

# **ECONOMIC, SOCIAL AND POLITICAL REALITY IN IBERO-AMERICA**

*By Wifredo Canales*

*Country of Origin: Peru*

*Serving in: Paraguay*

## **INTRODUCTION**

The organizers of this conference have named the second part of the subject of this conference “The Present: An Attempt at a Situational Analysis with Integrity”. We recognize this statement, because one of the characteristic traits of theological reflection in the southern world, in difference to the North Atlantic world, is exactly this, to take into account the situation in the midst of what should be our obedience to the Lord. From this perspective, theological reflection distances itself from the land of abstraction to respond to the challenges of the human situation of where we must minister.

At the beginning of this paper, we are obligated to make some introductory comments about two of the categories that are used. On one hand, the category *Ibero-America*, far from helping us to give a precise identity, in reality, confronts us with a complex cultural and social diversity. The same occurs with the category “Latin America” and others that have been used in diverse contexts.<sup>1</sup> Probably it is understandable to talk of “Ibero-America” to make reference, from the geographical point of view, to the countries that speak Spanish and Portuguese in America and Europe. Or culturally, to include, in addition to those already cited, the Hispanic world in the United States. However, to use this category to speak of the economic, social and political reality of a segment of the world that is totally heterogeneous, it seems to me beyond the limits of this paper. We find ourselves facing the challenge of a complexity. This complexity was highlighted by Francisco Piñon, General Secretary of the Organization of Ibero-American States, when he affirmed,

Ibero-America constitutes a community integrated by American and European peoples with strong bonds of historical roots and new social, political and cultural affinities, but also constitutes as an identity of project that tries to favor the integration and development in the region based on the foundations of its cultural diversity.<sup>2</sup>

The above brings us to limit our focus in the sense that we are going to assume as synonyms *Latin America* (giving ourselves license to include the Caribbean nations that do not speak a “Latin” language), and *Ibero-America* (in the sense that includes Brazil). When we make reference to *Ibero-America* in more ample terms (including Spain and Portugal) it will be for comparative purposes between the Latin American reality and that of the Iberian reality (Spain and Portugal).

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<sup>1</sup> Octavio Paz, referring to the notion of “Latin America” said: “For almost two centuries errors about the historical reality of Latin America have been accumulating. Not even the names that try to designate it are exact: Latin America, Hispanic America, Ibero-America, Indoamerica? Each one of these names leaves unnamed a part of the reality.” In *Tiempo Nublado* (Planeta Colombiana Editorial, 1<sup>st</sup> reprint, 1990), 162.

<sup>2</sup> “Presentación”, *Pensar Iberoamérica* (No.0, Madrid, Febrero 2002).

On the other hand, this category *reality*, that appears to allude to something static, fixed, almost “photographic”, that is there to be “observed”. This of course is not this way. And even less, when dealing with the economic, social and political (in summary, human reality) reality in Ibero-America. The “reality”, then, as an analytical category in social investigation, points to something dynamic, changing and complex, whose understanding requires the use of a diversity of tools that make it possible to diagnose and to make proposals to improve or transform, according to each case. Even when the organizers of conference have recommended that “in much as possible in the diagnostic evaluation, statistical data should be precise and recent”<sup>3</sup>, it is important to emphasize that the reality is not reflected in nor can it explain itself; it must be analyzed and interpreted from a referenced theoretical framework that makes sense of the statistical information. Statistical data, by itself, does not have any significance if it is not accompanied by the respective analysis.

Taking into account these considerations, we will first focus our attention on certain indicators of the economic, social and political reality, and then suggest some derivations of this reality in the life of the church.

## **1. INDICATORS OF THE ECONOMIC, SOCIAL AND POLITICAL REALITY**

Every present requires a look at the past, although it is an oblique look. Much of what we are living today is directly related to the process that gave us identity as nations or a continent, according to each case. Because of this, we consider of great value the appreciation of Robinson Cavalcanti, when he shows:

We are a continent under construction. In contrast to the ancient Asian and old European civilizations that have centuries and centuries of history, with a culture and institutions established, the New World—in spite of 500 years after its “discovery”—continues being a region marked by instability and by great questions in relation to its future.

Even before the Iberian presence we were never a unity. We live divided by ethnics and political units, in vastly differentiated cultural enclaves. To this original diversity the colonial empire of *two Iberian peoples* has to be added—Spanish and Portuguese—whose accented differences should not be minimized. The interaction between the diverse colonizers and natives is reflected in the distinct profiles of the Castilian viceroyalties and the various Portuguese captainships in America.

An additional differentiation appears with the importation of African slave labor..., whose presence is very significant in our Atlantic coast... We have in common a *language* (that are really two), a *religion* (whose percentages, influences and characteristics are not uniform), and *poverty* (asymmetrically divided) that tell us that we are on the *periphery of the international system*.

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<sup>3</sup> First Ibero-American Nazarene Theological Conference, “Regulations for the preparation of principle papers and reactions”, 4.

The diversity of a continent under construction: this is to say that what has been destroyed, what was brought could not be transplanted and the new is yet to be consolidated.<sup>4</sup>

In light of Cavalcanti's statement, we can note the disparity that this implies, historically, in the Ibero-American category. In the configuration of this conglomeration, there is constant historical tension: the Iberian countries (Spain and Portugal), in full process of colonial expansion, disembarked on this part of the world, that, with their arrival, started a process of "construction", or better, a relationship with the hegemonic metropolis that have marked the dynamic of the life and development until the present.

Centuries later, we find ourselves with the same asymmetry. The Iberian countries of the peninsula are now part of a reality called Europe and are connected in the current process of globalization, in a totally distinct way from the "Iberian" countries on the American continent.<sup>5</sup> Let us look some indicators: The decade of the nineties, for Latin America, started full of expectations, opposite of the previous decade. The so-called "lost decade" (the eighties), in allusion to the problems of economic growth and social development marked by the debt crisis, was finishing, and with it, it appeared that a "better" stage was starting. In the international context, radical changes were happening in the eastern European countries with its most dramatic symbol, the fall of the Berlin Wall (November 1989). As a result of this change, a new significant impulse was given to the reunification of Germany (October 1990). If we project these events in the larger political panorama, one would have to show that we saw, then, the end of the so-called Cold War and the bipolarity that characterized a large part of the 20<sup>th</sup> century. From the economic point of view, the profiles of the so-called process of globalization were being accentuated.<sup>6</sup>

In this context of crisis and change, economist John Williamson of the International Economic Institute,<sup>7</sup> coined the expression "Washington Consensus".<sup>8</sup> This "consensus" sought to explain in detail, according to Williamson, a set of economic reforms for Latin America, whose economies were characterized by a strong State presence that had to be applied to attract once again private capital, and to get out of the debt crisis. The reforms in question were, fundamentally, ten: fiscal discipline, reordering of public spending priorities, tributary reform,

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<sup>4</sup> "La situación socioeconómica y política de América Latina", *Boletín Teológico*, No. 44 (Buenos Aires, 1991), 249.

<sup>5</sup> For a more profound study of this statement, see Klaus Bodener, "Las relaciones europeo-latinoamericanas en los noventa: nuevos impulsos, nuevos temores", in Mols/Hengstenberg/Kohut/Sandner/Sangmeister, eds., *Cambio de paradigmas en América Latina: Nuevos impulsos, nuevos temores* (Caracas: Editorial Nueva Sociedad, 1994), 77-91.

<sup>6</sup> For a more profound study of this statement, we highly recommend José Miguel Benavente and Peter J. West, "Globalización y convergencia: América Latina frente a un mundo en cambio" in María Concepción Tavares and others, *Economía y Felicidad*, Cuadernos de Ciencias Sociales (San José, FLASCO, 1992), 49-99. Rolando Franco, "Globalización, democracia y equidad: ¿qué pasa hoy en América Latina?", *Contribuciones*, No. 3 (Buenos Aires, 2000), 49-73. Alain Touraine, "Mutaciones en América Latina", *Sociedad*, No.2 (Buenos Aires, May 1993), 5-15.

<sup>7</sup> The headquarters of this institution is located in Washington, D.C.

<sup>8</sup> The name "Washington Consensus" alluded to the "tacit agreement" that a group of international organisms and North American agencies had, all of which, have the headquarters in Washington, D.C.: International Development Bank (IDB), World Bank (WB), International Monetary Fund (IMF), Secretary of State and Treasury Secretary.

interest rates liberalization, competitive exchange rate, commercial liberalization, liberalization in foreign investment, privatization, deregulation, and property rights. As Jeremy Clift shows, “even when this set of policies had the original objective to reform the economies of Latin America, it soon became the model for entire developing world. It gave emphasis to macroeconomic discipline (particularly fiscal), market economy, and openness.”<sup>9</sup>

From these proposals, conveniently accompanied by pressure from international credit organisms and the United States administration, the so-called Structural Adjustment Programs (PAE in Spanish) began to be implemented in the diverse countries in the region, with its corresponding degrees of depth and crisis. In the countries where these programs were “applied”, those responsible for economic policy justified their decisions with the promise that it was the “only” way to get out of the crisis and to enjoy healthier economies with benefits for “all”. Even when, during the course of the nineties, several warning voices were raised<sup>10</sup> in respect to the needs of the political order that must accompany this “reforms package” or new “paradigm” as it was called, these voices were not heard.

Looking around at our surroundings, what has been the result of this “new paradigm of economic development”? Can we celebrate its “fruits”? Different analysts, from diverse ideological angles give us their diagnostic. José Antonio Ocampo, at that time, Executive Secretary of the Economic Commission for Latin America (CEPAL in Spanish), made the following observation:

Economic liberalization was presented to the developing world as the answer to inefficient strategies associated with commercial protection, to high levels of State intervention and rent-seeking on part of the economic agencies, whose said strategies generated.... In recent years this has produced intense questioning about the wisdom of this vision (in the central countries).... In the developing countries, the disillusion with the reforms is growing.... Commerce and direct foreign investment has notably increased, but the “Promised Land” of high rates of growth are more frequently perceived as a mirage. In Latin America, the region where there has been greater advance in the reform process, growth in the nineties was only 3.2% annually, a rate significantly lower than the numbers registered during the three decades of State-led industrialization between the fifties and the seventies (5.5% annually).<sup>11</sup>

Even more incisive in his analysis, Ignacio Ramonet shows, “The structural adjustment policies imposed on developing countries in the nineties within the framework of the Washington Consensus have given satisfactory results on the macroeconomic scale, but have

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<sup>9</sup> “Más allá del Consenso de Washington”, *Finanzas y Desarrollo*, No. 3 (Septiembre 2003), 9.

<sup>10</sup> Harmut Sangmeister, in his work “El cambio de paradigmas: Adiós al desarrollismo y al cepalismo” [Paradigm Changes: Goodbye to Developmentalism and “CEPALism”] sustained, “Although it appears to be paradoxical, at first glance, the current reform policies oriented towards *liberalization* of the market forces a new way of State regulation beyond Statism and Neoliberalism; to limit social, political and economic costs of this transformation, the State has to widen its autonomy and competence to be able to watch the markets, encourage technological modernization by means of practical educational and investigation policies and impose a social compensatory policy”, in Mols/Hengstenberg/Kohut/Sandner/Sangmeister, eds., op. cit., 187-188.

<sup>11</sup> “Retomar la agenda del desarrollo”, *Revista de CEPAL*, No. 74 (Santiago, Chile, Agosto 2001), 8.

signified an exorbitant and contra-productive social cost. The governments have *healed* the economies only by favoring international investment, and at the same time, have destroyed the societies.”<sup>12</sup> The destruction of societies that Romonet refers to signifies for our Latin America the rupture of the social texture at dramatic levels. In a recent report produced by the United Nations Development Program<sup>13</sup> (PNUD in Spanish), confronts us with very chilling data: While in 1980 poverty affected 35% of the Latin American population, currently 43.9% of the population lives in poverty (225 million). Of this population, 100 million (19.4%) are indigent. Aggravating this dramatic reality, in 1998, more than 50 million individuals, who belonged to the middle class, have now moved to enlarge the class of the Latin American “new poor”. As if this weren’t enough, our region boasts of having the degrading privilege of being the most unequal on the planet in respect to wealth distribution: 10% of the wealthiest of the population has 30 times the income of the poorest 10%. Added to this “gallery”, Latin America has another record, the highest homicide rate in the world, that is, 25.1% deaths per 1,000 inhabitants. Also, indicator of injustice is given in the fact that 54.8% of prisoners have not been formally sentenced.

This “picture” that this data paints reveals to us that, the crisis of the eighties not only was not solved but was aggravated in the nineties, in spite of the traumatic adjustment and sacrifices that were experienced, especially by the most vulnerable sectors. Broadly speaking, this has produced a severe deterioration in the quality of life, it has fractured the structures of political intermediation; it has severely affected education, nutrition, health, and the environment. All in all, we are living in a framework of crisis. Uruguayan political analyst Fernando López-Alves, tell us regarding this,

One observes the same feeling, in our countries, regarding the direction that the political and economic processes have been taking; fundamentally, a subtraction of the horizons of certainty that every society needs to have. This produces a sense of emptiness, a lack of a future tied to aspects that are perhaps less rational but equally important in the social life that were neglected by the political leadership. There is a common sensation that we are adrift, that the ship has no destination, that no one knows where we are going.<sup>14</sup>

## **2. PERSPECTIVES**

Within the framework as the one described, can pertinent outcomes be thought of? Answers are being given from different spheres. Economist Bernard Kliksberg, of the International Development Bank, brings to attention some aspects that a little while ago would have sounded strange:

Does the family, a fundamental institution in society, have any impact on the economy? Does the situation of a country when speaking of predominant moral

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<sup>12</sup> “Efectos de la globalización in los países en desarrollo”, *Le Monde Diplomatique*-Edición Chile, No.1 (Santiago de Chile, Septiembre 2000).

<sup>13</sup> “Fortalezas y debilidades de la democracia en América Latina”, Programa de las Naciones Unidas para el Desarrollo, Reseña comentada por Hinde Pomeraniec, *Diario Clarín* (Buenos Aires, 25 de abril, 2004).

<sup>14</sup> “El neoliberalismo se olvidó de los destinos nacionales”, Interview in *Diario Clarín* (Buenos Aires, Septiembre 8, 2002).

values influence in the economy's performance? The vision of development that is solely based on economics that has had such a wide-spread presence in Argentina and in Latin America, excludes from its analysis themes such as the family, ethical values, solidarity.... There is growing dissatisfaction on the international level with this focus. It arises from macroeconomic and social failures such as Argentina's, among others, and from the recognition of the heavy weight that these can have on the economy along with other dimensions such as cultural and family ethics. To make a good economy, as reality indicates, also signifies vigorously stimulating solidarity, protecting the family with active policies, demanding integral ethical conduct from the leaders, and returning the link between ethics and the economy.<sup>15</sup>

From the political perspective, the United Nations Development Program has recently given a report of extraordinary importance, "La Democracia en América Latina: Hacia una democracia de ciudadanas y ciudadanos" [Democracy in Latin America: Towards a Democracy of the Citizens]. In the preface, Elena Martínez, Regional Director of the UNDP for Latin America and the Caribbean, synthesizes the purpose of the report in very precise terms: there is reiterated approach for democracy, as government by the people, but "Government by the people signifies then a State of full male and female citizens; one form, if the authorities are elected, but also an organizational form that guarantees the rights of everyone: civil rights (guarantees against oppression), political rights (to be part of the public and collective decisions) and social rights (access to well-being)."<sup>16</sup> This will become the political agenda in the coming years in our countries.

In the context of this crisis and its challenges, what role does the church and its mission have? Is there space to think that this could be a significant role? Héctor Pavón, a journalist, summarizing an investigation about religious practices done in greater Buenos Aires (Argentina), affirms, "During years in the past, men and women overwhelmed by a common situation of hopelessness, motivated in great part by economic problems, added mystical and esoteric customs to their particular religion."<sup>17</sup> In this same investigation found that 65.5% of those interviewed believed that the lack of labor perspectives and the social crisis are the causes of the increase in supernatural beliefs and alternative religions. Also, 35.2% believe that this occurs because people have a desperate need to believe in something; 29.7% believe people look for magical and rapid solutions to their real problems and 29.1% because they need to channel the frustration they feel.

In this panorama then, it is not strange that we note the proliferation of the most varied and strange forms of the religious that is being disseminated throughout the continent. Also, this phenomenon becomes a serious challenge to the clarity that the church must have regarding its mission, including the way to accomplish it, avoiding falling into the easiest, the immediate and the superficial that will affect its integrity in the function of the demands of the Kingdom of God that is calling to incarnate and proclaim.

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<sup>15</sup> "¿Cómo hacer buena economía?", Extractado de [www.iadb.org/eitca/documentos/kli\\_hacia.htm](http://www.iadb.org/eitca/documentos/kli_hacia.htm).

<sup>16</sup> *Alfaguara* (Buenos Aires, 2004), 16.

<sup>17</sup> "Los atajos de la fe", Suplemento Zona de la política, la sociedad y las ideas, *Diario Clarín* (12 de Noviembre, 2000), 3.

## CONCLUSION

A panorama as just described could lead us to assume that, as a reality, besides being complex is fractured, there is very little that “we” can “do” as a church. Many times, facing such a situation of clamoring desperation we opt for retreating, thinking that “our task” has more to do with personal jurisdiction, “spiritual” and therefore, very little social transcendence. This perspective is the result of a limited missionology and in some cases, commitment to a project that has nothing to do with the Kingdom of God.

Our focus must change, to give way to one that is broader and more challenging, that helps us to inscribe our service to the Lord and his kingdom, in a context of a transformation that, starting in a personal level, will impact family, community, social and even broader levels. In this line of perception of our mission, Luis Ignacio Sierra Gutiérrez emphatically show us,

The human religious dimension is not just present in the intimate and private domain in which it has been relegated to be the rationalization processes of modern society, but which underlies the social, penetrating and transforming the dense tissue of spontaneous intersubjective relationships, social organizations and interpersonal and community relationships. There doesn't exist a culture without religious manifestations or expressions...We cannot deny then, that the religious in an identity constructing element, a sense of belonging and sociocultural participation. The religious has its own social character, which signifies what is assumed and expressed socially and that has implications in other aspects of life in a human group, in a society.<sup>18</sup>

From the Word of God, we can avail ourselves to a clear exhortation for a time like now. This exhortation, although proclaimed to the people of the old Covenant (Israel), needs to be retaken by the Church, the people of the new Covenant. In Isaiah 35:3-4a, with a voice like thunder, the Lord declares through the prophet, “Strengthen the feeble hands, steady the knees that give way; say to those with fearful hearts, ‘Be strong, do not fear.’” This mission to “proclaim” does not end with the verbal. This implies that the life of the Church, as an agency of the Kingdom, must be defined, clarified and delimited. In other terms, we must ask ourselves, what does it mean to be the church today? Its profile must be delineated in light of the Word. On the way to establish a framework for the effect, we would say that the church of Jesus Christ to be such, must demonstrate the marks of the genuine presence of the Spirit of God directing his people in the fulfillment of his purpose. Therefore, the church must revise its values, its priorities, its philosophy of ministry, its leadership styles, in short, it must revise its own life, to see if it is serving the Lord or other “idols” of the moment.

On the other hand, the gravity of the present moment obligates the Church to reformulate its “pastoral”, that is to say, its explicit action before the surrounding human reality. This supposes that there is an urgent need to define or redefine what we understand as ministry and ministries. We need to take the pulse of worship, fellowship, teaching, proclamation and

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<sup>18</sup> Paper, “Religiosidad, medios de comunicación y consumo”, In VIII Encuentro Latinoamericano de FELAFACS (Cali, 1994), 2. The presenter is a prestigious theologian and professor in the School of Communication and Language in the Pontificia Universidad Javeriana in Bogota.

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service, as vital functions of the church in the framework of an inheritance and a context that should not be taken lightly. We need, also, to delimit well the directionality of what is organizational, what is structural of the church, to put it in function in a pastoral that is a faithful reflection of a missionology rooted in the Word, in a world that is fatally wounded.

The hour is marked by crisis. This crisis is delineating the landscape of our mission. But also, the present is an hour of hope. The task will not be easy, but it is possible. We have the guarantee that we are in a mission that counts on the backing of Him who called us to serve him in the midst of this crucial hour, for glory to His Name. Therefore, let us be worthy instruments of God in this difficult hour.