temptations of Pharaoh's Joseph and toward political openings. The tensions inherent in the role of a democratic technopol can never be entirely solved, but these leaders addressed them far better than their predecessors or scholars of "technocrats" have led us to believe.

Their superior performance stemmed less from their technical skill—high as it was—and more from their understanding of the importance of politics for what they wished to accomplish. Our findings are consistent with Conaghan and Malloy's comparative study of Bolivia, Ecuador, and Peru—three cases where elected civilian presidents sought to reorient economic policies in the 1980s. Political craftsmanship was the reason why Bolivia's shift toward a market-oriented economy was much more successful than similar attempts in Ecuador and Peru. "In the final analysis, [Bolivia's president Víctor] Paz Estenssoro's vision—his understanding of the intimate connection between political change and economic change—was what differentiated his administration from those of [Ecuador's president León] Febres Cordero and [Peru's president Fernando] Belaúnde. Paz's accomplishments as an economic policy maker lay in his recognition that neoliberalism required reinventing Bolivia politically as well as economically."⁴⁵ In fact, our book's technopols politically outperformed Paz Estenssoro's government. The Bolivian politico-economic team "did not devote much energy . . . [to] how to organize support for their policies once in power." In Argentina, Brazil, Chile, and Mexico, politico-economic leaders spent considerable time explaining their programs and building and consolidating governing coalitions.⁴⁶

In late 1992, Richard Feinberg asked Foxley whether he accepted the label of "technopol." Foxley said he did, and went on to define the term: "First is the realization that to do a good technical job in managing the economy you have to be a politician. If you do not have the capacity to articulate your vision, to persuade antagonists, to bring people around on some unpopular measure, then you are going to be a total failure. . . . Economists must not only know their economic models, but also understand politics, interests, conflicts, passions—the essence of collective life. For a brief period of time you could

make most changes by decree; but to let them persist, you have to build coalitions and bring people around. You have to be a politician."⁴⁷

Speaking for himself and his peers, Foxley sketched the procedural utility of democracy for the implementation and consolidation of market-oriented policies. And so the economists in our study learned much about democratic politics, just as Cardoso, our only sociologist—and now president—learned about markets, jointly narrowing their past differences. Democracy is useful to bring about market-oriented reforms and, above all, to make them last. Foxley's understanding of democracy does not purge it of its "conflicts [and] passions" but, instead, seeks to harness the forces of democracy to set the rules and create the institutions that will shape and respond to the rational expectations of economic actors. Democracy also lowers transaction costs that stem from instability or authoritarian repression.

For these reasons, Chilean democracy accomplished what Pinochet's Chicago Boys never could in an authoritarian context: it bound the nation's future to the market by means of the nation's consent. The Chicago Boys willfully ignored the search for consent and could not institutionalize their policies. Democratic technopols understand the necessity and worth of politics. Cavallo's strategic use of congressional laws to bind himself, the government, and the nation to a new program of market-oriented policies was perhaps the most dramatic example of the efficacy of democratic mechanisms in fostering a healthy market. As Foxley also told Feinberg, the Argentine and Chilean cases show that "democracy can be effective and efficient in producing change."⁴⁸ For Cardoso and Foxley always, eventually for Matthei and Cavallo, least so for Aspe, moreover, democratic politics may also be valued for itself. Cardoso and Foxley, in particular, have devoted much of their adult lives to making democratic politics work.

To anchor political openings in markets, all five supported an opening toward international trade, though Cardoso with reservations. Those who served as finance ministers liberalized trade and sought to institutionalize freer trade by means of free trade agreements that would lock in the market reforms abroad just as consensual democratic agreement locked in such reforms at home. In this sense, the foundational cosmopolitanism of their ideas came to be implemented through their market internationalism.

45. Conaghan and Malloy, *Unsettling Statecraft*, 202 and, more generally, chap. 7.

46. *Ibid.*, 217–18.

47. Alejandro Foxley, interview by Richard Feinberg, in the Washington Exchange's *State of Latin American Finance* (Washington, D.C.: Inter-American Dialogue, 1992), 21–22.

48. *Ibid.*, 22.

Much remains to be done, however. Mexican politics have much room for a further opening; Brazil has barely begun to implement significant changes in economic policies. The near-term future of Argentine and especially Mexican policies remains somewhat uncertain at this writing, even if the overall direction of policy seems settled.

In all four countries, there is already evidence that the privatization of state enterprises has led to the consolidation of certain private and barely regulated monopolies and oligopolies; if this trend continues, privatization may turn out to be market illiberal. And yet, all five leaders seem conscious of the public loss from such concentrated private power, holding the hope that democratic governance and institutional transparency committed to markets may induce even alleged capitalists to welcome capitalism. As Golob quotes Aspe, in the long run market policies will only work if the private sector itself is privatized and becomes less dependent on state protection, subsidies, and contracts. Democracy will prosper best if private economic power is not so concentrated. The search for market liberalism, not just for the private ownership of the means of production, will serve the rational expectations of democrats who expect such policies from democratic technopols.

Moreover, as Golob also calls to our attention, the Mexican case reminds us that there is no easy and no instant correspondence between market-oriented economic reforms, on the one hand, and political democratization, on the other. Mexican leaders attempted the first, while at the same time limiting the second. It remains possible, however, that Mexico, too, will feature a market-oriented economy and more democratic politics as the new millennium begins.

"The philosophers have only *interpreted* the world, in various ways," wrote Karl Marx in his eleventh thesis on Feuerbach. "The point, however, is to *change* it."⁴⁹ Our technopols would agree. For them, too, the point has been to "change the world" in their respective countries and, they hope, to succeed more than Marx did.

49. Karl Marx, "Theses on Feuerbach," in *Marx and Engels: Basic Writings on Politics and Philosophy*, ed. Lewis S. Feuer (Garden City, N.Y.: Anchor Books, 1959), 245; italics in the original.