

Systemic Corruption, Oligarchic Democracy, and Plebeian Republicanism

Camila Vergara

University of Essex

camila.vergara@essex.ac.uk

Constitutional democracies—liberal representative governments authorized through competitive elections—are supposed to be “good” regimes, aimed at protecting the common welfare—or at least, the welfare of the majority. However, juridico-political structures such as legal codes, regulatory frameworks, and the institutions that uphold them have systematically and disproportionately benefited the powerful few, who today control most of the wealth. In contemporary democracies, systemic corruption manifests through the convergence of political, economic, and legal power among a small elite. Even in jurisdictions celebrated for strong democratic traditions and welfare states such as Europe, wealth inequality remains stark: the richest 10 percent own almost 62 percent of total wealth, while the bottom half controls a mere 2.8 percent. ^[1] In Latin America, this disparity is even more pronounced, with the top 10 percent controlling almost 70 percent of wealth, and the bottom half holding only 2.3 percent. These inequalities are not simply by-products of market forces but result from oligarchic tendencies that are sustained and reproduced through laws governing property, taxation, corporate governance, campaign finance, and more.

The process by which a democratic order becomes increasingly oligarchic is what I have called *systemic corruption* (Vergara 2020). This type of structural corruption is not the mere aggregation of individual self-serving illegal acts, but rather the process through which the self-serving behavior of the most powerful in society is normalized, legitimized, and legalized, becoming engrafted and molded into the illegal structures that condition existence and action in society. In the current liberal and juridical conception, corruption is understood as individual illegal actions by public officials. Corruption is a violation of the law, and corrupt politicians and public servants are simply bad apples. This approach is blind to *legal* corruption, to laws and policies that promote the interests of a few against the common good, which was an evident sign of corruption for ancient thinkers. Systemic corruption is a slow-moving process of decay, in which societies become increasingly oligarchic, with wealth and political power concentrated at the top, enabled by law and the absence of regulation.

In this past century, the rise of this oligarchic decay accelerated after the imposition of neoliberal reforms in the 1970s and 1980s. By the mid-1990s, structural forms of corruption became evident, especially in relation to elections. Dennis Thompson identified a form of institutional corruption, a “condition in which private interests distort public purposes by influencing the government in disregard of the democratic process,” which was enabled by electoral campaigns (Thompson 2005). Elections—a mechanism for allocating decision-making power in society that is meant to allow for true representation—were a vehicle for a type of corruption that was not merely individual, but structural.

At the heart of modern constitutional democracies thus lies an unresolved paradox (or a constitutive illusion): while representative government was ostensibly designed to serve the interests of the majority, these regimes have evolved into structures that legally protect the accumulation of wealth and power in the hands of a minority. Rather than viewing corruption as merely isolated illegal acts, systemic corruption refers to the legal destruction of political and economic systems—from citizen participation and voting rules to taxation and regulatory structures—that perpetuate domination by the wealthy few. I argue that this oligarchic drift in contemporary democracies is a core ‘feature’ of our constitutional orders, not a mere ‘bug’ that could be easily removed from the code. Oligarchy is a ‘flaw’ by design.

Origins of Oligarchic Democracy

The origins of this systemic distortion can be traced back to the foundations of constitutional democracy. Beginning with the framers in the United States, early constitutional orders have explicitly been designed as mechanisms to filter and contain the power of the majority, the common people. James Madison, for instance, advocated a constitutional architecture based on elections and separation of powers to “guard against the levelling spirit” of the masses, fearing that an empowered plebeian class would seek to redistribute wealth and dismantle property-based hierarchies (Farrand 2008). This was a common sentiment among delegates at the 1787 Philadelphia Convention; two-thirds of them were lenders and real-estate speculators. ^[2] Warning that “according to the equal laws of suffrage, the power will slide into the hands of the [poor],” Madison helped create a system established “on republican principles” to protect property against redistributive claims from below (Farrand 2008, 328).

Across the ocean, the French Revolution had yielded a more plebeian order in which citizens could participate directly to propose laws, call for recall elections, and even propose amendments to the constitution. The 1793 charter, which established a network of primary assemblies for the common

people to make decisions and vote, was conceived by Nicolas de Condorcet as an alternative to the system of separation of powers established in the United States. Condorcet argued that Madison's constitution was insufficient to stave off corruption and was likely to degenerate in what he called "indirect despotism," a regime in which representation is "neither equal nor real" (Condorcet 2012).^[3] The U.S. was bound to become a *de facto* oligarchy, operating within the bounds of a rule of law that the wealthy shape through representative institutions.

While the French plebeian republic succumbed to oligarchic restoration, the U.S. Constitution, which only contained institutions for the selected few and used republican principles to legitimize elite rule, became the model for emerging republics in the 19th century. Latin American republics, led by creole elites, replicated this elitist framework, which effectively excluded peasants, workers, and indigenous peoples from power. Almost everywhere, the core structure of representative democracy—an exclusively representative constitution with separation of powers and individual rights—ensured that elected officials predominantly represented propertied interests rather than the broader citizenry, and that redistributive claims were effectively controlled and neutralized.

Plebeian Politics Against Oligarchy in Latin America

The progressive inclusion of the working classes into the political system during the first half of the 20th century began to challenge this oligarchic dominance. Worker, socialist, and communist parties were formed to channel demands from below, and a few representatives managed to get elected to the highest office. In Latin America, populist leaders reformed and adapted elitist constitutional frameworks to allow for the increased welfare of the popular sectors through nationalization of resources and investment in public services. In Argentina, Juan Perón introduced in 1947 a Workers Bill of Rights that created a social security system and nationalized the railways; in Brazil, Getúlio Vargas nationalized oil and established in 1952 a public development bank to foster grassroots wealth-creation; and in Chile, Salvador Allende nationalized copper in 1971, redistributed land, and established a universal program guaranteeing milk to children. The oligarchic response to this plebeian advancement within elitist institutions was brutal, with military coups and dirty wars that tortured and killed thousands of people. State terrorism against dissenters and commoners swept the region together with the spread of neoliberalism, an ideology advocating for deregulation, privatization, and regressive taxation, through military juntas and then international organizations such as the IMF.

With the democratization and decolonization processes that followed in the Global South, a new wave of transformative constitutionalism began to challenge the liberal hegemonic approach to the legal order. Popular mobilizations in Brazil, Colombia, and South Africa forced open constituent processes that incorporated socioeconomic and indigenous rights, as well as anti-discrimination and participatory principles into new constitutions. Despite the achievements of this transformative constitutionalism—for example, the codification of the right to health in Brazil and of indigenous rights in Colombia—they were circumscribed and not emulated by other countries, which continued to operate within liberal frameworks in which democratic and egalitarian demands were largely neutralized.

Despite the return to formal democratic regimes in the early 1990s, the oligarchic tendencies of representative systems endured, bolstered by the Washington Consensus that funneled wealth to the top. This increased inequality and stripping of public services not only deepened the oppression of the many, but it allowed for the overgrowth of oligarchic power and the acceleration of systemic corruption. By the end of the century, several Latin American societies were in crisis and a new wave of plebeian populist leaders were elected to power with mandates to not only redress the inequalities and bring welfare to the common people, but also to refound societies based on a new social pact that could rid them of oligarchy and colonial forms of extraction.

The refoundation processes led by Pink Tide governments were a plebeian response to systemic corruption. In oil-rich Venezuela, following the increase in fuel prices that detonated riots and wide-spread precarity, Hugo Chávez was elected President in 1998 with a mandate for a new beginning. Chávez ushered in the 1999 Constitution—which established socioeconomic and indigenous rights, as well as new political participation rights to call referendums and recall representatives—and nationalized oil. One of the most interesting innovations of the new charter was the establishment of a new autonomous basic institution, Poder Ciudadano, aimed at enforcing the new rights and investigating and punishing "actions that undermine public ethics and administrative morality" (Art. 274). This pro-welfare and anti-corruption office, however, has proven ineffective; the current systematic denial of social rights—such as access to healthcare, adequate nutrition, and clean water—and the egregious crimes that have been perpetrated by security forces with impunity belie its declared autonomy from the government and plebeian purpose (UN Human Rights Report 2019).

Almost a decade later, Bolivia and Ecuador followed the Venezuelan path. Evo Morales came to power after a long cycle of contention involving the 1999–2000 Water Wars, triggered by the privatization of the water supply in Cochabamba, and the 2003 Gas War against the exploitation and export of natural gas. Through a plebeian coalition of workers, peasants, and indigenous communities, Morales led the transition from a constitution that enabled a highly oligarchic system that excluded the indigenous majority, to the first plurinational charter in the world, granting self-determination rights to the country's peoples and communities. Several attempts by the Bolivian oligarchy to sabotage the new charter resulted in months of stalemate and the promulgation of the constitution in 2009, three years after the election of the constituent assembly. Morales also nationalized fossil fuels, electricity, and water, which facilitated a transfer of wealth from the few to the many.^[4]

In addition to better material conditions, the new Bolivian charter empowered local communities by granting rights to "participation and social control," allowing residents to design and monitor public policies, and thus push for the adequate materialization of basic rights in their communities (Art. 241 & 242). However, the exercise of these participation rights has found opposition from the MAS government.^[5] In the case of water, notwithstanding the national increase in access to clean water from 71% of the population to 83% in a decade, the lack of meaningful citizen participation in decision-making and accountability processes has resulted in great disparities. In Cochabamba, where social movements had demanded the "creation of public, democratic water utilities with citizen participation and community oversight," the community received only a few seats on the directory of the corrupt public water company. As a consequence, improvements there have been negligible, with approximately half of its population still lacking access to water (Baer 2015; Zegeda et al 2025).

In parallel to the constituent struggles in Bolivia, Ecuador elected Rafael Correa in 2007 to enable the drafting of a new Constitution. Heavily informed by the new rights and principles outlined in both the Venezuelan Constitution and the draft of the Bolivian Constitution, the 2008 Ecuadorian charter, in addition to new socioeconomic, indigenous, and participatory rights, codified for the first time the rights of nature based on indigenous principles. Correa's government, however, did not nationalize the oil and mining industries but entered partnerships with multinational corporations for the exploitation of these resources, which undermined the ecological provisions and indigenous rights of the new constitution. In 2012, the Inter-American Court on Human Rights ruled that the Ecuadorian State had violated the rights of the Sarayaku people, who opposed an oil drilling project in the Amazon, and mandated the payment of reparations (Vergara 2022).

The Ecuadorian constitution also gave citizens the right to "initiate, reform or repeal juridical norms" through a mechanism of indirect popular initiative that requires the gathering of signatures to introduce a proposal into the legislative debate (Art. 61.3). However, given its consultative nature, this mechanism of popular participation has not allowed the common people to have real political power. From 2008-2018, none of the 21 indirect popular initiatives that managed to gather enough signatures to be considered by Congress became law (Herrera 2018).

Constituting the Plebeian Republic

Despite the material and legal achievements of the recent populist governments, the Pink Tide revolutions ended up reproducing elitist constitutional frameworks in which the common people do not have decision-making power aside from selecting others to rule. Moreover, this elitist imprint was present from the beginning of the constituent process. Instead of recognizing and empowering existing community-based organizations and spaces in which citizens could exercise constituent power, populist governments replicated the representative constitution-making method based on the single national assembly, and ultimately failed to change the matrix of power. The lack of a clear 'will of the people' and the concentration of power in 'constituent presidents' further undermined the radical democratic drive of these refundational processes (Bernal 2017). The exclusive reliance on leaders and national assemblies, and the lack of institutional imagination to establish an adequate infrastructure for the plebeian mass to become a political subject, resulted in the reproduction of elite institutions and the denial of the common people as agent of constituent power beyond mere acclamation at the ballot box.

Given that the process conditions the result, to escape oligarchic democracy we need to rethink the constituent process from a plebeian perspective. The 2022 constituent process in Chile that followed the October 2019 uprising and the popular demand for a new constitution, evidenced on the one hand the disciplinary effects of rules over the process, and on the other, prefigured a plebeian constituent experience rooted in neighborhood assemblies.

Thousands of assemblies spontaneously emerged in the first days of the uprising to talk about the process and propose new rights and regulations. [6] However, the political class established a process with a 'national convention' bound by supermajority rules, which effectively excluded the collective participation of the people. After much protest, individuals were allowed to participate by suggesting articles to the elected Convention. Despite this participation being non-binding, social movements and assemblies managed to set the agenda in important areas such as the right to housing, which was drafted by tenant associations. [7]

Even if the referendum on the new constitution was lost due to mediatic sabotage, disinformation, and lack of information, [8] the plebeian constituent experience in Chile demonstrated that common people, assembled to deliberate and decide, are more than capable of drafting articles of constitutional law. It also evidenced the capacity for collaboration and articulation of grassroots organizations amidst precarity and police repression, and the possibilities that could open up with adequate funding and technological support. A democratic process, designed from this plebeian experience, in which the people participate directly to co-create basic law, could escape the current oligarchic straightjackets and establish genuine plebeian republics with constitutions in which ordinary people have their own spaces and institutions to exercise political power and effectively deal with systemic corruption, oligarchic domination, and ecocidal extractivism.

Endnotes

[1] The richest 10 percent controls more than 50 percent of the wealth in every country in the world, even in social democratic Norway (52.7 percent) and "communist" China (67.9 percent). World Inequality Database.

[2] For biographies of delegates see Teaching American History. For a longer discussion of the constitutional debates from a material perspective see *Systemic Corruption*.

[3] Urbinati (2008) interprets indirect despotism as a "degenerated form of representative government."

[4] While in 2007 the richest 10 percent appropriated 68 percent of the national wealth, by 2023 this portion had decreased 5 points. During this same period, the popular sectors increased their share from 2.7 to 3.5 percent, while poverty decreased from 42.7 to 16.5 percent.

[5] For an account of the contradictions in the process of democratization in Bolivia see McNelly 2023.

[6] Based on this experience, I proposed in the manifesto *República Plebeya*, published in early 2020, to establish a plebeian constituent process in which the common people, assembled at the local level, could have agenda-setting power, through collectively drafted mandates: specific instructions of what needed to be included in the new Constitution.

[7] The right to housing was drafted in an underpass in Santiago, with the support of the MPL (Movimiento Pobladores en Lucha) and the deliberative democracy group Cabildos Constituyentes.

[8] For a detailed analysis of the referendum, see my article "Chile's Rejection" in *Sidecar—NLR* (2022) and my interview with Neil Vallely in *Counterfutures* (2023).

References

Baer, Madeline. 2015. "From Water Wars to Water Rights: Implementing the Human Right to Water in Bolivia." *Journal of Human Rights*, 14(3): 353-376.

Bernal, Angélica. 2017. *Beyond Origins: Rethinking Founding in a Time of Constitutional Democracy*. Oxford University Press.

Condorcet. 2012. "On Despotism." in *Condorcet Political Writings*, edited by Steven Lukes and Nadia Urbinati. Cambridge University Press.

Farrand, Max, ed. 2008. *The Records of the Federal Convention of 1787*. Yale University Press.

Herrera, K. 2018 "Ecuador: La iniciativa popular normativa en el gobierno de la revolución ciudadana." *Revista de Ciencias Sociales (Ve)* 24 (2): 68-82.

McNelly, Angus. 2023. *Now We Are in Power: The Politics of Passive Revolution in Twenty-First-Century Bolivia*. University of Pittsburgh Press.

Thompson, Dennis. 2005. "Two Concepts of Corruption: Making Electoral Campaigns Safe for Democracy." *George Washington Law Review* 73 (5/6): 1036-1069.

Urbinati, Nadia. 2008. *Representative Democracy: Principles and Genealogy*. University of Chicago Press.

Vallely, Neil. 2023. "Constitutional Transformation in Chile: Mapping the Horizon of Struggle." *Counterfutures*.

Vergara, Camila. 2020. *República plebeya: Guía práctica para constituir el poder popular*. Sangría

Vergara, Camila. 2020. *Systemic Corruption. Constitutional Ideas for an Anti-Oligarchic Republic*. Princeton University Press

Vergara, Camila. 2022. "Chile's Rejection." *Sidecar—New Left Review* (September).

Vergara, Camila. 2022. "Democracy to Avoid Ecocide." In *How Democracy Survives: Global Challenges in the Anthropocene*, edited by Sam Deese and Michael Holm. Routledge.

Zegada, Alejandro, Gustavo Heredia, Rocio Bustamante, Anna Walnycki. 2025. *Water Justice City Profile: Cochabamba*. UCL Report.