

HUBER, Evelyne and John D. STEPHENS, 2012, *Democracy and the Left: Social Policy and Inequality in Latin America*, Chicago, University of Chicago Press. 368 pp.

In this book, the authors present a comprehensive study on recent progress in the war against poverty and inequality in Latin America, combining a quantitative analysis with a comparative historical analysis. The authors conclude that democratization and the victory of leftist political parties make possible the implementation of redistributive policies.

Building on their previous work on welfare states in Europe, Huber and Stephens employ power constellations theory to explain Latin American social policy regimes. According to this theory, three dimensions shape the adoption of redistributive policies in Latin America: the first is the balance of power between social classes and political parties; the second is related to state-society relations; and the third dimension includes transnational structures of power, including multilateral organizations and the international system of states. Favorable combinations of these three dimensions produce constellations of power conducive to reforms in social policy, which have occurred in various countries in the region starting in the 1990s.

The theory of constellations of power is an important theoretical contribution that – in clear contrast to the theory of the average voter – explains why pro-distribution political coalitions do not arise even when the majority of the population desires such policies. The authors maintain that inequality in material resources is accompanied by inequality in political resources, which occurs because unequal societies have weak union organization, a fragile civil society, high levels of clientelism, low social capital, considerable illiteracy, and educational inequalities. These characteristics lead to large “class asymmetries in political influence,” which translates into social policies that are barely redistributive or even anti-redistribution.

Nevertheless, the authors maintain that deepening democracy enables the creation and strengthening of leftist parties, which broadens the political spectrum and makes it possible to introduce redistributive social policies. In their view, the left is the natural ally of poor sectors because of its ideological commitment to egalitarianism and solidarity. But these effects are not immediate: it will take about twenty years for democracy to bring about redistribution.

Huber and Stephens demonstrate their theory combining statistical regressions for 18 Latin American countries with a comparative historical analysis of Argentina, Brazil, Chile, Costa Rica, and Uruguay. These countries were selected because, at the end of the 1980s, they were the leaders in social policy in Latin America.

In the fourth chapter, the authors reconstruct the history of social policies in these five countries up until the end of the import substitution industrialization era. This leads

them to identify two paths that led to generous social policies: the path taken by Chile, Uruguay, and Costa Rica, countries that had a long democratic trajectory that allowed for the strengthening of leftist parties and the implementation of cutting edge social policies; and the path of elite cooptation, taken by Argentina and Brazil, where redistributive social policies emerged in response to the incorporation of working classes by populist leaders.

In the fifth chapter, quantitative methods are used to demonstrate the influence of democracy and the left on social spending and the reduction of inequality and poverty. Controlling for other variables, which are also identified as determinants of this phenomenon, the authors find moderately favorable evidence for their hypothesis.

The statistical study is complemented with an analysis of five cases selected from the period that extends from the adoption of pro-market reforms to the present. The authors maintain that starting in the 1990s, constellations of power have been better aligned with social policies and that the deepening of democracy opened spaces for popular mobilization, the strengthening of parties on the left, and the implementation of innovative social policies such as conditional cash transfer programs. Then, in the last quantitative chapter, the authors compare their predictions with Spain and Portugal.

Despite the strong theoretical base, the empirical development of Huber and Stephens' argument has various limitations. First, the results of the quantitative exercise provide very limited support for their hypothesis. Second, and taking into account the data presented in Chapter 5, the model cases they chose to develop and demonstrate their theory are not the countries that have experienced the greatest progress in poverty and inequality reduction in Latin America in recent decades. In conclusion, the validity of the arguments in this volume can be brought into question both because of the results of the quantitative exercise and because of the qualitative analysis derived from a selection of questionable cases.

Let us start with these empirical limitations. When the results of the statistical models presented in the fifth chapter are examined in detail, it is evident that the strengthening of the left as an independent variable is not statistically significant in the majority of the models and, when it is, its impact is much smaller than that of other variables. On the contrary, continuous democratic government for more than 20 years turns out to be one of the variables with the most significance and greatest impact. Nevertheless, the authors maintain their argument that the combination of democracy and the left are determining factors for social and redistributive policies.

If the quantitative section provides limited support for their theory, the selection of cases for qualitative analysis is not without its own problems, as noted above. The authors

selected their case studies by identifying social policy leaders during the last years of the 1980s; however, their analysis focuses on the period 1990-2010 and the countries that led in social policy in these decades are not the same as those in the 1980s. It is evident in Table 5.2 that the countries that were most successful in reducing inequality after 1990 were Guatemala, Bolivia, Brazil, and Mexico. At the same time, the statistics in Table 5.3 show that the countries that reduced poverty the most in the same period were Chile, Ecuador, Brazil, Peru, and Guatemala. In other words, in this book, Uruguay, Argentina, and Costa Rica are classified as leaders in social policy even though they were not successful in reducing poverty and inequality in the past two decades. In contrast, countries with fragile democracies during these periods, such as Guatemala, Peru and Ecuador, and those governed largely by the right, such as Peru, Guatemala and Mexico, have been truly successful in social terms. In conclusion, the configuration of "democracy + left" does not appear to satisfactorily predict real social and redistributive progress in the countries of the region.

These empirical limitations lead one to surmise that the facts and theory diverge in Huber and Stephens' book. The data does not entirely support their theory and the cases appear to have been selected to satisfy a pre-conceived hypothesis and not as a result of rigorous methodological criteria. Therefore, one should be cautious regarding the optimism with which the authors attribute social policy achievements to leftist governments. While the strengthening of the left and democratization appear to have been conducive to social reforms in some countries, progress in Peru, Mexico, and Guatemala demonstrate that this is not the only path to this end. Unfortunately, this work offers no analytical tools to understand these alternative paths to more equitable societies.

Despite these limitations, this new work from Huber and Stephens is filled with valuable contributions. The comparative reconstruction of the social policy regimes in the cases selected is an excellent departure point for a research agenda that is just beginning. Additionally, researchers on these topics will benefit greatly from the detailed explanation of the composition of a redistributive social policy and the importance of basic universalism – the best strategy to achieve redistribution and poverty reduction. In conclusion, Democracy and the Left is evidence that there are reasons to be optimistic about the future of the region. Hopefully, this work will serve as a platform for a new line of research that sheds light on the diverse ways in which societies become less poor and more fair.

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