We live in an uncertain world. The bipolar system with its equilibrium is gone, drastic changes in state structures and political systems all over the world keep surprising observers and scholars, nuclear rearmament has become an unwelcome reality, new nations have renewed their claims for independence and sovereignty, alliances among countries seem rather unstable, and terrorism seems today more damaging and difficult to control than ever before. These, and other developments, make for a more unstable and uncertain global scenario. Of all of these factors, many have argued that terrorism and the war on terror, especially after September 11, 2001, is the variable contributing most to insecurity. When it comes to Latin America and other parts of the developing world, however, the visible impact of all these factors is not so clear and acquires a different intensity; in particular, the importance of terrorism as the main factor contributing to instability and insecurity is a dubious proposition. Other factors, typically associated with globalization, have provoked more uncertainty than terrorism.

At least in the Southern Cone, uncertainty goes back to the early 1990s and is directly related to the adoption of neoliberal policies as contained in the packages promoted by the International Monetary Fund (IMF), the World Bank, or the Inter-American Development Bank. As we shall see, while the Southern Cone has a long history of uncertainty and while Latin Americans have traditionally declared...
pessimism about the short- and long-term future, the adoption of neoliberalism has provoked unprecedented levels of insecurity that, in turn, have negatively affected political legitimacy and obligation. Unlike in other parts of the world where increasing uncertainty (especially associated with security) is closely linked to the era that started on September 11, uncertainty in Latin America has long constituted part of the landscape of globalization, with negative consequences for politics and democracy.

First, I propose that the adoption of neoliberalism in the late 1980s and early 1990s has substantially increased existing levels of uncertainty in the region with dreadful consequences for democracy. The citizens of Latin America have historically suffered from disquieting levels of insecurity about markets, economic development, inflation, unemployment, education, and political stability. These have led to an unsure picture of their short- and long-term future. But when during the 1990s neoliberalism changed the rules of the economic and political game offering little in the way of a concrete recognizable plan for the future of country and nation, uncertainty became exasperatingly ubiquitous and permeated more than ever the lives of individuals and communities. Planning for the short- and long-term future turned out to be more and more difficult. Investments, savings, retirement plans, and jobs became more volatile. In addition, state institutions appeared feebler than ever. Financial systems became more unreliable; in fact, they collapsed in 1998 in Brazil and in Argentina and Uruguay in 2001–2002. In short, most evidence from opinion polls indicates that since the early 1990s, and especially after the middle of this decade in the Southern Cone, Latin Americans have felt much more uncertain about their personal future and that of their countries than ever before.

What were the consequences of these rising levels of uncertainty? This chapter suggests that among other things, higher levels of uncertainty have caused a serious breakdown of political obligation and a growing divorce between the citizen and the state. Such a gap translates into a strong blow to democracy and political stability that has further decreased Latin Americans’ scarce faith in their political institutions. Uncertainty has encouraged more corruption among the rulers, the strengthening of local mafias, increasing crime rates, and the progressive erosion of legitimacy and authority. In an atmosphere of political instability, many members of the legislature and at times even presidents, assuming that their days in office are numbered, have opted for short-term gains and corrupt practices.

This chapter focuses on Argentina and draws empirical evidence from the city of Buenos Aires during the 1980s, 1990s, and the first