

Critical Reflections on the State of Democracy and Neoliberalism in the Context of Latin America

Reflexiones críticas sobre el estado que guardan la democracia y el neoliberalismo en el contexto de América Latina

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Introduction

This research note seeks to reflect on and discuss current developments in Latin America concerning liberal-representative democracy over recent decades and its close relationship with neoliberalism. The aim is to reconsider existing theories and advance scientific or philosophical knowledge on the subject. This inquiry is framed within a basic (theoretical) research project titled “La democracia en América Latina y su deterioro en el contexto del neoliberalismo: descontentos y alternativas”. It draws on the perspectives of various authors situated within the disciplines of political science and sociology, who have addressed the topic, its scope, and potential solutions from the vantage point of critical theory.

Theoretical framework

Canadian professor Crawford Macpherson (2003) argues that there are at least two ways to understand liberal democracy: one “as the democracy of a market society,” and another as “a society in which all members have equal freedom to realize their capacities” (Macpherson, 2003: 9). The first of these took hold in the West several decades ago.

This perspective has been accompanied by a minimal conception of democracy in procedural and formal terms. Its most prominent and influential representative was Joseph A. Schumpeter, who asserted: “the democratic method is that institutional arrangement for arriving at political decisions which realizes the common good by making the people itself decide issues through the election of individuals who are to assemble in order to carry out

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its will” (Schumpeter, 1996: 321). He added: the “democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide through a competitive struggle for the people’s vote” (Schumpeter, 1996: 343). That is, the winners of the vote obtain legitimacy and then make decisions that affect the entire population. In other words, one must “give up the idea of government by the people and [...] replace it with the rule of politicians given power by the people” (Schumpeter, 1996: 316). This representative democracy assumed a dominant role throughout much of the twentieth century in Europe and the United States and, by the late 1980s, arrived in Latin America.

Another central element is that liberal democracy defends liberty as a vital principle—understood as “a determination to limit government and, therefore, to maximize individual freedom” (Gerstle, 2022: 75). This type of democracy “offers a politics that justifies individual rights. It is more committed to promoting individual freedom than to securing justice, to fostering private interests rather than advancing common goods, to isolating individuals rather than managing beneficial cooperation among them” (Barber, 2004: 62-63).

In recent times, however, we have witnessed the emergence and consolidation of a new phase of the capitalist system: neoliberalism. This is a large-scale, globalized market economy—a model that prioritizes the absolute freedom of economic and financial capital, particularly private capital. Neoliberalism defends free-market principles as its foundation. Globalization, in this context, is neither human, social, nor cultural—it is fundamentally economic. Nevertheless, it has powerful and distorting effects on other spheres of human (and planetary) life.

What has prevailed in recent years is globalism, which, in the terms of German sociologist Ulrich Beck, is the phenomenon through which “the world market displaces or replaces political action; that is, the ideology of the world market’s dominance—or the ideology of liberalism [...] reduces the multidimensionality of globalization to a single dimension: the economic one” (Beck, 1998: 27). It is this global capitalism that undermines democracy and ultimately dismantles it. Let us explore further.

Description of the problem

This text addresses one of the most serious and dangerous problems of our time: the *dysfunction of liberal democracy within a globalized world increasingly constrained by neoliberalism* and, therefore, by an unrestrained and ever more ambitious market economy that suppresses any possibility of dissent or critique. This is a democracy not only undermined by the immense and violent inequality produced by the neoliberal model, but also by the commodification of politics and liberal-representative democracy itself—turning citizens into

political consumers of increasingly unsubstantial campaign offers that are ever more detached from the interests and needs of the public.

Accordingly, these notes aim to critique the functioning of present-day liberal representative democracies, which have led to deep popular discontent and disillusionment. These democracies —what Robert Dahl (2000) called the “actually existing” ones— are embedded in and besieged by the global market, by a globalized world that dehumanizes governments and leads them to abandon their duty to govern for all, in pursuit of the common good.

This analysis and critique are offered in recognition of the fact that these democracies, by enthroning elections, voting, and representation as the only legitimate and possible democratic mechanisms (in line with the liberal tradition), ultimately hollow out the very meaning of democracy. As stated earlier, democracy today is encircled by economic globalization and can no longer function effectively or respond favorably to social demands. This is because the market corrodes and dismantles democratic foundations, undermining citizens’ capacity to engage actively and meaningfully in political life, to influence decision-making, and thereby to contribute to the improvement of their living conditions. This crisis becomes even more visible —and takes on more dramatic tones— in the so-called “Global South.”

Presentation of evidence

Let us begin with a revealing statistic. Most Latin Americans believe that governments today do not govern for the common good, but rather for their own benefit or that of a select few. In 2018, the Latinobarómetro survey reported that in two major countries of the region —Mexico and Brazil, both of which held presidential elections that year— citizens perceived that democratically elected governments ultimately serve the interests of a few groups at the expense of the majority. In Brazil, 90 % of respondents believed that the government rules for the powerful; in Mexico, the figure was 88 % (Latinobarómetro, 2018). These are overwhelming and compelling numbers.

In Latin America —the most unequal region in the world— the situation is bleak when we assess democracy as it currently operates within neoliberalism. For example, the fortunes of Mexican businessmen Carlos Slim and Germán Larrea grew by 70 % over the past four years (from 2020 to the present), and today are equivalent to the combined wealth of the poorest half of the population in Latin America and the Caribbean —approximately 334 million people (Oxfam México, 2024: 1).

Thus, one can reasonably argue that Latin American democracies are undergoing a deep crisis and are profoundly discredited in the eyes of their citizens, who no longer believe that their representatives truly represent them. Instead, they are viewed as operatives working in the service of transnational economic interests —particularly given that

citizens' social and economic rights have been severely eroded for decades. This erosion has hindered broad access to education, healthcare, decent employment, fair wages, social security, pensions, leisure, and ultimately, to well-being and dignity.

This, indeed, is one of the great paradoxes of our time and perhaps the clearest indicator that the liberal political model—as realized through representative democracy—is undergoing a severe crisis in Latin America and beyond. Its ideological foundations are being seriously questioned from various fronts, due to its inability to address the increasingly complex needs of human life. The crisis I refer to is rooted in the failure of governments to recognize, uphold, and protect citizens' rights (and the broader implications this has for human rights). It is also closely linked to how politics and democracy are currently conceived and practiced.

Reflections on the issue

In this context, it is worth recalling that a political discourse can (and should) fix meanings and create boundaries—non-destructive ones, yet capable of generating identity and belonging—in order to vindicate and defend vital interests and needs amid social and political conflict, within the hostile atmosphere produced by neoliberalism and its effects on politics. Faced with the pronounced hegemonic crisis currently experienced by both democracy and neoliberalism—evident in their loss of credibility and popular support—what is required is to “establish a political frontier, [where] left-wing populism—understood as a discursive strategy that constructs the political frontier between ‘the people’ and ‘the oligarchy’—is the kind of politics needed to recover and deepen democracy” (Mouffe, 2018: 17). For Ernesto Laclau, “populism” was always linked to a dangerous excess, yet he essentially conceives it as the construction of “the people” against “the elite” (Laclau, 2005). The Argentine philosopher proposes a discourse that forges a collective identity. Distinguishing between “them” and “us” does not necessarily imply an intolerant or authoritarian strategy; rather, it offers an alternative for asserting and defending the interests of the dispossessed classes. In an unequal, violent, and destructive world dominated by neoliberalism, there is a need to build a counter-power—an opposition strong enough to alter the balance of forces. This is essential because “neoliberalism today repudiates the demos, that is, both the people and democracy” (Fassin, 2018: 39).

Indeed, recent years have witnessed profound political and social changes, as well as severe social, political, economic, and even cultural consequences stemming from processes unleashed by neoliberalism and by the implantation of liberal democracy across various parts of the globe. These two spheres—neoliberalism and liberal-representative-electoral democracy—have been perceived, in light of these changes, in markedly different ways by

societies influenced by them. Depending on the geographical context, citizens have manifested greater rejection and discontent with prevailing conditions. In Latin America, as noted earlier, disenchantment with liberal democracy is palpable and growing.

Symptoms of crisis —first surfacing in the mid-1990s with the application of these economic and political models— have intensified in recent times. They signal malaise, pain, structural dysfunction, and severe impacts on individuals and communities alike, which manifest in dire social, political, economic, and, of course, emotional distress. The social and political bodies do not appear healthy; rather, they seem impaired and diminished. Today’s most widespread ailments —social and political inequality, fraught relations with freedom, excessive exploitation, and the absence of recognition and inclusion— preclude any genuine societal health. If people are not well, they are incapable —or find it far more difficult— to work for the common good and the reconstruction of the social fabric. Hence, it is entirely plausible to define our era as a sick, crisis-ridden epoch, marked by great difficulties that challenge and unsettle us daily.

A planetary crisis is unmistakably underway: perhaps as never before in human history, wealth is concentrated to an extreme degree;¹ justice is conspicuously scarce; and the abuse of power is utterly excessive. These traits make our moment exceptionally challenging and perilous, for states and their institutions do not seem equipped to respond adequately to the world’s enormous and growing challenges. The demands and needs of populations under capitalism, in its most destructive phase —neoliberalism— far exceed the state’s current capacity. The market economy breeds ever greater poverty, inequality, and violence, demands relentless competitiveness, and plunges billions of human beings into bewilderment and helplessness. This phase of capitalism thus assaults the two founding principles of modern democracy: *liberty* and *equality*.

We also inhabit a time of profound disagreement, confusion, and suffering. Instead of providing security and encouragement, democracies now usher in confrontation, destructive conflict, irreconcilable differences —situations in which some seek to impose themselves on others, ostensibly in defense of the elites’ “democratic” interests, though justified in the name of promises that once held meaning (and raised great expectations). These alluring yet unfulfilled promises of democracy —equality, freedom, comprehensive rights, the eradication of poverty, and so on— are now emptied of content and significance. They mean little,

¹ The effects left in the wake of neoliberalism are categorical —and deeply troubling. In multiple regions of the world, across nearly four decades of its existence, this economic model has widened the gap between the rich and the poor, with the result that 1 % of the world’s population now holds 80 % of global wealth. Or, seen from another perspective: “during the last decade, the richest 1 % of humanity has captured more than 50 % of all new global wealth generated. [And more than that] [...] since 2020, the super-concentration of wealth among the super-rich has intensified. Since then, two-thirds of the new global wealth created has gone to the richest 1 %, almost six times more than what reached the poorest 90 % of humanity.” (Oxfam International, 2023: 8)

if anything, to the populace, which represents a rupture with the established political order and necessarily impels us toward a decisive shift and the pursuit (and construction) of new alternatives. This is a time when people must allow themselves (not for long) to genuinely imagine new forms of government, political systems, and a new, dignified politics—to endow democracy with renewed meaning. Our era calls us to reflect; we must do so and be capable of effecting a turn toward the common good. Crises are, after all, also opportunities.

Today, our societies face a crisis of *governability*—one that is far from accidental. As Grégoire Chamayou notes:

Schematically, a crisis of governability can be located at two great poles—below, among the governed, or above, among the governors—and it can assume two main modalities: rebellion or deterioration, that is, rebellious subjects or impotent rulers; of course, these aspects may combine. “Only when those below no longer wish, and those above are no longer able, to go on living in the old way,” [...] “can a ‘governmental crisis’ turn into a revolutionary crisis.

If society is ungovernable, it is not so in itself but rather [...] “ungovernable in the manner in which it is currently being governed”. (Chamayou, 2022: 7-9)

If we define a civilization as a constellation of values, customs, forms of knowledge, and ideologies that have shaped a particular world—a society with specific traits, trajectories, and projections that distinguish it from past civilizations, from other historical times, and that is likewise characterized by a particular way of exploiting available resources—then the broadly liberal, Anglo-Saxon civilization that forged the democracy we know today now stands powerfully contested and deeply unsettled. The present crisis arises because the values and theoretical assumptions that have sustained Western liberalism for over three centuries are increasingly subjected to criticism; in empirical reality, they reveal the factual evidence of their own disintegration—of their incapacity to confront contemporary challenges.

Freedom, equality, representation, elections, the vote—in short, liberal representative democracy and its institutions—are all under scrutiny, subject to searching interrogations. At present, they struggle to remain upright and sufficiently vigorous to withstand either the bottom-up pressures that dissatisfied actors are exerting in Latin America and elsewhere, or the limitless expansionist drive of capitalism and its impact on these very democracies. Nor can they resolve the vast problems afflicting the populations of the countries where this form of government has taken root, much less curb or redirect the actions pursued by the defenders and beneficiaries of neoliberalism.

Thus, the crisis of representation sweeping contemporary societies—a civilizational crisis, insofar as the gears and premises of Western civilization have been compromised in

their political dimension, no longer embodying a path toward a better future for humankind— stems, in my view, from two fundamental causes:

- 1) *Pervasive poverty and inequality*. Democracies operate within contexts that wound human dignity and thwart the construction of better living conditions (and hence evaporate the possibility of achieving happiness);
- 2) *Meagre results delivered by popularly elected governments*. The paucity of substantive outcomes generates a representation crisis.

These two circumstances strip “representative” governments of legitimacy—or steadily erode it— widening the gap between citizens and the political class and impairing the institutions of representative democracy. As Manuel Castells observes:

Citizens vote, choose, and may even mobilize and grow enthusiastic for those in whom they place their hopes, switching from time to time when hope outweighs fear of change—a basic emotional tactic for maintaining political power. Yet the recurrent disappointment of those hopes erodes legitimacy, while resignation gives way to indignation when the intolerable emerges. (Castells, 2017: 17)

All of this breeds distrust. The danger, Castells warns, is that “the lack of trust toward certain representatives [...] can turn into distrust of various political institutions and ultimately of the entire political system” (Castells, 2012: 377). Hence the gravity of the present crisis, which compels us to contemplate the construction of a more direct, horizontal, inclusive, participatory, deliberative, substantive—in sum, *radical* democracy. I will not enter here into a detailed definition of radical democracy; I will merely recall that it “means democracy in its essential form, democracy at its root and, quite precisely, the thing itself” (Lummis, 2002: 38). That is, “power vested in the people.” Democracy is “a critique of any centralized power—charismatic, bureaucratic, class-based, military, corporate, partisan, unionist, technocratic” (Lummis, 2002: 38).

In other words, in these critical times, we must return to the very origin of the concept of democracy, infuse it with substantive content, and render it meaningful in light of our present. For these reasons, reflecting on democracy—in order to democratize it—resonates powerfully in today’s societies. This radical notion of democracy is invaluable because it reclaims social and political equality amid human diversity while insisting on activating mechanisms to secure economic well-being—mechanisms in which the state must play a decisive role (a return of the state?). It likewise underscores the need to foster deliberation among subjects who must be recognized in their dignity by the political community itself, and it of course entails the necessary participation of the demos in politics, in the construction of the public sphere.

A liberal-representative democracy that systematically neglects—or outright ignores—the very ideals that gave rise to it (freedom and equality) inevitably wounds and subjugates the true sovereign. Such a model cannot survive in its current form; it simply lacks the foundations required to cope with a world that has become more complex, harder to govern, and extraordinarily demanding. What our times require is the concerted engagement of citizenries alongside governments—governments that must shed their old garments, moving beyond traditional elections alone. We need complementary methods of selection and, crucially, mechanisms that genuinely allow citizens to be present in political circuits and to govern, shaping decision-making through direct deliberation and participation where societal choices are forged. This evokes the notion of self-government, in which

To demand blind deference to decisions one could not reflexively endorse is fundamentally at odds with the ideal of self-rule. Indeed, being part of a collective political project that is unresponsive to my interests, ideas, and ways of caring is likely to breed alienation. (Lafont, 2021: 40)

Nancy Fraser argues that, to escape an impasse, “we must first characterize the crisis correctly, pinpointing its distinctive dynamic; only then can a political realignment lead to a transformation of society as a whole” (Fraser, 2021: 21). In that spirit, the present predicament is political—though not solely so. It is also economic, with deep social (and political) distortions. Symptoms across countries signal

a drastic weakening—if not an outright collapse—of the authority of established classes and parties. It is as if multitudes of people around the world had ceased to believe in the prevailing common sense that had underpinned political domination over recent decades. As if those same people had lost faith in the goodwill of the elites and were now seeking new ideologies, organizations, and leadership. Given the scale of the collapse, it is unlikely to be a mere coincidence [in the various countries and regions of the world where there are intense disputes or widespread protests against representative democracy]. That is why we should assume that we are facing a global political crisis. (Fraser, 2021: 22 [*brackets added by the author*])

We likewise confront a severe economic crisis, driven by capitalism’s boundless appetite for expansion and wealth accumulation. Of course, capitalism has weathered crises before—notably the Wall Street crash of 1929. Many then believed that collapse was imminent, yet capitalism soon reconstituted itself and went on to wield durable hegemony over half the world. Where today’s crisis will lead remains to be seen; proclaiming the death of contemporary “hyper-capitalism” may be premature, however desirable it might sound. At present, the market economy faces no credible alternative ready to replace it.

The same patience is warranted for liberal-representative-electoral democracies. They appear to be reaching the end of an era, yet representation itself need not vanish altogether. It can be complemented by deliberative, participatory processes —ongoing scrutiny and engagement by social actors long excluded from formal political circuits. Representative democracy might endure, but only if it ceases to deny social complexity and conflict —hence, pluralism. We must once again recognize citizens’ capacities and social sensibilities, allowing them to participate politically as a means of self-government: present and active in community processes, studying reality, diagnosing it, and crafting solutions. This would amount to a *strong democracy*, its foundations resting in the people, who, knowing the problems firsthand, will more readily accept how they are governed when they help devise the responses.

Citizens must have the opportunity to take part; indeed, across the globe, they are fighting to do so, demonstrating that there is no “natural order,” as neoliberals claim. Any order can change, improve, or be reshaped. These are precisely the themes and perspectives now animating critical political science and sociology as they grapple with today’s world and its major challenges in Latin America and beyond.

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