The International Political Economy of Transformation in Argentina, Brazil, and Chile since 1960

Eul-Soo Pang
Colorado School of Mines
Golden, Colorado
List of Tables viii

Acknowledgements ix

Abbreviations xi

Introduction xv

Part I Latin America in a New Age 1

1 Latin America in the Age of Globalization 3
   Globalization at work 3
   The global economy 4
   Latin America: then and now 7
   The genesis of the Latin American state and IPE 8
   A variety of authoritarian states and their offspring 10
   Incompatibility of the B-A regime with the global economy 14
   Core groups and actors in B-A regimes 15
   Political economy of reform and adjustment 16
   “Cosmopolitical” economy of Latin America 17
   Latin America in the age of economic multipolarity 18

Part II From Populism to Military Rule and Democracy 21

2 Argentina: the Birth of Latin American Populism 23
   The road to populism 23
   The making of a populist Argentina 26
   The early or sunrise phase: 1880–1930 27
   The classical or golden phase: 1945–66 29
   Argentina in the world economy 33
   The final or sunset phase: 1976–89 35

3 Brazil: Building a Capitalism without Risk 45
   The liberals of 1964 45
   The state and the market 46
   SOEs’ borrowing schemes 48
Allocation of and access to capital 50
"External savings and parallel dollars" 51
State-owned enterprises vs. foreign direct investment 54
National informatics policy 63

4 Chile: the Revolution That No One Desired 70
The end of the calm 70
The rise of Christian Democrats 73
Frei’s reforms 75
The presidential election of 1970 79
In retrospect 91

Part III Transition and Consolidation of Democracy and Market 93

5 Argentina’s Travails of Democracy and Market Economy 95
Populism’s last tango 95
Al-Mukhalis from La Rioja 96
The Cordobés from Harvard 106
Menem bets on a new horse 108
Argentina at a crossroads 118

6 “Brazil Is Not a Serious Country” 123
A new beginning 123
‘Collor’ed reform 125
Opposing camp 135
Sex, corruption, and globalization 136
Itamar the President Pifio 140
Cardoso, the Savior of Brazil 142

7 Chile: Pinochet’s Not Too Silent Revolution 146
Consolidating market authoritarianism 146
The junta’s long-term development policy 155
Resurgent democracy 165
Chile goes global 169
The second civilian government since 1990 170
The 1998 economic woes 173
The beginning of the end? 173

Conclusion: Will the Past Overtake the Future in Latin America? 177
Globalization versus sovereignty 177
Democracy or market, but not both 178
The supremacy of the state 179
SOE: an engine of growth or a breeder of corruption? 180
ISI: a double-edged sword? 181
Is democracy compatible with market? 182
Globalization: an elixir or a nadir? 183
Backlash to globalization 184
Contested globalization: state over market? 185

Notes 187

Bibliography 217

Index 241