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Support For Market Economy Declining, Region Wants Better Distribution Of Wealth, Says Latinobarometro

by LADB Staff

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Central Americans, like people throughout Latin America generally, are changing in their outlook and expectations, says this year's Latinobarometro poll. Taken in 18 countries across the region, the poll has tracked changes in public attitudes regularly since 1995.

The Economist, exclusive publisher of the poll, says that, despite four years of solid economic growth and low inflation, populations are becoming disillusioned with the market economy. "But rather than socialism," says the conservative publication, "they want a fairer distribution of income and a state that gives greater social protection." Only Venezuelan respondents said their country has a "just" distribution of wealth. No other country even reached 33% on that score. The region's citizens are also a bit less starry-eyed about democracy.

Last year's poll showed a bump in support for democracy, attributed to the dozen presidential elections around the region. Now that support has fallen back. The report's tables and charts show only about half of respondents are committed democrats regionally, but in five countries the popularity of democracy has gained, and three of those are in Central America. "In Costa Rica and Panama, where popular social democratic leaders are in office, and in Bolivia, Ecuador and Nicaragua, whose left-wing presidents, respectively Evo Morales, Rafael Correa, and Daniel Ortega, represent constituencies who have previously felt excluded from power."

By contrast, El Salvador and Honduras were among the countries with the biggest falls in support for democracy, and Guatemala now favors authoritarianism by a small majority. The Guatemalan outcome is somewhat contradictory in that the country just elected the social democrat Alvaro Colom over the much more authoritarian Otto Perez Molina in the Nov. 5 presidential runoff election (see NotiCen, 2007-11-08). Paraguay was the only other country in Latin America to favor authoritarianism. This year's poll saw a rise, from 17% to 20%, in the portion of the population that sees no difference between democracy and authoritarian government.

One place Central Americans showed greater decline than the regional average was on the question, "Is a market economy the best for your country?" Since 2000, the number who agree or strongly agree fell from about 62% to just about 50%. Latin America as a whole fell back from about 57% to just slightly more than 50%. Regional economic powerhouses Mexico and Brazil, along with Colombia, were the only countries to show gains on this question.

Director of Latinobarometro Marta Lagos interprets the figures to reflect both the persistence of poverty and the impact of "leftist discourse." That means, she said, that Venezuelan President Hugo Chavez's rhetoric against the US and against the Washington Consensus and its free-market dogma have had an effect, but the poll does not show a demand for an alternative economic system, just a

desire for a more protective state. Lagos' overall interpretation of the poll's main message is that, as economic growth and democracy have improved the lives of some Latin Americans, it has raised their expectations rather than making them more satisfied. "After four years of growth, people want to see that their slice of the cake is bigger," she said. However, the decline in appreciation of the market economy predates Chavez and the four years of growth. In 1998, the approval figure was 66%.

Across other criteria, a division between two major themes can be teased out, unemployment and crime. These were the greatest concerns of 18% and 17% of respondents, respectively. Guatemala, El Salvador, Honduras, and Costa Rica all chose crime as their major concern. Elsewhere, Chile, Argentina, and Brazil were equally concerned. In Mexico, crime was statistically tied with unemployment. Panama was more concerned with unemployment than with crime, as was Nicaragua, where only a scant 2% worried about crime. Nicaraguans feel more secure than any population in Latin America. There, 21% answered yes to the question, "Can you say that to live in your country is getting safer by the day?" Elsewhere, 11% of Guatemalans answered affirmatively, 8% of Salvadorans, 7% of Hondurans, and 5% of Costa Ricans.

Costa Rica's victim mentality

Some of this was surprising. Costa Rica is far more secure for the average citizen than is Guatemala, according to available figures, yet Costa Ricans are among the "most frequently worried" about being victims of crimes. Only Paraguayans and Argentines were more afraid, "always or nearly always," of some kind of crime befalling them. Costa Ricans' fears belie their reality. When asked if they had actually been victimized in the last 12 months, Costa Rica was 15th at 32%. For the rest of Central America, Honduran respondents said they were victimized most often, at 44%, while 41% of Salvadorans, 32% of Guatemalans, 28% of Nicaraguans, and 14% of Panamanians were.

Costa Rican perception of victimization could have something to do with their being the most distrustful of Central Americans. Asked if they could "trust most people," 31% of Guatemalans thought so, 23% of Panamanians, 21% of Nicaraguans, 20% of Salvadorans, 16% of Hondurans, but only 5% of Costa Ricans did. The mean for all of Latin America was 17%. Some analysts take Costa Ricans' wariness seriously.

Daniel Zovatto, member of Latinobarometro's international advisory council, said the findings were very dangerous, representing a serious limitation on the country's social development. "In the case of Europe and the US, levels of interpersonal trust are above 30%. In the case of Latin America, this percentage has always been low; in 2006 it was 22%, in 2007 it ended up falling to 17%. But Costa Rica unfortunately fell to very low levels." He noted that the distrust could be seen in the streets, where the great majority of homes are fenced in, public streets have been blocked off and turned into private barrios with guard towers. "This phenomenon seems to be problem number one for Costa Rica, and I think this is having social repercussions. This physical fencing could be bringing with it a mental fencing in the sense of a high degree of distrust of unknown others," said Zovatto.

This is not to say, however, that there is no basis for Costa Ricans' fears. While still very low in comparison to other countries of the region, the homicide and property-crime rate has doubled

since the early 1990s from 4.2 to 7.6 crimes per 1,000 inhabitants in 2006. Miguel Gutierrez, director of the Estado de la Nacion program in Costa Rica, noted that this fear has driven security spending up in the country, both in the government and in the private sector.

In the public sector, spending has fallen short. "If we look at the police, we have a police force the same size as the Army we had in 1854. Now there are many more private guards than police. It is clear that public security does not reach, and must complement the private, but the private does not offer the guarantees that the public [security forces] can."

But, while the hypothetical Costa Ricans might not trust their neighbors, they do seem to trust their vote. Costa Rica emerged first in the poll with 83%, as the country most supportive of democracy in all of Latin America. Other Central Americans were close behind Panama, 62%, and Nicaragua, 61%. But the isthmus was split on the question. El Salvador and Honduras tied near the bottom at 51%, and Guatemala tied Paraguay at dead last with 41%. Support, however, did not equate with approval in the survey. No Central American nation reached 50% on the question of satisfaction with democracy. Costa Rica led the region with only 47%, Guatemala trailed with 30%.

On the fraction of the population in Central America satisfied with the economy, none could come anywhere near the top vote-getter, Venezuela, where gasoline goes for just pennies a gallon. There, 52% rate the economy as good or very good. Brazil, the Dominican Republic, and Ecuador all placed second at 26%. In Central America, 22% in Costa Rica agree the economy is good for them, 20% in Honduras, 19% in Panama and El Salvador, 18% in Guatemala, and only 15% in Nicaragua. Regionwide, expectations for future economic improvement have declined.

In 2006, 39% thought "the situation will be better in 2007." Having tasted of 2007, only 31% of respondents now think 2008 will be better. Falling faith in markets Somewhat related to future expectations is belief in markets. In Central America, Nicaraguans, at 66%, are the most fervent believers. Costa Ricans are next at 56%, followed by El Salvador at 52%, Honduras at 49%, Panama, 41%, and Guatemala at 34%. But these are all decreases, compared with the 2005 data, a decline of 6% for Nicaragua, 17% in Costa Rica, 3% in El Salvador, 23% in Honduras. Guatemala and Panama led the plunge, their faith in the unseen hand falling 25%. The two countries share the bottom position for Latin America as a whole with Venezuela.

The decrease has been going on since 2002. It will not go unnoticed that these declines occurred in Central America during the first year in effect of the Central America Free Trade Agreement (CAFTA), the promised spur to growth and the way out of poverty. As the disappointment has set in, perception of the importance of private enterprise has also declined, and the state, so roundly disparaged in the past, has begun to see resurgence in citizen trust. In El Salvador, where in 2005 only 21% thought the state could solve most problems, 40% now believe in the state's power to do so. Costa Rica was at the bottom of the list, but even there, the figure rose from 24% in 2005 to 30% now. In none of the countries of Latin America did a majority of respondents think privatization was good.

The 2007 report surprised many with its results, which the text interpreted to mean that there is "a second independence of Latin America explaining the sociological evolution of the region." The

first was, of course, that from Spain. The lowered expectations of democracy imply that change has not come as hoped for the region. Demand for equality before the law and an end to corruption are increasing, and the report measures a coincident increase in skepticism. "The region surprises us this year, just as it has in the past. Institutional crises have resulted from constitutional decisions (in the last decade, 14 presidents were replaced for bad performance) without military intervention." The narrative attributes the decline in confidence in the market and increase in trust in the state to the failure to correct abuses and excesses through economic policies derived from the Washington Consensus and "a rejection of the discourse about the market economy as the only means of development...."

On the results concerning democracy, the report notes, "Latin America has never experienced an electoral agenda as intense and of such importance as what we have been seeing since 2005. Nor, until now, has there been produced, through popular vote, a political change as profound as has occurred during this short period. As a consequence of all this, we now have a highly politicized and polarized region, with frequent elections and new leaderships."

The survey was taken in Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela, and the Dominican Republic. The polling was done between Sept. 7 and Oct. 9, with a total sample of 20,212 respondents over the age of 18. The margin of error was 3%.

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