

Weak Institutions an Obstacle to Governability in Latin America

Whether expressing their views in print or at international forums, analysts of Latin America consistently cite institutional weakness as one of the main problems of governability in the region. Symptoms of this problem include the imbalance of executive and legislative powers and fractious party politics with regard to long-term state policy. And indeed, according to the Latinobarometer 2001 poll, Latin Americans have little confidence in their political institutions, especially political parties and national legislatures.

In the case of Argentina, Mikel Barreda, an analyst at the Instituto Internacional de Gobernabilidad, identifies weak political institutions as one of the leading causes of the current crisis. Barreda blames, on the one hand, "the concentration of power in the executive branch; and, on the other hand, weak control mechanisms among the various state powers, especially the control exerted by the legislative branch."

Turning to Colombia, Maurice Kugler and Howard Rosenthal's essay in *Reformas institucionales en Colombia* points to an unstable institutional structure. The president enjoys discretionary powers and, in recent years, "Congress has become extremely fragmented, with its only purpose seeming to be handing out favors and pleasing special interests."

In an article in *Revista Foro* (January 2003), Simón Pachano writes that Peru and Ecuador tried to redefine their institutions through constitutional reforms in the 1990s. However, he acknowledges, these efforts failed to establish the distribution of power and resulted in institutions that were not fundamentally different from those that came before.

Given the diversity of experiences in Latin America, it is difficult to generalize about the region, but observers point to a common element: Democratic institutions have not worked well in practice, in that they have failed to provide a balance of powers.

Kugler and Rosenthal maintain that while successful countries (those that have managed to create the conditions for permanent institutional change) display a variety of political institutions, one important similarity is the existence of a balance of powers that works in theory as well as in practice. As examples, they cite a legislative branch with improved supervisory abilities; greater executive control over the national agenda (to cut down on concessions to Congress), referendums, citizen initiatives and political competition, which he calls "perhaps the most important control factor in a political system."

Other recent theories emphasize the role institutions play in development. World Bank studies show a positive correlation between institutional development and

macroeconomic and financial stability, as well as poverty reduction (*Beyond the Washington Consensus: Institutions Matter*, 1998). Unfortunately, the bank itself notes that, with the exception of Africa, Latin America ranks last in world regions in terms of institution building, despite progress made since 1990.

As Joan Prast, director of the Instituto de Gobernabilidad de Cataluña, writes in *Revista Perspectiva* (2002), from the point of view of governability in Latin America, "consolidating democracy does not mean merely defending the status quo of regular elections that keep a strong leader or ruling party in a position to exercise patrimonial, clientelist, mercantilist and arbitrary power. It means helping institutions change or evolve toward a system of political representation and participation that allows for a maximum of exchange between a maximum of actors. This is the way for democratic consolidation to occur and to bring, besides, economic efficiency and social integration."