
ROUND TABLE

Translated by Tim Ennis

CULTURE AND ECONOMIC DEVELOPMENT*

**P. Berger, N. Lechner,
M. Mora y Araujo and P. Morandé**

Manuel Mora y Araujo**

When one has the chance to comment on academic papers such as Professor Berger's, it is more interesting to bring out points of divergence and disagreement than ones of coincidence, for it is through disagreements that intellectual work is enriched. Unfortunately, I have almost no disagreement with this excellent and stimulating lecture, so I will try to draw attention to certain points that might give rise to discussion.

However, in the first place I want to point out that I feel great sympathy with the arguments he puts forward in this paper, as I believe they constitute a very refreshing and stimulating sociological view of macro-social processes, insofar as they oblige us to move from one paradigm to another, within what are today's main sociological lines of thought: from

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a position basically inserted in what is known as the “rational expectations” model, towards a position of comparative cultural analysis, and furthermore towards a tradition of macrosociology concerned with processes of modernization and development in societies. In papers such as this I believe we find points of renewal that have been lacking in sociological thought.

Moreover, it produces a feeling of sympathy in me, something I detect as an optimistic message for our world, and particularly for our own Latin American societies: a message based on the idea of human beings’ capacity for change, and so on the need to avoid conceiving historical social situations as static, or condemned by certain data or information, such as the idea that the elements making up historical social situation at a given moment and which seems disadvantageous for certain purposes—for example for economic growth—can be transformed under changing circumstances into advantageous elements, into comparative advantages, into new opportunities to produce significant change in societies.

The point of view adopted here, and which in one sense constitutes the central hypothesis—at least as regards prospects for economic growth based on an analysis of economic cultures—is that a certain ascetic ethic is functional and a necessary condition for development, independently of how this ethic is legitimized (through ideas, beliefs, or other means). Professor Berger’s point of view is difficult to question, and his analysis provides comparative evidence to sustain it. However, and this is my first observation, I fear it is not difficult, *ex-post*, to find some elements and manifestations of an ascetic ethic in most societies entering periods of sustained development. It is interesting that he points out, particularly in relation to certain countries in South East Asia—and other cases in Latin America could be added—that there are many surprises in matters of economic growth: countries that for many years were societies with little or no capacity for change suddenly find themselves among the most dynamic of nations.

In my judgment, the attempt to explain this phenomenon on the basis of cultural characteristics should look for some capacity for prediction or anticipation, or at least a greater refinement in identifying the cultural aspects that might be seen as necessary conditions for economic change. Profesor Berger states that there is a latent ethic: I do not question this, but it seems to me that explanatory power is weakened when this factor is not clearly identified and can be found *ex-post* in many different manifestations of the cultural life of a society.

I will focus my comments on two main points of the paper, and then I will make a brief reference to the situation in Latin America and how these points of view could be applied here.

Recognizing that the cultural focus is very fruitful, as it enables us to overcome the deterministic temptation always present in sociological explanations, my first comment relates to the fact that this leaves open a very significant space for non-cultural factors, and these need to be given precision and identified explicitly. I do not know if I risk simplifying Professor Berger's approach too much, but I would say that his basic model contains on the one hand "ethical factors" which are necessary but not sufficient conditions for economic development, and on the other hand "favorable conditions", which have nothing to do with ethics and which may be determined by factors or phenomena of social life that are very different and completely separate from ethics. It could be said that a combination of these two groups of factors would constitute the basis of a theory of economic exchange. Although the conditions that are favorable and independent of ethics are very important, it would be difficult to obtain any explanatory power from them unless they were identified explicitly within a theoretical model.

I believe the favorable conditions are as, or more important than the ethical aspects, and they should include what, for lack of a more synthetic word, one might call "institutions": political institutions affecting the economic behavior of the members of a given society. Institutions, which are characterized by being predictable and relatively stable—for this very reason they are institutions—can be conceived as external incentives to individual behavior, unlike ethical aspects, which perhaps with some exaggeration we could say are incentives that arise from inside the individual. Significant differences often show up in institutions which make it possible to perceive the existence or absence of economic change, given apparently more or less similar ethical conditions.

My second comment is that the approach relates to the generalized culture within a society i.e. to values that are widespread throughout the spheres of a given society; to popular values, as are rightly emphasized, to distinguish them from values that are intellectualized by those generating or developing ideas. In his paper, Professor Berger does not refer to the sub-cultures within a given society, yet it seems to me that there is a sub-culture that needs to be distinguished: namely, the sub-culture of the leadership classes or sectors, which precisely because they do not fully share popular values—for changes in values are usually generated by this sub-culture—has special weight in any process of change.

My understanding of the issue of ethical aspects—which is part of this model—is that they basically concern popular culture, the culture that is diffused among all members of society. On the other hand, and I want to

stress this, what Professor Berger calls “favorable conditions” and which I believe has to do mainly with the institutions that generate incentives, are related to the sub-cultures of leadership sectors, which in turn are those with greatest capacity to establish or modify institutions. For that reason it is important to examine them separately. As Professor Berger rightly says in some of his examples, specifically in the analysis of continental China, these factors often do not coincide.

If we try to apply these interesting ideas to the Latin American case, we may draw conclusions that will help us to understand what is happening in the region. And I must say, by the way, that some of the observations Professor Berger has made on this issue seem to me to be interesting and relevant, in particular the growing and widespread diffusion of evangelical religions on our continent, as well as in other parts of the world. Without doubt, the growth of evangelical religions is beginning to cause a change in values, or at least latent values are starting to take root. In the light of Professor Berger’s observation and the mention he makes of Guatemala—until recently one of the poorest and most stagnant Latin American countries—I believe that the tremendous economic vigor that country has today can partly be explained by the penetration of the evangelical churches. Other examples can also be found, one absolutely personal and domestic: I earn my living by running public opinion surveys among other things, and, precisely, one of the rules we use in carrying out surveys is to recruit evangelical questioners, because they are the most reliable and they show one of the most functional ascetic ethics for people doing this type of work. Evangelicals are really highly reliable, very hard working and very scrupulous. Of course there is a comparable latent ethic in people who are not evangelical, but at times it is really difficult for people who have other types of belief in life to come to the surface. Similarly, many other examples could be provided on this issue, but I do not want to get stuck in anecdote and diverge from the main line of argument. **

Latin America is a good illustration of how important favorable conditions are, independently of the ethical factors, in implementing differences and changes. Taking two countries that are very familiar to us, my own country Argentina and Chile, I expect we have very clear differences that are not easy to explain. Argentina itself is an almost unique case in the world: its extraordinary economic stagnation in the last half century as well as its extraordinary economic development of the previous half century are both paradigms. I recall that in 1980 Paul Samuelson said, “if any informed person had been asked in 1940 which country had the best performance and best prospects, there is no doubt the would have been Argentina; yet if in

1980 anyone was asked to name a country that was a model of decline, without doubt they would also have thought of Argentina". It is hard to imagine that such profound ethical changes have occurred in so short a time as to explain this drastic turnaround in a nation's economic performance. As Professor Berger points out, although it is difficult to conceive of an anti-capitalist virus permanently installed in certain cultures, it is also hard to imagine that some strange virus has suddenly infected Argentine culture. Something has happened there that has to do with institutional conditions rather than ethical factors. To some extent, over the past decade, Chile has been an opposite case —now a paradigm of economic growth in a short period, almost a model for the world. However, it is not a society that has been characterized in the past by outstanding economic performance. Something has happened in Chile that cannot be related to ethical factors, but other aspects which I am inclined to perceive and find in the institutional arena.

Here is precisely where I come back to the point about the culture of the leadership sectors in society. It seems to me that the differences between Chile and Argentina, not to mention other examples on our continent, perhaps can be traced to values either in the culture of Argentine and Chilean leaderships, or in the capacity these leadership sectors have to develop institutions that are functional or dysfunctional for economic development.

I know the Argentine case better and I can refer to that. The leaders in my country —in general politicians, entrepreneurs and intellectuals— hold beliefs that are highly dysfunctional for a country wishing to take advantage of the economic opportunities today's world offers and for society to unleash its productive and creative capacities. They propound and insist on ideas that impede productive investment, ideas that tend to establish and consolidate a corporatist type of order and make types of economic behavior enabling productive capacity to be maximized very difficult. In this sense, it can be said that there are institutional incentives that generate an appropriate microeconomic culture.

An further observation that Professor Berger's paper suggests in this regard is the existence of differences in economic culture between the micro and macro levels, as well as within firms. In Argentina numerous studies have been done into what goes on inside firms, about the predominant values in different areas of enterprise. The conclusion I draw from these different studies —some of which I have carried out myself— is that cultural problems within firms exist at the upper levels rather than at the lower ones; the problems are in the managerial levels and not among wor-

kers. Workers in general are very willing to adopt behaviors aimed at maximizing economic performance, as well as making their own welfare or utility maximization compatible with the economic performance of the firm. Managers, however, are nearly always a problem; directors are a problem; shareholders often are a problem; union leaders are an enormous problem. In general, I would say that the leadership of the firm is heavily exposed to, and influenced by ideas arising from intellectuals. Workers, on the other hand, are much less influenced by such ideas. Thus, it is not difficult to arrive at the diagnosis that there is a cultural problem at the leadership level inside and outside the world of the firm, at the micro and macro level. If we trace these ideas to their source, in other more intellectualized spheres of thought, it is very clear that there are cultural roots here which, to say the least, are highly dysfunctional for change.

This explains many paradoxes: for example, the fact that most Argentines who settle in other countries do very well, but in Argentina they do not do well, and Argentina does not do well. The same happens with people from other countries. Bolivian emigrants do very well in Argentina. However, the backwardness of Bolivia is explained by cultural factors: apparently, by a cultural ethic with geographical roots in the *altiplano* which is dysfunctional for change. But this does not prevent them emigrating, which in itself contradicts that supposed dysfunctional ethic, and still less does it prevent them achieving well in Argentina.

It seems to me, therefore, that to get the most out of hypotheses that include ethical factors, they need to be considered along with other important aspects. I would say that along with values, another relevant cultural aspect in our societies is the demands different sectors of the population make on their leaders, on government institutions, on representatives, on the most important role models, and on people who hold power and decision-making faculties. In Latin America today it is easier to discover these demands because in virtually all the continent there are democratic political regimes: people vote, and so we begin to learn, and we learn to make comparisons. This is quite clear when one looks at the demands of different sectors of the population at a level that is more conjunctural, if you will, or more overt than that of deeper values. In Latin America, every election is a big surprise for most of the leaders, and of course for intellectuals who try to analyze and understand such phenomena. Something happens that we tend not to understand well. I believe that if we were to make efforts in this direction we could considerably enhance our understanding of our people's different cultures, the cultures to which we belong, but of which we form quite differentiated segments.

Generalizing a little, I see for example that in Latin America the poorest classes are demanding firstly ownership; secondly stability, and thirdly protection from those with most power. Yet this is not the general hypothesis in most of the sociological and political analyses of our continent. Of course, the industrial working class often presents demands that are different from those of the poorest sectors, they demand wages —rising wages of course— and upward mobility, something which is not so important at the poorest levels. The working class demand chances to cease to be working class, as well as corporatist privileges. Thus, it is in the middle classes where the demands the middle classes themselves attribute to the most poor actually appear: demands for equality or social equity, which the poor normally do not formulate and which tend to constitute a significant factor for raising public spending, leading to the fiscal imbalance that is at the root of many of our economic problems. Furthermore, of course, the middle class generally also demand ownership. By this I mean that I see nothing substantially dysfunctional in the more superficial manifestations, the more outward manifestations, of our society's culture. This, of course contributes to the optimism I see in the paper by Professor Berger and which I strongly share.

Pedro Morandé: *

The relation between culture and economic development, or more broadly speaking between culture and modernization, has been one of the most important issues of sociological analysis from the time of Auguste Comte to our own days. The permanent question has been whether the constellation of values forming the cultural tradition of a people is able to survive the processes of rationalization experienced by social structures in the modern functional society; or, in other words, whether values are capable of serving the optimal functioning of structures in a rationalized way. So complex a question, however, admits many approaches: ranging from Marx' thesis regarding Feuerbach, passing through various schools to the more recent theories of communication proposed by Habermas and Luhmann. However, it is possible to distinguish the existence of three paradigms behind such efforts, each of which has given rise to multiple theories in

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particular: the paradigm of institutional order (or the institutionalization of values), the paradigm of language (or culture as discourse), and the cognitive paradigm (or culture as a way of differentiating society from nature or from the environment, and as a style of representing these differences). It could be said, in sum, that the question of the correlation between values and structures has suffered all the changes that theoretical methodological discussion in sociology has been subject to.

I have the impression that despite the thematic development of his sociological thought, culminating in the present decade with his reflections on capitalism, Professor Berger has basically maintained the same paradigm in all his work: namely, the paradigm of institutional order. From this viewpoint, culture relates to structure fundamentally via a process of legitimization of the social order, which otherwise would tend spontaneously towards disintegration and chaos. As he has reiterated in this lecture, this approach has the advantage of making it possible to assume a more empiricist (or I would prefer to say more phenomenological) stance, as it suspends judgment on the causality relations which may mutually codetermine the development of culture and social institutions, thereby avoiding all kind of pre-established determinisms or monocausal explanations, of such frequent use in the social sciences. The legitimization of the social order through values tolerates a wide variety of diverse situations, linked to specific historical processes.

But like all approaches, this one also has a disadvantage represented by the identification of legitimacy with feasibility, value with the “*nomos*” that helps an institution to function successfully. According to this paradigm the intrinsic precariousness of all social order, by the very nature of its contingency, obliges legitimacy structures to develop to give support to social meanings, and the best proof of this support is none other than that the order works. The socially constructed world legitimizes itself in virtue of its objective feasibility, as Professor Berger himself wrote in another text.

Where do I think the disadvantage of this approach lies? In that, on one hand, this definition of values, according to their contribution to the legitimacy of order, denies the dimension of implicit gratuitousness in value; according to this it had been developed by metaphysical tradition, interpreting contingency not only as precariousness, but as gift and sharing. By defining value as a structure of “*plausibility*”, in fact his statement depends on the success of the institutional order. And just as we learn from the experience of successful people, from the four Asian dragons, for example, or the English Puritan revolution, why might we not learn from

unsuccessful people, from the impressive aboriginal cultures of America, for example, which did not manage to set up a plausible order for their economic and social development? Personally, I have devoted many years to studying these cultures and I believe I have learnt as much from them as from more successful ones. Values constitute a reality that is complex in itself. Although they are correlated with the functioning of exchange structures, they can not be reduced to, or identified with them. Numerous sociologists have tried to draw out this “gratuitous” or “useless” dimension of culture, among them Alfred Weber, brother of the much admired Max Weber, availing themselves for this purpose of the highly German distinction between civilization and culture.

A second limitation of the approach that conceives legitimacy as based on the social feasibility of institutional order, in my opinion, is the fact that a comparison between the cultures of different regions and time periods lacks an objective frame of reference to permit such a comparison. For example, let us take the concept of “cultural comparative advantages” as developed by Professor Berger. As economists know in terms of comparative advantages in production, this is a highly contingent concept that varies according to the segment of the market one wishes to cover, and the precise time of making the sale. In practically all cases, it corresponds to a *post-factum* appreciation of the situation being faced. Strictly speaking, anything that is sold at a profit has a comparative advantage or at least had one at the moment of sale. If we apply the same concept at the level of culture, how could we maintain the objectivity of the comparison if, unlike the economist or a salesman, we do not have as a point of reference, that so highly contingent moment, namely the moment of sale?

Sociologists of culture know that cultural changes unfold over decades or centuries. They are of long duration, or at least we perceive them as such precisely because we do not have a measure of the cultural contingency like economists have when observing price changes. By using the concept of “cultural comparative advantages” the analyst is necessarily faced with a hypostatic act: he must impute arbitrarily, spatially and temporally the limits and range of variability of the contingency of the culture he is talking about. He must say, for example, that he is referring to the culture of Hong-Kong in the 1980s, whereby the culture is identified with a particular institutional juridical order, as well a particular period. What sense would a later comparison have between so delimited an abstract entity and another equally restricted one, such as the Puritan entrepreneurs in the North American colonies?

For my part, I believe that the most recent developments in the sociology of systems, especially the work of Professor Niklas Luhmann, attempt precisely to resolve this delicate problem of social contingency. However, for this a paradigm shift has been necessary: in place of the social institutional order paradigm, with its corresponding forms of legitimization, and which assumes the existence of an omniscient observer looking down on reality, contingency begins to be seen from a given cognitive communicative horizon through the process of social differentiation. To observe is to differentiate. But to differentiate, in turn, one has to assume a process of differentiation. There is no way of breaking out of this hermeneutic circle.

So, a conviction grows that cultural comparisons should be undertaken from the standpoint of a metatheory that makes them possible by recognizing and giving sense to the contingency of cultural events. Such a metatheory can be nothing less than a theory of social evolution. As principal parameters of this theory, the correlation between two directional axes has been proposed: on the one hand, the step from oracy to writing and to the audiovisual, and on the other hand, the move from the segmentary social organization of territory to hierarchical organization —organization by state and function. By locating any particular society, or part of it, at one or more points between the two axes it becomes possible to relate all the semantic definitions belonging to the culture to an on-going process of differentiation, which as a result of its processality, makes it possible to understand the contingency of semantic contents.

Let us try to apply these ideas, by way of illustration, to some of the data Professor Berger has supplied us with. I would like to refer firstly to his provocative statement that Max Weber is alive and well and living in the City of Guatemala.

The statement that Pentecostalism constitutes a true “cultural revolution” in Latin America is something the empirical evidence apparently supports. At least, one cannot question its novelty, because, as it is well known, Protestantism only set foot in Latin America in the last century, and Pentecostalism is even more recent. Also, for the same reason, one cannot call into question its revolutionary nature, if by that one means the qualitative newness deriving from the fact that Protestantism did not participate in the original cultural synthesis of Latin America forged in the 16th and 17th centuries, and is therefore an element outside the historical memory of our people.

Beyond this semantic justification, in my view, it is difficult to find a reasonable point of comparison between Pentecostalism and the Puritan

and pietist cultural tradition that Max Weber analyzes, if we have in mind the evolution that has occurred since then in the two macrovariables mentioned above. Of course, it might be said that these two religious expressions share a fundamentalist nature; but as Professor Berger himself indicates when referring to the conservative nature of Muslim fundamentalism, this is a feature that is too ambiguous to explain any economic consequence: it may either favor or hinder economic development processes. Thus the fundamentalist nature of Pentecostalism does not give it a homogeneous and stable cultural significance with respect to the economy, which makes it difficult to establish a relationship with Puritanism.

The other cultural feature of Pentecostalism mentioned by Professor Berger is its intra-wordly asceticism. However, I should point out that in Spanish America this feature has developed on the basis of a work ethic transmitted by religious orders, especially the Jesuits, who, it is worth recalling, were especially diligent in developing this point on the basis of their disputes with Jansenists of Port Royal. Apart from the brief period prior to the Council of Trent in which the evangelization of Mexico was influenced by Erasmic humanism and by Franciscan utopian thought, there is no evidence that evangelization has been oriented by the idea of “escaping from the world” or “being different to it”. Quite the contrary, it seems to me that it has had an extremely intra-wordly nature, both because it was based on cultural traditions of the indigenous peoples and their cult economy (where there was no room for a concept of this type since they lacked a distinction between society and cosmos), and because the church saw its missionary work as a civilizing task.

I do not know the case of Guatemala well enough to be able to give an opinion, but I can assure Professor Berger that in the Chilean case the vast majority of entrepreneurs have been educated in catholic or even non-religious schools, where they learnt to develop skills which are today allowing them to run successful businesses. And, at least in South America, there is no perception that the Pentecostal expansion has managed to constitute a developed school system. It would seem that the channels of Pentecostalism continue to work basically through radio and the prayer community, and at least in our country neither of these is good business. Latin America has an over-abundance of oracy, and at a time when there is rapid movement towards an audiovisual culture, the relatively poor development of written culture is beoming evident, and this is precisely the guarantee of institutional stability ensured by law, through the institutionalization of contract and by impersonal and pre-established bureaucratic procedures.

As far as my knowledge of the culture of Latin American countries goes, I believe that Max Weber's thesis in relation to the emergence of capitalism is difficult to apply. It does not have the same historical or structural context. Latin America did not live through the reformation, nor was its development linked to the formation of nation states. Much of the development of European Puritanism is explained by a refusal by Calvin and his followers to submit the so-called "free churches" to the aegis of emerging states, giving rise to what we may call "an independent defense of civil society". In the case of our countries, on the other hand, it has been more the job of religious orders to defend the population against abuses of power, as is amply recognized in the figures of Las Casas, Montecinos, among so many others, who were guarantors of a society which could not and did not wish to identify itself with the State.

Nor can one speak so easily in Latin America of the existence of a properly *bourgeois* culture, or at least not in the sense that this term is used in Europe. The development of urban life on a large scale is a phenomenon of this century alone, and until then the population lived mostly in agrarian areas. However, more important still is the fact that up to the present day a form of social stratification is preserved of a "quasi-class-structure" type, defined more by the hierarchical representation of social order than the functionality of work. In this context, it is difficult for entrepreneurial activity to be classified as *bourgeois*, and it has not managed to create a system of beliefs and habits which would enable it to overcome the culture of representation. Among the top groups in our country, for example, it is very good taste to have money, but very bad taste to talk about it. One has money naturally, as if one had been born with it. This attitude stands in stark contrast to Benjamin Franklin's reflections, which so interested Max Weber; nonetheless, this traditional attitude also enables people to do good business.

These examples show that the intra-wordly orientation of the ethics and ascetics that embody Puritanism was a significant social event insofar as it represented a departure from the preceding ascetic variant, i.e. the medieval. But this cannot be universalized, for our countries did not have a medieval period, still less when the Crown prohibited monastic orders from entering Spanish America (only Brazil). For their part, the indigenous peoples did not differentiate between this world and the next: the living and the dead inhabited the same space, as shown by the presence of money in the most important ceremonial acts. Ethics was of an intra-wordly orientation, which did not mean, on the other hand, that it was individualistic.

For my part, a theory of sacrifice and its use as a source of social differentiation and legitimacy of institutions seems to me to be more explanatory. Although this is not the moment to expound on this, I would like to say that what differentiated the European Puritans from our indigenous peoples is that whereas the latter publicly performed sacrifice and used the occasion to exchange their economic produce, the European Puritans on the other hand “introjected” sacrifice as an ascetic attitude of saving and privation in the present with a view towards assuring the future. In my opinion, Professor Berger made an important contribution to this topic in “Pyramids of Sacrifice”, but I am surprised that subsequently he has not continued to develop such a promising line of work.

The topic of sacrifice is ultimately linked to the the monetization of the economy. Ritual sacrifice, obligatory and publicly carried out, correlates with a “real” economy founded on symmetrical and reciprocal services between related groups, where the clerical group introduces a vertical asymmetry making possible a movement towards a hierarchical society divided into defined classes. This asymmetry makes it possible to move from festive squandering to the accumulation of surpluses, transforming the object of sacrifice, habitually a sacrificial animal, into currency. Monetary circulation permits and encourages the “introjection” of the sacrifice, converting into into an ascetic attitude, its regulation to the sphere of private contract and the justification of a duty ethic to accompany the undertaking of actions in the world.

In the case of Latin America, contrary to the opinion of Véliz which Professor Berger has made his own, I think that the baroque is not cracking but fully valid. The baroque constitutes a daring and novel formula of combination between the monetized economy aimed at international markets and a non-monetized economy aimed inwards towards the “*haciendas*” which were the places of work and housing for the common man. The same combination of that time is reproduced up to the present day, represented by an export sector, highly technified and with constant increases in labor productivity (the monetized sector) and a sector currently known as the “informal” or subsistence economy. The latter is of low productivity and not monetized, for while it makes use of the national currency, our countries’ hyperinflation obliges it to get rid of any type of circulating currency as quickly as possible. The tension between these two economic poles is explained as a way of partially raising the productivity of our economies, making them competitive in the international market at least in certain sectors. As Professor Berger himself indicated in the context of the “ecologization” or “greening” of current civilization, the world is unlikely

to be the same homogeneous color everywhere. At the national level this same prognosis is seen in the coexistence of two very different sectors: formal and informal, or as I prefer to call them, monetized and non-monetized.

I conclude by pointing out that the issue of the correlation between values and economic structures needs to be put in an entirely different way, depending whether we are in the monetized or non-monetized sector of the economy. In the first case, the issue can indeed be posed, as Max Weber did and as Professor Berger does now, as a relation between the norms of ethical orientation and economic productivity, i.e. on the basis of a duty ethic or an ethic of values, although certainly there are other possible formulations. For the non-monetized sector, which does not calculate the productivity of its labor, such a formula would be incomprehensible and inexplicable, and instead the theory would need to put forward a direct thematization of the ritual formulas of sacrifice, covering the economic as well as political, religious, educational and family experience.

Norbert Lechner:¹

I congratulate Peter Berger for his brilliant exposition and thank *Centro de Estudios Públicos* for making possible such a stimulating contribution to an intellectual debate that always threatens to succumb to the vortex of political conjuncture. For this reason I am honored and happy to be invited by CEP to take part in this round table, and I take this opportunity to publicly express my admiration for the work of Professor Berger. His book “The Social Construction of Reality”, written with Thomas Luckmann and published in Spanish by Amorrortu 1968, has been for many of my generation—and I hope also for new social science graduates— what is known as a classic. For me personally this work represented a vital antidote to the objectivist tendencies present both in the structural-functional and the Marxist schools. Of course neither Karl Marx nor Max Weber, as authors, were so unidimensional as they may appear in their stereotyped popularization, but nor is it a matter of reviving that polemic under the guise of Neo-marxists and Neo-weberians. The fact is that (a) the world order is today fundamentally a capitalist system, and it is impossible to

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conceive of a development strategy outside capitalism (whatever the current meaning of that term is), and (b) the collapse of “the real socialisms” does not invalidate criticisms of capitalism and so does not represent an “end of history”. Having said that, to discuss reforms of our (capitalist) society today it seems preferable to me to take advantage of the erosion of paradigms and disciplines and encourage suggestive and nuanced explorations like those Peter Berger is proposing. Agreeing with him on the need to study economic culture in Latin America (in FLACSO we are preparing a comparative study on attitudes towards modernization), I want to add one or two nuances to his reflections.

Different Levels of Abstraction

It is true that economists do not usually concern themselves greatly with culture; however, in fact, increasingly they consider “expectations” as a decisive factor in the working of the economy. This “subjective variable” is already a cultural element, or at least it is based on a cultural conception of the world and development. Expectations (of the most changeable nature) are generated and assessed in reference to, or through, the intermediary of more abstract and more established interpretations, which in turn are affected by the degree to which expectations are fulfilled or frustrated. I take as an example the recent process of modernization in Chile, which, as we know, led to the exclusion of broad social sectors. Now this social cost is accepted or supported to the extent that:

- a) it seems a transitory evil (exclusion is not institutionalized like apartheid);
- b) no social responsibilities are visualized (market laws operating as natural forces, neither good or bad), and
- c) there is the promise of future recompense for present sacrifices.

In other words, immediate expectations necessarily provide a cultural framework that includes a conception of time, a distinction between natural phenomena and social outcomes, and an idea of social integration or “community” as a normative principle of the social process; in other words a complex set of elements that make up what Berger calls economic culture. Then there are various levels of abstraction and sedimentation that we should take advantage of in any research strategy, using expectations as a “bridge” between a more short-term analysis and “long wave” cultural studies.

Plurality of Subcultures

Secondly, the example of Chile helps to perceive a plurality of economic cultures or subcultures. The culture that an entrepreneur creates and uses will be different from that of an industrial worker, or a traveling salesman or a housewife. All of them calculate costs and benefits, and they turn to values and beliefs to make their opportunity calculations. Nevertheless, there will be different reasons in each case for postponing needs, for example, as there will be different notions of time and urgency. I mean there are different hierarchies of values. For example equity has a high value for workers—higher still for female workers—because it is directly linked to their social recognition, their identity. As a consequence, they value positively a reform policy aimed at greater social equity. Equity will probably occupy a much lower rank in the “entrepreneurial culture”, where it tends to be seen as a restriction or threat to individual initiative, and fuels misgivings towards this type of reform policy. By drawing attention to the different structuring and hierarchy of values and beliefs, I do not mean to identify each social group purely and simply with a given culture or economic subculture. On the contrary, I consider such differentiated subcultures as social constructs. Perhaps it would be helpful to distinguish more clearly between economic culture and economic discourse. The latter is the task (and responsibility) of “intellectuals” broadly speaking. We make use of the values, creeds and habits that are available to structure them in a given “discourse” which—appealing to experiences, interests, hopes and fears—succeed (or does not succeed) in interpreting us. In short, I want to stress the plurality of economic subcultures, not reducible to the economic structure. If this is so, why do we recognize and guide ourselves by one “economic culture” rather than another?

Transformations of Economic Culture

Peter Berger suggests how a “cultural comparative advantage” in one period can cease to be so in another phase of capitalist development. As well as slow mutations like this, there are also sudden ruptures. I recall the debt crisis in Latin America, particularly in Chile. The economic crisis of 1982 brought down not only individual expectations of welfare, but also, and above all, the image of the market as the engine of social integration. As this horizon evaporated, a situation of fragmentation and lack of protection was exposed, and the sacrifices accepted earlier in the hope of future

recompense lost all meaning. Social exclusion became unjustifiable and intolerable, and a call for an alternative integration mechanism emerged: namely democracy. To avoid any misunderstanding, what collapsed in the 1982 crisis was not the market itself but a particular market discourse. The pretense of basing the integration of social life exclusively on market laws lost credibility. On the other hand, the crisis did not affect the positive evaluation of the market (despite reintroducing the State as an instance of social responsibility and as guarantor of the promises of recompense). While the neoliberal platform was weakened, an economic culture favorable to the market economy consolidated. In other words, to go back to the earlier point, differentiated changes in values, beliefs and habits occurred, as well as in the form of discourse whereby these elements are organized.

Economic Culture and Democracy ***

I have already mentioned a phenomenon that seems to me to be highly significant: how people shift their demand for social integration or, to put it differently, their demand for community, from the market to democracy. Today it is hoped that, along with economic modernization, democracy will generate the social integration the market has been unable to create. It might be thought that this defeat for the market was due to external causes alone: changes in the international financial system and the external debt crisis. But it could also be that, due to its (instrumental) type of rationality, the market (like state bureaucracy) does not allow a normative foundation for social order to be generated. I mean, what characterizes modern society is the need to create for itself—from itself without recourse to external legitimization—its own normative system. Now this normative system of social order does not boil down to market laws. I stress this point in the face of a temptation to take economic culture as culture *tout court*.. It is sufficient to recall the article by James Buchanan, published by none other than *Estudios Públicos*, positing the existence of an “imperialism” of the economy, in other words the application of market mechanisms to all aspects of social life. The neoliberal market utopia (as the single constituent principle of social organization) has never been put into practice except in extreme cases like Chile, and then it displayed the same devastating disintegrative effects that Karl Polanyi analyzed in the savage beginnings of capitalism in the 19th and the early 20th century. It might be argued that this “dissolution of everything solid” (as Marx put it in a famous paragraph), that this process of upheaval, exposure and root insecurity

rity is the price that inevitably has to be paid for modernization. However, let us not forget that in the past this price has included stalinism and fascism as two pathological reactions by societies defending themselves against the disintegrative effects of the market. If we wish to avoid such destructive processes we must be seriously concerned about how to assume the costs of modernization.

Currently, the rapid process of transnational integration is accentuating processes of national *disintegration*. As a consequence, everywhere we are witnessing a boom in fundamentalism, which is nothing less than the reverse of modernization. For people who only suffer the negative affects of modernization, where everything that was familiar to them is swept aside, and who do not share in the greater degrees of freedom that modernization promises, and in fact partly provides—for such people a return to an absolute certainty along with a closed and protective identity is tempting. One example of fundamentalism is the Shining Path movement (*Sendero Luminoso*) in Peru. Likewise, we see a new boom in certain types of populism that seem to be accompanying economic adjustment policies in several neighboring countries—and not only in Latin America. A recent article by Kevin Phillips in the New York Times (17/06/90) predicts populist outbreaks in the United States as a reaction against the “feast of wealth and privilege” that the Reagan economic policy provoked in 1980s.

I do not want to paint a catastrophic picture: on the contrary, I am interested in seeking ways to make modernization and democracy compatible. This means, among other things, developing an economic culture that is also a culture of democracy. I consider that Peter Berger’s exposition, inviting us to reflecting on our economic culture, is also an invitation to reflect on its implications.

Peter Berger: *

I thank the panelists for their valuable reflections and observations. Sometimes when I hear comments like the ones we have heard this afternoon, I feel that others take my ideas more seriously than I do myself. By this I mean simply that a social scientist is different from a prophet or a poet, because he must be equally content when his theory is brought down as

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when it is confirmed. Often, to tell the truth, I have been happy to discover that my ideas were wrong.

It would be impossible for me to respond to all the panelists' comments; all are doubtless, of great value, but they would need long discussion. So, allow me to respond in each case to the aspects I see as most useful for debate this afternoon.

I am very happy that Professor Mora y Araujo shares many of the ideas I expound in the lecture. I am also in agreement with most of his arguments. Having said that, I would like to pick up on some of his more critical observations. One, which I find very useful and personally has worried me frequently, relates to the hypothesis that certain cultural characteristics are a functional requirement for economic growth. In this respect, Professor Mora y Araujo suggests that one can always discover such characteristics *ex-post* and then argue that they were there at the beginning, which is a sort of self-fulfilling prophecy that social scientists should avoid.

Indeed, it is particularly interesting that, apart from people who have been concerned with East Asia over the last ten years, everyone has been talking about the extraordinary cultural characteristics, many of them originating in Confucius, that might explain the Asian success. A colleague commented to me that at the beginning of the 1950s, before the take-off among East Asian societies, an important international conference was held in Korea, in which it had been shown that Confucian conformism was the main obstacle to Korean development. And who knows if, independently of whatever may be the factors promoting great economic development in the South Pacific, in the next twenty years a younger generation of social scientists will come along, some of whom may be in this audience, and discover *ex-post* that it was due to a Polynesian Puritan ethic or something similar.

I consider this to be a very important observation, and a warning against the superficial use of cultural factors in historical explanations. Let me say to my colleague, and to all of you, that I have researched extremely carefully in order to avoid falling into this trap. When we study Confucianism, the post-Confucian ethic, or any other, we try to determine the role these values play in the smallest ethnographic detail possible. So I believe it is not a question of making global statements about how, under certain conditions, Confucianism may lead to successful economic development, but rather a matter of studying each aspect in detail. In our case, we have investigated the economic behavior of Chinese entrepreneurial management abroad (in Hong-Kong, Taiwan and Singapore), examining how certain values, which broadly speaking we know to be of Confucian origin,

operate when people take decisions or face problems in their businesses in the contemporary Asian world.

If my general theoretical arguments are compared with those of Professor Mora y Araujo one can see that there are no great differences. Nevertheless, a point he makes that I do wish to respond to is the following: he argues that institutions, specifically political institutions, are more important than ethics. Perhaps; my approach assumes —and Professor Mora y Araujo correctly identifies this— an interaction between ethics and certain favorable conditions which have nothing to do with ethics. This is an exact description of how I present these problems, and his criticisms are at least a reservation in this regard. I am not at all dogmatic on this issue. I do not have *a priori* premises about what is most important: in each case, the relationship should be researched empirically. Now, he describes the Argentine case in a very persuasive way to argue in favor of the importance of institutions. Although I consider myself incompetent to comment on the specific content, it would seem to me highly unlikely that the differences he points to between Chile and Argentina can be explained in cultural terms. Indeed, they would have to be explained specially in terms of what governments and perhaps other institutions have done in different moments of the two countries' modern history.

But then Professor Mora y Araujo refers to ideas in the Argentine case. He spoke about how these influence government actions. But, what are ideas other than culture? So I think that, although one may focus on institutions, one has to question the cognitive premises of the people in charge of those institutions, and not just the normative ones. If I remember correctly it was Lord Keynes who stated that most politicians are under the influence of the ideas of already defunct economists. So I believe there is an intermediate position which, in my judgment, represents a more reasonable approach.

In this respect I would like to mention another case which may clarify how I see this relationship. It is a very useful and contemporary case, namely a comparison of what has been happening in recent years in China and the Soviet Union.

Some ten years ago the Chinese regime began to adopt market mechanisms, although it is not yet clear after the events of Tiananmen whether or not this process has begun to be reversed, but let's agree that it was the direction from 1979 until a year ago: firstly in agriculture and then more cautiously in urban areas. In China it has been clear that when the market began to operate, an entrepreneur seemed to appear from behind every bush ... something in the Chinese economic culture made this possible.

Look, on the other hand, at what has happened in the Soviet Union with the beginning of perestroika (something much more modest so far compared with what has happened in China): apparently there has been enormous difficulty in finding people to exploit market opportunities. And curiously, according to the existing data (although I do not believe this to be very convincing or reliable), it would seem that the people who most exploit those opportunities are not Russians but Armenians, Georgian Jews or people from the Baltic republics, and, what is particularly interesting, “Old Believers”. A little while ago I was talking with a Russian expert on this issue, who told me that although there is no way of explaining or verifying the phenomenon, 70 percent of Russian entrepreneurs (I believe that was the figure) are members of a highly traditional orthodox sect.

A final point on the relation between religion and entrepreneurial capacity relates to a comment that Professor Mora y Araujo made on the importance of subcultures within a society. Of course, I fully agree with this argument; I simply did not have time to develop it in my lecture. We—when I say “we” I am referring to people connected with our research work—in no way do we assume that each society is a sort of mystic whole. In all societies there are different groups, and these in turn relate very differently to economic processes.

As regards Professor Morandé’s comments, these are more difficult for me to respond to. At the start of his observations he deals with extremely difficult methodological questions, and I am not sure I have completely understood all his proposals. I should mention, in this respect, that in recent years I have moved away from methodological questions *per se*, because once I reached a satisfactory conclusion about how I should proceed in my research I have only been interested in methodological aspects directly related to the issues I am concerned with. If I understood correctly, Professor Morandé appreciates my sociological approach up to a certain point, but thinks that to a some extent it dodges the issue of causality, and blames phenomenology for this. I do not agree with his criticism, for I do not believe it is a faithful description of my way of proceeding. As regards my thought as a sociologist, Max Weber has been more important for me than phenomenology, and I share Weber’s insistence that a social science explanation should concern itself about causality.

When Professor Morandé moved away from specifically methodological aspects, he discussed at length whether my way of describing the Pentecostal explosion was correct or not. I think he wanted to stress the peculiarity of the situation in Latin America and the fact that there are

enormous differences between the Pentecostalism that exists in the region today and the Puritanism to which Max Weber refers in his work. As a consequence, arguing about one on the basis of the other would not be reasonable. Well, yes and no. I am very conscious of the singularity of different human societies. A Chilean evangelist is not the same as a North American one or a Korean one, despite the fact that they are in some respects. But, again I repeat what I said in relation to the comments by Professor Mora y Araujo: how can one avoid falling into one trap or the other?

Let me describe the two traps. One, which is highly characteristic of structural functionalism, as well as of Marxism, ignores the differences between the specific cultures and sees society as a sort of dark night where all cats are grey; it then argues that the same mechanisms are operating everywhere (like economists, who are strongly inclined towards this approach). In my judgment this is a distorting approach. However, there is the opposite trap, namely that of stressing what is characteristic about a society to the point where one loses understanding of the common elements. Of course, in no way do I accuse Professor Morandé of that, I am only trying to show how I respond to this problem.

Japan is the most recent case that I have addressed in relation to this exaggerated emphasis on idiosyncrasy. There, “Japanism”, in honor of the Japanese word for it, is virtually a national ideology. Whether it be the economy, politics or sociology does not matter, people will say: “this, of course is valid for the whole political spectrum”. It is not something that the left or the right say, but people of all political tendencies: “This is not relevant to Japan because we are so different from the rest”. Well yes and no. All human beings have certain characteristics in common, all human societies have certain common features: as a result, cross-cultural comparisons are possible.

The case of Pentecostalism —actually, one of the most international cultural phenomena of the world today, and one that is affecting a large part of Asia, Africa and Latin America— is a very good case to examine what is distinctive and what is not. And in this particular case —here I speak with some authority because I know the data well— I believe we can state in a well-founded way that the religious and psychological *gestalt* of the phenomenon varies widely from one society to another. For example, it is very different in Africa, where Pentecostalism is linked to certain indigenous African religious traditions in a way that does not happen as far as I know in Asia or in Latin America. So there are differences: Africans are different, and we can not subsume them in a general category. When it is a

matter of their economic ethic, for example, the similarities are overwhelming. And, as regards the statement that Professor Mora y Araujo made concerning his preference for hiring evangelical interviewers for his opinion survey enterprise, I heard exactly the same comments in South Korea and more recently in a meeting with a South African businessman, who also acknowledged a preference for people belonging to these churches. It seems there is a true transnational network here.

Professor Morandé also made the observation that given the diffusion channels of Pentecostalism —here he mentioned radios as opposed to schools— it is unlikely to have a big influence in the business world. I believe we must examine the social level at which this phenomenon is occurring. The vast majority of Pentecostals are very poor people who of course have no relation with or influence in the business world. An important question to raise is the following: as sustained economic growth goes on, leading to social mobility, what will the children of these Pentecostals, or they themselves, be like in twenty years' time? And given that probably in all Latin American countries a Protestant subculture has been developing —everything points to the fact that this is happening— how can we project the true economic, social and political character of this subculture into the future?

A final point on Professor Morandé's observations: I fully share his emphasis that if we compare formal and informal sectors, or, as he prefers to call, them monetized or non-monetized sectors, one is really contrasting very different economic cultures. Well, I think it is probably also true that non-monetized sectors, at least in developing societies, are more influenced by traditional ways of thinking and acting than by modern rationality (Professor Morandé uses the term "ritual" here). I have no doubt that this is so; it is an area in which there are vast research possibilities.

With regard to the observations by Professor Lechner, I would like to make a few comments. He states that when economists talk of expectations, they are introducing a cultural variable into their thinking. Yes, but then they do not explain those variables. Expectations, human capital or human resources are terms which in general remain in the air in economists' texts. And if one asks where expectations come from, most economists I know respond by saying that it is not their job to explain that, it is someone else's job. It seems quite fair, but they leave others the task.

Apart from this, his emphasis on subcultures goes on from the comments by Professor Mora y Araujo, so I do not think I need to repeat my own reaction to this, because basically I agree: one needs to address the economic cultures of all relevant actors and not just the values of the business *élite*.

Having said that, a point I find particularly interesting from the standpoint of my own concerns: towards the end of his exposition he refers to the issue of economic culture and democracy. If I follow correctly, he argues that there is a great hope that democracy will generate the social integration that the market economy as such is not capable of providing. Let me make one or two comments here.

In the first place, there is a statement that I largely share, namely that capitalism is lacking in “myth-poetry” (an expression I use in my book). By that I mean that, except for a few individuals who are somewhat crazy, capitalism has been incapable of providing its own legitimization. The crazy people I refer to, for whom economic activity is the be-all and end-all of existence —and such people do exist— are more like a marginal psychopathic species, so they are not very important in any society. Most human beings legitimize what they do in non-economic terms. Here, for nearly one hundred years capitalism has been at a great disadvantage *vis-à-vis* socialism; we will see what happens in the future.

The legitimization of capitalism has always come from elsewhere. If one takes Max Weber’s thesis, capitalism has derived its legitimacy —and I believe this is still the case in many societies— from religious considerations. In other cases an important form of legitimization has been nationalism. The aim of the capitalist transformation of Japan towards the end of the 19th century was to free the country from the threat of foreign imperialism and restore the authority of the imperial government. Therefore, although there are religious elements, nationalism has been a significant means of legitimizing capitalism. So I share the idea that capitalism depends on something external for its legitimization.

However, here I think one may be demanding too much of democracy. Democracy, like the market, is a mechanism; it can work with very different ideologies, with very different forms of legitimization, and I am not altogether sure that democracy itself can provide the social integration that Professor Lechner would like it to generate.

I am conscious that there is a big difference between countries that have recently experienced the transition to democracy and those that have lived in democracy for a long time. When an oppressive non-democratic regime is toppled, of course a lot of emphasis is put on democracy as a positive event. Do not misunderstand me, I am a fervent support of democracy and I believe that under modern life conditions it is the most desirable political system. However, its capacity to generate social integration is for me an open question; in fact one can make a strong argument to the contrary, an argument which is quite simple. For example, let us go back to

what Olsen calls “the distribution of coalitions”. Democracy allows any group that has a complaint to organize and try to influence public policies, which of course is more disintegrating than integrating. Under non-democratic regimes many interests are prevented from expressing themselves and so conflicts between them remain submerged. In democracy, on the other hand, every interest group can organize itself politically and this leads to all kinds of conflicts.

A very important issue in my opinion —and I do not know if we have time to get into this now— is the relation between democracy and the market economy. There, I believe, there are some things to observe, not in philosophical terms but at the level of empirical evidence and from the conclusions proposed in my most recent book. There is one very simple proposition —and, by the way, it was not invented by me— the market economy —or if you prefer it, “capitalism”: both terms refer to the same thing, except that for Latin Americans the first is less troublesome than the second— capitalism is a necessary but not sufficient condition for democracy. In other words, there can be capitalism without democracy, and there are many cases where this occurs. I would say that nothing in this world is impossible, but it is extremely unlikely for there to be democracy without capitalism, and this is so not due to any mysterious cause but for empirically demonstrable reasons —an issue on which I could go on talking for a long time.

To conclude, I would like to illustrate the problem of legitimization, capitalism and democracy, with an example taken from East Asia, the region with which I am most familiar at the present time. I am going to refer to the case of Singapore, an example that I consider highly instructive. Singapore is one of the great economic success stories of our time (for sociologists really it ought to be obligatory to visit Singapore, it is an extraordinary place). Here we have a barren island with no resources, whose two and half million inhabitants, in the space of one generation, have transformed it to a such an extent that when you arrive there you think you are in Stockholm or Zurich. Singapore has experienced amazing economic success, and for some time nobody there thought of anything else apart from how well things were going. But now the head of government in Singapore (which apart from everything else is not a democracy), the head of government Mr. Lee Kuan Yew, who is an extraordinarily intelligent and interesting man, has began to worry. As Singapore has a highly authoritarian regime, if Lee Kuan Yew is worried, so should everyone else be. What concerns Lee Kuan Yew is what the basis of life will be for the new generation. Older people still remember how horrible Singapore was in the

past, but the question is what will define the lives, identity and values of the children who are growing up in such a tremendously prosperous society. Consequently, Lee Kuan Yew poses the following question: how will our system be legitimized? As far as I know he is agnostic, but he came to the conclusion that it will probably be through religion. As most of the inhabitants are Chinese this ought to be some type of Confucianism.

Let me tell you a story. Singapore is a highly technocratic society which normally imports foreign experts to do things: the French built the underground railway; the North Americans the airport and so on. In the same way they imported foreign experts in the doctrine of Confucius to draw up study programs aimed at inculcating Confucian virtues in their children. As far as I know they brought in five experts from the United States, none of whom had ever been in Singapore before (one of them is a friend of mine). What happened then was a great comedy. They paid the experts very well, and gave them access to the whole education system, and within a period of two or three years the experts produced a study program for young Chinese children (Malaysians, who are Muslim, along with other minorities, had the chance to opt out), by virtue of which it was assumed the vast majority would receive instruction in Confucian morals, and this in turn would serve as the basis for legitimizing the system. But the problem was that many of these children no longer spoke Chinese, and the Confucian texts had to be translated into English so as to be included in the study program. Once this marvellous program had been clearly defined and duly incorporated in the curriculum—it was not obligatory, and parents could choose between Confucianism, Islam, Hinduism, Christianity and a sort of secular civics course for their children—to the consternation of the educational authorities, and despite all the money spent, very few parents chose the Confucian program. In reality, Singapore over recent years has experienced an explosive growth of conservative Protestantism, for which reason a significant number of Chinese parents chose the Christian program.

I tell this story because I believe it illustrates the problem (moreover when people have been listening to intellectual arguments the all afternoon one should also entertain them; that is a moral obligation). No, capitalism does not legitimize itself. Lee Kuan Yew was right, Singapore's economic success, of itself and spontaneously, is not going to produce social integration. So what can be done? It does not seem to me that government policies can fulfill this objective; it has to come from elsewhere. I think that in most societies it is probably achieved through religion, yet not through a religion developed by a government commission, but one which comes from popular movements that usually no one has been able to anticipate and which normally are not to the liking of intellectuals.

Manuel Mora y Araujo:

I would like to comment briefly on three points: I wonder, basically, what are the ascetic ethical values that are functional for economic change? It seems to me that there are at least three basic values here. The first and most import of all is that people should want to work. Secondly, there is a need for a certain willingness to defer gratification, i.e. an ethic that makes it possible not to claim all satisfactions in the present or short run. The third relates in Parsonian terms to “universalism”. One needs the power to interact on a predictable basis, founded on a certain rationality and norms that are applied equally to all in different situations. I wonder where these values come from? The Puritan ethics start from the assumption that if people seek happiness then they are not going to pursue such values. So, they propose a culture that does not seek happiness. The observation Professor Berger made in his lecture seems very interesting to me, that perhaps we are reaching a point, at least in industrial societies, where people are coming to work for pleasure, and this implies a refutation of the Puritan hypothesis.

In my opinion, external incentives, those that come from outside the conscience of individuals, whether they are material or not, affect the generation and adoption of such values.

The second point, and here I refer to observations made by my colleagues, is that there is an important and interesting implicit discussion on the table, concerning culture and political institutions, a latent discussion about what ideas institutions reflect or should reflect. For example, it would seem to be clear that the institutions of a collectivist state have been rejected: nobody believes any more that they can provide solutions to the problems that interest us. But there is a suggestion, made with quite strong arguments, that market institutions also reflect partial ideas of society, and if institutions only reflect this views of things, then society will be threatened by processes leading to disintegration. In my judgment then, the important discussion concerns the alternatives that must mitigate the market and to some degree offset its disintegrating effects. What are these alternatives? The present hypothesis is that if the sort of problems that we might capture in the word “solidarity” (the problems of those who are left out of the market, the problems of those who have less or those who suffer more) are left to the sole and spontaneous initiatives of members of society, in other words if solidarity-type concerns are not institutionalized, then perhaps the problem will not get resolved, and the legitimacy of the market order will ultimately be threatened.

From the standpoint of my initial brief comments, I am worried that as we do not know what the solutions are —obviously we do not know them and I believe they are not yet well defined— we want these institutions to reflect “our” values in the name of others, those who suffer, and those who are left out. Throughout my life I have seen institutions being set up in the name of those who are left out, supposedly to protect them, but which end up complicating everything and definitely do not help the underclass. There are middle class values which are projected on to those who are excluded which run the risk of unnecessarily distorting exchange mechanisms.

The final point relates to an interesting and stimulating observation made by Professor Berger on one of my comments, which can be summarized as follows: if there are ideas, we are talking about culture. Of course, then we are always talking about culture, except when we are talk about geography, because social and political structures undoubtedly contain and reflect ideas. My point is that there are ideas that concern ethical values, as well as ideas on institutions that obviously affect the institutions themselves. Ideas about institutions feed the subculture of intellectuals and leaders in general. However, most people are not very interested in these ideas; but most do feed on the values. Hence the fact that in political institutions ideas clearly have an influence, but these are ideas that come from the subculture. Here I pick up one final very interesting point made by Professor Berger and which I find enriching: economic institutions alone, their results, their performance and the success of the community are not enough to legitimize an economic order. Therefore, something more is needed from elsewhere, perhaps from religion —as Professor Berger has said— from where we do not know, but legitimacy is not obtained from results. A political order does not legitimize itself *per se*, it needs another form of sustenance. Perhaps in this respect Professor Berger’s contribution is particularly important, for it obliges us to put ourselves in another dimension or standpoint when confronting such problems.

Pedro Morandé:

I would like to make a brief comment, because if the ideas that I expressed are not entirely understood by Professor Berger, as he has said, there is not much point in insisting on them. But there is one important methodological point that I do not want to escape. It is entirely logical that if one starts from the premise that each case explains itself, there is no

possibility of comparison. But assuming that comparison is possible, then the question arises on what basis is it possible to make comparisons? When two objects are compared one needs a common frame of reference that includes them both, otherwise they can not be compared.

In his lecture Professor Berger presented a novel concept, namely “cultural comparative advantages” and I devoted the most important part of my comment to that concept. It seems to me that the idea of “cultural comparative advantages” is highly appropriate in the economic field, because in this sphere there is a measure of time appropriate to what is an act of exchange, an act of purchase and sale. Everything that we buy or sell comparatively at an advantage, we become aware of in the very act of purchase or sale. But when we talk of changes in culture, and we move into long periods, where it is not always possible to perceive that a change has occurred until two or three generations, then the use of the concept “comparative cultural advantages” becomes debatable.

What common frame of reference can be used to compare two cultural objects? It seems to me that the most appropriate, usually employed by sociology, is the theory of evolution I presented on the basis of two macro-variables: one which describes the passage from oracy to writing and to the audiovisual, and the other that describes the change from segmented social organization to a hierarchical class based society and to a functionalized one. I will illustrate this with a concrete example: Professor Mora y Araujo has argued in support of a relation between institutions and values. Now clearly the shape of this relation is very different if we are talking about the institution of knighthood in the Middle Ages, when there was clearly a desire to generate an order that made values transparent, or if we are referring to the institutions of a modern functional society that operates in its institutional structure in an impersonal way, where the values have become subjective and have been privatized.

In the functional society, institutions are usually evaluated in terms of their effectiveness and nobody pretends that it should be otherwise. But that is precisely a specific characteristic of functional organization. Therefore one would have to pose the question of institutions and their relation to values differently, according to whether one is referring to a hierarchical class based society or in a functional one, or a society governed by family relations or cronyism. Professor Berger himself, in his lecture, refers to the fact that some Asian countries rely more on family connections than on the working of impersonal institutions. However, this cultural feature has also been able to coexist with a functional development process.

As regards Pentecostalism, my observations point in a similar direction: on what basis can we make comparisons? Professor Mora y Araujo has explained to us the interesting case of evangelical questioners in his country; personally I would not like to generalize too much, but I have the impression that in Chile many Pentecostalists could not be chosen for interviewing work as they do not know how to read, or if they do, only at a very elementary level. In Chile, the development of Pentecostalism has not reached the point of generating a systematic educational capacity translating into curricula, schools and civil organizations of different types. By this I do not want to deny that Pentecostalism is a big novelty, and its growth is a significant cultural phenomenon. But the configuration of a cultural phenomenon that occurs in an oral world, a church that recruits on to house basis, is very different from that of the electronic church preacher, or the school that still operates with the methodology of reading and writing. Whether or not the Pentecostalist phenomenon traverses all these variables with the same cultural significance, is something that would have to be demonstrated.

For that reason, my aim when positing the existence of these two macrovariables in the sociological theory of evolution, was not to take the possibilities of differentiation between one social case and another to extremes, but to propose possible conditions for using a “comparative advantages” concept. In the economic sphere, and in view of the speed at which markets work, such a concept might seem very reasonable, but in the cultural plane in the entirely different and even variable time framework in which it operates, it is more debatable. My conclusion would be that it would only be possible to make a judgment of “comparative advantages” in the global framework of a theory of evolution of societies, which in turn would make it obligatory to consider long periods of observation.

Norbert Lechner:

To conclude, it is left to me briefly to reiterate the link between economic modernization and political democracy.

i) The modernization process is an unavoidable imperative, but there are different strategies. It is a cultural matter —economic and political— to choose an option compatible with democracy and reject strategies which assume —*de jure o de facto*— an authoritarian government.

ii) Independently of our good intentions and in the light of the segmented nature of the inter- or transnational modernization process, the

transformation of our economy tends to accentuate social disintegration. This is not the moment to bring to mind the fragmentation of Chilean society. However, this experience of division and lack of protection explains a feature of our current political culture. I assume that there is an intensive, but submerged demand for social integration —a desire for “community”, as it were— which permeates all social claims.

iii) Therefore, either democracy assumes and responds to this demand for community —and the problem is to decide how— or else I fear a boom in populist or fundamentalist reactions —in other words a return to absolute truths and closed identities as a defense mechanism against the destructive effects of modernization.

iv) Does the demand for community mean “overload” for democracy? Perhaps, if we use a minimal, merely institutional definition of the democratic regime. In fact democracy is also a set of values: it is based on beliefs, and “community” is a constituent value of the democratic creed. In conclusion, and despite the challenge that subjectivity poses us, the political institutional framework cannot do without the cultural context.

v) The inverse of this is that the effects of a given culture are mediated by institutions. Mora y Araujo has already stressed this point, but I want to reiterate it because it points to the pattern of research that Peter Berger has proposed to us. I am referring to Max Weber’s famous thesis concerning the influence of Protestantism on the development of capitalism in Europe. Weber’s analysis corrects certain economist aspects of Marx’s approach, but probably overstates the role of religion. Let us remember that the doctrines of Luther and Calvin were opposed to trade in money (interest). So what would seem to definitively distinguish capitalist countries in the North of Europe from the countries that were precursors of capitalism, such as Italy, is a more pluralist, tolerant and stable political regime. In other words, it was not the Reformation, but the absence of Inquisition that favored the development of modern rationality and the capitalist economy.

The controversy over the origin of capitalism remains an open question. This underlines how interesting the line of work proposed by Peter Berger is, and above all the relevance of the social sciences for reflecting on modernity in Latin America.

Peter Berger:

I have been asked to make a final comment, but the points that have been dealt with this afternoon are so numerous that it is difficult to choose

one. I would like to pick up again the topic of democracy, which is related more with my normative interests than scientific ones. In this regard, I believe one can make certain statements of an empirical nature which relate the issue of the market economy to democracy and to certain values which today tend to be subsumed under the notion of human rights.

But, what are we referring to when we talk about human rights? Let us take what is perhaps is the most elemental proposition in this respect: namely, that “all human beings should be treated with respect and dignity”. I believe this would be a fundamental moral proposition on the basis of which one could deduce a complete list of more specific human rights, such as the right not to be arbitrarily imprisoned and other similar rights. Now, how is this fundamental moral principal related to the market economy or democracy?

I am not convinced that democracy in itself spontaneously guarantees these rights, and consequently, that these moral values are peculiar to democracy. There can be majority decisions, taken democratically, with implications that are absolutely horrible from the human rights point of view. I originate from Central Europe, and it is not strange for me to observe that nazism came to power in Germany through democratic elections. Of course, once in power, it abolished democratic mechanisms, but it was a majority of the German people, or at least the German electorate, that elected it. In reality, it was not a majority but a plurality. However, it was a democratic process that lead to the installation of a regime, which not only afterwards, but even in its explicit intentions, was propitiating a horrendous violation of human rights.

Democracy is a mechanism (an institutional mechanism) which basically contains two elements —political scientists of course have a much more sophisticated categorization. The first is elections, which, translated into elegant scientific language, means that every so often the people can change their rulers. The second consists of a certain institutionalized protection of rights, which in the same elegant language means that those who hold power are subject to certain restrictions on how they can act. This is essentially the mechanism of democracy; it may be motivated by different ideas, it may be legitimized in different ways, but it is a mechanism just as the market is.

Now, because of their way of relating, it seems to me that these phenomena are the result of a sort of syllogism, not an elegant logical syllogism, but rather a set of empirical propositions. I do not make these propositions on the basis of *a priori* philosophical principles, but based on how I understand the world. One of them is the following: under current

modern life conditions, democracy favors the creation of institutions that have the greatest likelihood of protecting human rights. I make this statement with great caution. First we have to say “under modern life conditions”, because in the past there were benevolent despotisms on which one could rely. Given the complexity of the modern world today, I would not dare to rely on any benevolent despot, whoever it might be.

Democracy restricts the power of government, and the empirical evidence shows that this institution, however absurd it may be, has the greatest likelihood of protecting human rights. Maybe some of you know a publication by Freedom House in New York—an institution linked to the unions—which every year publishes a report on human rights throughout the world. Some details of the publication are debatable, but what it does is produce maps indicating where there has been more or less freedom, and more or less democracy. On the basis of these maps one can obtain a world map that shows where there has been a greater or lesser degree of democracy, elections, institutional protection for human rights etc.; and then one can make another map, or a series of maps, showing human rights violations, such as torture, exile, imprisonment without prior trial, and so on. If one compares these two maps, one can appreciate an amazing correlation between them: in less democratic countries there are more violations of rights. This is no great mystery: most of the atrocities in the modern world are committed by states. Democracy reduces the possibilities for states to incur in such acts.

Now, the other proposition, (which I had already formulated) is also an empirical proposition which bears no relation at all to philosophical theories of capitalism. Capitalism, or the market economy if you prefer, is a necessary, but insufficient condition for democracy. This is because the market economy leaves space for the development of other social groups and institutions. On the other hand, the socialist economy, which is the only reasonable alternative to capitalism in the modern world, does not leave these spaces. In the socialist system, the absorption of the economy by the political system does not provide social space within which different collective and individual aspirations can be expressed. And it can be shown empirically that this also happens under **XXX(illegible)** regimes and not only in specially cruel situations such as the early years of Stalinism in the Soviet Union, and even under regimes that I would consider represent more humanly attractive cases of socialism. Tanzania for example, a country that I was interested in during the 1970s did not experience a bloody scenario, but did have a completely socialist system in which all social spaces not subject to state intervention were systematically destroyed with horrible consequences of all kinds.

So we have two propositions that establish a connection between democracy and the market economy; the indirect link here is between the market economy and human rights, and this is not a syllogism. This twin connection is highly significant and, of course, concerns culture, in the sense that our notions regarding what human rights are, what is moral and what is immoral, are profoundly based on our cultural and religious inheritance. I conclude with these observations, which I hope have also contributed to a better understanding of my ideas, because I believe they are points of great political importance in Latin America, and indeed in the whole world. □