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Branding the Chilean nation : socio-cultural change, national identity and international image

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BRANDING THE CHILEAN NATION

Branding the Chilean Nation

Socio-Cultural Change, National Identity
and International Image

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Acronyms

AFL-CIO	American Federation of Labour and Congress of Industrial Organization
ALALC	Latin American Free Trade Association
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AUGE	Plan de Acceso Universal de Garantías Explícitas
BID	Banco Interamericano de Desarrollo
CASEN	Caracterización Socioeconómica Nacional
CEP	Centro de Estudios Públicos
CODELCO	Corporación del Cobre
CORFO	Corporación de Fomento de la Producción
DIBAM	Dirección de Bibliotecas, Archivos y Museos
DIRECON	Dirección General de Relaciones Económicas Internacionales
ECLAC	Economic Commission for Latin America and the Caribbean
EU	European Union
CEP	Centro de Estudios Públicos
EFTA	European Free Trade Agreement
FPMR	Frente Patriótico Manuel Rodríguez
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IMF	International Monetary Fund
LanChile	Línea Aérea Nacional
MAS	Movimiento Amplio Social
MERCOSUR	Mercado Común del Sur
MIDEPLAN	Ministerio de Planificación y Cooperación

MINUSTAH	United Nations Stabilization Mission in Haiti
NAFTA	North American Free Trade Agreement
NASA	National Aeronautics and Space Administration
NOOA	National Oceanic and Atmospheric Administration
OAS	Organization of American States
ODEPLAN	Oficina de Planificación Nacional
OECD	Organization for Economic Cooperation and Development
ONEMI	Oficina Nacional de Emergencia
PIB	Producto Interno Bruto
PC	Partido Comunista
PDC	Partido Demócrata Cristiano
PEM	Programa de Empleo Mínimo
POJH	Programa Ocupacional para Jefes de Hogar
PP	Partido Popular
PPD	Partido por la Democracia
PS	Partido Socialista
PSOE	Partido Socialista Obrero Español
PUC	Pontificia Universidad Católica
RN	Renovación Nacional
SERNAC	Servicio Nacional del Consumidor
SHOA	Servicio Hidrográfico y Oceanográfico de la Armada
UDI	Unión Demócrata Independiente
UN	United Nations
UNDP	United Nations Development Program
UP	Unidad Popular
WB	World Bank

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Map of Chile



Introduction

‘There is no ear on the planet to hear my sad moaning abandoned in the middle of the infinite earth!’¹ reads a poem by Chilean poet and Nobel Prize laureate Pablo Neruda: it appears to be an adequate summary of Chile’s eventful 2010. In fact, on 18 September that same year Chile celebrated two centuries since the beginning of its long quest for independence from the Spanish crown. It was not the only Latin American nation to do so as Argentina, Colombia, and Mexico also commemorated the start of their emancipation movements. As economic growth had revamped the subcontinent since the end of 2009, the region’s mood during the celebrations was fairly positive. Nevertheless, Chile’s commemoration was bittersweet as 2010 had been a year of contradictions. Thus, if on 11 January Chile was accepted as the first South American member of the OECD,² on 27 February the country was shaken by an 8.8 earthquake and tsunami. Because of these natural disasters, an important political event scheduled for 11 March was both austere and literally wobbly. In fact, after twenty years in government the centre-leftwing alliance Concertación de Partidos por la Democracia were voted out of power by the centre-rightwing coalition Alianza por Chile. The transfer of power from one president to another was special in many ways. In the first place, strong aftershocks kept shaking the city of Valparaíso where the swearing-in was taking place. Secondly, it meant the debarkation of those who had defeated General Augusto Pinochet in 1990 and the installation of the political sector that had backed his government. Except for the tremors, the handover

¹ P. Neruda, ‘Miedo’ in *Antología Poética: Pablo Neruda* (1983) Madrid: Alianza Editorial.

² Organization for Economic Cooperation and Development. The OECD clusters most of the world’s high-income nations.

was uneventful, thus signalling that Chile's democracy, whether administered by the centre-Left or the centre-Right, was stable.

One third of Chile's territory was affected by February's cataclysm. Thus, getting close to the Bicentennial celebrations in September, the entire country was quite committed to its reconstruction amidst the good news of Chile's participation in South Africa's Football World Cup, after being absent from this event for two consecutive periods. Also positive were the economic indicators that showed Chile was leaving behind the subprime crisis in spite of the quake-induced initial economic slowdown. Nevertheless, the ambivalent Bicentennial celebration was to suffer yet another blow when 33 miners were trapped in a quarry, and Chileans asked themselves why the country had to undergo one tragedy after another. Nevertheless, the initial disaster had a happy ending as the miners were found alive and rescued after some weeks. Moreover, whilst the 18 September celebrations took place, Chile got an unprecedented media exposure, not because of its Bicentennial but because the miner's rescue proved to be the most powerful human-interest story of the year worldwide: in fact, the miners were among the runners-up to Mark Zuckerberg in *TIME* magazine's 'Person of the Year' 2010.

Probably the most symbolic of all Bicentennial festivities was the inauguration of a gigantic Chilean flag facing La Moneda Palace, Chile's government house, emblem of almost two centuries of republican government. Also an icon of the break with democracy in 1973 —the picture of that building being bombarded during the military coup led by Pinochet went round the world— the base of the pole that supports the flag reads: 'This flag stands to commemorate the Bicentennial, fluttering in the wind as a symbol of unity among Chileans as well as their commitment to freedom and hope for the future'. In the presence of President Sebastián Piñera and former Concertación heads of state, as well as right and leftwing politicians, the ceremony wanted to convey a message of unity and reconciliation. The miners rescue effort also helped to convey the same message of unity as the whole country was attentive to its development and politicians from all political walks collaborated in the operation. In fact, unity and reconciliation have been rare commodities in Chile in the past. In fact, if the 1960s witnessed increased polarization in the country, 1970 was inaugurated with a controversial Unidad Popular administration that was violently curtailed by the 11 September 1973 military takeover. The seventeen years of military dictatorship all but increased Chile's cleavage. Thus, the fact of having former enemies united during the hoisting of the Chilean flag prior to the inauguration of the Bicentennial festivities was both meaningful and hopeful.

In a way 2010, marked by the events described above, gave me the opportunity to analyze several of the features addressed throughout this dissertation within a narrow time-frame. This work focuses mainly on the last four decades of Chile's history—approximately from 1973 to 2010—the year of the Bicentennial celebration being something like a storefront of the revolutionary changes undergone by this nation from the installation of a market oriented economic system from the mid-1970s onwards. In fact, in 1910 Chile celebrated a century of independence from Spain, but in troubled 2010 the focus was on the material and cultural shifts undergone by the country since the adoption of neo-liberalism which, in the opinion of several academics, paved the way for one of the deepest transformations ever undertaken in Chilean history. For example, although the country's institutional stability and tendency to abide by the law were fairly distinctive features of 'Chileanness' by 1910, the Chileans of 2010 were also able to appreciate their country's improved financial prosperity. Thus, while February's earthquake was devastating, a mere 100 days later Chilean nationals could see that almost 94 per cent of the fallen infrastructure belonging to the public sector had been restored. This fact attested to governmental efficiency and leadership as well as improved economic means. Something similar happened with the rescue of the 33 miners. Along the months of their survival saga Chileans were able to perceive good governance, the presence of a relatively strong culture of order and endeavour, as well as enhanced material and technical means: probably, if the accident had taken place a few decades ago, Chile would not have had the resources to rescue the pitmen.

Whilst studying Chile's neo-liberal evolution, I will pay special notice to three topics: its identity, its socio-cultural change—triggered by economic and political factors—as well as its nation-branding process. In this study I will try to delve further into what this nation is today by considering in each chapter a specific time period which I deem important for the nation's development. What inspires me in this line of investigation is to further understand how and why Chile's identity, its society and culture, its self-image and international reputation were forged along the centuries and were partly transformed and partly adapted to the advent of a modern liberal consumer society. Probably the most novel angle of my research refers to the process of branding Chile. Although nations normally try to have a positive international reputation, it is my view that broadly as from the 1970s onwards—i.e. when a new liberal wave starts gaining adepts around the globe—several states begin to promote their 'good character' worldwide in a regular way. Mainly due to commercial reasons, they start developing the idea of a brand attached to their names so as to be more effective in an increasingly competitive international market of products and tourism. Nevertheless, it is only by the 1990s that an important body of academic research can be found.

Researchers such as Philip Kotler, Eugene Jaffe or Israel Nebenzhal publish books or papers commenting on how and why states should promote themselves. Nevertheless, the notion of nation-branding really starts appearing from the turn of the century onwards in publications by researchers such as Simon Anholt —generally identified as the creator of the concept—, Peter van Ham, Wally Olins or Jeremy Hildreth. Although it is undeniable that nation-branding is closely linked to marketing, it is true that it is also related to nation-building, international relations and the use of soft power, among others. As for my personal interest in this field of study, it has helped me as a useful tool to look into Chile's identity, the Chilean self-perception, and the country's international standing and image throughout its history, particularly from the introduction of neo-liberalism onwards. Indeed, although my study is not devoted to the study of nation-branding *per se*, I found that it was a window, a helpful instrument to look into what inspires my research: what has become of Chile in social, cultural, political and economic terms by its second century of existence as a sovereign republic.

Although liberalism has helped to develop this nation in material terms, its application has not been beneficial to the country in absolute terms. Firstly, it has triggered a socio-cultural modernization process that has deeply affected its identity. Thus, the loss of some of its traditional values —such as austerity or the fissure of culture and community bonds— have generated antagonistic feelings within Chile's society, making many ask themselves what it is to be Chilean today. At least, that has been the line of argument of the social research conducted by the United Nations Development Programme in Chile (UNDP). On the other hand, other reports by the same organization show that most Chileans believe that today their country provides more chances to study, access material goods or set up a private business. What is more, as will be seen in the coming chapters, these reports also show that more than 60 per cent of Chileans believe that they can consider themselves as winners within the neo-liberal system. In my view, these reports are a good example of the ambiguous feelings brought about by neo-liberalism, applauded by some, rejected by others who feel perplexed by the invasion of consumption and market criteria into all walks of life, a factor that has greatly transformed the Chilean traditional identity. Also, while most Chileans have seen their country develop materially, an important minority of its population has not been able to get out of poverty. This fact has triggered bitter antagonism: on the one hand, a considerable segment of the country's society has moved into the middle classes; on the other, there is an acute perception of social inequality which is generally associated with the implementation of neo-liberalism.

The feelings of antagonism are also felt in regard to Chile's international standing and its country image. In fact, quite often this nation is praised by international organizations as successful, a model to be imitated in political and economic terms. Its smooth return to democracy accompanied by fairly fast material modernization plus international applause has triggered within Chileans a feeling of pride and increased their centenary self-perception of being exceptional within Latin America. Some of them believe that the way ahead is to keep fostering a winner mentality; some even foster the idea of being a good country in a bad neighbourhood. On the contrary, others propitiate the nation's bonding with Latin America rather than highlighting the differences with the region. In fact, Chile may be admired by its neighbours but is not loved: this has hindered its regional standing, commerce and —most importantly— diplomatic relations.

I. Conceptual Framework

The military regime did not only increase the hatred and violence that had emerged in the country in the past decades. It also hosted what has arguably been the deepest and most successful socioeconomic revolution in Chile in the last century. Thus, the Bicentennial celebrations —ambivalent as they were— also gave way to rising hopes of what has probably been one of the driving national aspirations since the beginning of the republic: that of progress —the name it received in the nineteenth century— or development —as it is known now. Four decades of radical changes, amidst serious setbacks, orchestrated a social-engineering operation that transformed Chile from being one of the most traditional Latin American countries into a modern, liberal, consumer society with a functioning democracy and fairly stable institutions. Thus, the conversion initiated during Augusto Pinochet's tenure, was continued by the Concertación administrations, albeit with substantial differences, probably the main one being the re-inauguration of democracy and the coordination of that political regime and a market economy system. This thesis aims to study such transformations in the belief, firstly, that one of the key agents of change has been neo-liberalism; secondly, that the Chilean political Left —in synchronicity with the decline of world socialism and after experiencing exile changed its socio-economic stance accepting the benefits of democracy and economic freedom; and thirdly, that a reformed Chilean political Right abandoned its statist views on the economy and society and renewed its traditional trust in democracy.

Whilst studying Chile's modernization process under the neo-liberal sign, I will especially look into three topics: the country's changing identity as some of its traditional elements have tended to disappear while new ones have entered the scene; its socio-cultural change, including a mentality shift as well as increased social mobility; and Chile's nation-branding efforts as its international standing started changing in the last decades. There are several reasons that led me to choose these three strands as the axis along which the thesis will revolve. Firstly, the three of them allow for a multidisciplinary analysis, especially from the perspectives offered by history, sociology, political science and journalism. Given that the period that I address in the dissertation—from the 1973 coup to 2010, year of the Bicentennial—is so rich in events and significant in terms of Chile's transformation, my idea was that all these academic disciplines would certainly contribute to the improved description and understanding of what has happened in this country in the last three or four decades. Secondly, as a university-trained journalist, the study of these strands would allow me to approach Chilean current events using journalistic data while gaining in in-depth analysis through the use of historical, sociological and political sources. Thirdly, the aforementioned three strands interact to the point of making it difficult to differentiate clearly between identity, national image and socio-cultural change. Although I do force a differentiation in order to analyse each strand in a better way, it is not my purpose to feature them as isolated realities. On the contrary, the fact that they interplay and intertwine bespeaks the existence of a living nation in which these and other realities interact to the point of identification. In fact, the differentiation between the Chilean self-image and Chilean identity or between identity and cultural changes of late is subtle and thus not easy to portray separately. Finally, this triple axis allows for a study of fairly permanent factors in Chile's existence as well as other less stable aspects. Thus, although the country has undergone a kind of revolution, Chile retains many of its original characteristics: it is possible to find in it characteristics forged from the beginning of its nation-building process, traits that have lasted and are also present in Bicentennial Chile.

Out of the three components analyzed, possibly the most original is national image in its nation-branding slant. A contentious art—some intellectuals consider that building a nation's brand is pure marketing and not consonant with a country's dignity—it has been implemented by several nations with success. In fact, although linked to commercial marketing, this discipline is also connected to multiple fields of the social sciences and acts in tandem with nation-building and the process of structuring a country's identity. Moreover, the art of branding a nation is also related to a country's international relations policy and national development. Thus, the

management of a nation's good reputation —which is basically what nation-branding tries to achieve— does not only relate to straight selling-oriented publicity. Moreover, the study of Chile's branding shows that this art is connected to non-commercial aspects such as the reinforcement of an identity and the study of socio-cultural changes. In addition, with reference to how Chile is perceived by other nations and the country's efforts to reflect a positive representation of itself outside its frontiers, Chile's national brand also has to do with its citizens' self-reading. As mentioned above, a nation's repute operates in tandem with its identity and idiosyncrasy. Image and identity also bond through nation-branding given that the construction of a message to convey a country's standing necessitates the selection of historical events, psychological traits, and behavioural trends among others. Moreover, the mere fact of selecting aspects of the nationality in order to pass them on to others collaborates towards a nation's identity-building.

II. Organization of the book

In the coming pages I analyze issues related to identity traits, Chile's country image and nation-branding practices as well as socio-cultural change, locating this triple-axis in specific historical contexts I deemed relevant for their development. Although the three strands are tackled throughout the six chapters, each of them concentrates on one or two of the intertwining trio. Nevertheless, regardless of the emphasis made in the different sections, they all do delve into Chile's country image and the different governments' efforts to create a positive brand for this nation.

Following the introduction, Chapter 1 describes and defines the state of the art as regards the triple axis and related concepts. Thus, this section addresses topics such as nation, national identity and national culture, followed by several Latin American and Chilean identity traits. Subsequently it describes the most outstanding features of Chilean idiosyncrasy, largely derived from the geographical isolation of its territory, the harshness of the terrain and natural disasters such as earthquakes. These characteristics are partly responsible for the formation of a culture of order and the allegedly sombre temperament of Chileans. This chapter will also address the engraved belief that Chileans have about the exceptional character of their country, compared to other Latin American nations. Two other concepts that are theoretically described in Chapter 1 refer to modernity and social change. The term modernity is ambiguous, as it denominates a wide array of ideas and has been interpreted by several schools of thought. For the purposes of this thesis, I match modernity with socio-economic

and political development. Then the chapter revises several historical events that are illustrative for this dissertation and have been important in the country's evolution towards modernity. Such milestones are independence from Spain, the increasing influence of French and Anglo-Saxon cultural models, the creation of the main national emblems, the 1910 Centennial celebration ending in the global planning era towards the Bicentennial. The final part of the chapter examines the art of branding nations as one of the sides of building a country image. The chapter tackles a 'classical' nation-branding exercise in the process of nation-building. Nevertheless, there is also a current nation-branding strand that despite having some elements of the classical is more related to international relations and commercial marketing.

Chapter 2 analyses those identity traits generally accepted as being most representative of Chileanness. Present along Chile's history, they keep cropping up through the centuries in diverse circumstances. They are the culture of order and endeavour, Chile's deep-seated belief in its exceptionality and democratic culture and the nation's geographical isolation from both the rest of the continent and the world. Of the trio of concepts addressed in the thesis, Chapter 2 pays further attention to identity topics, while not neglecting the analysis of socio-cultural aspects and country image. Chapter 2 starts by describing the formation of such features along Chile's first centuries of existence and also mentions early nation-branding attempts by the colonizing Spaniards. The chapter describes the difficulties of the conquest of Chile, as it was isolated and of difficult access. To boot, it homed fierce natives and offered little material wealth to compensate for the hard toil. During those years Chile was known as the Flanders of America. The colonial period also witnessed the development of *mestizaje* and the *hacienda*, which contributed to the formation of a culture of order. Also, the formation of the so-called Portalian state played an important role in that sense. The governmental style established in the early 1830s was republican albeit authoritarian. Nevertheless, the fact of having been a functioning democracy almost from the start helps explain why Chileans feel that democratic rule is one of the country's identity traces. Moreover, Chileans like to consider themselves as exceptional as regards the rule of law and the good functioning of its public institutions. Yet, it is also undeniable that the country has had dictatorships and civil wars. The dictatorial period spanning from 1973 to 1990 is mentioned as it represents the biggest breakaway from Chile's democratic exceptionality.

Chapter 3 starts enquiring into the specific years encompassed in this thesis, i.e. from the military coup to the end of the Concertación era, which can be considered as a time of especially acute self-perception of exceptionality. It specifically delves into the importation of neo-liberalism by young Chilean economists that had been

trained at the University of Chicago. Neo-liberalism fostered Chile's participation in international trade and enhanced its export-led economy. It also contributed to export Chile's image as a successful, dynamic and developing nation, even as a model to be imitated. Liberalism also fed the beginning of radical changes in the social and cultural structures of the country. Consequently, Chileans suffered some identity and self-image mutations. On the one hand, the country began to experience significant material improvements even in spite of the 1975 and 1982 economic crises. In fact, Chileans saw how their nation started to evolve in economic terms as well as socio-culturally and started experiencing a mentality shift more in accordance with a liberal society with rising consumption levels. Also the political Right initiated its conversion from being fairly statist in its social and economic views. In fact, the Chicago Boys not only provided the military government with an economic plan that was going to prove revolutionary: they also bestowed the Right with an all-encompassing ideology that would renew a declining political sector. Once the 1982 economic crisis was overcome, the image of Chile as a new tiger country —a comparison with the fast developing Asian Tigers— strengthened. Already before the end of the military dictatorship Chile was feeling the effect of a revolutionary transformation which, despite not reaching everyone, put the country on the path towards further economic development. At that time, Chile's country image was ambivalent as its good reputation increased because of its pragmatic and sound economic policies, while remaining an outcast nation because of its non-compliance with human rights. This fact, together with the need to foster exports, triggered the establishment of ProChile, which was relevant both as a nation-branding attempt and as the enhancement of a commercially driven diplomacy.

Although in 1990 Chile regained its status as a democratic nation, its international human rights stance did not improve as fast as expected. Chapter 4 shows how, in spite of being admired for its economic performance, very few in the globe realised the drastic regime shift that had taken place in this Latin American nation. Even among those who did, many considered that the Concertación was not doing enough to bring to trial those who had committed violations against human rights. At the same time, the Chilean authorities kept trying to promote a positive country brand for their nation. In this context Chapter 4 refers to two important branding events: Chile's participation in 'Expo Seville 92' and the organization of APEC 2004 on Chilean soil. While these events yielded positive results, two other occurrences made Chileans realize that they still had a bad international reputation. In the first case, Pinochet's detention in London in 1998 revealed that his tenure in government and the perpetration of violations against civil liberties had not faded from world memory. As for APEC, that same year 2004 witnessed the development of relatively serious diplomatic tensions with Argentina, Peru and Bolivia. In fact, for years

Chile has tried to convey the message of being a successful nation in economic terms and, through this image, insert itself in the world. Nevertheless, although this branding met with the approval of the global economic/business elites, it was not well received in the rest of Latin America. Moreover, Chile's economic and political systems clashed with alternative projects which have appeared in the region. Like Chapter 2, Chapter 4 studies some key Chilean identity traits —isolation, culture of order and endeavour, self-perception of exceptionality— although this time operative in a very different historical context. As for the socio-cultural change strand, this focus concentrates on the transformation of Chile's Left, a fact that proved to be vital during the Concertación era, a time during which the country furthered its shift towards a liberal consumer society.

Chapter 5 narrates the relatively deep and fast socio-cultural changes undergone by Chile and the concomitant surge of confrontations and conflicts. This chapter aims at summing up such changes, describing the society that Chile is becoming, and depicting the ill feelings generated mainly after the 1998 economic crisis, which brought into the open the internal antagonisms brewing for a long time because of the current modernization process. Moreover, the advent of a new century and the approach of the Bicentennial celebrations fostered reflection, even more so when the adjustments undergone by this country since the 1970s were quite drastic. In times of conflicting ideological discussions, an area that has triggered debate is the replacement of a traditional order and conservative values, which has increased the ill feelings and antagonism within the nation. Chapter 5 also addresses the issue of Chile's quest for an identity. In fact, some intellectuals suggest that Chileans have no image of self and feel as if they did not belong to their country. At the same time, several opinion polls show exactly the contrary. Chapter 5 also shows the development of empirical indicators of modernity such as urbanization, general improvement in living standards and education levels, the growth of a qualified workforce and the introduction of women into the labour force. This chapter points out that this nation has experienced an accelerated —albeit uneven— economic growth and modernization process. Nevertheless, although Chileans are better off today than ever before in the country's history, there are still considerable sectors of the population that live in depressed conditions. This is why Chile's development since the mid-1970s onwards has left a bitter-sweet aftertaste and has allowed the questioning of the success of the liberal revolution, given that an important segment of society lives in poverty.³

³ The number of people living under the poverty line is quite unclear, as will be seen in Chapter 5. Nevertheless, research conducted by the government after the subprime crisis and earthquake

Chapter 6 starts by describing February 2010's quake and tsunami to then make a historic recount of the main earth movements and tidal waves that have hit this nation along its history. The chapter shows how strong telluric movements—which shake Chile's territory every twenty five years or so— have contributed to create a culture of endurance and order as its inhabitants long for the stability that natural disasters thwart. This section analyses the shortcomings of Chile's technical capability to face a mega-quake, the response after the initial shock and the failure to release a tsunami warning. Other issues that the chapter deals with are the slowness with which aid was delivered and military personnel deployed in the affected zone to ensure law and order. Next, Chapter 6 moves on to deal with core issues, i.e. Chile's international prestige, world exposure and further construction of its national brand during two of the tragedies that hit the country in 2010, namely the above mentioned earthquake and the cave-in and rescue operation of thirty-three miners trapped in the Atacama region. Mostly following media statements and some academic analyses, it appeared that post-quake Chile was perceived as organized, efficient and resilient. Probably the role played by *Fundación Imagen de Chile* and the catastrophe of post-quake Haiti helped to foster Chile's good image. To complete the study of the performance of Chile's international image, Chapter 6 describes the accident in the San José mine in Northern Chile and how the workers were found alive. *Operación San Lorenzo's* live broadcast made an impact on Chile's international reputation. Some studies have shown that several positive attributes were attached to the country: efficiency, organizational capacity, solidarity, effective political leadership and strong spirit/resilience. Although February's quake attracted a larger share of world attention than normal for Chile, it was the miners' saga what was to become the most important visibility window that Chile has had since the fall of Allende and rise of Pinochet. In fact, their heroic survival and efficient rescue implied a great and positive leap in the country's global reputation and visibility. The event marked a once-in-a-lifetime chance to improve this small and peripheral country's good name.

The final section of the study explores some conclusions which emerge from the study of the formation and evolution of the Chilean identity traits, tested and confronted in diverse historical periods, especially from 1973 military coup to the end of

points out that as much as 19 percent of Chileans can be considered poor. See CASEN 2009 in <http://celade.cepal.org/redatam/paises/chl/mideplanii/casen2009/Index.html> and the poll conducted after February 2010's earthquake at www.mideplan.gob.cl/encuesta-post-terremoto/documentos/informe-encuesta-post-terremoto.pdf

the Concertación administrations. This last section also draws conclusions from the analysis of social and cultural changes —economically and politically driven— since the formation of the nation, with an emphasis on the 1973-2010 time period. Finally, the section concludes with the development of the Chilean country image and the handling of its national brand throughout its history and mainly from Pinochet's tenure up to the Bicentennial celebrations.

CHAPTER 1

Nation-Branding, National Identity and Cultural Change

Introduction

‘We believe we constitute a country but the truth is we are just a landscape’¹ Chilean poet Nicanor Parra wrote, putting in a nutshell a crucial element in the formation of ‘Chileanness’: nature. A crazy geography² that is at the same time a fertile province,³ a continental cornice under constant threat, shaken by periodical cataclysms, located at the end of the Earth and at the southern extreme of all oceans,⁴ *Chilli*, ‘the place where the land tops off’ as the *Aymaras* called this area of the world.⁵ Separated from the rest of the planet by its northern desert, looking at the Southern Pole’s ice, soaked by its western ocean and flanked by an immense cordillera, such a country should be called an island.⁶

Chile has been an isolated piece of land, a self-contemplating country, hardly mentioned in the world press except for its wines, Salvador Allende’s tenure and its aftermath, General Augusto Pinochet’s dictatorship. A sort of laboratory of world ideologies, it has evolved from being an extremely isolated nation to a country that participates fully in the globalized world, although playing a small role. Nevertheless,

¹ Nicanor Parra (1969) *Obra Gruesa*. Santiago: Editorial Universitaria, p. 247. All the translations from Spanish into English in this thesis have been done by me.

² B. Subercaseaux Z. (2005) *Chile o una Loca Geografía*. Santiago: Editorial Universitaria.

³ De Ercilla y Zúñiga, Alonso (1964) *La Araucana*. Buenos Aires: Espasa-Calpe, Canto 1, p. 3

⁴ A. Edwards in C. García-Huidobro (2008) *Tics de los Chilenos. Vicios y Virtudes Nacionales Según Nuestros Grandes Cronistas*. Santiago: Catalonia, p. 175.

⁵ H. Pérez de Arce (2006) *Los Chilenos en su Tinto*. Santiago: El Mercurio- Aguilar, p. 19.

⁶ B. Subercaseaux S. (2005), *op. cit.*, p. 59.

granting that the country is scarcely known around the globe, the changes that it has undergone in the period analysed in this dissertation—from 11 September 1973 to 11 March 2010—have been a matter of study and debate among national and foreign scholars, as well as among the political and economic elites.

As explained in the introduction, this thesis aims to study such transformations, assuming, firstly, that the agents of change have been neo-liberalism and a reformed Chilean political Right that recanted its statist views on the economy and society; and secondly, that the Chilean political Left—concomitant to the decline of the world's real socialism and undergoing the experience of exile—shifted its socio-economic stance, accepting the benefits of democracy and economic freedom. As I also pointed out in the presentation of this study, whilst exploring this general frame, I will pay special attention to three specific questions, namely, Chile's identity, the country's social, political and economic transformation, and its image, both in the sense of the Chileans' self-awareness and of how Chile is perceived by others abroad.

In order to explore the factors mentioned above, it is necessary to examine several related concepts, which will be addressed in this chapter. Thus, Section 1.1 will study topics such as nation, national identity and national culture and will then specifically look at some of Latin America's and Chile's identity traits. Afterwards Section 1.2 will consider what it is to be modern and how it is that societies change. For the purposes of this thesis, modernity will be treated from the point of view of socio-economic and political development. In this section I will also revise several historic events that I consider decisive in the country's evolution towards modernity. Finally, Section 1.3 examines the art of branding nations considering that there is a nation-branding process that I call 'classical' when referring to the process of nation-building. There also is a contemporary nation-branding that despite having the same elements as the classical, has a marked commercial angle and relates more to international relations than to building a national state. These ideas are concretely studied in the case of some countries, Chile among them.

Some of the ideas presented above may need further development before moving on to the main points of Chapter 1. A national brand is to be understood as a specific area of a given country's image. In the coming chapters both related concepts, brand and image, will be used when referring to how Chile is perceived by other nations and when referring to its efforts to reflect a positive representation of itself outside its frontiers. The idea of image will also be used when referring to the Chileans' self-perception, which comes to operate in tandem with the existence of a Chilean identity and idiosyncrasy. Image and identity are also connected through nation-branding

given that this process selects historical facts, psychological traits, behavioural trends, and the like—all of which form part of an identity—in order to build a message to be conveyed. Besides, the very fact of selecting aspects of nationality to pass them on to others contributes to Chile's identity-building.

Chile's quest for modernity has implied a cultural transformation that goes hand in hand with the arrival of neo-liberalism in the early 1970s. This has changed mentalities, life styles and has accelerated socio-economic progress. In order to understand these changes it is important first to define the concepts of culture, identity and modernity that will be used throughout this study. Chapter 1 addresses their connotations and selects the following strands: firstly, culture should be understood as a distinct way of life common to a given society and thus present in the lifestyles of its members. Secondly, identity is used in the sense of the manner in which people define themselves through symbolic contacts and associations with others. Thirdly, modernity will be used in its empirical aspect, i.e. tracing specific features which, following the opinion of experts in the field, attest to the development of a modern society. The concept of modernity will also be understood as identified with consumption and the advent of a society that fosters and has the material base to make a consumer culture thrive.

The chapter scans through the opinions of relevant social scientists that have stamped their views on the Chilean character, highlighting the important influence that geography has had in its formation. Finally, Chapter 1 pans along Chile's history, choosing a few historical milestones that show the nation's path towards modernity. They also exemplify how this process has been led by exogenous ideas and forces, even though Chileans have adapted them to their needs.

1.1 National Identity in a Mirror: What We Are and What We Are Not

In this section I shall address several key notions such as nation, national identity and culture. I will also try to show the most common beliefs about what it is to be Latin American and Chilean, in the knowledge that identities are not metaphysical realities; they do not have an immutable essence but are rather a set of historical characteristics, a shared history.⁷ Nationality, culture and identity are concepts loaded with an ample

⁷ 'Sol Serrano y el Apego que Tienen las Nuevas Generaciones a lo Chileno', *El Mercurio*, 29 September, 2007.

array of meanings developed by diverse schools of thought which disagree quite strongly from one another.⁸ After defining these concepts I will revise some of the psychological traits attributed to Latin Americans in general and Chileans in particular.⁹

The idea of a world divided into nations —or nation states as they will also be referred to in this thesis— is fairly new. In fact, the history of humanity has seen the rise and fall of empires, kingdoms and city states just to name some of the planet's many historic forms of political organizations. It is mostly agreed that it was only during the European Enlightenment that the idea of each nation having the right to an independent and sovereign government developed.¹⁰ Thus, that humanity should be naturally divided into nations is a modern political idea.¹¹

Anthony D. Smith defines nations as a portion of human population sharing a historic territory, common myths and historical memories, a mass public culture, common economy and legal rights and duties for all members.¹² This definition is in line with that given by Iain McLean and Alistair McMillan, although they do distinguish between what they call the nation's 'parent terms', i.e. state and nation. In their view, the state refers to the political organization that displays sovereignty within geographic borders and in relation to other sovereign entities. On the other hand, nation refers to a population that shares a common culture, language and ethnicity with a strong historical continuity.¹³

In my opinion, these definitions integrate the two main lines of discussion regarding the concept of nation: what Ruth Wodak, Rudolf de Cillia, Martin Reisigl and Karin Liebhart call the political nation by an act of will and the nation defined by culture

⁸ See A.D. Smith (1991), B. Anderson (2006), B. Subercaseaux S. (1999).

⁹ H. Godoy (1976) *El Carácter Chileno: Estudio Preliminar y Selección de Ensayos*. Santiago: Editorial Universitaria and J. Gissi (2002) *Psicología e Identidad Latinoamericana. Sociopsicoanálisis de Cinco Premios Nobel de Literatura*. Santiago: Ediciones Universidad Católica de Chile.

¹⁰ See A.D. Smith (1991), B. Anderson (2006), B. Subercaseaux S. (1999). There are authors —such as Hagen Schulze— who situate the origins of nations towards the end of the Middle Ages and beginning of the Renaissance. See H. Schulze (1996) *States, Nations and Nationalism. The Making of Europe*. Oxford: Blackwell, pp. 37–38.

¹¹ B. Subercaseaux S. (1999) *Chile o una Loca Historia*. Santiago: LOM Ediciones, p. 48.

¹² A.D. Smith (1991) *National Identity*. Nevada: University of Nevada Press, p. 43.

¹³ I. McLean and A. McMillan (2003) *Oxford Concise Dictionary of Politics*, Oxford: Oxford University Press, p. 364.

often linguistically demarcated and ethnically based.¹⁴ Nevertheless, these authors do find Smith's definition —and by the same token McLean's and McMillan's— quite 'problematic' as it assumes the existence of a collective group preceding the development of the nation or nation state¹⁵ which, in my view, implies the existence of historical facts that enroot the birth of a nation in real data.

In effect, one of the reasons why I adhere to these definitions is that I ascribe to the idea that the nation, national identities, national values, cultural changes and a nation's self-image as well as its international reputation (including the nation-branding process to be studied in section 1.3) are not absolute artificial constructs but do have a hold in historical realities and on the interaction of those who form the national community. Thus, although recognizing the importance of subjective or artificial human intervention surrounding the features mentioned above, their creation is only part of their whole formative process. I do not believe that a nation is so fixed in an external reality that any change or intervention would mean its destruction, thus denying the possibility of evolution. On the other hand, neither do I believe that a nation is only an imagined construction, a fiction created by intellectual elites that convince a group of people that they belong to a given national community. In my view, the above mentioned definitions of nation—which consider the existence of a group of humans who share a territory, have a common political and legal apparatus as well as certain beliefs as regards their community— escape both from the straitjacket of essentialist conceptions and the detachment from reality of the more constructivist approaches.

If a person asks her/himself who she/he is, that individual is questioning her/his identity. In a similar manner, when hundreds, thousands or millions of people who have never met face to face but have a conscience of community¹⁶ ask themselves who they are, what makes them Mexican and not Paraguayans, they are getting into the deep waters of national identity. Made visible through maps, anthems and flags, football matches and presidents,¹⁷ a nation's identity is quite difficult to define. A traditional approach to the issue considers identity to be a set of more or less fixed

¹⁴ R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart (2009) *The Discursive Construction of National Identity*. Edinburgh: Edinburgh University Press, p. 18. Also see Smith, *op. cit.*, p. 15.

¹⁵ R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p. 20.

¹⁶ B. Anderson (2006) *Imagined Communities*. London: Verso, p. 6.

¹⁷ S. Radcliffe and S. Westwood (1996) *Remaking the Nation. Place, Identity and Politics in Latin America*. London: Routledge, p. 2.

features linked to a certain territory and kin.¹⁸ Thus, the traditional approach implies an essentialist and immovable conception of identity.¹⁹ In fact, this approach can be quite deterministic and deny change and evolution.²⁰ Besides, it does not consider the heterogeneity of the ways of being and the multiplicity of expressions of social life present in a nation.²¹

A second school of thought—that tends to ascribe to postmodern philosophical principles²² and also has constructivist elements—²³ considers national identity as something that lacks substance,²⁴ an imagined construct,²⁵ generated and reproduced through discourses,²⁶ a sense of belonging based on invention and largely led from above, from elites—mainly intellectuals and historians—²⁷ that somehow ‘educates’ the ‘people’ in what the nation’s identity should be.²⁸

The way that I feel comfortable with when looking into national identities is to a certain extent a middle way between the two schools of thought mentioned above. On the one hand I consider that the concept precedes discourse in the sense that I consider there are several historical features—traditions, languages, shared historic memories, a territory judged to be national—which are vivid and phenomenological testimonies of the existence of non-artificially constructed national traces. On the other hand, I believe that this stance is perfectly compatible with the creation of myths mainly by stressing and selecting historical facts and imagining some aspects of the national community. Thus, a nation’s identity would firstly connect to realities that exist independent from subjectivity. It would also entail the narration of a community which implies an intellectual and symbolic construction²⁹ in which individuals define

¹⁸ Given that the word identity derives from the Latin *idem*—meaning ‘the same’—the fact that the notion of identity implies a certain no-change is not surprising.

¹⁹ B. Subercaseaux Z. (1999) *op. cit.*, pp. 40-42. Also see J. Larraín (2001) *Identidad Chilena*. Santiago: LOM Ediciones, pp. 181-209.

²⁰ R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p.11 and 15.

²¹ B. Subercaseaux S. (1999) *op. cit.*, p. 42.

²² J.J. Brunner (1994), *Cartografía de la Modernidad*, Santiago: Dolmen Ediciones.

²³ J. Larraín (2001), *op. cit.*, p. 15.

²⁴ B. Subercaseaux S. (1999) *op. cit.*, p. 44.

²⁵ B. Anderson, *op. cit.*, pp. 6-7.

²⁶ R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p. 186.

²⁷ B. Subercaseaux S. (1999) *op. cit.*, p. 44.

²⁸ S. Radcliffe and S. Westwood, *op. cit.*, pp. 51-79.

²⁹ See B. Subercaseaux S. (1999), *op. cit.*, p. 46. and J. Larraín (2001), *op. cit.*, pp. 15-16.

themselves through the symbolic interaction with others, including linguistic expressions, actions, objects through which individuals communicate and share experiences.³⁰

This view of national identity denies an essentialist static view of history.³¹ On the other hand, it does accept the reality of historical features, languages and so on, which have an existence beyond the subject, taking into account that the acts of individuals contribute to forge that identity.³² Finally, this perception also accepts a more relational view of the identity by which a nation's self-perception is also forged in comparison with others. Thus, Chile's inveterate conception of being the *finis terrae* has been mainly constructed on the perception of existing far away from Europe.³³ Finally, this half-way vision of national identity matches with the elements included in McLean's, McMillan's and Smith's definition of nation, i.e. a portion of human population that shares a historic territory, has common myths and historical memories, has developed a mass public culture, and counts on institutions such as a common economy, and a legal and political system for all members.

A sense of national identity is an important means of positioning individual selves in the world 'through the prism of the collective personality and distinctive culture. It is through a shared, unique culture that we are enabled to know "who we are" in the contemporary world'.³⁴ In fact, culture has a central significance in the discussion of nationality and national identities.³⁵ The term culture is often taken as fine arts, literature, music and intellectual activity in general. Nevertheless, for the purposes of the present study it will be considered as a given way of existence, socially shared and present in the lifestyles of common people,³⁶ which contains certain standards of behaviour³⁷ and forms a system of attitudes, values and knowledge transmitted from one generation to the next.³⁸ Despite being different notions, culture and identity are deeply linked given that both imply symbolic constructions through which individuals

³⁰ J. Larraín (2005) *¿América Latina Moderna? Globalización e Identidad*. Santiago: LOM Ediciones, pp. 89-90. Also see B. Subercaseaux S. (1999), *op. cit.*, pp. 45-46 and J. Larraín (2001) *op. cit.*, p. 15.

³¹ J. Larraín (2001), *op. cit.*, p. 15.

³² J. Larraín (2001), *op. cit.*, p. 16.

³³ B. Subercaseaux S. (1999) *op. cit.*, p. 46.

³⁴ A. D. Smith (1991), *op. cit.*, p. 17.

³⁵ R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p. 20.

³⁶ J. Larraín (2005), *op. cit.*, pp. 88 y 90.

³⁷ F. R. Viveló in R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p. 21.

³⁸ R. Inglehart (1997) *Modernization and Postmodernization. Cultural, Economic and Political Change in 43 Societies*. Princeton: Princeton University Press, p. 15.

communicate—in the case of culture—and build a narrative about the self—in the case of identity.³⁹

Continuing with the topic of national identity and culture, I will now examine what is commonly understood to be the traits of Latin America's and Chile's distinctiveness. "America is one and double, paradoxical and harmonious, a land of perpetual strife... America of anguish, of infinite agony, our America, Indian and Spanish, endlessly seeking her self-definition, fighting against herself and others".⁴⁰ As Jaime Eyzaguirre expresses in this piece of poetic prose, the great heterogeneity of the continent's countries and the reality of a changing region does not prevent the existence of a Latin American identity.⁴¹

The majority of Latin American countries share the colonialist language—Portuguese in Brazil, Spanish in almost all the others—the Roman Catholic religion and tradition as well as a Luso-Hispanic administrative system. The fact of having been colonized by European powers left not only a *mestizo* race but also a *mestizo* culture, not totally European and not totally native: this area of the world would be something like a first cousin of the Western world.⁴²

The links with the West—which started five hundred years ago—have been traumatic since the relationship with the European culture—which did intend to replace the indigenous culture—was always asymmetrical: dominion and conquest first, then colonization to end in independence. However, the influence of the Western powers—France, England and the United States—remained pivotal.⁴³ This combination of factors triggered the formation of a low Latin American self-esteem⁴⁴ enforced by the incapacity of the region to reach socio-economic development. These realities have triggered the creation of theories—such as the dependency theory—to explain the continent's inability to overcome poverty. Nevertheless, there is an area in which the region has excelled, and this is literature. As Armando de Ramón, Ricardo Couyoumdjian and Samuel Vial have shown, some of the pioneering efforts to strengthen

³⁹ J. Larraín (2005), *op. cit.*, p. 100.

⁴⁰ J. Eyzaguirre (1969) *Hispanoamérica del Dolor*. Santiago: Editorial Universitaria, p. 26.

⁴¹ J. Gissi. *op. cit.*, pp. 33-34.

⁴² S. Huntington (1997) *The Clash of Civilizations and the Remaking of World Order*. New York: Touchstone, p. 46.

⁴³ J. Gissi, *op. cit.*, p. 31.

⁴⁴ F. Ainsa (1986) *Identidad Cultural de Ibero América en su Narrativa*. Madrid: Gredos, p. 62.

a Hispano American identity were developed by philologists and literati who exerted themselves to maintain Spanish as a common language although independent from Spain's cultural imperialism.⁴⁵ Furthermore, in the twentieth century Latin American literature excelled obtaining six Literature Nobel Prizes.⁴⁶

A final trait to be mentioned here is the relation between race and social class. From the early years of the European conquest a sharp distinction along those lines began to take shape, which although mitigated remains to the present day. In fact, if during the sixteenth century most natives were poor in comparison to Europeans, the same happens today: Latin Americans with stronger native or African roots are comparably still poorer than those who have more European blood.⁴⁷ Thus, as pointed out by Brazilian anthropologist Darcy Ribeiro, in Chile it is more common to find *Mapuche* or Aymara physical features among Chile's poor than in the upper classes.⁴⁸ It is not surprising that a shared idiosyncratic feature in the region should be the tendency to 'whiten' society, as the fact of having more Western features is normally connected to more wealth and a better social position. Thus, if during the colonial period people sought to obtain the legal status of being Caucasian,⁴⁹ nowadays it is not uncommon that citizens change their surnames so to erase traces of indigenoussness that might either be demeaning or hinder social and economic progress.⁵⁰

In his book *Identidad Chilena*, Jorge Larraín addresses several questions about Chile's idiosyncrasy and identity within the Latin American tradition. He touches upon its idiosyncrasy seen through Roman Catholic lenses; Chile's position within the Spanish empire as a place of warfare; the particularly strong imprint of its geography in some aspects of Chileans' personality, as well as the strong pride Chileans feel for what they consider are their politically sound and stable democratic institutions, all aspects that will be further developed in the following chapters. Larraín also tackles the psycho-social version of Chileans' behavioural trends. He cites some early twentieth century

⁴⁵ R. Couyoumdjian; A. de Ramón and S. Vial (1993) *Historia de América*. Santiago: Editorial Andrés Bello, p. 272.

⁴⁶ Gabriela Mistral in 1945, Miguel Ángel Asturias in 1967, Pablo Neruda in 1971, Gabriel García Márquez in 1982, Octavio Paz in 1990 and Mario Vargas Llosa in 2010.

⁴⁷ J. Gissi, *op. cit.*, p. 42.

⁴⁸ D. Ribeiro (1972) *Las Américas y la Civilización*. Buenos Aires: Centro Editor de América Latina, p. 42.

⁴⁹ 'Jorge Guzmán: Mestizaje: el Estructural Temor de Devenir el Otro', *La Época*, 31 December 1988.

⁵⁰ 'Cerca de Mil Mapuches Cambiaron sus Apellidos por Temor a Discriminación', *La Tercera*, 27 August 2000.

Chilean intellectuals, such as Alberto Cabrero, who consider that their nationals share racially inherited character traits:

From the Andalusians, the lower classes have inherited a frivolity of judgment, carelessness towards the future as well as fatalism; from the native Indians, the same fatalism, alcoholism, the vice of theft and violence. The high classes have inherited from their Basque ancestors a lack of sentiments and imagination, harshness, severity, suspiciousness, insipidity, and calculating selfishness.⁵¹

Nicolás Palacios who wrote *Raza Chilena* in 1904, also has a racial explanation for Chileanness, albeit a more positive one. Intellectual heir to positivists Herbert Spencer, Darwinism and Gustave Le Bon's social psychology, Palacios describes the *roto Chileno*—as the members of the lower classes are known in the country—as a privileged *mestizo* type, born out of the mix of two outstanding warrior groups: the Goths who came from Spain and the native indomitable Araucanians.⁵²

In more recent times, three Chilean sociologists—Hernán Godoy, Cristián Tolosa and María Elena Montt—completed a thorough compilation of most writings done on the subject of Chile's idiosyncrasy. Firstly, Godoy collected essays written by Chileans and foreigners alike about what he calls 'the Chilean peculiar disposition',⁵³ which he thinks is a consequence of the country's isolating geography and its cloistering effect. Secondly, he states that the staunch resistance from the *Araucano* Indians, which prolonged the frontier war, accounts for the continued presence of military contingents throughout the colonial territory. It also triggered miscegenation with local natives: given that very few European women came with the men, an early *mestizaje* took place. In Godoy's opinion, the synthesis of such factors produced three distinctive features among both high and low class Chileans: an unrestricted obedience towards civilian and religious authorities; a patronizing class relation; and a strong identity and inveterate love for their country.⁵⁴

Some values attached to these factors are keenness for political order, respect for the reign of law, political stability and historic continuity, an impersonal form of

⁵¹ A. Cabrero in J. Larraín, (2001) *Identidad Chilena*. Santiago: LOM Ediciones, pp. 158-159.

⁵² N. Palacios (1918) *Raza Chilena: Libro Escrito por un Chileno y para los Chilenos*. Santiago: Editorial Universitaria, pp. 61-88.

⁵³ H. Godoy, *op. cit.*, p. 505.

⁵⁴ H. Godoy, *op. cit.*, p. 508.

government—quite different from the Latin American tendency towards *caudillismo*,⁵⁵ relative lack of corruption within the public sphere, pacific coexistence within society and openness towards dialogue.⁵⁶ To these ‘social’ features, the author adds ‘personal’ psychological dispositions, such as serenity in the face of adversity, sobriety, order, great patriotism and hospitality. Nevertheless, not all is virtue: some national vices are envy, servile character, insecurity of self, pessimism and lack of imagination.⁵⁷

Also interesting to mention are Cristián Tolosa’s and María Elena Montt’s findings after an accurate study of 57 works on the Chilean self, several of which coincide with Godoy’s conclusions: love for order, sobriety and moderation; sociability, warm-heartedness and hospitality; great personal insecurity and dependence on others’ opinion.⁵⁸

It is interesting to highlight that, against Godoy’s idea that personal characteristics should not be passed on to social entities, several well renowned historians and sociologists from diverse ideological backgrounds, do coincide with many of Cabrero’s, Tolosa’s and Montt’s findings. Along these lines, historian Gonzalo Vial asserts that geography has left a very important imprint in Chile’s peculiar disposition. Firstly, it made of Chile a segregated piece of land. A consequence of this would be a passion for travelling to overcome the isolating tyranny of oceans, deserts, mountains and ice. It is also apparent in its keenness towards foreigners. Another personality trait which stems from the geographical factor would be love for unity—given that more than 4.000 kilometres separate nationals from Arica to those from Punta Arenas—and order. In particular connection with geography, Vial upholds the view that frequent and strong earthquakes in Chile have nurtured a love for order and stability as opposed to the chaos, death toll and suffering resulting from their violence.⁵⁹

In Cristián Gazmuri’s opinion, Chile’s geographic location definitely has had an effect on the national mind. Positioned in a north south vertical line, until 100 years ago Chile was like a real island, especially during winter: locked up between a rough ocean

⁵⁵ See A. Knight (2005) *Revolución, Democracia y Populismo en América Latina*. Santiago: Centro de Estudios Bicentenario.

⁵⁶ H. Godoy, *op. cit.*, p. 509.

⁵⁷ M. E. Montt and C. Tolosa (1984) *Análisis e Interpretación Psicosocial de los Ensayos sobre el Carácter Chileno (1950–1983)*. Santiago: Editorial Universidad Católica, pp. 125–127.

⁵⁸ H. Godoy, *op. cit.*, p. 519.

⁵⁹ G. Vial in A. Soto, (ed.) (2003) *Chile en el Siglo XX. Camino al Bicentenario*, Santiago: Universidad de los Andes, pp. 50–51.

and harsh coastline to the west, and the Andes to the east —almost insurmountable during winter; the *Despoblado de Atacama* to the north and Cape Horn at the southern end, bathed by the most ferocious sea in the world, ‘arriving in Valparaíso was to reach the other side of the planet. Coming to Chile was a total adventure’.⁶⁰ Furthermore, the geographical conditions created a mind frame of periphery, always curious about foreigners —especially if coming from powerful nations— and eager to show off.

In addition, the geological harshness has generated a fatalistic character, always unhappy or unsatisfied with what it has.⁶¹ Several Chilean literati have similar opinions on this regard. Thus, Benjamín Subercaseaux said that Chileans have a ‘depressive psyche’⁶² and are quite incapable of having fun in fairs and merry-go-rounds.⁶³ Also Isabel Allende considers that Chileans are sombre and serious ‘which contrasts with the exuberant temperament so common in the rest of Latin America’.⁶⁴ Stoicism facing catastrophe in this ‘happy replica of Eden’⁶⁵ and tremendous attachment and fondness for the land,⁶⁶ would be two other Chilean characteristics that stem from the national geography. In my view, these two aspects, together with warm heartedness, have combined in the forging of another trait: solidarity. In fact, living in a catastrophe-prone land has forced the people to unite in the common purpose of survival and reconstruction, and has helped them to develop the capacity for working together to overcome adversity.

‘That Chileans are Latin Americans is a self-evident truth for everyone except for Chileans themselves’.⁶⁷ This statement can be constantly confirmed. It is just one of the many contradictions of the complex Chilean psyche; it is present in daily life, it turns up in the press and in casual conversation. ‘It makes me sick when we compare

⁶⁰ ‘Cristián Gazmuri: Lejanía, Aislamiento, Pobreza y Guerra. La Mentalidad Histórica del Chileno’, *El Mercurio*, 22 April 2006.

⁶¹ C. Laborde in S. Montecino (2003) *Revisitando Chile. Identidades, Mitos e Historia*, Santiago: Comisión Bicentenario, pp. 92–93.

⁶² B. Subercaseaux Z. (1939) ‘Apuntes para una Psicología del Chileno’ in *Chile, o Una Contribución a la Realidad*. Santiago: Editorial Zig-Zag, p. 70.

⁶³ B. Subercaseaux Z. in C. García-Huidobro, p. 96.

⁶⁴ I. Allende (2004) *My Invented Country. A Memoire*. New York: Perennial, p. 81.

⁶⁵ ‘Cristián Gazmuri: Lejanía, Aislamiento, Pobreza y Guerra. La Mentalidad Histórica del Chileno’, *El Mercurio*, 22 April 2006, *op. cit.*

⁶⁶ Eliodoro Matte L. (President of Compañía Manufacturera de Papeles y Cartones, one of the biggest companies in Chile), interviewed on 25 May 2006 and ‘Cristián Gazmuri: Lejanía, Aislamiento, Pobreza y Guerra. La Mentalidad Histórica del Chileno’, *El Mercurio*, 22 April 2006, *op. cit.*

⁶⁷ A. Pizarro in S. Montecino, *op. cit.*, p. 85.

ourselves with Latin America’⁶⁸ reads the title of an interview with Cristián Larroulet, then head of an important right wing political think-tank, who became a minister in Sebastián Piñera’s government. These feelings are not exclusive to Rightists: many *Concertacionistas*, i.e. members of the centre-left coalition that ruled Chile from 1990 to 2010, believe the same. Thus, Jorge Rodríguez Grossi, former minister of Economy during the administration of Ricardo Lagos, started off his opening speech during the official launching of Chile’s country branding campaign, with the following story: ‘A few days ago I was at Paris airport. I started flipping through a magazine and found an article about our country which read “What is Chile doing in South America?” So, what should we do about it....’⁶⁹ That French magazine is not the only publication that feels that way towards Chile. *The Economist* frequently compares Chile with its continental partners: ‘Look at Chile. Alone among its neighbours, Chile has achieved sustained high growth’;⁷⁰ ‘The exception (in infrastructure), as so often, is Chile’;⁷¹ and this heading: ‘Trouble with the neighbours. Can Chile stay different?’⁷² These publications do not help Chileans to feel Latin American, at least not the elite readers of this British weekly.

Chile’s Latin American bonds are uncomfortable, a topic that will be addressed mainly in Chapter 4. Firstly, after almost 200 years of independent life, Chile still has important border problems with Peru and Bolivia, which affect sensitive economic issues. Such may be the case of the fishing industry which would see the best Chilean fishing areas taken away if Peru obtains the sea zone that it claims.⁷³ Secondly, many Chileans perceive that the Latino nations are underdeveloped, have troublesome political systems —not to mention the considerable amount of dictatorships they accumulate—, and they do not follow European behavioural standards.⁷⁴ Chile is simply different, and this assumption has a strong hold in all social strata. Closely linked to this contradictory stance is the deep-rooted desire to ‘whiten’ the racial Chilean ancestors — i.e. denying *mestizaje*— intending to further highlight the European

⁶⁸ ‘Cristián Larroulet Evalúa la Era Lagos y Analiza lo que Viene: ‘Me Enferma que nos Comparemos con A. Latina’’, *El Mercurio*, 19 February 2006.

⁶⁹ Jorge Rodríguez Grossi, speech delivered on 25 April 2006.

⁷⁰ ‘All Good Things Must Slow Down’, *The Economist*, 5 March 1988.

⁷¹ ‘Stop! Government Obstacles Ahead’, *The Economist*, 15 June 2006.

⁷² ‘Trouble with the Neighbours. Can Chile Stay Different?’, *The Economist*, 18 July 2002.

⁷³ Sergio Lecaros M., (President Duncan Fox S.A. holding, one of the biggest companies in Chile), interviewed on 11 December 2006. Duncan Fox owns some of the largest fishing companies in Chile (e.g. Pesquera Coloso and Pesquera San José).

⁷⁴ A. Pizarro in S. Montecino, *op. cit.*, p. 85.

background, searching for upward social mobility and refuting the most likely origin of blood mixture: rape.⁷⁵ Interestingly, as was mentioned at the beginning of section 1.1, the desire of being white is very common to all Latin American nations. Besides *mestizaje* and the desire to appear as more European, Chileans also share other traits with their fellow Latinos: a common religion and language and also a pervasive diffident and timid attitude mainly when facing developed nations.⁷⁶ They also share with the region a strong longing for development, which I equate with modernity, as will be seen in section 1.2.

1.2 Modernization and Cultural Change

As happens with concepts like nation, culture and identity, the idea of modernity also suffers from semantic fuzziness and is used to name a wide array of issues both in lay language and in the social sciences. Besides, each society that has undergone a modernization process has done so in diverse circumstances and following different ideological guidelines, a fact that adds to the multiplicity of interpretations of the term. In section 1.2 I refer to three important schools of thought that deal with what it is and what it takes to be modern, namely, modernization, world-system and dependency approaches. Then in the same section I try to explore briefly some of the country's main historical milestones in its search for modernity.

A topic addressed by diverse academic disciplines —from sociology to history passing through philosophy, to name but a few— it seems there is not one single description of modernity that embraces it as a unique and coherent whole,⁷⁷ and there is definitely no agreement on what modernity is. Neither is there an agreement as regards its starting point. It is the opinion of Eugenio Tironi that the notion of modernization is normally applied to the formation processes of European and North American societies from the sixteenth century onwards,⁷⁸ although other authors are of

⁷⁵ P. Morandé in S. Montecino, *op. cit.*, p. 64.

⁷⁶ J. Gissi, *op. cit.*, pp. 38–49.

⁷⁷ J. J. Brunner (2005) Modernidad: Centro y Periferia. Claves de Lectura in http://mt.educarchile.cl/mt/jjbrunner/archives/2005/08/modernidad_cent.html

⁷⁸ E. Tironi (2005) *El Sueño Chileno. Comunidad, Familia y Nación en el Bicentenario*. Santiago: Taurus, p. 163.

the opinion that it began closer to the eighteenth century, during the Enlightenment.⁷⁹ What generates consensus is that modernity was triggered by, and also hastened a rise of secularism and rationality, industrial development and a strong belief in the unstoppable progress of humanity.⁸⁰ This last aspect proved to be wrong. What is more, the past century with its concentration camps and death squads, its two world wars and its threat of nuclear annihilation —put into practice in Hiroshima and Nagasaki— certainly shattered that optimism.⁸¹

The twentieth century saw the rise of several and antagonistic individual philosophers and schools of thought on what modernity is and should be. Thus, Max Horkheimer and Theodor W. Adorno wrote in 1972 —with the still vivid memory of Hitler and Stalin— that the logic behind the rationality preached by the Enlightenment obeyed to one of dominion and oppression.⁸² Jürgen Habermas kept supporting the project of modernity —albeit with a strong degree of uncertainty— mainly because the material development it helped to create enhanced the chances of survival in terms of a rise in life expectancy and also allowed for higher levels of subjective well-being.⁸³

As for the social scientists gathered around specific schools of thought, such as the modernization, world-system and dependency perspectives, they offer different diagnoses of why poor countries have reached advanced levels of modernity. Yet, they coincide in one aspect: they more or less equate modernity with economic and social development. Thus, modernity would be something desirable given that it would imply, for example, a development of each nation's Gross Domestic Product (GDP), higher incomes for each individual with its consequent improvement in living conditions and

⁷⁹ M.A. Garretón (2000) *La Sociedad en que Vivi(re)mos, Introducción Sociológica al Cambio de Siglo*. Santiago: LOM, p. 205 and C. Welzel and R. Inglehart (2005) *Modernization, Cultural Change and Democracy: the Human Development Sequence*. New York: Cambridge University Press, p. 16.

⁸⁰ D. Harvey (1990) *The Condition of Postmodernity. An Enquiry into the Origins of Cultural Change*. Cambridge and Oxford: Blackwell, p. 13; M. A. Garretón, *op. cit.*, pp. 205-206 and C. Welzel and R. Inglehart (2005), *op. cit.*, p. 16.

⁸¹ D. Harvey (1990) *op. cit.*, p. 13.

⁸² M. Horkheimer and Th. W. Adorno (2002) *Dialect of Enlightenment*. Stanford: Stanford University Press.

⁸³ J. Habermas (1990) *The Philosophical Discourse of Modernity. Twelve Lectures*. Cambridge, MA: MIT Press.

a rise in literacy rates.⁸⁴ In short, they imply the achievement of socio-economic and technical standards, in the range of those of Europe and the United States.⁸⁵

The strongly evolutionary modernization theory, mainly developed in the 1950s in a post-war United States, sought to launch third world countries into development by encouraging them to copy American values even to the point of transforming each nation's culture, which was considered a hindrance to development.⁸⁶ The 1960s saw the rise of the dependency school, which opposed the modernization school. In fact, this theory established that the lack of development of poor nations, most of them former European and American colonies, was due precisely to exploitative and imposed economic relationships with the colonizer nations.⁸⁷ The following decade saw the rise of the world-system perspective which, based on the dependency theory and the French *Annales* School, analyses the world historical economic system, distinguishing concentric poles of development: the core, the semi periphery and the periphery, the first of which would contain the developed world.⁸⁸

Alvin Y. So convincingly argues that the three schools have been able to adapt and reinvent themselves by accepting the criticism of their detractors. He even postulates their convergence from the 1980s onwards so that they all have something interesting to say about the process of modernization in the current world. For the purposes of this dissertation, the approach to modernity that, in my opinion, best interprets Chile's process in the period under study—from 1973 to 2010, i.e. from the beginning of the military dictatorship until the end of the Concertación era—is the modernization theory, albeit in its adapted version as explained by So.⁸⁹ According to this theory, it was possible to carry out modernizing processes by applying American ways of development. As we will see mainly in Chapters 3 and subsequently in Chapters 4 and 5, one of the main agents of the modernization course undergone in Chile stems from American academia—the University of Chicago. At its Economics Faculty several Chilean economists were imbued in the principles of neo-liberalism as conceived by

⁸⁴ F. Larraín B. (2004) *Macroeconomía en la Práctica*. Ciudad de México: Pearson, p. 6.

⁸⁵ G. van der Ree (2007) *Contesting Modernities. Projects of Modernization in Chile, 1964–2006*. Amsterdam: Dutch University Press, p. 1.

⁸⁶ C. Welzel and R. Inglehart (2005), *op. cit.*, p. 17.

⁸⁷ B. Keen and K. Haynes (2004) *A History of Latin America*. Boston: Houghton Mifflin Company, pp. 13–18.

⁸⁸ A. Y. So (1990) *Social Change and Development. Modernization, Dependency, and World-System Theories*. Newbury Park: Sage Publications, pp. 169–260.

⁸⁹ A. Y. So, *op.cit.*, pp. 17–87.

that school and went back to their country eager to have the chance to apply them. Interestingly, this economic model —laden with modernization and developmental principles— was adapted to Chile’s needs and ways, thus fulfilling what So claims in his book: the modernization theory accepted that local traditions and culture did not necessarily hinder development.⁹⁰

The debate over modernity in Chile has normally followed a practical and empirical rather than a theoretical angle. In 1990 José Joaquín Brunner suggested that publications on modernization in this country usually concentrated on specific experiences of modernity, aiming at the elaboration of policy guidelines for the achievement of such forms of modernity.⁹¹ In the same vein, Gerard van der Ree states that this tendency is due to two characteristic of Chilean intellectuals: firstly, they perceive modernity —under its different interpretations— as achievable, thus conducting the debate on practical rather than philosophical or theoretical terms. Secondly, Chilean intellectuals often participate actively in national politics. Consequently it is not surprising that their work should be policy-oriented.⁹² These facts made me choose to approach the study of Chile’s changes towards modernization in an empirical way rather than concentrating on theoretical debates, as will be seen mainly in Chapter 5.

An important aspect that still needs to be addressed before revising some of the main historic facts in Chile’s modernization process is change. In section 1.1 I ventured into the topic of the existence of national identities. In this section I have explored some aspect of what it means to be modern. What remains to be studied is how a given nation can achieve modernity —which, for the purposes of this thesis I have equated with socio-political and economic development— without totally transforming its inherited identity. Four authors that have dealt with this issue are Louise S. Spindler, who works from an anthropological perspective, David Harvey, whose work is based on Marxist premises, and Ronald Inglehart and Christian Welzel whose works partly adhere to the modernization school. Harvey situates postmodern societies within the logic of advanced capitalism, thus explaining social change as a consequence of economic matters.⁹³ As for Inglehart and Welzel, they also believe that transformation in the economic bases of a society brings about change. In fact,

⁹⁰ A. Y. So, *op.cit.*, p. 61.

⁹¹ J. J. Brunner (1996) ‘Tradicionalismo y Modernidad en la Cultura Latinoamericana’, *Escritos, Revista del Centro de Ciencias del Lenguaje* (13-14). Santiago: FLACSO, p. 304.

⁹² G. van der Ree (2007), *op. cit.*, pp. 15-16.

⁹³ See D. Harvey (1990).

economic development, cultural and political modifications go together in coherent and, to some extent, predictable patterns. Thus, in post-industrial societies—or societies that are evolving towards that state—when survival issues are solved (people are well fed, they have access to health care and education, etc.), an array of new values on political, religious, social and sexual terms sets in. Thus, socio-economic development brings about cultural changes that make individual autonomy, gender equality, and democracy increasingly likely.⁹⁴ Nevertheless, their view of modernizing change is neither linear nor deterministic nor Western-centred. Furthermore, Inglehart states that although modernization was once concentrated in the West, today the process is global and not necessarily Western as Asian nations have taken the lead in many aspects.⁹⁵ Also, local cultures, traditions and religiosity do not always disappear.⁹⁶ Spindler would agree with Inglehart and Welzel in that the transformation of some societies is not deterministic but discretionary as some groups resist change and others do seek it.⁹⁷ Besides, change would not be a copy-paste process but rather comes about by adaptation and synthesis.⁹⁸ As will be seen in Chapters 3 to 5, these theories of change match the case of Chile's transformation from 1973 onwards.

It is important to establish some characteristics of Chile's path towards modernity. Firstly, the country has been led by foreign powers in its quest for modernity. During the nineteenth century the influence came from Europe⁹⁹ and towards the Bicentennial it came from the United States.¹⁰⁰ Even the first modernity-related event—independence—was not an endogenous movement but was triggered from the outside by the Napoleonic wars. Secondly, Chile has tended to imitate and adapt to its idiosyncrasy the institutions and ideas of developed powers,¹⁰¹ most notably, during the period dealt with by this thesis, from 1973 to 2010.

In what remains of section 1.2 I will briefly refer to three historical periods that I consider important in Chile's formation as a nation and its pursuit of socio-economic development: its independence from Spain; the celebration of its first century as an

⁹⁴ C. Welzel and R. Inglehart (2005), *op. cit.*, pp. 1-2.

⁹⁵ R. Inglehart, *op. cit.*, p. 11.

⁹⁶ C. Welzel and R. Inglehart (2005), *op. cit.*, pp. 21-22.

⁹⁷ L. S. Spindler (1977) *Culture Change and Modernization. Mini-models and Case Studies*. Long Grove, IL: Waveland Press, pp.148-161.

⁹⁸ L. S. Spindler, pp. 143-156.

⁹⁹ J. Eyzaguirre (1969), *op. cit.*, pp. 18-24.

¹⁰⁰ J. Gissi, *op. cit.*, p. 41 and E. Tironi (2005), *op. cit.*, p. 20.

¹⁰¹ J. Larraín (2005), *op. cit.*, pp. 24-34.

independent republic (1910),¹⁰² and the political and social tensions that characterized those years; and the last decades of the twentieth century, as Chile was approaching the Bicentennial of the beginning of the struggle to break away from the Spanish empire. These events highlight how foreign ideas and events have influenced Chile's evolution and how this nation has been able to adapt to those impacts more or less successfully.

The Chilean independence from the Spanish Empire was of utmost importance in forging Chile's identity. Naturally, this was accompanied by anti-Spanish-civilization feelings and a search for new cultural icons to emulate. Thus, at the same time as there emerged ever increasing criticism of everything directly related to the Spanish conquest and colonial settlement in America,¹⁰³ the Anglo-Saxon and French societies rose steeply as cultural models.¹⁰⁴ In any case, it was clear that the path towards the much desired modernity was going to be Europe-led, even if in the end it was the child of both Chilean input and Europe's contribution.¹⁰⁵ The influence was not only cultural. In fact, the economic ties with Great Britain during the nineteenth century and the United States from 1900-1920 onwards were obviously important for Chile's economic performance and also had a cultural impact.¹⁰⁶

Much was achieved during the first hundred years of independent life and the Centennial celebrations were partly meant to show Chile's development. What had started as an embryo nation state had matured into a full scale one. It had faced five wars —and won them all— expanded its commercial activity and built a stable political system in contrast to most of Latin America. The first governments created what would become Chile's nation-branding historical 'sign-posts', such as the red, white and blue flag, which was firstly flown in 1818 at the independence ceremonies. The national anthem's lyrics date from 1819 —although they were changed a few years later— and its music was composed in 1820. The final version of Chile's coat of arms was ready by 1834, except for its motto —'by right or by might'— which was added

¹⁰² The commemoration refers specifically to the formation of the First National Government Junta which intended the preservation of Chile for the Spanish monarch Ferdinand VII. 18 September 1810 became Chile's national holiday and has remained as such since 1811.

¹⁰³ J. Eyzaguirre (1969), *op. cit.*, p. 38.

¹⁰⁴ J. Eyzaguirre (1957) *Ideario y Ruta de la Emancipación Chilena*. Santiago: Editorial Universitaria, pp. 126-130 and S. Collier and W. Sater (2004) *A History of Chile. 1808-2002*. Cambridge: Cambridge University Press, p. 40.

¹⁰⁵ J. Larraín (2001), *op. cit.*, pp. 78-79.

¹⁰⁶ M. Aylwin, C. Bascuñán, S. Correa, C. Gazmuri, S. Serrano and M. Tagle (2005) *Chile en el Siglo XX*. Santiago: Editorial Planeta, pp. 47-48.

in 1910. Even a new word was coined: the former ‘Spaniards from Chile’ or *criollos* started calling themselves ‘Chileans’ upon an 1818 edict.¹⁰⁷

For the Centennial, once the wars against Spain and its neighbours had been fought and won, awareness of being Chilean, part of a territory and of a people, was quite fixed. By then a colonial past, geography, the aforementioned wars, independence from Spain, the construction of a republican state etc., were the bases on which the notion of being Chilean was built. And it was also the root from where the idea of being exceptional shoots.¹⁰⁸ In spite of what had been accomplished, still much had to be done. Towards the end of the nineteenth century, when the Centennial of the independence was approaching, a feeling of malaise set in throughout society. The first ten years of the twentieth century were marked by acute symptoms of social unrest: the so-called ‘social question’,¹⁰⁹ i.e. the plight of the poor who were living in overcrowded shelters, suffered from all sorts of diseases —especially smallpox— and whose women went into prostitution, started to be strongly heard.¹¹⁰ It is not that these social issues appeared only by the turn of the century. Already in the 1870s the enormous gap existing between the rich and poor attracted a considerable amount of attention and it was obvious during the Centennial celebrations when the glamorous merriments struck a sharp contrast with the misery of the poor. What made the social question more pressing was that the workers from the nitrate fields, far away in the north of the country, and the poor from the urban centres, were not willing to wait any longer for their situation to improve, especially in view of the great fortunes that a small group of foreigners and Chileans were amassing: this had never been seen before in traditionally poor and austere Chile.¹¹¹

¹⁰⁷ The decree was approved by Bernardo O’Higgins (3 June 1818) and was published some weeks later. It states that “as we do not depend on Spain we should not call ourselves Spanish but Chilean”. See this information at <http://www.auroradechile.cl/newtenberg/681/article-2537.html>

¹⁰⁸ J. Fernandois (2005) *Mundo y Fin de Mundo. Chile en la Política Mundial 1900-2000*. Santiago: Editorial Universidad Católica de Chile, p. 43.

¹⁰⁹ M. Aylwin, C. Bascuñán, S. Correa, C. Gazmuri, S. Serrano and M. Tagle, *op. cit.*, pp. 64-77.

¹¹⁰ P. Valdivieso (2005) *La Historia de Chile, la Política Social y el Cristianismo. Dignidad Humana y Justicia*. Santiago: Ediciones Universidad Católica. This book contains a novel study on socio-political Chilean history from 1880 to 1920 as influenced by European Catholicism on the so-called social question. As for a definition of the concept see pp. 23-38.

¹¹¹ ‘Cristián Gazmuri: Lejanía, Aislamiento, Pobreza y Guerra. La Mentalidad Histórica del Chileno’, *El Mercurio*, 22 April 2006, *op. cit.*

A new working class was beginning to get organized in Chile, although it had already been doing so for decades in Europe. In fact, some of the labour movements in Europe date from the industrial revolution. Although associated with specific historical national particularities, it is necessary to remember the strong proletarian conscience and the consequent social upheaval and violence that arose in Germany, Russia and Spain—to name but a few places—in the late nineteenth and early twentieth century. In Chile, the number of mutual associations kept growing and by 1910 there were more than 400.¹¹² In addition, metalworkers, railway labourers, printers, etc., organized themselves in labour unions. Along with them came strikes and protests.¹¹³ In May 1903 the Pacific Steam Navigation Company stevedores went on strike and were severely repressed by the navy and army. Casualties numbered about one hundred. Two years later it was the turn of the city of Santiago. This time the protesters were complaining about the price of meat. The crowd went out of control, looting started and general violence broke up. Order was restored by army officials armed with rifles. There were approximately 200 casualties among the workers. In 1906, railway workers went on strike in Antofagasta and many of them were killed by marines. However, the worst tragedy was still to come: it took place in Iquique in 1907 where thousands of nitrate workers and their families went on a general protest demonstration, concentrated in the Santa Maria school. The local military commander ordered an attack with machine guns: the death toll was the highest of all the strikes that had taken place until that date.¹¹⁴

Discontent had also reached the emerging middle class. From colonial times to the early years of the republic, the middle class was almost non-existent and was mainly made up by pauperized descendants of the conquistadores, a few *mestizos*, artisans and few others. Nevertheless, with the arrival of European migrants, the growth of cities and of the state apparatus, the middle class began to emerge and form a class consciousness, giving rise to political aspirations and denouncing—often through its fledgling *intelligentsia*—what this class considered as unacceptable political and social

¹¹² S. Collier and W. Sater, *op. cit.*, p. 195.

¹¹³ Chilean historians often cite the rebellion of Chañarcillo miners in 1834 as a starting point in the history of the country's labour movement. It is possible that there may have been events prior to that year. Nevertheless, these were spontaneous and unconnected actions whereas it was from the 1980s onwards that worker's strikes started becoming more like a national labour movement. For further information see B. Loveman (2001) *Chile: The Legacy of Hispanic Capitalism*. New York: Oxford University Press, p. 168.

¹¹⁴ For more information on the labour movements see M. Aylwin, C. Bascuñán, S. Correa, C. Gazmuri, S. Serrano and M. Tagle, *op. cit.*, pp. 73-77 and B. Loveman, *op. cit.*, pp. 168-173.

differences.¹¹⁵ A golden example of this was the book *Sinceridad: Chile Intimo en 1910*, which appeared in 1910, the year of the Centennial. Written by a school teacher under the name of Dr Valdés Cange, the book is a diatribe against the ruling oligarchy and the triumphal war-driven Chile of the nineteenth century. 'We have come to believe that Chile is destined to be a grand military state'¹¹⁶ cries the book, adding that the present social construction had managed to widen the already considerable gap that divided the upper from the lower classes. It bitterly criticizes the Parliamentary regime then in power: with the arrival of independence from Spain, 'we used to have a parody of democracy given that the people did not elect their representatives; but at least these were imposed by an enlightened and responsible authority, which normally chose our leaders from among the best'.¹¹⁷

Those were the words of an intellectual born to the middle class, but his feelings were shared by aristocrats such as Alberto Edwards.¹¹⁸ They are evidence that social discontent was quite widespread throughout society. Thus, it is not surprising that the Centennial commemoration was an uneasy one, even amidst fireworks, parades, gala nights and horse races. To make matters worse, the President of the Republic, Pedro Montt, died shortly before the September celebrations. His interim successor, Vice-President Elías Fernández, suffered the same fate. It was only the third-in-line to power, second Vice-president Emiliano Figueroa Larraín, that presided the official festivities.

'If the Parliamentary period had been the *Belle Époque* of the upper class, the years after the 1930s were when the Chilean middle class came into its own'.¹¹⁹ Not that the aristocracy was left out of the political or the socio-economic game, but it was forced to coexist with an up-and-coming middle class that was holding the Radical governments. As for the working class, its employment conditions improved considerably through the so-called social laws and access to social security. Their living conditions, however, did not progress much either in the towns or countryside. Part of this lack of improvement was due to the vertiginous increase of city dwellers mostly caused by country-town migration. Accordingly, in the span of 20 years, Santiago's population

¹¹⁵ M. Aylwin, C. Bascuñán, S. Correa, C. Gazmuri, S. Serrano and M. Tagle, *op. cit.*, pp. 59-64.

¹¹⁶ Dr. Valdés Cange, in M. Góngora (1986) *Ensayo Histórico sobre la Noción de Estado en Chile en los Siglos XIX y XX*. Chile: Editorial Universitaria, pp. 96-97.

¹¹⁷ *Ibid.*

¹¹⁸ A. Edwards (1928) *La Fronda Aristocrática en Chile*. Santiago: Imprenta Nacional.

¹¹⁹ S. Collier and W. Sater, *op. cit.*, p. 285.

rose from about 500 thousand to more than 2 million by the 1960s.¹²⁰ The lack of opportunities in the mining industry in the far north and in the countryside forced thousands to move away from the *haciendas* and also from the small patches of land privately owned by some *campesinos*.¹²¹ As the capital was unable to take the pressure of such population increase —neither in terms of housing facilities nor in employment opportunities— the newcomers set up shantytowns mostly around the cities, forming poverty belts. They lacked basic services such as electricity, drinking water and proper medical care. They became city dwellers in search of an urban ‘El Dorado’ and were only able to obtain money through street-vending or getting hold of casual jobs.¹²²

The last decades of the twentieth century witnessed several attempts at national modernization through the implementation of radical reforms of Chile’s structures: it was what Mario Góngora called Chile’s ‘global planning era’¹²³ of the 1960s, 70s and 80s. Gerard van der Ree completes Góngora’s vision adding that rather than experiencing alternating periods of expansion and crisis, Chile’s trajectory to modernity —specifically during Frei Montalva’s, Salvador Allende’s and Augusto Pinochet’s governments— has behaved more in the shape of interfering waves.¹²⁴ Thus, the three presidential administrations mentioned above respond to three modernization projects, each of which interacts with the following one, thus contributing to give the next period an original Chilean imprint.¹²⁵ Although each of these presidential periods involved well defined groups of people who held the political power, all of Chilean society participated in the events. In fact, all three of them left a deep mark in the nation’s consciousness, contributing to the modernization of Chile’s historically varying identity, as will be studied in the next chapter.

¹²⁰ M. Góngora (1986) *op. cit.*, p. 243. By 1930, 50.6 percent of Chileans lived in the countryside; by 1940, 47.6 percent; in 1952, 39.8 percent and in 1970, 24 percent only.

¹²¹ S. Collier and W. Sater, *op. cit.*, p. 290-295.

¹²² P. Valdivieso, *op. cit.* Chapter 3 of the book contains a thorough recount of each individual social problem —such as lack of houses, addiction and disease— their impact on society and what was done about it.

¹²³ M. Góngora (1986) *op. cit.*, p. 246.

¹²⁴ G. van der Ree (2007), *op. cit.*, pp. 3-4.

¹²⁵ Van der Ree specifies a fourth modernizing wave, that of the Concertación era. Although I obviously admit substantial differences with the previous ‘wave’ —Pinochet’s dictatorship— for the purposes of this thesis I study both periods more along the line of continuity of the application of the neo-liberal system which was, in my view, one —if not the main— agent responsible for Chile’s transformation from 1973 onwards.

As mentioned before, the first of the global planning attempts occurred during the 1960s and was externally propelled by the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC or ECLAC) and by American President John F. Kennedy's Alliance for Progress. Although President Jorge Alessandri accepted the latter, it was during Eduardo Frei's mandate that the influence of both ECLAC and America was heavily felt. Alessandri's and Frei's main driving ideas were the need to nationalize the mining companies and the implementation of an agrarian reform.

The second stage of the global planning era was led by Salvador Allende and his Unidad Popular government. While Frei's attempts were externally driven by American ideas, the Unidad Popular was linked to international Marxism in the midst of the Cold War. Allende's government accelerated and radicalized the nationalization of the copper industry and the agrarian reform. In a year and a half, the Unidad Popular had expropriated more land than Frei during his presidential period.¹²⁶ In 1970, 4,093.4 thousand hectares were expropriated; in 1971 expropriations amounted to 2,025.8 thousand hectares.¹²⁷ It is evident that the blow to the aristocratic landowners was to prove fatal for them.¹²⁸

The third stage of the global planning epoch arrived escorted by tanks. When the military seized power in 1973 the Generals knew little about economics. They had to stabilize and reactivate a badly dislocated economy and needed advice, and there was a team of economists eager to give it.¹²⁹ When the 'Chicago Boys', as these economists were later nicknamed, were entrusted with the economic administration of the state, laissez-faire was officially enthroned. At this point it seems important to explain that in this thesis the terms liberalism, neo-liberalism and laissez-faire will be used indistinctively as they all stem from the same root, i.e. classic liberalism.¹³⁰ Thus all these terms come to identify an economic organization that supports free market positions,

¹²⁶ From 1965 to 1970, 3,408,788.3 hectares were expropriated, corresponding to a total of 1,319 farms. It was during 1969 that more of them were expropriated, exactly 314 farms. For further information, see B. Loveman., *op. cit.*, p. 243.

¹²⁷ M. Góngora (1986), *op. cit.*, pp. 255-256.

¹²⁸ *Ibid.*

¹²⁹ S. Collier, *op. cit.*, pp. 364-365.

¹³⁰ Some scholars —Ángel Soto among them— make a difference between the terms 'liberalism' and 'neo-liberalism' stressing that the latter has a pejorative connotation —that of being a dehumanizing ideology— when used by Left wing sectors. Ángel Soto (Director of the think-tank *Instituto Democracia y Mercado*) interviewed on 18 June 2008.

such as free market economy and globalized free-trade. It also stresses the need to avoid state intervention, foster private initiative and entrepreneurial spirit. The liberalism introduced in Chile has the profile of the Chicago School of Economics, which has been one of the main actors responsible for the revamping and popularization of its principles around the world in the last decades.

As mentioned at the beginning of this section and as will be further analyzed in Chapters 3 and 5, neo-liberalism 'installed' consumerism and a consumer society as an identifying feature of modernity.

This consumerist means of experiencing modernity is not only a cultural and ideological phenomenon, but is based on real material and structural changes which have taken place in society. In fact, the strengthening of a widespread consumerist ethos among the population has been intimately related to the neo-liberal economic policies applied by the military government since 1975. These policies deeply transformed the structure of Chilean society and economy stimulating the massive importation of consumer goods.¹³¹

Although there are some intellectuals who will not give any credit to the Pinochet years in terms of Chile's economic development,¹³² it is vastly accepted that the liberal economic planning drove the country into a new phase of solid growth. So much so that when the Concertación gained power in 1990, the general neo-liberal framework—although reformed—was maintained. However, Góngora did not include the 20 years of Concertación administrations for obvious reasons:¹³³ they are more than a mere continuation of the military dictatorship in relation to economic matters.

That money does not give happiness is a cliché that proves quite wrong in Chile. Although most Chileans say that their main source of happiness stems from their family ties, the second factor that weighs more in their felicity is money.¹³⁴ This is not surprising if the levels of consumption prevailing in Chile are taken into account. This is true to such extent that it can be said that the country 'owes' Pinochet an economic

¹³¹ P. Silva in D. Hojman (1995) *Neoliberalism with a Human Face? The Politics and Economics of the Chilean Model*. Liverpool: University of Liverpool, p. 119.

¹³² P. Politzer (2006) *Chile: ¿De Qué Estamos Hablando? Retrato de una Transformación Asombrosa*. Santiago: Sudamericana, p. 312.

¹³³ Mario Góngora died in 1986.

¹³⁴ 'La Felicidad, Aquí y Ahora', *Revista Capital*, N° 180 (19-31 May 2006).

and state system that, besides contributing to overcome a pervasive poverty, installed consumerism as a new national identity code.¹³⁵

In Roberto Méndez's opinion, in a 20 year time span —from 1985 to 2005— Chile 'hit the nail on the head' and this triggered a tremendous economic and social transformation. Its landmarks have been an important reduction of poverty levels, a considerable influx of people onto the middle class, the cultural assimilation of market economy among the general population, a new entrepreneurial outlook involving the shaping of companies with a global rather than just a local or national scope, and lastly, the appearance of new values such as the pursuit of wealth.¹³⁶ As sociologist Fernando Villegas puts it, "long gone are the years in which it could be said —with a gist of truth— that Chileans...were austere".¹³⁷ In keeping with the onset of the neo-liberal frame, Chile started launching nation-branding campaigns to improve its international reputation and gain space in the world markets. Interestingly, as will be studied in section 1.3, nation-branding is not only a facet of liberalism but an attitude quite spontaneous to nations in order to enhance their own identity and improve their dealings with other countries.

1.3 Nation-branding: Just a Question of Marketing?

Pre-Columbian natives arrived in Chile "pushed by migrations that displace people and force them to move beyond. Only that this time it was not possible to go any further: they had reached the frontiers of the Earth".¹³⁸ A thin sash of land, 4,329 kilometres long,¹³⁹ 180 kilometres wide on average,¹⁴⁰ almost drowning in the Pacific Ocean, shoved into it by the Andes, Chile's population amounts to roughly 15 million people.¹⁴¹ Chile's identity is quite connected to geography, its isolation and distance

¹³⁵ J. Larraín (2001), *op. cit.*, pp. 246-248.

¹³⁶ 'R. Méndez: Cómo Son los Nuevos Chilenos', *El Mercurio*, 14 May 2005.

¹³⁷ F. Villegas (2005) *El Chile que No Queremos*. Santiago: Editorial Suramericana, p. 147.

¹³⁸ B. Subercaseaux Z. (2005) *op. cit.*, p. 43.

¹³⁹ The 4,329 Km corresponds to the continental length of the territory, not including the Antarctic territory. If included, Chile's length adds up to 8,000 Km.

¹⁴⁰ The maximum width of the territory —468 Km— is located close to the Magellan Strait, specifically from Punta Dungenes to Islotes Evangelistas (52°21'S). The narrowest area of the country is located close to Illapel (31°37'S) between Punta Amolanas and Paso de la Casa Piedra.

¹⁴¹ The 2002 census establishes an exact total of 15,116,435 million people.
http://www.ine.cl/cd2002/cuadros/1/C1_00000.pdf

from other nations being very much part of the country's mentality.¹⁴² Such seclusion has slowly relaxed with the passing of time and the development of technologies that facilitate international communications and travelling. Nevertheless, I suggest that it was during Pinochet's government that Chile was forced to get in closer contact with the rest of world. Partly, the political isolation that the country had to endure due to the military dictatorship and also the world globalizing trend that developed simultaneously alongside the military regime, triggered the need to go out and tell world citizens that Chile existed. Although these specific topics will be addressed in Chapters 3 and 4, section 1.3 will study a particular area of these efforts to get into deeper contact with the rest of the planet, i.e. nation-branding.

Chile is not the only state on earth trying to show-off worldwide and selling its attributes on the open market. Nevertheless, although it has taken some important steps towards making itself known in territories beyond its frontiers, other countries have definitely taken the lead. France, Mexico, Great Britain, New Zealand and Australia have built coherent and holistic communicational policies, which have been put into uninterrupted practice for a considerable period of time. Their governments—or rather, several of their governments regardless of ideological stance—have for extended periods of time hired the services of communication experts, branding specialists and professional designers to develop a relevant, realistic and distinctive message to pass on to its nationals and foreigners alike.

It is undeniable that nation-branding has a commercial aspect. This fact makes some academics reject it as they cannot come to terms with the fact that a nation—with all the historical weight that this notion has—may be launched as a 'product' into the global market. Although these apprehensions are understandable, it is not less real that nation-branding is very related to nation-building and foreign policy in an age where global commerce permeates many aspects of a nation's existence. Furthermore, I believe that within the current globalizing cultural trends, nation-branding forces individual countries to re-think what they are and thus aids them not to lose or waste their unique culture. Although I have found no written evidence by any of the experts in the field, I am under the impression that nation-branding should be understood as an effect of globalization that depends on whether globalization itself is accepted or rejected. Taking Chile as an example, on the one hand globalization has pushed

¹⁴² V. Valjalo (2009) *Hacia una Imagen de Chile por los Chilenos. Estudio Metafórico*.
<http://www.imagenpais.cl/frmviewnoticia.aspx?idArticulo=193>

it to deepen its contacts with the globe and, on the other, it has forced it to protect its national uniqueness, nation-branding providing an opportunity to reflect on what Chile has become towards the Bicentennial.

According to Hill & Knowlton's General Manager for South America, 12 per cent of those who answered a survey on Chile's image conducted by this company among Americans said that they thought that this country produces coffee.¹⁴³ This answer, besides being a mistake, may even be considered as offensive by Chileans who do not regard themselves as tropical coffee and samba producers.¹⁴⁴ Juan Capello, the aforementioned Manager from Hill & Knowlton, added that not everything was discouraging as regards Chile's image in the United States. In fact, within an elite group of Americans, Chile is highly regarded for its banking and financial system as well as for its commercial activity and politically sound and stable democratic institutions. Following Capello's information, it can also be said that Chile is quite well known among a wider range of American citizens, which comprises a few million consumers of Chilean wine, fruit or other products. Finally, there is a vast number of Americans who cannot tell Colombia from Bolivia or Chile. And this is not a bad thing, because for many other Americans the name of the country, Chile, sounds just like that of the spicy vegetable and not a nation state, at least not one to be taken seriously.¹⁴⁵

In general terms it can be said that Chile lacks a specific image projection overseas, at least beyond South America's boundaries. Most of those who are able to locate Chile within Latin America just think of it as a mix of Brazilian and Mexican hats, poverty-stricken *favelas*, fiestas and tropical dances. It would certainly be more accurate

¹⁴³ 'Juan Capello: La Imagen de Chile No Ha Avanzado', *El Mercurio*, 8 April 2006.

¹⁴⁴ An example of how disagreeable it is for Chileans to be considered tropical and underdeveloped came about when a James Bond film was shot in Chile in 2008. The movie aroused much public anger as it used Chile's landscape to create a fiction dictatorial and third world nation. A humorous press article commented on the fact that the film did not mention Chile as the location where the movie was filmed: "menos mal. El honor nacional está a salvo, el futuro es luminoso. Bananeros, jamás". 'El Mapa Bond', *La Tercera*, 25 March, 2008.

¹⁴⁵ It is not that American citizens are especially renowned for being knowledgeable in world geography —by the same token, they do not identify where the Netherlands is located. Nevertheless, as Juan Gabriel Valdés S. concluded, 'it is important that a little old American, who lives in Miami and dyes her hair green should know about Chile because she buys our products'. Juan Gabriel Valdés S., (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*) interviewed on 10 December 2008.

to say that Chile virtually has no image at all: it is like an empty box.¹⁴⁶ Although this is not very encouraging news, there is no denying that it is much better to have no international reputation at all rather than to have a bad reputation. However, the box must be filled-up with positive and truthful data, with different communicational strategies being designed for each sector of the world's community.¹⁴⁷

This country image-building process is commonly known as nation-branding. In most cases, it implies applying strategic marketing to promote a given nation for commercial reasons, mainly to encourage direct foreign investment and promote tourism as well as support exports. Although economic aims are pivotal to most nation-branding projects, they neither are —nor should they be— the only guiding purpose. In fact, nation-branding differs from commercial branding in that it also aims at creating internal pride and backing diverse enterprises that a nation may undertake. Whilst most national branding programs are aimed at foreigners —as to improve a countries' image in the eyes of the rest of the world— it is equally important to create programmes that target the nation's own people, because a state is perceived through its citizens. In fact, it is their temper, looks, history and endeavours that lie at the core of a national image.¹⁴⁸

As has become apparent, nation-branding is a complex exercise involving a conjunction of disciplines and practices, mainly coming from the social sciences and commercial marketing. Besides, several concepts used within the field of study of contemporary nation-branding are made up by inter twinning terms with ambiguous or equivocal meanings. Thus, for the purpose of studying what nation-branding is, I selected some aspects of what was defined as a nation in section 1.1, which specifically relate to the issue of nation-branding. Thus, nation is considered mainly as referring to a sovereign entity¹⁴⁹ with a communality of sense of belonging to a specific territory and people,¹⁵⁰ sharing myths and historical memories, a mass public culture.¹⁵¹

¹⁴⁶ 'La Mayoría de los Estadounidenses No Saben Dónde Queda Chile', *El Mercurio*, 2 November 2006.

¹⁴⁷ J. Hildreth (2009) ¿De Dónde Eres? Más que una Simple Pregunta' <http://www.imagenpais.cl/frmviewnoticia.aspx?idArticulo=197>

¹⁴⁸ R. Pool in S. Radcliffe; S. Westwood (1996) *Remaking the Nation. Place, Identity and Politics in Latin America*. London: Routledge, p. 16.

¹⁴⁹ I. McLean and A. McMillan, *op. cit.*, p. 364.

¹⁵⁰ Trends: Can a Nation Be Branded? <http://logolounge.com/articles/default.asp?Archive=True&ArticleID=73>

¹⁵¹ A. D. Smith (1991), *op. cit.*, p. 43.

The formation of a country needs a process of nation-building, a concept that will be used throughout this study. It specifically refers to the process of structuring a national identity and achieving the unification of its people within the state —using the power of the state— so that it remains politically stable and viable in the long run. The nation-building process may use propaganda, major infrastructure development, etc. to encourage social harmony and economic growth.¹⁵² Nation-building needs nation-branding for the promotion of its good reputation within the country—with the purpose of state-building, as described above— and towards other nations, aiming at fostering good political relations with them. Throughout Chapters 1 and 2 some examples of early nation-branding will appear. Although several of the nation-branding experts —especially Ollins— mention those branding episodes and match them or equate them with contemporary branding of countries and places, the former normally do not have the commercial edge of the latter. They can be understood partly as a nation-building effort and partly as a nation-branding process in a more classical angle.

Other key concepts that need to be defined are brand and nation-branding. The former will be regarded as the way in which an organization communicates, differentiates and symbolizes itself to all of its audience.¹⁵³ It specifically refers to a set of signs, including a name and design, which together embody figurative information derived from certain products, companies, services, etc. A brand has an image, i.e. an emblematic construct which exists within the minds of people encompassing all the information and expectations associated with a product.

A brand means to be known, to be valued and loved, with a personal identity (...) it is substance plus feeling, reality and images, truth and imagination, facts and impressions as sensible result of an influence exerted from without. And a good job done in this regard assures that such ideas remain in the minds of people.¹⁵⁴

Secondly, nation-branding implies the way a country is perceived by a given audience. A nation brand carries a delivery promise of several qualities, values and characteristics

¹⁵² CIC/IPA, 'Concepts and Dilemmas of State-Building in Fragile Situations', OECD-DAC, Paris, 2008 in <http://www.oecd.org/dataoecd/59/51/41100930.pdf> and A. Whaites (2008) *State in Development: Understanding State-Building*, DFID. London. <http://www.dfid.gov.uk/Documents/publications/State-in-Development-Wkg-Paper.pdf>

¹⁵³ S. Anholt (2005) *Brand New Justice. How Branding Places and Products can Help the Developing World*. London: Elsevier, p. 12.

¹⁵⁴ J. Hildreth (2009) *¿De Dónde Eres? Más que una Simple Pregunta*, *op. cit.*

that have been attributed to that country. Within its realms, reputation, image and national identity are also core concepts. They all imply the existence of an image that should be a truthful reflection of a country's reality.¹⁵⁵

Although branding and marketing are closely related, the terms need to be set apart. Branding is the result of marketing consistency. A successful brand encapsulates an expectation, based on a record of characteristics which reflect loosely one or more aspirational values. Whereas these characteristics may include beliefs and idiosyncrasies, these need to be expressed consistently. If branding is introverted, focusing on the nature of the brand, marketing is extroverted and is related to the way in which branding is achieved.¹⁵⁶ Marketing asks the 'how' question, whilst branding relates to the 'what'—the product—question: a brand is the manifestation of a set of aspirational values that are the result of distinct marketing strategies.¹⁵⁷ As we shall see, nation-branding does not aim only at marketing a given country with commercial purposes. In fact, it is practised by most countries and I consider it a form of soft power in the sense that it helps those successful national brands to obtain what they seek by attraction rather than by coercion, force or payment. Thus, they make other states and individuals want what they want,¹⁵⁸ i.e. their nation and its produce, culture, art, etc., not imposing them violently. As will be seen in Chapter 6, this aspect proved to be quite true in the case of the 33 pitmen trapped in a mine in northern Chile.

Research on state branding is not new. Since the 1960s several studies have been carried out on the so-called 'country of origin effect': the effect of the national image on products. Later on, during the 1990s Philip Kotler dealt with the topic in some of his books: *The Marketing of Nations*¹⁵⁹ (which actually has more to do with economic development and government policy than marketing), *Marketing Places in Europe*,¹⁶⁰

¹⁵⁵ S. Anholt (2005), *op. cit.*, p. 12.

¹⁵⁶ J. van der Westhuizen, Beyond Mandelmania? Imaging, Branding and Marketing South Africa, p. 4. <http://www.sarpn.org.za/documents/d0000875/docs/BeyondMandelamaniaImagingBranding&MarketingSA.pdf>,

¹⁵⁷ J. van der Westhuizen, *op. cit.*, p. 5.

¹⁵⁸ J. Nye (2004) *Soft Power: The Means to Success in World Politics*. Cambridge MA: Perseus Books Group, p. 31.

¹⁵⁹ P. Kotler, S. Jatusripitak and S. Maesincee (1997) *The Marketing of Nations. A Strategic Approach to Building National Wealth*. New York: Free Press.

¹⁶⁰ P. Kotler, C. Asplund, I. Rein and D. Haider (1993) *Marketing Places in Europe. Attracting Investments, Industries, Residents and Visitors to European Cities, Communities, Regions and Nations*. New York: Free Press.

*Marketing Asian Places*¹⁶¹ and finally *Marketing for Hospitality and Tourism*.¹⁶² Eugene Jaffe and Israel Nebenzahl wrote *National Image and Competitive Advantage*,¹⁶³ a book that constitutes an important contribution to state branding studies. Besides reviewing the theoretical underpinning of country image for products, they provide a useful insight on how it can be managed by countries, industries and firms. They state that the perception of a country's image partly determines the brand's marketability, as a form of export or as a place to establish a subsidiary.

Simon Anholt is usually identified as both the inventor and populariser of the concept of nation-branding.¹⁶⁴ He is one of the leading international marketing thinkers and has devoted several of his writings to the country branding issue. Anholt used this term in a paper entitled 'Nation Brands of the Twenty-first Century', which appeared in the July 1998 issue of *Journal of Brand Management*.¹⁶⁵ Nevertheless, it was a piece of writing which came out in *Foreign Affairs* that attracted the most attention and prompted further discussion on the topic by scholars, people from the marketing industry and the world of consultants. The article was authored by Peter van Ham who wrote about 'state-branding' in his article 'The Rise of the Brand State', which appeared in September 2001.¹⁶⁶

Nowadays most countries try to promote their individual personalities, culture, history and values, by projecting what may be an idealized but immediately recognizable

¹⁶¹ P. Kotler, M. Hamlin, I. Rein and D. Haider (2002) *Marketing Asian Places. Attracting Investment, Industry, and Tourism to Cities, States and Nations*. Singapore: John Wiley and Sons.

¹⁶² P. Kotler, J. Bowen and J. Makens (2006) *Marketing for Hospitality and Tourism* New Jersey: Prentice-Hall.

¹⁶³ E. Jaffe and I. Nebenzahl (2001) *National Image and Competitive Advantage*. Copenhagen: Copenhagen Business School Press.

¹⁶⁴ Anholt was also the first to publish a world index on nation-branding. Afterwards, several global or world indexes have appeared. They measure the global perception of a country in spheres such as its people's behaviour, its governance, exports, tourism, etc. Some of the best known surveys are: Anholt-GfK Roper Nation Brands Index.

http://www.gfkamerica.com/practice_areas/roper_pam/nbi_index/index.en.html

Global Peace Index <http://www.visionofhumanity.org/gpi/results/rankings/2008/>

The Happy Planet Index <http://www.happyplanetindex.org/>

Country Brand Index FutureBrand <http://www.countrybrandindex.com/country-brand-rankings/>

World Economic Forum, Tourism Competitiveness Index.

<http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm>

¹⁶⁵ S. Anholt (1998) 'Nation Brands of the Twenty First Century' in *Journal of Brand Management* 5(6)

July: 395-406.

¹⁶⁶ P. van Ham (2001) 'The Rise of the Brand State', *Foreign Affairs* 80(5).

idea of their selves. Not that we face a new art: as nations have always competed for power and prestige, branding —although not called that way— has been an integral element in that competition. Wally Olins, one of the world experts in country-branding, holds that the necessity of competing in the world markets has somehow pushed nations to adopt the marketing and branding techniques used with so much success by many global companies. He adds that up to a point, there is an identification process, a symbiosis, between commercial brands and the identities of nations. ‘For many people, Sony is Japan and Japan is Sony. Germany is cool, unemotional engineering efficiency like Mercedes Benz. Italy is stylish like Max Mara’.¹⁶⁷

Both corporate brands and country brands feed on each other rendering it evident that nation-branding has an important commercial and marketing edge. Although it is true that Anholt and Olins write about the non-commercial side of a nation’s brand image —as will be seen later in this section— both match the process of state branding with that of multinational corporation branding. They both create strategic systems or operational models to facilitate the implementation of their branding plans. Thus, Olins suggests a seven-step diagram for governments that want to launch a national branding campaign¹⁶⁸ and Anholt presents his national brand hexagon with a national branding tactical model.¹⁶⁹ Both models could be applied to a country and to an economic corporation.

Nation-branding is a contentious political notion, aiming at measuring, building and managing a country’s reputation to foster better conditions for tourism, trade, foreign investment and also political relations with other states. First world countries spend large amounts of money to praise their virtues and values. Many less pivotal nations in the international arena —such as Chile— have come to understand that promoting themselves is absolutely vital if they want to have a say and be able to have a competitive edge in the global world. In the case of Chile, ‘it is indispensable to increase its prestige in the global society in order to augment the value of all its exchanges, from art to culture passing through tourism and exports of goods’.¹⁷⁰ The problem for states such as Paraguay, Chile or Sri Lanka is that, outside a very small

¹⁶⁷ W. Olins (1999) *Trading Identities. Why Countries and Companies are Taking on Each Others’ Role*, London: The Foreign Policy Centre, p. 13.

¹⁶⁸ W. Olins (1999), *op. cit.*, pp. 23-24.

¹⁶⁹ S. Anholt (2005), *op. cit.*, p. 118.

¹⁷⁰ J. G. Valdés Soubllette (2009) ‘La Asignatura Pendiente de Chile’.
<http://www.imagenpais.cl/frmviewnoticia.aspx?idArticulo=234>

perimeter, no one knows of their existence nor cares for them at all. The opposite is true of famous nations, such as sunny and fun Spain¹⁷¹ or rich and multi-layered cultured Italy,¹⁷² which get caught in strait-jacket stereotypes. At least they profit from these stereotypes as far as tourism is concerned.

Although state branding obviously has a commercial edge, it also deals with many other aspects of a nation's existence. In fact, it is closely associated with the process of nation-building itself and the interpretation of a country's history. Furthermore, whatever the marketing techniques can help to sell, the 'product' itself stems directly from the nation's reality and identity. Thus, fields of study such as history, political science or sociology should deal with the development of a national brand, but they seldom do so. In fact, 'branding places is an emotive subject. Somehow, when the fiendish tricks of marketing are applied to something as sacred as the nation-state, all hell breaks loose. Insults are heaped on the heads of brands, marketers and policy-makers alike — "spin", "gloss" and "lies" are the most commonly heard terms'.¹⁷³ Obviously the marriage between social sciences and marketing is not an easy one.

Nevertheless, the profile of nation-branding has been rising from being a 'recondite academic curiosity'¹⁷⁴ to a respectable matter of research. In fact, it has increasingly called the attention of a range of audiences, including politicians, destination stakeholders, students and academics. Moreover, the construction of a country image is also related to a country's international relations 'which pertain to the innermost core of what shapes a national identity of a state or society, as much as cultural, economic or demographic factors do'.¹⁷⁵ Chile's case is an example. Thus, the 1836-1839 war fought against Peru and Bolivia reinforced a sense of Chileanness.¹⁷⁶ By the same token, it was towards the Centennial, once most international wars had been settled,

¹⁷¹ A. Pedreño (2007) La Imagen de España en el Exterior. Instituto de Economía Internacional in: <http://blog.diarioinformacion.com/tecnologia/2007/04/08/la-imagen-de-espana-en-el-exterior/>

¹⁷² International Cultural Cooperation, 19 February 2010 in <http://www.culturalpolicies.net/web/italy.php?aid=241>

¹⁷³ S. Anholt (2005) *Brand New Justice. How Branding Places and Products can Help the Developing World*. London: Elsevier, pp. 12-13.

¹⁷⁴ N. Morgan; A. Pritchard; R. Pride (eds.) (2004) *Destination-branding. Creating the Unique Destination Proposition*. London: Elsevier, p. 28.

¹⁷⁵ J. Fermandois, *op. cit.*, p. 18.

¹⁷⁶ S. Collier (2003) *Chile: the Making of a Republic, 1830-1865. Politics and Ideas*. Cambridge: Cambridge University Press, p. 41.

that consciousness was further fixed.¹⁷⁷ A key aspect of feeling Chilean was the self-image of exceptionality, a topic that constituted an important platform for Chile's foreign policy and international relations.¹⁷⁸ Almost 200 years later, having already celebrated the Bicentennial, the same exceptionality idea is present in the way Chile deals with other states at foreign policy level and when promoting Chile as a brand.

Although using what many people might consider shockingly commercial language, given that a country is not a company and it would not be ethical to apply publicity techniques to it,¹⁷⁹ nation-branding can also be considered as an angle of a country's international relations policy. Even further, showing the market oriented competitive edge of a nation relates more to developmental national strategies rather than to straight publicity.¹⁸⁰ The latter is not only a state affair but it necessarily involves private and independent actors such as companies and national citizens who through their contact with foreign people help to promote a nation's good name, a nation's main asset in terms of promotion being their own citizens.¹⁸¹

As mentioned above, nation-branding has a strong historical nation-building aspect. As will be demonstrated in this paragraph, it deals with groups of people who feel they belong to a specific territory and people, shared myths, historical memories and a mass public culture.¹⁸² It is precisely working over what structures a national identity—and thus helps to build a nation—that good nation-branding is developed. Olins equates nation-branding to national identity development. He explains that building and remodelling national features is not new, it has always happened throughout history for the sake of diverse political purposes. Far from being a shallow concept, a bad substitute for substantial policy making, 'the creation and establishment of identities has long been a central preoccupation of nations and regimes, often very influential in fixing their legitimacy and hold on power'.¹⁸³ In his opinion, while no nation has

¹⁷⁷ J. Fernandois, *op. cit.*, p. 43.

¹⁷⁸ M. Colacrai and M. E. Lorenzini (2005) 'La Política Exterior de Chile: ¿Excepcionalidad o Continuidad? Una Lectura Combinada de Fuerzas Profundas y Tendencias' in *Confinés* 1(2): 45-63. Also see F. Fernandois, *op. cit.* p. 43.

¹⁷⁹ Alfredo Jocelyn-Holt: Imagen País y la Ética de la Publicidad', *La Tercera*, 3 April 2010.

¹⁸⁰ Juan Gabriel Valdés S., (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*) interviewed 10 December 2008.

¹⁸¹ N. Morgan; A. Pritchard; R. Pride, *op. cit.* p. 10.

¹⁸² A.D. Smith (1991), *op. cit.*, p. 43.

¹⁸³ W. Olins (1999), *op. cit.*, p. 7.

been immune to reviving and reinterpreting traditions, aimed at the development of a nation's uniqueness, France has specialized in it.

And where France led, others followed. Nation-building on a truly significant scale dates from the eighteenth and early nineteenth centuries. Cultural propagandists, from academics, linguists and historians to musicians and painters, deliberately and consciously invented or revived patriotic traditions (...) The use of myth and history contributes to both national independence and national aggrandizement.¹⁸⁴

The French First Republic changed the flag from the *Fleur de Lys* ensign to the three-coloured flag and introduced *La Marseillaise* as the new national anthem. The Third Republic developed a tradition of admiration of republicanism which was shown through parades, processions and celebration of the Bastille Day which was invented in 1880, almost 100 years after the event had taken place.¹⁸⁵ As for Chile, as was mentioned in section 1.2, national feelings were also reinforced by annual patriotic rituals, by the use of the country's coins and the visible or audible signs of nationality: the flag, the national anthem and the coat of arms.¹⁸⁶

Besides and associated with these signs that make the nation visible,¹⁸⁷ states select historical facts to fit the nation's contemporary demands. Thus, Austria's one-thousandth anniversary of its toponym —first mentioned in a document dated 1 November 996— was greatly celebrated to enhance the sense of nationhood even though a specific feeling of Austrian nationality developed only during the nineteenth century.¹⁸⁸ During the 1980s, the Inca empire gained an increasingly favourable image in Peruvian textbooks in order to stress on the minds of Peruvians the heroic struggle of the national earlier period.¹⁸⁹ In Ecuador, history classes stress the importance of the kingdom of Quitu, avoiding to link the country with its Inca past which would tie them too closely to their southern rival, Peru.¹⁹⁰ Finally, during France's Fifth Republic, Charles de Gaulle

¹⁸⁴ W. Olins (1999), *op. cit.*, p. 9.

¹⁸⁵ *Ibid.*

¹⁸⁶ S. Collier, *op. cit.*, p. 41.

¹⁸⁷ S. Radcliffe and S. Westwood, *op. cit.*, p. 2.

¹⁸⁸ R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p. 50.

¹⁸⁹ G. Portocarrero and P. Oliart (1989) *El Perú desde la Escuela*. Lima: Instituto de Apoyo Agrario.

¹⁹⁰ S. Radcliffe and S. Westwood, *op. cit.*, p. 52.

resurrected elements of both the Monarchical and Republican traditions in order to secure democracy.¹⁹¹

In the same vein as Olins, Anholt also has a non-purely commercial approach to the process of state-branding. Firstly, he stresses that a country is not a product, and while ‘there is huge potential in the enlightened, imaginative and responsible application of product marketing techniques to places, it is certainly not the case that countries may be dealt with as if they were soap powder’¹⁹² to be sold in a supermarket. Secondly, he stresses the fact that it is fundamental to acknowledge the value of national culture in itself and as a prime element in the process of enriching a country’s brand image. He adds that ‘culture uniquely provides this extra dimension because, in the face of the consumer’s suspicion of commercial messages, culture is self-evidently ‘not for sale’.¹⁹³

Along a similar line of argumentation Jannis van der Westhuizen explains how nation-branding and policy making are tightly knit thus being a complex art.

Clearly, nation-branding is a far more vicarious, complex and unpredictable branding process, quite simply because ‘selling’ a country —especially in the developing world— is subject to a multiplicity of unpredictable events, perceptions and outcomes. Unlike a product or service, country-branding is an inherently political course of action given the extent to which various stakeholders, civil society, business, labour, consumers and the like, react to the marketing process (....) To assess the development of a brand in this context, is to inherently evaluate the impact that perceptions of foreign policy decisions have in either reinforcing or undermining other marketing strategies.¹⁹⁴

Concluding Remarks

In this chapter I have explored several key issues that will be touched upon in the following ones. It firstly addressed notions such as nation, national identity and culture. Having concluded that identities are not immutable essences but rather a set of historical characteristics and shared history, the chapter moved on to studying specific

¹⁹¹ W. Olins (1999), *op. cit.*, p. 9.

¹⁹² S. Anholt (2005), *op. cit.*, p. 124.

¹⁹³ S. Anholt (2005), *op. cit.*, p. 136.

¹⁹⁴ J. van der Westhuizen, *op. cit.*, p.4.

features of Latin America's and Chile's distinctive traits. Although sharing quite a few features —such as the language, religion, the discomfort of being a *mestizo* continent in opposition to the so much admired and hated Western world— Chileans do not feel totally Latin American. In fact, their culture of order, their early achieved political stability as well as the relatively sombre character of Chileans if compared with the temperament of most Latinos, are aspects that set that nation apart from the rest of the region. On the other hand, despite the engraved belief that Chileans have of the exceptional character of their country, its belonging to Hispanic America is undeniable. The identity traits just mentioned —including the self-image of exceptionality— are mainly derived from Chile's harsh geography and colonial past marked by war and isolation. As for the notions of culture, nation and national identity, I suggested that they are best defined when admitting their connection with historical facts rather than viewing them as purely intellectual/rational creations. The trio of concepts should also imply an interaction of the community that originates the strong beliefs in national myths, the construction of symbols, the nation's identity traits and its unique culture.

In this chapter I also tried to clarify the concept of modernity, which has become loaded with so many meanings that it is in danger of denoting everything and nothing. After mentioning three relevant schools of thought on this issue —specifically modernization, world system and dependency theories— chapter 1 continues to tackle the topic of modernization and change. It refers to the case of Chile, mentioning three events —secession from Spain and the celebrations of the Independence Centennial and Bicentennial— which constitute milestones in the country's path towards modernity, equalled to socio-economic and political development. Moreover, Chapter 1 concludes that —at least in the aforementioned schools of thought— modernity equates with socio-economic development that brings about political transformation as occurred in European and North American states. This fact matches the debate about modernity in Chile, which is pragmatic and policy-oriented, modernity being understood as an achievable and desirable socio-economic development.

Finally, I analyzed the contentious topic of nation-branding. Related to multiple disciplines of the social sciences, it is also linked to commercial marketing and acts in tandem with nation-building, i.e. the process of structuring a country's identity. The country-branding efforts undergone by several nations with success, have generated discontent among those who consider that the nation is being treated as a product. Nation-branding is a multifaceted skill connected to what I call classical nation-branding referring to the forging of national identities through nation-building. The term also applies to the current efforts of nations to continue fostering a national identity in a

global world that may endanger local cultures. Thus, globalization has pushed states to deepen their contacts with the globe and at the same time, has forced them to protect their national uniqueness through several means, one of them being nation-branding.

Consistent with Chapter 1, in the following chapter I will present a few nation-branding efforts—in the classic sense— developed by some of the very first Spanish conquistadores and Chilean creoles. In the same way, the next chapter highlights several historical happenings which contributed to develop a national and an international reputation or image, firstly that of Chile *Flandes Indiano* and secondly, that of Chile as an exceptional country. Traits that were mentioned in chapter 1 will be addressed in further depth in the coming section thus developing the idea of the existence of a Chilean identity which has evolved associated with its approach to modernity. Chapter 2 will specifically study Chile's geographic isolation and its impact on the national character, the nation-building process in tandem with the culture of order and endeavour and democratic rule in the nation's self-image.

CHAPTER 2

Shaping Chile's Traditional Self-Image of Exceptionality

Introduction

Having come from the Kingdom of Chile and finding out that it is so little known in Europe, to the point that often people have not even heard its name, I felt compelled to make known the land that so much deserves it.¹

With words that tell a truth even till today, vibrating with the emotion of his distant land, Alonso de Ovalle embarks upon writing the first historical and descriptive book about Chile published in the old continent. His patriotism —embryonic if we consider that Spaniards had arrived in the southernmost cone of America only 70 years before his birth— leads him to display what might resemble current marketing techniques in order to disseminate the virtues of his birth place. Born in Chile in the year 1601 to a family of landowners, Alonso ran away from his parents when he was seventeen: he wanted to become a Jesuit priest against their will. He was sent to Rome and once in Italy he devoted himself to finding priests who would come to the newly opened lands. However, he faced a big problem: ignorance, just like today, when Chile tries to make itself known in order to attract diverse benefits to its territory and people.

In a spontaneous way, obviously not intentionally using the sophisticated branding techniques developed at present, Ovalle narrated the virtues of his country to the

¹ A. de Ovalle (1646) *Histórica Relación del Reyno de Chile y de las Misiones y Ministerios que Exercita en la Compañía de Jesús*, p. 3.

world. Firstly, he stated that ‘in all that I have written here I adhere to the truth’.² Then he tried to convince his European readers that Chile is quite similar to what he has seen in their continent and even superior, as the Kingdom of Chile does not have dangerous lightning, or hail storms.³ As for its wildlife, Chile has no poisonous snakes or scorpions, and ‘a man can very well rest under a tree lying on the grass not fearing a dangerous spider might bite him’.⁴ In my view, Ovalle’s depiction resembles in various ways contemporary Chilean nation-branding efforts although more in the line of nation-building as will be seen below.

In the same way as Ovalle considered Chile’s nature was worth praising and Alonso de Ercilla —author of the saga about Chile’s conquest called *La Araucana*— regarded the bravery of Amerindians with admiration, many nineteenth century Chileans also thought highly of their nation. A long way away from the world’s centres of power, quite cut off from its continental neighbours and of difficult access during winter, Chileans —and foreigners— believed that such isolation made them different from the other former colonies.⁵ Furthermore, Chileans from the early republic up to now believe their country to be different from others in terms of the psychological traits and social behavioural patterns of its people. In order to study the country’s self-image of exceptionality, Chapter 2 revises four characteristics which feedback on the self-perception of being distinct, while stemming from it and increasing such feeling. These traits —isolation, order, endeavour and democratic/constitutional rule— were chosen because they have been historically fashioned and encompassing, and thus formed along with the maturation of the nation. Besides, these features have been and are important for Chile’s nation-building path, the development of its internal and international image and the nation-branding process from the early days of the conquest up to the twenty first century.⁶

The present chapter starts by quoting poet Gabriela Mistral and conqueror Pedro de Valdivia who, in few words summarize the Chileans’ self-perception: in spite of the

² A. de Ovalle, *op. cit.*, p. 4.

³ A. de Ovalle, *op. cit.*, p. 11.

⁴ *Ibid.*

⁵ See for example ‘Cartas de Jamaica’ in <http://www.patriagrande.net/venezuela/simon.bolivar/index.html>

⁶ Several historians, such as R. Krebs, G. Vial (2009), R. Couyoumdjian, A. de Ramón and S. Vial, point out directly or indirectly, that these factors were pivotal in the formation of Chile as a nation-state.

difficulties to tame its nature, till its farms and form its society, Chile was worth the effort. In the pages that follow I will describe its arduous conquest mainly given the ferocity of the Araucanians, who for centuries resisted the invasion of the Spaniards first and of Chileans later. The Arauco war —among other factors— installed in the embryonic nation an orderly, military mentality, historically deepened and fostered by the development of the *haciendas*, the hierarchical society, the advent of the Basques and the development of the Portalian state. This was quite important for Chile's colonial development.⁷

In Chapter 2 I also deal with the remoteness syndrome, a consequence of Chile's geographical isolation and its distance from the colonial and current world powers. These factors account for the contradictorily national character, withdrawn and retracted whilst at the same time a craver of news and trends from the outside world. Isolation does not only refer to other countries but also to Chile's regions. Indeed, some of them are very cut off even today. Surprisingly, Chile's regionalism is minimal, the feeling of belonging to a wider national community being stronger. In the final section of Chapter I look into the issue of democratic rule in the nation's image. From the early days of the republic up to today, Chile has normally witnessed the peaceful and constitutional power transfer from one democratically elected President to another, although there have been important periods of non-democratic governments as well as successful and failed revolution attempts. Thus, while not impeccable, in my view, Chile's democratic credentials are quite solid.

Chapter 1 presents a summary of what are often considered as the identity traits of Chileans. Chapter 2 brings in several historical events, features and institutions that contributed to forge them. Besides studying the historical evolution of Chileanness, the chapter also tackles other issues to which I shall be paying special attention throughout the thesis, i.e. the country's social evolution and its national image, both in the sense of the Chileans' self-perception and how the country was and is perceived by others. In Chapter 2, image, identity and social change are tightly braided through historical events.

⁷ H. Ramírez Necochea (2007) *Obras Escogidas*. Santiago: LOM Ediciones, p. 40.

The Captaincy-General of Chile⁸ was a war colony, a fact that contributed to develop a national and international image, that of Chile as the *Flandes Indiano*. The war partly resulted in a people that learned to live in harsh conditions and with a certain military order. The development of the *hacienda* contributed to pacify the land and regulate its society. The latter, being hierarchical, fostered social obedience. Also *mestizaje*, an extensive outcome, levelled the Chilean people considerably, thus preventing social upheaval and contributing to make of Chile an orderly place. The development of Chile's early republican institutions marked the country with other traits, i.e. political stability and order, law abidance and the sense of a strong central political authority within a democratic regime. This historical event also had an impact on Chile's international reputation and self-image: Chile, a model republic⁹ and exceptional nation. The chapter shows the transformation of the country's political regime up to recent times. Finally, as explained in section 2.2, the country's geographical condition of considerable isolation has triggered the remoteness syndrome. During Chile's republican life the initial core territory of the former colony started annexing other lands through war or human settlements. Thus, towards the beginning of the twentieth century, Chile's territory was considerably larger than originally, during the years of Spanish rule.

2.1 Nation-Building and the Culture of Order and Endeavour

In section 2.1 I describe the development of Chile in its first centuries of existence, during which the need and liking for order, effort and endeavour started to forge the national psyche, groundwork to its nation-building process. To begin with, I quote the words of Gabriela Mistral and Pedro de Valdivia —which attest to what in my opinion might account for an early nation-branding effort. This section goes on to describe the problems confronting the *conquistadores*: difficult access, isolation, few Spaniards facing fierce natives and, to top it all, little gold or silver to compensate for

⁸ Some of the colonies within the Spanish Empire in America were named Captaincy-Generals. This term designated territories which needed special supervision for several reasons, namely their strategic location, being piracy targets or having rebellious natives. Along the centuries of Spanish rule, there were four Captaincy-Generals: Venezuela, Guatemala, Cuba and Chile.

⁹ T. Halperin, 'Two Centuries of South American Reflections on the Development Gap Between the United States and Latin America' in F. Fukuyama (ed.) *Falling Behind. Explaining the Development Gap Between Latin America and the United States*. New York: Oxford University Press, p. 18.

such hard toil.¹⁰ Next, I describe the early development of *mestizaje* and the *hacienda*, both of which contributed to the organization and appeasement of the central valley and the formation of a hierarchical society.

Chileans cannot narrate the history of their nation as a romantic poem. Its history has often been an epic rhyme or, in military language, a forced march. Such life might deserve as a symbol the mountain range's hard rock.¹¹

These words by Gabriela Mistral emphasise the difficult road that Chile has had to follow to become a nation. But at the same time, Chileans like to remark that the effort was not in vain as time and again they stress the beauty of its landscape, the uniqueness of its geography and the exceptionality of their nation. In Ricardo Krebs's view, although love for one's native land is a common human psychological trait, in Chile it developed early on and in depth. In fact, 'affectionate patriotism' became a habitual feature in writings by Chileans.¹²

Following the foundation in 1541 of the city of Santiago by Pedro de Valdivia, the leader of Chile's conquerors, he described the country's territory to the Spanish King in these terms: 'this land is such that for living in, and for settling, there is none better in the world'.¹³ Thus he wrote to Emperor Charles V in what may be considered a first attempt of nation-branding in its classical stance. Valdivia was the military leader of the Spanish *conquistadores* who in 1540 opened up Chile to European colonisation. It is easy enough to imagine how Valdivia and his men took pleasure on the softer tones of the Chilean landscape of the Central Valley after having survived the crossing of the Andes and the arid terrain south of Copiapó. The Spanish conquerors and their descendants did not feel Chile as a foreign land but identified themselves with their new home very early on: 'they had conquered Chile, and Chile had conquered them'.¹⁴

¹⁰ I. Allende, *op. cit.*, p. 82.

¹¹ G. Mistral in Sonia Montecino (ed.) (2003) *Revisitando Chile. Identidades, Mitos e Historia*. Santiago: Comisión Bicentenario, p.16. In Spanish the text reads as follows: "El chileno no puede contar como un idilio la historia de su patria. Ella ha sido muchas veces gestas o, en lengua militar, unas marchas forzadas. Esta vida tal vez tenga por símbolo la piedra cordillerana".

¹² R. Krebs (2008) *Identidad Chilena*. Santiago: Centro de Estudios Bicentenario, pp. 16 and 17.

¹³ Pedro de Valdivia to Emperor Charles V, 4 September 1545. *Cartas de Pedro de Valdivia* (1970) Santiago: Editorial del Pacífico, p. 36.

¹⁴ R. Krebs, *op. cit.*, p. 14.

In my opinion, in his letter to the King, Valdivia was marketing the land which he had been given in command, making it look as worth conquering, so as to be able to continue its occupation. In fact, Valdivia needed to describe the newly established colony with its brightest colours because it soon became obvious that Chile was going to be

one of the least important lands discovered (for the Spanish Crown). It lacked the great mineral wealth that lured fortune seekers to Mexico and Peru. It contained no great native empire whose realms could be conquered for the Spanish Crown, whose people could be brought to swell the population of Christendom and whose labour could be employed in mines or fields to support the invaders. It offered nothing of fable cities or mysterious treasures to stir the imagination of adventurers. Furthermore, it lay far off, on the most distant corner of South America, on the far shores of the great South Sea. It could be reached only by way of the dreaded passage around Cape Horn, or the still more dangerous narrow strait which Magellan discovered, or by sailing for long days against wind and current along the forbidding desert south of Peru. From Spain's other colonies it was walled off by sea and mountains and desert, all formidable barriers even today with improved means of travel.¹⁵

Valdivia probably realised all of the above and was not blind to the systematic and violent clashes with the local natives, which would be needed in for them to submit to the Spaniards.¹⁶ In fact, the conquest of Chile was a particularly difficult task—the region would be known as the Flanders of the New World evoking the war campaigns the Spanish Empire fought over in Europe to subjugate the Low Countries. The almost permanent state of hostilities of the Chilean territories made the Spaniards impose a military state which—in my view—imbued the emerging Chilean society with an initial pull towards order and discipline. During the first decades of the conquest both Spaniards and Araucanians or *Mapuche*¹⁷ engaged in constant warfare, which obliged

¹⁵ G. McBride (1971) *Chile: Land and Society*. Port Washington, N.Y.: Kennicat Press, p. 61.

¹⁶ S. Collier and W. Sater (2004) *A History of Chile*. 1808-2002. Cambridge: Cambridge University Press, p. 4.

¹⁷ In this study, both names will be used interchangeably. Nevertheless, it is important to note that there is a debate on how to name these natives. It seems that upon arrival in the sixteenth century, the Spaniards called them Araucanos and the natives started calling themselves *Mapuches* from the eighteenth century onwards. Some other scholars suggest that the *Mapuches* were a especially war-prone subgroup of the Araucanians. For further information about the debate, see G. Vial (2009) *Chile. Cinco Siglos de Historia. Desde los Primeros Pobladores Prehispánicos, hasta el año 2006*. Santiago: Zig-Zag, pp. 100-118.

the Spanish Crown to invest heavily in its Captaincy-General.¹⁸ This was a burden for the royal coffers,¹⁹ as even public policies had a military-strategic orientation in order to subdue the rebel Amerindians.²⁰

The overriding preoccupation of Valdivia's immediate successors was war. The Spaniards were well aware of the belligerent nature of the natives living mainly south of the Bío-Bío River and admired them as several early chroniclers testify. In 1558 Jerónimo de Vivar, who fought alongside Valdivia, describes the ferocity of the natives.²¹ Poet Alonso de Ercilla—who wrote during the Spanish Golden Age—sung praises to the bravery of the Mapuche in his well-known epic poem *La Araucana*.²² Diego de Rosales recorded in his *Historia General del Reino de Chile* (1674), that although all governors had wanted to put an end to confrontations, such 'ferocious, valiant and haughty Indians'²³ as those found in Chile had made it impossible. To highlight the bravery of the Araucanians, he recounts how a 'soldier of considerable corpulence, great arrogance and big moustache'²⁴ was seized by a female native who held him down and almost killed him.

José Bengoa explains in his book *Historia de los Antiguos Mapuches del Sur* that the Araucanians were not used to the violence of European warfare and thus responded with all their might.²⁵ Nevertheless, the Mapuche had always been ferocious and had stopped the Inca conquest in Chile. In fact, Jaime Eyzaguirre states that the *Mapuche*' ferocity had stirred hatred of other native tribes as had happened in Mexico with the Aztecs. Thus, in Chile several of the non-Araucanian natives joined the Spaniards fighting the former as a common enemy.²⁶ The Iberian erroneously assumed the

¹⁸ R. Couyoumdjian, A. de Ramón and S. Vial, *op. cit.*, Vol.1, p. 344 and J. Eyzaguirre (1973) *Historia de Chile*. Santiago: Editorial Zig-Zag, p. 153.

¹⁹ C. Gazmuri (1999) *El "48" Chileno. Igualitarios, Reformistas, Radicales, Masones y Bomberos*. Santiago: Editorial Universitaria, p. 15.

²⁰ Gobernadores de Chile (1540-1810) in .
http://www.memoriachilena.cl/temas/index.asp?id_ut=gobernadoresdechile:1540-1810

²¹ J. de Vivar (1966) *Crónica y Relación Copiosa y Verdadera de los Reinos de Chile*. Santiago: Fondo Histórico y Bibliográfico José Toribio Medina.
<http://www.memoriachilena.cl/archivos2/pdfs/MC0008847.pdf>

²² De Ercilla y Zúñiga, Alonso, *op. cit.*

²³ D. de Rosales (1877-1878) *Historia General de el Reyno de Chile: Flandes Indiano*, p. 214.

²⁴ D. de Rosales, *op. cit.*, p. 259.

²⁵ J. Bengoa (2003) *Historia de los Antiguos Mapuches del Sur Desde Antes de la Llegada de los Españoles hasta las Paces de Quilín. Siglos XVI y XVII*. Santiago: Catalonia, p. 216.

²⁶ J. Eyzaguirre (1973), *op. cit.*, p. 104.

Amerindians would surrender to their might after the first years of confrontation, but they soon learnt otherwise. Even worse, being few and all scattered over the territory, they faced a second generation of *Mapuche* warriors who had grown up in the missions, understood the invaders' language, learned to ride as soon as they started walking, got to know their military strategies and weapons, and had come to terms with the violence and destructiveness of the European war style.²⁷

Thus prepared, the second large offensive of the *Mapuche* commenced towards the end of the sixteenth century. The southern cities founded by the *conquistadores* were turned into military fortresses constantly besieged by the Indians. During the battle of Curalaba in December 1598, Governor Martín García Oñez de Loyola was beheaded. Having forced the Spaniards to withdraw, the Araucanians fixed the final dimensions of colonial Chile, forcing them to abandon the cities they had built south of the Bío-Bío River retaining for themselves the territory between the latter and the Toltén River. Although reluctantly admitted by the Spanish imperial rule, the Araucanos' zone was indeed a separate country until almost the end of the nineteenth century, well into independent republican life.²⁸ And it was not in vain that two governors, Valdivia and Oñez de Loyola, were killed in battle by the Indians. As mentioned in section 1.1, Chile was going to be known as a place of combat —*tierra de guerra*—²⁹ an idea that came to be reinforced during the nineteenth century due to the five wars that the little nation fought against much powerful enemies. Joaquín Fernandois has said that the institutional organization of a country has an impact in its exterior performance. In the case of nineteenth century Chile, its relative institutional stability allowed the nation to be quite successful in its exterior performance,³⁰ which in this case meant winning wars. This factor has remained as part of Chile's international image. Even up to today this country is considered expansionist by some of its continental neighbours.³¹

By 1603 Chile had become the first colony in Spanish America to acquire a permanent army,³² in this case directly financed by the Crown through the Viceroyalty

²⁷ J. Bengoa, *op. cit.*, p. 216.

²⁸ S. Collier and W. Sater, *op. cit.*, p. 5.

²⁹ R. Krebs, *op. cit.*, p. 100.

³⁰ J. Fernandois (2005) *Mundo y Fin de Mundo. Chile en la Política Mundial 1900-2004*. Santiago: Editorial Universidad Católica de Chile, p. 28.

³¹ For example, almost every time that Chile's armed forces buy new armament or renovates its military equipment, Peru and/or Bolivia accuse Chile of starting a unilateral arms race.

³² http://www.ejercitodechile.cl/nuestro_ejercito/reino-chi.php

of Peru. Frequent incursions into *Mapuche* territory took place through the centuries, as well as attacks from the Indians into the pacified region: this is what was to be known as the Arauco war,³³ a long conflict that can be divided into three periods. The first one (1553-1656) was violent and permanent.³⁴ The following (1657-1875) was characterised by a latent conflict. Nevertheless, the peril of being attacked by the natives did not disappear and trying to pacify them became a 'chimerical illusion'.³⁵ This fostered the feeling of being in a permanent state of siege, a sentiment present not only in the southern cities but in the northern ones too, as far as Santiago and La Serena.³⁶ It is during this period of less intensity that commerce along the war frontier developed.³⁷ The final period was short (1875-1883) and violent, ending with triumph of the Chilean army: after fighting for approximately three hundred and fifty years, the *Mapuche* were defeated.³⁸

During the early colonial period fighting and the presence of an army had several identity and social implications. Firstly, as mentioned before, it forged Chile as a war country,³⁹ a historical experience that was engraved into the people's minds⁴⁰ and created a society that was aware of being militarily deployed,⁴¹ introducing into the embryonic national consciousness admiration for military order and discipline. Even further, as Cristián Gazmuri puts it, the Arauco war provoked such desires for pacification that social order became —and still is— a duty, an absolute must.⁴² Secondly, there was a permanent inflow of military personnel, consisting of young single males, which obviously fostered *mestizaje*. Well before the end of colonial times, Chile was basically

³³ See for main studies D. Barros Arana, J. Bengoa, J. Eyzaguirre (1973), R. Couyoumdjian, A. de Ramón and S. Vial and R. Krebs.

³⁴ R. Couyoumdjian, A. de Ramón and S. Vial, *op. cit.*, p. 346.

³⁵ D. Barros Arana (2000) *Historia General de Chile*. Santiago: Centro de Investigación Diego Barros Arana and Editorial Universitaria, p. 171. It is worth reading the narration by Diego Barros Arana of an episode between several Araucano tribes living close to the city of Concepción and the Spanish governor Antonio Gill y Gonzaga who tried to pacify them by offering villages, houses and other material possessions. After much talking and agreeing on peace, the Indians rebelled anyway and destroyed the villages the government had built for them: the 1657-1875 period of the Arauco was full of failed attempts to stop the war.

³⁶ R. Krebs, *op. cit.*, p. 25.

³⁷ R. Krebs, *op. cit.*, p. 103.

³⁸ R. Couyoumdjian, A. de Ramón and S. Vial, *op. cit.*, vol. 1, p. 346.

³⁹ G. Vial, 'Los Elementos de la Identidad Nacional' in A. Soto (ed.) (2003) *Chile en el Siglo XX. Camino al Bicentenario*. Santiago: Universidad de los Andes, p. 29.

⁴⁰ R. Krebs, *op. cit.*, p. 25.

⁴¹ C. Gazmuri, *op. cit.*, p. 21.

⁴² *Ibid.*

a ‘*mestizo* society’⁴³ not only due to the presence of an army in the southern frontier, but also, as we shall see, because of the development of landed estates or *haciendas*. The final result was that towards 1800 few communities of Amerindians survived north of the Bio-Bío River, and those that did were not completely native, either in their genes or culture.⁴⁴ In fact, unlike what happened in Mexico, relatively few Indians lived in Chile when the Europeans arrived. Thus, while central Mexico had some 25.3 million inhabitants⁴⁵ on the eve of the conquest, estimates for Chile have established that some 800 thousand to 1.2 million⁴⁶ lived here at the time of Valdivia’s arrival. A consequence of this fact is that *mestizaje* in Chile was far easier than in other places of the empire —such as Mexico. This contributed to develop the previously mentioned *mestizo* society, which helped to diminish the risk of social upheaval caused by ethnic rivalries as happened in other American colonies.⁴⁷

As becomes apparent, Chile’s conquest was not an easy task at all. Those who arrived during the first century of the Spanish invasion came to work and to work hard, ‘not to pick up gold or easy privileges offered by glittering empires (...). Ours was a scenario of effort and perseverance’.⁴⁸ The existence of regular natural disasters, earthquakes in particular, contributed to increase the difficulty of building up the Captaincy-General.⁴⁹ As a matter of fact, it was not only the *Mapuche* that were an important obstacle to the construction of the colony: as we shall see, the disruption caused by buccaneers was considerable, to the point of contributing in a significant way to the development of the Chileans’ country-at-war mentality.⁵⁰ This opinion is shared by Gonzalo Vial who says that earthquakes and pirates were just different forms of war.⁵¹ All these factors, which fostered instability, made the inhabitants of the colony

⁴³ G. Vial in A. Soto, *op. cit.*, p. 53.

⁴⁴ S. Collier and W. Sater, *op. cit.*, p. 8.

⁴⁵ B. Keen and K. Haynes (2004) *A History of Latin America*. Boston: Houghton Mifflin, p. 9.

⁴⁶ S. Collier and W. Sater, *op. cit.*, p. 4.

⁴⁷ M. Reid (2007) *Forgotten Continent. The Battle for Latin America’s Soul*. New Haven and London: Yale University Press, pp. 55–56.

⁴⁸ M. Laborde (2004) *Santiago, Región Capital de Chile. Una Invitación al Conocimiento del Espacio Propio*. Santiago: Publicaciones del Bicentenario, p. 80.

⁴⁹ R. Mellafe (1986) *Historia Social de Chile y América*. Santiago: Editorial Universitaria, pp. 279–288. In his study Mellafe counts up to 282 disasters between 1520 and 1906: 100 earthquakes, 46 episodes of serious flooding, 50 droughts, and 82 epidemics. For further studies on natural disasters in Chile see R. Urrutia de Hazbún and C. Lanza Lazcano (1993) *Catástrofes en Chile 1541–1992*. Santiago: Editorial La Noria.

⁵⁰ R. Couyoumdjian, A. de Ramón and S. Vial, *op. cit.*, p. 344.

⁵¹ G. Vial (2009), *op. cit.*, p. 228.

crave for order and stability.⁵² Moreover, it is my opinion that instability is one of the reasons why Chileans preserved legalism, a typical Spanish trait, very strongly.⁵³ In fact, Chile's attachment to law and rules is present throughout the colonial era and beyond, from the start of its republican existence onwards.⁵⁴

The *conquistadores* were laying the foundations of a new nation. As will be seen in section 2.2, it was being forged as a veritable island, not surrounded by water but by such harsh geography that set apart the slim piece of land which would later be known as Chile.⁵⁵ Through the centuries to come Spain spent money in the Captaincy-General rather than getting funds for the empire's exchequer. Despite the cost, it was important to ensure the subjection of the colony as a defensive wall against the English, French and Dutch pirates who strove to lay hands on the immense wealth of the Viceroyalty of Peru. Chile was of little importance in itself to the greater Empire save for being a ditch that safeguarded the goose that laid the golden eggs,⁵⁶ the Crown being aware that Peru would be at the mercy of foreign powers if Chile was occupied by one of them.⁵⁷

Although the Arauco war conditioned the life style and development of the colony during the sixteenth and part of the seventeenth century, other activities took place concomitant to warfare. In fact, the mobilization of Amerindian labour was an urgent matter for the conquerors. Valdivia allocated natives among the Spaniards through the system of *encomiendas* —an extremely controversial institution from its very beginning—⁵⁸ by means of which the Indians were meant to be Christianised and civilized in return for work. Such work ranged from gathering gold to ploughing the land. As the scarce gold existing in Chile was quickly collected, agricultural activities augmented in importance. Farming was not a sure bet. Flanked and crossed from side to side by mountains, Chile is a slope from the Andes to the sea. This makes agriculture more difficult, facilitates erosion and transforms its rivers into torrents which, when their banks collapse, tend to flood the soil they irrigate. To top it all, because of the country's temperate weather, its agricultural produce was not exotic, and thus,

⁵² S. Collier and W. Sater, *op. cit.*, p. 29.

⁵³ G. Vial (2009), *op. cit.*, p. 25.

⁵⁴ M. Colacrai and M. E. Lorenzini, *op. cit.*, p. 58.

⁵⁵ A. de Ramón (2003) *Historia de Chile. Desde la Invasión Incaica hasta Nuestros Días (1500-2000)*. Santiago: Catalonia, p. 15.

⁵⁶ J. Eyzaguirre (1973) *op. cit.*, p. 153.

⁵⁷ C. Gazmuri, *op. cit.*, p. 15.

⁵⁸ For this purpose see —among others— G. McBride (1971), J. Eyzaguirre (1973), G. Salazar (2007), R. Couyoumdjian, A. de Ramón and S. Vial (1992).

not very appreciated in the European markets.⁵⁹ A comment by Armando de Ramón as regards the landowners and the development of the agricultural activity in Chile may be quite illustrative:

On them (landowners) fell the price crisis that affected the nation from 1635 on to the end of the seventeenth century. They were the ones most damaged by the violent earthquakes that battered central Chile. They had to face the terrible situation of the loss of all their investments and the obstacles to starting anew given the ruin of the agricultural system of the region. They did not even have the consolation of participating in the epic battles of their ancestors (...), war that gave fame to so many of the first *conquistadores*.⁶⁰

In spite of such complications, agriculture and ranching grew steadily in importance as an economic activity. Most of the increasingly productive soil was initially clayish and thin, on hilly terrain, and generally dependent on rainfall and snowmelt from the Andes and the Cordillera de la Costa. In the centuries to come the construction of important irrigation systems—starting with the 1820 Maipo Canal—began transforming the arid dry land into the fertile valley of the twentieth century.⁶¹

Going back to colonial times, in that era the land owning process sprouted directly from endowments, land grants and concessions mainly made by the local governments.⁶² This set in motion what came to be a crucial feature in the formation of Chilean culture and nationality: the *haciendas*. As George McBride states in his book *Chile: Land and Society*, almost every Chilean analyst mentions the *hacienda* as a very influential feature in the forging of the nation from the early Spanish days up to the time when he first published his book at the beginning of the twentieth century.⁶³ As Mario Góngora pointed out, the reason for this is that Chile, and especially central

⁵⁹ C. Gazmuri, *op. cit.*, p. 15.

⁶⁰ A. de Ramón, *op. cit.*, p. 45.

⁶¹ From the 1830s to the 1880s some 400 canals were built through private enterprise, some big, others small or medium sized, as stated by A. Fontaine Aldunate (2001) *La Tierra y el Poder: Reforma Agraria en Chile (1964-1973)*. Santiago: Zig-Zag, p. 10. In my view, in spite of such technical improvements it is quite astounding to think that Chile is focusing today in becoming a 'nourishing power nation' when the proportion of arable land is 3 percent only.

⁶² A. Fontaine Aldunate (2001), *op. cit.*, p. 7.

⁶³ G. McBride, *op. cit.*, p. 171.

Chile, was articulated and ordered around the *encomiendas* at the very beginning and around the *hacienda* immediately after.⁶⁴

The large landed estates were located from the northern end of the colony down to the southern frontier with the Araucanians, with its core region between the cities of Santiago and Concepción. They were endowed with an ‘indestructible cohesion’⁶⁵ and were thus central in establishing in Chile a long-standing, stable and agrarian way of life. Most *haciendas* were very isolated from one another and from the main urban centres. Generally, those who worked within their boundaries did so for life. Food, drink, clothing and a Christian education, were all obtained within these great landed estates. The *patrón* or landowner was a pivotal element for the unity and stability of the whole social mesh typical of these *latifundia*. Established as the sole and undisputed authority in a vast rural area, the *patrón* enhanced order, directed the rural labour, paid the wages and acted as a primary judge in territories that were distant from any formal court of law.⁶⁶ To a certain extent, each *hacienda* became a miniature replica of Chilean society, hierarchical and authoritarian.⁶⁷

The *hacienda* was to prove one of the most stable and enduring of Chilean institutions—in Alfredo Jocelyn-Holt’s opinion it was the agrarian organization that most influenced the formation of a nation in all of Latin America—⁶⁸ leaving long-lasting marks on the national psychology. These self-contained communities are considered as the ‘cradle of the Chilean race’,⁶⁹ acting as some sort of melting pot of the diverse ethnic and social groups existing in Chile from the first colonial period: *mestizos*, Indians, poor Spaniards, some of them soldiers who once served on the war frontier close to the Bio-Bío River, and a few blacks, *zambos* and mulattos. As for the landowners, they were normally *criollos* (Spanish Americans, many of them *mestizos* too) or *peninsulares* (individuals from the Iberian Peninsula), who lived in the countryside with their nuclear and extended families.⁷⁰

⁶⁴ M. Góngora, (1974) *Origen de los Inquilinos en Chile*. Santiago: Instituto de Capacitación e Investigación en Reforma Agraria, ICIRA, p. 38.

⁶⁵ B. Subercaseaux Z, *op. cit.*, p. 169.

⁶⁶ A. Fontaine Aldunate (2001), *op. cit.*, p. 15.

⁶⁷ C. Gazmuri, *op. cit.*, p. 21

⁶⁸ ‘A. Jocelyn-Holt: Otra Mirada al Chile de 1920 y sus Haciendas’, *La Tercera*, 6 July 2008.

⁶⁹ A. Fontaine Aldunate (2001), *op. cit.*, p. 14.

⁷⁰ M. Góngora (1974), *op. cit.*, pp. 33.

The *hacienda* greatly contributed to make Chile a stable and fairly orderly place—which is one of the issues addressed in this section. Actually, for three hundred years, there was not one single peasant rebellion in Chile,⁷¹ a situation quite different from other places in Latin America. In Jocelyn-Holt's view, this fact attests to the general good behaviour of the landowners towards those working and living within their landed states.⁷² The development of these estates helped to enforce the Spanish dominion over the territory through private enterprise, and was also a useful tool for pacifying the still rebel natives. A letter sent in 1767 to King Charles III by Governor Antonio de Guill y Gonzaga attests to this. After failing to pacify the natives living close to the city of Concepción using friendly methods, he recommends to the emperor that they should be wiped out and that the survivors—mainly women and children—should be taken to *haciendas* located as far as Copiapó in order to force them get into the colonial system.⁷³

The *haciendas* also helped to support the colony in economic terms, both because of the trade they promoted and the food they supplied throughout the country. Moreover, they contributed to the forging of the mentality of the new embryonic nation in the rural society and to the growth of a relatively homogeneous population in which only a vague ethnic division was of importance, that between the *mestizo* majority and the more definitely European upper class consisting of *criollos* and *peninsulares*.⁷⁴ Both factors—*mestizaje* and the aristocratic elements—had considerable importance in the development of Chile's society. In the first place—as already mentioned—a society based mainly on an ethnically mixed population made it easier for the colony to become

⁷¹ 'Alfredo Jocelyn-Holt: Chile Redescubierto', *La Tercera*, 2 August 2008.

⁷² A. Jocelyn Holt, *La Tercera*, 6 July 2008, *op. cit.*

During several months of 2008 there was an interesting debate in Chile over the role of landowners, triggered by the screening of a soap opera called "El Señor de la Querencia" that presented those proprietors as abusive and quite sinister. Jocelyn-Holt was of the opinion that precisely the landowners of the nineteenth and twentieth century had made possible the development of republican Chile. The article here quoted states '¿Cómo se entiende pues, que señores y patrones tan atávicamente retrógrados, poco menos que feudales, permitieran partidos políticos, prensa libre, instituciones laicas, educación pública y tanto más? El mito fustigador, periódicamente desentpolvado (durante la Reforma Agraria cundió como yesca), se cae a pedazos cuando lo cotejamos con la evidencia'. To be able to access the opposite view as regards the haciendas, a good example is Gabriel Salazar's book (1989) *Labradores, Peones y Proletarios: Formación y Crisis de la Sociedad Popular Chilena del Siglo XIX*. Santiago: Editorial Sur.

⁷³ D. Barros Arana, *op. cit.*, p. 176.

⁷⁴ S. Collier and W. Sater, *op. cit.*, p. 8.

a cohesive nation-state long before several others in the region⁷⁵ Furthermore, the relative absence of sharp ethnic divisions helped envision the idea of an homogeneous republican citizenry, thus contributing to the forging of the independence movement in Chile.⁷⁶ The *mestizo* majority and the creole aristocracy, forming a hierarchical society headed by a small and cohesive upper class that led a majority of poor and illiterate peasants,⁷⁷ were the core of Chile's basic social structure, which would remain quite unchanged well into the nineteenth century.⁷⁸

The composition of the upper class—which initially included Europeans only, but soon accepted *mestizos*—proved to be very important in the formation of Chile's nation-building process, especially as regards the culture of order and endeavour. As we shall see here, scholarly investigation has shown that, although not belonging to Spain's nobility, the *conquistadores* came from the upper rungs of that nation's social ladder, thus replicating in Chile the hierarchical organization of their motherland. In fact, most of the first Europeans came from three Spanish regions—Extremadura, Andalucía and a few from Castile—as well as from other parts of Europe, namely, modern Germany and Italy⁷⁹ and, apparently, were either *segundones*—i.e. non-firstborn offspring of nobles with no right of inheritance—and *hidalgos*, i.e. members of the lower and provincial nobility, freed from paying taxes. Thus, although poor, they came from families with some social ranking in their native land. The replication of their hierarchical social milieu in a patriarchal Chilean society⁸⁰ resulted abusive in some cases, benevolent in others,⁸¹ most times exerting a strong and ordering influence over the rest of society, which enabled it to achieve a relatively harmonic social coexistence.⁸²

⁷⁵ M. Reid, *op. cit.*, p. 21.

⁷⁶ A. Knight (2005) *Revolución, Democracia y Populismo en América Latina*. Santiago: Centro de Estudios Bicentenario, p. 123.

⁷⁷ C. Gazmuri, *op. cit.*, p. 15.

⁷⁸ S. Collier (2003) *Chile: the Making of a Republic, 1830-1865. Politics and Ideas*. Cambridge: Cambridge University Press, p. 5.

In Collier's opinion, it is very likely that the illiteracy ratios towards 1830 were 90 percent. The 1854 census stated that 13.5 percent of Chileans could write and read—figures that are not too different from those for southern Europe on the same period.

⁷⁹ B. Vicuña Mackenna (1903) *Los Orígenes de las Familias Chilenas*. Santiago: Librería, Imprenta y Encuadernación de Guillermo E. Miranda, pp. 5-6.

⁸⁰ J. Eyzaguirre (1973), *op. cit.*, p. 398.

⁸¹ G. Vial (2009), *op. cit.*, pp. 255-256. As an example Vial refers to two well known female *encomenderas*, Isabel Osorio de Cáceres y Catalina de los Ríos y Lisperguer known as 'La Quintrala', a charitable owner the former and a real psychopath the latter.

⁸² J. Eyzaguirre (1973), *op. cit.*, p. 398.

Throughout the seventeenth century, as the great landed estates developed, the social stratification and differentiation among the same *conquistadores* became sharp because several of the first conquerors —mainly Andalusians and *Extremeños*— adopted lifestyles far beyond their economic means, falling down the social ladder.⁸³ Towards the eighteenth century, the composition of the colonial elite changed with the arrival of Spaniards migrating to the colony, at least half of them⁸⁴ coming from the Basque country.⁸⁵ Industrious and austere, they soon bought their land from the impoverished Iberians. Not having prejudices against trade —many Castilians thought it was not an honourable occupation, better suited to Portuguese and Jews, whom they considered despicable— the Basque newcomers quickly came to dominate the national commercial traffic, making enough money to be accepted within the flanks of the upper class by acquiring landed estates and through convenient marriages.⁸⁶

The combination of the old Castilian and new Basque gentry, plus some very few families of Irish, Portuguese, French and Italian ancestry, merged in what was to be known as the Basque-Castilian aristocracy which had a fundamental role in the formation of Chile. In Enrique Mac Iver's opinion, its origins were humble, most Basque families descending from rustic, tough and hardworking Basque mountaineers.⁸⁷ On the contrary, Maria Rosaria Stabili argues that all the Basques were *hidalgos*.⁸⁸ Regardless of their origin, their role in the formation of Chile was to be decisive, for example, in the development of the independence movement. In fact —as happened in most Ibero-American nations— most of its leaders were from the elites and they were the ones who continued to organize the new-born state.⁸⁹

The input of the Jesuits who arrived in Chile was also of the utmost importance: most of them were Basque, and there were a few Bavarian. At the same time as they Christianized the emergent Chilean society, they also brought along a powerful culture

⁸³ M. R. Stabili (1996) *El Sentimiento Aristocrático. Elites Chilenas Frente al Espejo (1860-1960)* Santiago: Centro de Investigaciones Diego Barros Arana and Editorial Andrés Bello, pp. 220-221.

⁸⁴ S. Collier and W. Sater, *op. cit.*, p. 18.

Approximately 24,000 Spaniards migrated to Chile between 1700 and 1810.

⁸⁵ Hence the famed Spanish writer Miguel de Unamuno's observation that the two greatest creations of the Basques were the Jesuits and Chile.

<http://www.filosofia.org/hem/194/alf/ez2302a.htm>

⁸⁶ M. R. Stabili, *op. cit.*, pp. 221-223.

⁸⁷ E. Mac Iver (1900) *Discurso Sobre la Crisis Moral de la República*. Santiago: Imprenta Moderna, p. 10.

⁸⁸ M. R. Stabili, *op. cit.*, p. 221.

⁸⁹ A. de Ramón, *op. cit.*, p. 66.

of labour and industriousness. They were responsible for the education of white and *mestizo* creoles in the same spirit that animated them, i.e. ‘contemplatives in action’. They can be considered the boosters of Chile’s greater agriculture, which started in the seventeenth century, as well as of industrial production and mining.⁹⁰

The stability of the countryside and the absence of sharply defined ethnic castes, left little room for the upheavals felt in other places of Spanish America all through the duration of the empire and after the colonies gained their independence. There were hardly any elements that could disturb order. All those living in the Captaincy-General were relatively poor —the upper class had fairly rustic life styles—⁹¹ there were few slaves, few indigenous communities north of the frontier for rapacious looting by the whites and no major regional tensions and divisions. Besides, the whole colony shared basic values such as Catholicism, adherence to a hierarchical order and desire for a peaceful existence. There were hardly any subcultures, and two main cultural streams: the somewhat European stream of the elite and the *mestizo* stream —primitive, submerged in a magical universe— of the peasantry.⁹² Interestingly enough, Chile’s rugged geography and history prevented the formation of semi-nomadic cowboys – the Argentinean *gaucho* and the Venezuelan *llanero* —suspicious of any formal hierarchy, living on the fringes of the legal system and prone to follow local *caudillos*— thus contributing to regional socio-political instability.⁹³

The Chilean nationality may have been formed in the colonial era; the modern nation as such dates its birth very precisely from the Creole revolution. The Chileans’ habits of political *behaviour* were to be influenced for generations to come by attitudes and practices inherited from the colonial past, but the framework of political *ideas* was now radically transformed’.⁹⁴

In fact, once the monarchical design was overruled, it was basically agreed that the republican system was to be the framework for the establishment of Chile’s government.

⁹⁰ M. Laborde, *op. cit.*, p. 47.

⁹¹ C. Gazmuri, *op. cit.*, p.16.

⁹² C. Gazmuri, *op. cit.*, p. 24.

⁹³ To read more on this topic see C. Gazmuri, *op. cit.*, p. 20. Also J. L. Borges refers to this issue in his work ‘Evaristo Carriega’ in J. L. Borges (2004) *Obras Completas*. Buenos Aires: Editorial Emecé. Also see D. F. Sarmiento (1845) *Civilización y Barbarie: Vida de Juan Facundo Quiroga y Aspecto Físico y Costumbres y Hábitos de la República Argentina*. Santiago: Imprenta del Progreso.

⁹⁴ S. Collier and W. Sater, *op. cit.*, p. 40. The italics are the authors’ own.

The quest of the new nation's early leaders for a fitting political system, after a few years of political chaos spanning from 1823 to the end of the decade, was comprehensively settled by conservative politicians in the 1830s. This gave the country a record of institutional permanence and stability unusual in the upheaval-prone Hispanic America of the nineteenth century.⁹⁵ A key figure for the achievement of such stability and order was Diego Portales who, as minister to the government of President José Joaquín Prieto, set the foundations of what was going to be known as the Portalian state.⁹⁶

The genesis, rise and fall of the so-called Portalian conception of the state has a crucial and fundamental role in the forging of Chile from 1830 until 1891, and—in later years—even until 1920. There has been much debate and academic discussion on the Portalian model, mostly framed within the conservative-liberal controversy, from the nineteenth century onwards.⁹⁷ Thus, most historians—from Ramón Sotomayor Valdés in his 1873 *Historia de Chile 1831-1871*,⁹⁸ to Alberto Edwards's 1928 *Frontera Aristocrática*,⁹⁹ to Mario Góngora in 1981¹⁰⁰—have supported the conception of a government for Chile as outlined by President Prieto's influential minister.

At the other end of the spectrum some of the most violent detractors of Portales have been José Victorino Lastarria¹⁰¹ and Benjamín Vicuña Mackenna,¹⁰² in 1861 and 1863 respectively. In more recent times Portales' worst critics have been Sergio Villalobos in his *Portales. Una Falsificación Histórica*¹⁰³, and Gabriel Salazar who, in his book of 2009, declared that he intended to write Portales' historical epitaph.¹⁰⁴ Salazar thinks that the Portalian model is the only one ever-present in Chile as the

⁹⁵ S. Collier and W. Sater, *op. cit.*, p. 1.

⁹⁶ To access a compilation of Portales' writings, and thus study his political thought and world vision, see R. Silva Castro (ed.) (1952) *Ideas y Confesiones de Portales*. Santiago: Editorial del Pacífico.

⁹⁷ R. Krebs, *op. cit.*, p. 39.

⁹⁸ R. Sotomayor Valdés (1962) *Historia de Chile Bajo el Gobierno del General Don Joaquín Prieto*. Santiago: Fondo Histórico Presidente Joaquín Prieto.

⁹⁹ Edwards, Alberto (1928) *La Frontera Aristocrática en Chile*. Santiago: Imprenta Nacional.

¹⁰⁰ M. Góngora (1986) *Ensayo Histórico sobre la Noción de Estado en Chile en los Siglos XIX y XX*. Chile: Editorial Universitaria.

¹⁰¹ J.V. Lastarria (1861) *Don Diego Portales, Juicio Histórico*. Santiago: El Correo.

¹⁰² B. Vicuña Mackenna (1974) *Don Diego Portales*. Santiago: Editorial del Pacífico.

¹⁰³ S. Villalobos (2005) *Portales. Una Falsificación Histórica*. Santiago: Editorial Universitaria.

¹⁰⁴ G. Salazar (2007) *Mercaderes, Empresarios y Capitalistas. Chile Siglo XIX*. Santiago: Editorial Sudamericana, p. 591.

basic state structure that has consistently threatened the sovereignty and needs of the Chilean people.¹⁰⁵

Rather different is Alfredo Jocelyn-Holt's view. For him the existence of a Portalian state is a mistake as Portales never planned the creation of a political system. He was a dictator —albeit not a dictatorial *caudillo* in the Latin American sense— who hunted for order after a period of political upheaval following Bernardo O'Higgins's government. Thus Portales was essentially a pragmatist who realised that a republican structure within a restricted democratic scheme, with a strong presidential institution and a weak parliament, would give Chile the political and social stability that it needed.¹⁰⁶

Regardless of the diverse connotation that authors give to the Portalian system, it is a fact that its impact on the organization of the country has been crucial. However, it is only fair to acknowledge that neither all the merit —nor all the blame, in Salazar's opinion— belongs to Portales. Armando de Ramón considers the Portalian regime more as the combined effort of a series of highly talented men, such as Andrés Bello, Domingo Faustino Sarmiento, Manuel Renjifo, Mariano Egaña, Joaquín Tocornal, Antonio Varas and Manuel Montt.¹⁰⁷ Not all of them supported Portales but, due to his early death, they ended getting involved in the process of the rise and consolidation of his political scheme.

Portales considered that it was necessary to reinstall an old political idea, remodeling it in accordance with the country's new political situation, i.e. unrestricted obedience to the Spanish Monarch, was now due to the President of the Republic. From 1830 onwards, Chile was ruled by a strong central government, far removed from the militarism and *caudillo* rule of the times of the war of independence —a warlordism which did not disappear in most of the newly created South American nations. "The notion of Chile as a *república modelo*, "model republic", an example to her turbulent neighbours, became increasingly widespread in educated circles (...) The backward Spanish colony had become a proud little nation"¹⁰⁸ in open contrast with most of the other former colonies. In fact, although generally wealthier, more populated, better

¹⁰⁵ G. Salazar (2005) *Construcción de Estado en Chile (180-1837) Democracia de "los Pueblos". Militarismo Ciudadano. Golpismo Oligárquico*. Santiago: Sudamericana, p. 8.

¹⁰⁶ A. Jocelyn-Holt (1998) *El Peso de la Noche: Nuestra Frágil Fortaleza Histórica*. Santiago: Planeta, pp. 129-142.

¹⁰⁷ A. de Ramón, *op. cit.*, p. 73.

¹⁰⁸ S. Collier and W. Sater, *op. cit.*, p. 103.

located and developed, they were nevertheless in the midst of political havoc. This is fundamentally the opinion of Simón Bolívar, one of the leaders of the South American rebellion against Spain. As early as 1815 he wrote that Chile alone had an auspicious future due to its stability and lawfulness.¹⁰⁹ This observation shows how the country enjoyed a fame of exceptionality from early times.

To a certain extent, the first republican governments were somehow a prolongation of the enlightened despotism that had refurbished and refashioned the Spanish Empire in the later colonial period.¹¹⁰ Nevertheless, despite all the emphasis on order, the Chilean conservatives did not embrace despotism as a political idea¹¹¹ and did not intentionally look back to the colonial regime. Their government was neither reactionary nor retrograde¹¹² but authoritarian,¹¹³ aimed at restoring the power of a central authority which had diminished in the whole of Hispanic America during the wars of emancipation.¹¹⁴

There was a search for peace and order, which implied the ‘creation of institutions that decreased the spaces for the irrational and the arbitrary, subjecting social life to established, calculable and dirigible procedures’.¹¹⁵ This meant the formation of stable institutions —an elected Presidency of the Republic being the main one— whose power derived from this public office as defined by law.¹¹⁶ It also implied the impersonality of public office, which was one of the factors that gave political stability to Chile’s republic during the nineteenth century.¹¹⁷ Another relevant factor was the strengthening of civilian supremacy and constitutional regulation.¹¹⁸ For a few decades a method to obtain order was repression, which —compared to what the twentieth century witnessed in terms of a grim record of tyranny worldwide— ‘was

¹⁰⁹ S. Bolívar (1815) ‘Carta de Jamaica’, *op. cit.*

¹¹⁰ B. Bravo Lira (1994) *El Absolutismo Ilustrado en Hispanoamérica, Chile (1760–1860), de Carlos III a Portales y Montt*. Santiago: Editorial Jurídica de Chile, pp. 183–430.

¹¹¹ S. Collier, *op. cit.*, pp. XVIII–XIX.

¹¹² R. Krebs, *op. cit.*, p. 39.

¹¹³ G. Salazar and J. Pinto (2002) *Historia Contemporánea de Chile*. Santiago: Lom Ediciones, p. 15.

¹¹⁴ R. Couyoumdjian, A. de Ramón and S. Vial, *op. cit.*, vol. 3, p. 186.

¹¹⁵ See S. Serrano (1994) *Universidad y Nación. Chile en el Siglo XIX*. Santiago: Editorial Universitaria.

¹¹⁶ A. Valenzuela (1995) ‘Chile: Origins and Consolidation of a Latinamerican Democracy’ in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*. London: Lynne Rienner, p. 83.

¹¹⁷ R. Couyoumdjian, A. de Ramón and S. Vial, *op. cit.*, vol. 2, p. 337.

¹¹⁸ R. Krebs, *op. cit.*, p. 106.

not monstrously bloody, although it certainly had its rough edges'.¹¹⁹ A final element that contributed to order and is worth mentioning was electoral intervention by the executive branch of government, thus indirectly ensuring that the Congress was chosen by the President and his Ministers.¹²⁰

As I said before, none of this behaviour is democratic. Nevertheless, in my view, it is understandable given the mentality of the young republic, historically and geographically marked by war and disaster. As Cristián Gazmuri puts it, social and political order had become a supreme value forged through the centuries. On the contrary, chaos, anarchy and uncertainty were rejected.¹²¹ Another social trait that had become an age-old value was the idea of isolation, which will be addressed in section 2.2. Like the culture of order and endeavour that was formed during centuries, there also emerged a mind-set of seclusion and inaccessibility, adding to the exceptionality of Chile's self-image and mentality.

2.2 Finis Terrae: Geographic Isolationism and the National Character

Section 2.2 explains how a remoteness syndrome —derived from the fact of being so far away from Spain and quite isolated from the other colonies— developed in Chile from the early years of the conquest. The new territories annexed along the nineteenth century —Chile's current northern regions after the war of the Pacific; the former Araucanian zone after 1880; and the extreme south towards the mid-century— completed what today forms the national territory. Nevertheless, this fact did not diminish the country's perception of being a remote and marginal land.¹²² The isolation of each region along the country and the diversity of the population that settled in them might have made Chile a country of deep regionalism. However, quite on the contrary, Chile is a fairly cohesive country with a strong central government until today.¹²³

¹¹⁹ S. Collier, *op. cit.*, p. 28. To exemplify the point, the author explains that, whilst during Chile's Conservative governments no more than 90 people were sentenced to death, during Juan Manuel de Rosas dictatorship (Argentina) more than a thousand were thus sentenced.

¹²⁰ R. Krebs, *op. cit.*, p. 43.

¹²¹ C. Gazmuri, *op. cit.*, p. 24.

¹²² H. Ramírez Necochea, *op. cit.*, p. 38.

¹²³ Senador Víctor Pérez: Centralismo como Fuente de Desigualdad, 26 October 2007. http://www.senador.cl/prontus_senado/antialone.html

That Diego de Rosales thought that Chile was ‘at the end of the world’¹²⁴ is not surprising given the distance from Europe and the dangers of the trip to reach Chilean soil. That the same was stated by Samuel Haigh almost three hundred years later,¹²⁵ when the means of transport had greatly improved, certainly shows that distance and its consequent isolation might be considered a permanent Chilean characteristic. At least this is the opinion of Cristián Gazmuri who speaks of a ‘remoteness syndrome’¹²⁶ present in the national psyche as a clear perception of living in an island-like territory in spite of being continental. Bernardo Subercaseaux refers to this in his book *Chile o una Loca Geografía*: ‘We know that in its northern edge Chile is separated from the world by a wide deserted extension. On the south it looks down to the southern pole. On the west, there is the ocean as far as half across the world; and on the east, the immense mountain. Such a country is an island’.¹²⁷

Aside from the Philippines, Chile was the most remote of all the Spanish possessions. Established as a Captaincy-General, it developed as a minor, poor and uncared-for agrarian colony on the fringe of Spanish America, its isolation enhancing what became after 250 years a distinctive embryonic national culture¹²⁸ and provincial mentality.¹²⁹ It was far away not only from the metropolis but also from the rest of South America: the long thin land was separated from the Viceroyalty of Peru by more than a thousand kilometres of unfriendly desert; the towering Cordillera de los Andes segregated it from the pampas of the River Plate; and beyond the colony’s coastline, the widest ocean in the world acted as a water fortification. The first geographical distribution of the southern cone of Latin America subdivided it into horizontal sashes of land traversing from the Pacific Ocean to the Atlantic. It was mainly Pedro de Valdivia who designed a totally different division of the grounds lying ahead to be conquered.¹³⁰ His letters to Charles V describing Chile, give account of a land which starts in Atacama, passing through the southern rain forest to end in the Magellan

¹²⁴ D. de Rosales, *op. cit.*, p. 508.

¹²⁵ S. Haigh (1917) *Viaje a Chile Durante la Época de la Independencia*. Chile: Imprenta Universitaria, p. 6.

¹²⁶ ‘C. Gazmuri: Lejanía, Aislamiento, Pobreza y Guerra. La Mentalidad Histórica del Chileno’, *El Mercurio*, 22 April 2006.

¹²⁷ B. Subercaseaux Z. (2005) *Chile o una Loca Geografía*. Santiago: Editorial Universitaria, p. 59.

¹²⁸ S. Collier and W. Sater, *op. cit.*, p. 1.

¹²⁹ C. Gazmuri, *op. cit.*, p. 21.

¹³⁰ J. Eyzaguirre (1973), *op. cit.*, p. 69 and B. Subercaseaux Z. (2005), *op. cit.* p. 42.

Strait. The country that we know today as Chile obeys in its basic geopolitical distribution to a 'Valdivian' design.¹³¹

In the 1830s the actual national territory stretched from Chile Chico in the Copiapó area to the Bio-Bío River with Concepción as the main city. This encompassed a combination of metal rich north and fertile central valley. The territories that lay north of Copiapó were taken from Bolivia and Peru in the War of the Pacific (1879-1883) and the Araucanian region was subdued in the 1880s. Valdivia and Chiloé, although belonging to Spain since colonial times, developed in quite a different way from the heartland of the colony due to the distance imposed by the *Mapuche* 'impasse' on the continuity of Chile's continental soil. A small German settlement in Valdivia and the Llanquihue Lake towards the 1850s gave a boost to the development of the area.

As to the southernmost parts of the country, in 1881 Chile and Argentina signed a treaty which stated the latter's sovereignty over Patagonia (East of the Andes) and Chile's control of the Magellan Straits. Efforts were made to settle the Chilean Patagonia in the 1920s. Concerning the Magellan Strait, there were several colonizing attempts during the Spanish period, but all failed due to the harshness of the weather and terrain, the next to impossible development of agriculture and the difficulty to supply the outposts with food.¹³² The area was finally annexed in 1843 and was used as a penal settlement up to 1867.

The administrative organization of the Spanish empire was centralized. Republican Chile adopted this legacy,¹³³ a fact that was often criticized by the opponents to the Conservative regime, adducing that it stifled local initiative. Although this was true, it is difficult to think of Chile taking a different path: to counteract the deep-rooted hegemony of Santiago and the three adjacent provinces of Colchagua, Aconcagua and Valparaíso, which accounted for almost 50 per cent of the nation's population,¹³⁴ was close to impossible.

¹³¹ A. de Ramón, *op. cit.*, p. 16.

¹³² J. Eyzaguirre (1973), *op. cit.*, pp. 71 and 94-95.

¹³³ H. Gundermann in S. Montecino, *op. cit.*, p. 178.

¹³⁴ S. Collier, *op. cit.*, pp 26-27.

‘Chile’s geographical wall forms part of its identity: insularity, where variety produces uniqueness and often rarity: the Chilean “case”’.¹³⁵ Along its 15 regions,¹³⁶ Chile is normally divided into three big areas: north, centre and south, each of them presenting its peculiarities. Regionalism certainly existed and exists at the level of resentment and complaint, but —except for some low-impact regional separatist movements— it has not been articulated as a coherent political programme. A common national identity within and in spite of sharp geographic diversity, are fundamental elements when understanding Chile and its people.¹³⁷ Land-locked territories, non-coastal isles, guarded by rugged mountains and torrential rivers, many regions along the nation are still fighting against isolation.¹³⁸

Chile’s colonial north was basically contained in what today is known as *Norte Chico*, with its semi-desert terrain which confined agriculture to a few valley-oases. During the eighteenth and nineteenth century, the frontier moved towards the southern borders of the Atacama wilderness mainly due to the development of the area as a specialized mining zone. Neither Chile nor Bolivia had had real concern over the exact location of the common border in that barren region until the discovery of silver, guano and nitrate transformed the wasteland into tremendously valuable ground.¹³⁹

In 1874, after strong tussling, the frontier was fixed at 24°S, Chile promised to abandon any claims over the Atacama Desert and Bolivia agreed not to raise taxes on the Chilean company operating in the extraction of nitrate. Problems started in 1878 when Bolivia’s dictator decided to increase these taxes and pulled Peru into a common war front against Chile due to a secret treaty signed between both nations. The so-called ‘War of the Pacific’ started in 1879 and ended in 1884. The final borders between the three countries were established with Bolivia in the Treaty of Peace, Friendship and

¹³⁵ C. Gay in L. Mizón (2001) *Claudio Gay y la Formación de la Identidad Cultural Chilena*. Santiago: Editorial Universitaria, p. 71.

¹³⁶ Two new regions were created in 2006: number XIV –Región de Valdivia— and number XV –Región de Arica y Parinacota.

¹³⁷ L. Mizón, *op. cit.*, p. 66.

¹³⁸ The Patagonian Andes, the presence of rivers that carry much water and other geographical accidents have made it very difficult to build roads that connect Chile’s far south with the rest of the country. In 1976 the Austral Highway was built, helping to connect remote areas. Nevertheless, there still are towns and villages quite out of reach, whose inhabitants get their supplies, medical attention, etc. in Argentina rather than in Chile. They often feel closer to that nation than to their own with the consequent sovereignty peril that this implies.

¹³⁹ ‘Chile y Bolivia: la Guerra del Salitre’, *Punto Final*, 24 October- 6 November 2003.

Commerce of 1904 and with Peru in the 1929 Treaty of Lima.¹⁴⁰ Having acquired the territory that produced the nitrate that the whole world needed, Chile had its virtual monopoly and for once the name of the country was widely known around the world as never before. This opportunity and the wheat boost production of a few decades earlier — a situation that will be analyzed below in this chapter— gave a preponderant place to Chile in the world market.¹⁴¹ In my view, both époques show that the country has had international fame and a good image in world terms, only that it has been intermittent and short lived.

One of the main characteristics of the north of Chile is the harshness of its terrain, one of the world's most inhospitable. This probably explains the rugged and taciturn character of northerners: as Benjamín Subercaseaux puts it, 'a landscape that explains men and men who say nothing'.¹⁴² A second important trait of the region is the variety and richness of the historical processes that have taken place there: from Palaeolithic tribes through to the British industrial revolution and the early surge of a capitalistic elite and a proletarian class.¹⁴³

In the North it is possible to find some of the few native or first living native people of the country: the Aymaras. On the other hand, the region definitely has a

¹⁴⁰ The limit with Peru is called *Línea de la Concordia*, and was defined by the Treaty of Lima of 1929. This imaginary line is located 10 km to the north of the route of the railroad from Arica to La Paz and is represented by 80 landmarks distributed between the coast and a fixed point to the north of the town of Visviri (*hito de Visviri*). There the Chilean, Bolivian and Peruvian frontiers converge in a tripartite landmark. The common border with Bolivia was established in a treaty signed in Santiago in 1904. This limit extends through 850 km in a north-south direction from the *hito de Visviri* to the tripartite landmark of Zapaleri (22 48 ' South latitude), the meeting point of Chile, Bolivia and Argentina. The layout of the limit is firstly determined by the dividing line of mountain waters, towards the western and eastern sides of the Andean mountain range. Secondly, the layout of the limit is also determined by several straight lines that join landmarks distributed between Visviri and Zapaleri. As for diverse minor problems that existed between Chile and Bolivia as regards short sections of the border, they were solved in the Mixed Commission of Chile-Bolivia Limits, in April 1992, at La Paz. In four opportunities Chile has offered to give Bolivia access to the sea. The first was in 1895 during Jorge Montt's tenure, the second was in 1950 under President Gabriel González Videla, and the remaining two occurred during General Augusto Pinochet's regime, in 1975 and 1987. None of these offers developed any further.

¹⁴¹ G. Vial (2009), *op. cit.*, pp. 870-884.

¹⁴² B. Subercaseaux Z. (2005) *op. cit.*, p. 89.

¹⁴³ For further information about Chile's north and nortinos life style, see S. González, 'El Mundo de las Casas de Lata. La Vida en la Pampa Salitrera' in R. Sagredo and C. Gazmuri (eds.) (2005) *Historia de la Vida Privada en Chile. El Chile Moderno de 1840 a 1925*. Santiago: Taurus.

foreign air about it. Spanish, Greeks, Croatians, Chinese, Italians and British, as well as Bolivians and Peruvians, have come and gone —some remain— mainly attracted by this mineral-rich region. As regards the nationals of Bolivia and Perú, their presence and relative importance in certain economic spheres is basically disregarded. It is as if our northern cities, Arica especially, lived only from the Chilean input.¹⁴⁴ All this is quite understandable in an on-going process of ‘Chileanization’ of a formerly foreign region annexed through war.¹⁴⁵

The development of agricultural activity in the central valley demanded great effort and sacrifice. When it became evident that Chile’s main source of prosperity was not going to come from the gold fields, the descendants of the *conquistadores* and first colonizers focused on farming production. A few years after the central basin land had been put to work by their Spanish owners, the civilizing effects were quite obvious: houses and stockrooms, livestock spread all over the lands of Colchagua and Maule, not to mention those valleys previously farmed by the *mitimaes*, i.e. Inca colonizers: La Ligua, Longotoma, Quillota, Aconcagua, Santiago, Maipo, Talagante and Melipilla.¹⁴⁶

Towards the end of the sixteenth and the beginning of the seventeenth century, the progress made by the farming economic sector was considerable. Several factors played a role in bringing about such success. Chile’s peculiar role as front wall to the Spanish empire on the Pacific forced the Viceroyalty to invest greatly in the constructions of fortifications and ports such as Valdivia, Valparaíso and Penco so as to ensure the secure shipments of silver from Potosí to Panama. The establishment of these docks fostered food exports from Chile to Peru through Callao and brought for the first time some wealth among farmers and merchants.¹⁴⁷

Wheat production steadily increased until it took control of the agricultural activity of the central valley by the 1860s, promoting the clearing of new lands and, through exports, connecting Chile with the developed world.¹⁴⁸ Chile had been a marginal wheat producer in an out-of-the-way zone of the planet. Nevertheless, the gold fever

¹⁴⁴ H. González in S. Montecino, *op. cit.*, p. 187.

¹⁴⁵ For more information on the development of Chile’s northern regions see J. Podestá (2004) *La Inversión de Tarapacá. Estado y Desarrollo Regional en Chile*. Iquique: Universidad Arturo Prat.

¹⁴⁶ For further information on the development of Chile’s agriculture see G. Salazar and J. Pinto, *op. cit.*, Vol. 3.

¹⁴⁷ A. de Ramón, *op. cit.*, p. 36.

¹⁴⁸ J. Bengoa in A. de Ramón, *op. cit.*, p. 81.

that sprung in California and Australia gave a boost to the wheat growing business around the globe. Chile, posted in such remote latitudes, had for once a preponderant position in the Pacific Ocean¹⁴⁹ given that the wheat market grew and that Chile's mills were top range in the world.¹⁵⁰ In order to facilitate the demands of wheat exports, new railways were built and sea ports were either opened or improved.¹⁵¹ By 1875 the railway had connected Santiago to Concepción and by 1888 the latter with Puerto Montt, crossing the Araucanía which had been recently annexed to the national territory. It was November 23, 1913 that the first train that went from Iquique to Puerto Montt took off, a landmark in the nation's history. The construction of the railway was a milestone in Chile's progress and interconnectivity, real bridges linking isle-like lands locked in by geography.¹⁵²

The lands to be found south of the Bío-Bío River are a particularly good example of geographical isolation and the exertion of great effort in the conquest and settlement of a territory, both under the Spanish empire and the Chilean state. To start with, Valdivia had been abandoned by the Spaniards in 1599, after the indigenous rebellion of Curalaba.¹⁵³ In 1643 Dutchman Elijah Herckmans, tried to re-settle the city but was repealed by the natives and thus forced to return to Brazil (its north-eastern region was then occupied by the Netherlands). The Dutch adventure had the effect of re-igniting the Viceroyalty of Peru's interest in the port. In 1645 a formidable expedition —the greatest yet seen in the Pacific¹⁵⁴— was sent towards the south of Chile. Guarded by more than 900 soldiers, a new fortress was built on the ashes of the

¹⁴⁹ A. J. Bauer (1970) *Expansión Económica en una Sociedad Tradicional*. Santiago: Universidad Católica de Chile, p. 148.

¹⁵⁰ A. J. Bauer, *op. cit.*, p. 143.

¹⁵¹ A. de Ramón, *op. cit.* p. 81.

¹⁵² For a first hand narration of the railway construction and the opening of the Araucanía, the very entertaining and informative chronicles written by Gustave Vernior, a young Belgian engineer who worked in it, are worth reading.

G. Vernior (2001) *Diez Años en Araucanía, 1889-1899*. Santiago: Pehuén.

¹⁵³ The *Mapuche* survival in the face of a much more powerful adversary is partly due to the adoption of some of the European war 'techniques': the use of horses, metal weapons, acquisition —though scarce— of fire arms. This does not diminish the bravery and excellent war strategies shown by the Araucanians when defending their territory and their people from the foreign invaders.

¹⁵⁴ A. de Ramón, *op. cit.*, pp. 85-86.

previous attempts¹⁵⁵ and it remained serving the Spanish empire until it surrendered to the rebellious Chilean troops in 1820 together with the Osorno area.¹⁵⁶

Some 30 years later a colonization plan of those territories was organized mainly based on the transportation of German families, in the hope that the influx of new people would hasten the development of that fertile land.¹⁵⁷ In fact, the region was scarcely populated and was severely hit by earthquakes, the economic crisis prompted by the war against the Chilean patriots plus the looting and confiscation of goods that took place in the 1820 occupation. The great executives and supervisors of this migration were Vicente Pérez Rosales and Bernhard Philippi. They convinced the German authorities of fostering the immigration that approximately 20 years later meant that there were some 7,800¹⁵⁸ to 8,600¹⁵⁹ German nationals in Chile. In the surroundings of Valdivia and the Llanquihue Lake, cities were built—Puerto Montt, Puerto Varas and Puerto Octay—the forest was cleared, commerce increased and considerable industrial activity was generated, especially in Valdivia. This was due to the industriousness shown by the newcomers and also to the high economic and cultural level of a considerable proportion of the migrants.¹⁶⁰

Although the *animus occupandi* of the Magellan Strait was in blueprint since the beginning of Chile's republican life, it was not seriously attempted until several facts alerted the republican governments: the voyage of the Beagle (1826-1832) and the occupation of the Falkland Islands by the British (1833) prompted important colonization expeditions. All of them were disastrous and it was only in 1848 that a stable post was established: Punta Arenas, until today one of the southernmost cities in the world. To go and live in those latitudes was a risky adventure and the Conservative governments declared it a free port, thus fostering commerce. Also the surge of Punta

¹⁵⁵ On the reconstruction of the city of Valdivia, see J. Eyzaguirre (1973), *op. cit.*, p. 164.

¹⁵⁶ For more information about the activities of pirates and filibusters along Chilean costs, see F. Frías Valenzuela (2001) *Manual de Historia de Chile. Desde la Prehistoria hasta 1994*. Santiago: Editorial Zig-Zag, pp. 96-102.

¹⁵⁷ V. Pérez Rosales (1852) *Memoria sobre la Colonización de la Provincia de Valdivia*. Valparaíso: Imprenta del Diario.

¹⁵⁸ G. Guarda (2006) *La Sociedad en Chile Austral Antes de la Colonización Alemana (Valdivia, Osorno, Río Bueno, La Unión) 1645-1850*. Santiago: Ediciones Universidad Católica, p. 70.

¹⁵⁹ A. de Ramón, *op. cit.*, p. 86.

¹⁶⁰ G. Guarda, *op. cit.*, p. 72.

Arenas helped to reinforce Chile's claim over the Antarctic territory, currently a sovereignty issue of great importance for this country and many others.¹⁶¹

The national migration —mainly of *Chilotes* (inhabitants of the archipelago of Chiloé) who went to work in the enormous *estancias*— plus foreign immigration, made the region a copy of Babel: Austrians, Russians, Spaniards, British and most of all Croatians, gave to the southern tip of the world a cosmopolitan air, as also happened in the Valparaíso and Iquique of the 1900s. Tough people, hardened by the bitter cold and inhospitable environment, 'the Chileans from this place are serious and reserved (...) Nevertheless, one feels the strength and steadiness of the individuals born in this unploughed land'.¹⁶²

Until the 1970s Magallanes seemed like a different country.¹⁶³ And we could say the same about the Atacama region and the Araucanía,¹⁶⁴ not to mention insular Chile: Chiloé's extremely particular culture, Easter Island —located in the fringes of the Polynesia—, the Juan Fernández archipelago that inspired Daniel Defoe's Robinson Crusoe adventures, and the extra-continental Antarctica. Nevertheless, all these regions are Chile, in spite of the persistent and pervading attempt of the central valley to present itself as the genuinely Chilean region.¹⁶⁵

It is worth remembering that the Captaincy-General of Chile only included one third of the territory the country had by the end of the nineteenth century, between

¹⁶¹ One of the 12 nations that signed the Antarctic Treaty System for the peaceful administration of the iced continent, Chile claims territorial sovereignty over a sash of Antarctica, overlapping with those of Argentina and Great Britain. The South American nations regard themselves as the successors to territories considered part of the former Spanish empire and acknowledge the Spanish intentions of occupying Antarctica based on the Royal Patents Charter of 24 January 1539, by means of which the Spanish King granted Pedro Sancho de Hoz the governorship of areas south of the Strait of Magellan. Even further, Argentina and Chile trace their rights to Antarctic territory to the 1493 Papal Bull *Inter Caetera* of Pope Alexander VI by means of which the world-spheres of influence of Portugal and Spain were demarcated. Also the 1494 Treaty of Tordesilla between the same European nations moved the boundary 270 leagues further west and is invoked as valid doctrine for territorial possession.

¹⁶² B. Subercaseaux Z. (2005), *op. cit.*, p. 275.

¹⁶³ Sergio Lecaros M., (President *Compañía Manufacturera de Papeles y Cartones*, one of the biggest companies in Chile) interviewed on 11 December 2006.

¹⁶⁴ Francisco Monge S., (Chilean cultural heritage curator, president of the firm 'Monge and Edwards Art and Patrimony') interviewed on 28 July 2010.

¹⁶⁵ H. González in S. Montecino, *op. cit.*, p. 184.

Copiapó and Concepción, plus Valdivia and its environs and Chiloé. The rest of the territory was either under control of the *Mapuche* Indians or were provinces disputed with Chile's neighbours. The central basin, a zone of the size of Uruguay, was what assured the unity of the country when the new regions were annexed. In spite of the ever present propensity to centralization, Chile's main originality

lies in the extreme differentiation of its members. There is nothing special about variety in enormous countries such as the United States, for example; but it is miraculous in the redoubt of our planet called Chile. Everything is there: geologic baldness, harsh forest, long flower-gardens, snow and everlasting ice-drifts (...) Chile might be the most plural thing in the whole planet'.¹⁶⁶

Pedro de Valdivia, Alonso de Ovalle, Gabriela Mistral are just three among many writing in praise of Chile's exceptional geographical beauty. Simón Bolívar, Juan Bautista Alberdi, Domingo Faustino Sarmiento did so extolling this country's peaceful and orderly socio-political behaviour. Section 2.3 will explore the myths and realities contained in Chile's self-image of political exceptionality.

2.3 Democratic Rule in the Nation's Self-Image

In section 2.3 I shall describe how Chile has perceived itself—from a very early date in its independent life—as an orderly place that had the benefit of political stability. A democracy almost from the start, whose National Congress is the fourth oldest in the world,¹⁶⁷ it was nevertheless an imperfect democratic regime. Thus, as in most early Western republican systems, only literate men with a certain amount of property were allowed to vote, a scheme that started changing towards the 1870s in line with the

¹⁶⁶ G. Mistral in B. Subercaseaux Z. (2005), *op. cit.*, p. 18.

The text in Spanish reads as follows: "Cuenta usted a Chile especialmente en su originalidad mayor, que es la diferenciación acérrima de sus miembros. Nada tiene de extraordinaria la variedad en los países descomunales: los Estados Unidos, por ejemplo; pero resulta milagrosa en la reducción del planeta llamado Chile. Todo está allí: calvicie geológica, selva dura, largos vergeles, nieves y tépanos últimos. (La pluralidad se confunde con el concepto mismo de la hermosura en lo que toca a la Venus-tierra,) y Chile tal vez sea la cosa más plural del planeta".

¹⁶⁷ The first is the British House of Commons, the second is the French Parliament and the third the American Congress. For further information see http://www.camara.cl/camara/historia_congreso.aspx

most advanced democracies at the time, the United States, France and Switzerland.¹⁶⁸ In addition, electoral intervention was a common procedure during the nineteenth century elections¹⁶⁹ and the presidential system installed in Chile, especially during the 1830s to the 1860s, was authoritarian.¹⁷⁰

‘Commonplaces are usually at least half true, and often more than half true’.¹⁷¹ This is the case with the *cliché* that Chile was the byword for political stability in nineteenth century Latin America. Chile was perceived by the outside world as a model of political order. Tokens of it are Bolívar’s Letters from Jamaica¹⁷² and some of Domingo Faustino Sarmiento’s writings¹⁷³ as well as Juan Bautista Alberdi’s.¹⁷⁴ Also foreign historians and political leaders lauded Chile’s political exceptionalism.¹⁷⁵ In fact, Chile’s democratic institutions and procedures set the country apart from several of its European counterparts and Latin American neighbours:¹⁷⁶ the institutional normality of their political institutions made Chileans feel proud of their small and

¹⁶⁸ S. Valenzuela (1985) *Democratización Vía Reforma. La Expansión del Sufragio en Chile*. Buenos Aires: Ediciones del IDES, p. 7.

¹⁶⁹ Elecciones, Sufragio y Democracia en Chile (1810-2005), in Memoria Chilena. <http://www.memoriachilena.cl//temas/dest.asp?id=eleccionesintervencion>

¹⁷⁰ La Construcción del Estado Republicano (1823-1831), in Memoria Chilena. http://www.memoriachilena.cl//temas/index.asp?id_ut=anarquiaoconstrucciondelestadorepublicano%281823-1831%29

¹⁷¹ S. Collier, *op. cit.*, p. XV.

¹⁷² S. Bolívar (1815) ‘Carta de Jamaica’, *op. cit.*

The text in Spanish reads as follows: “El reino de Chile está llamado por la naturaleza de su situación, por las costumbres inocentes y virtuosas de sus moradores, por el ejemplo de sus vecinos, los fieros republicanos del Arauco, a gozar de las bendiciones que derraman las justas y dulces leyes de una república. Si alguna permanece largo tiempo en América, me inclino a pensar que será la chilena. Jamás se ha extinguido allí el espíritu de libertad; los vicios de la Europa y del Asia llegarán tarde o nunca a corromper las costumbres de aquel extremo del universo. Su territorio es limitado; estará siempre fuera del contacto inficionado del resto de los hombres; no alterará sus leyes, usos y prácticas; preservará su uniformidad en opiniones políticas y religiosas; en una palabra, Chile puede ser libre.”

¹⁷³ D. F. Sarmiento (1845) *Civilización i Barbarie: Vida de Juan Facundo Quiroga i Aspecto Físico i Costumbres i Hábitos de la República Argentina*. Santiago: Imprenta del Progreso, p. 4.

¹⁷⁴ J. B. Alberdi (1856) *Organización Política y Económica de la Confederación Argentina*. Paris: Besanzon, p. 104.

¹⁷⁵ See B. Loveman (2001) *Chile: The Legacy of Hispanic Capitalism*. New York: Oxford University Press, p. 3 and A. San Francisco (2007) *La Guerra Civil de 1891*. Santiago: Centro de Estudios Bicentenario, pp. 65-67.

¹⁷⁶ A. Valenzuela (1995) ‘Chile: Origins and Consolidation of a Latin American Democracy’ in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*, *op. cit.*, p. 67.

unimportant nation.¹⁷⁷ The empire of Brazil also had a good name for stability, but it was not a republic and was a slave holding society. On the contrary, Chile's first law to strongly restrain slavery dates from 1811,¹⁷⁸ almost immediately after independence from Spain. By the end of the century, Chile had achieved a record of constitutional government which made it quite unique in Spanish America.¹⁷⁹ Its citizens were very pleased with their distinctive tradition, when its institutional stability was compared with those of 'semi savage' Latin American republics.¹⁸⁰ Chileans felt superior to most neighbouring republics—a judgement that was validated by the opinion of foreigners who had been to Chile and other Hispanic American countries.¹⁸¹ Also news arriving into the country bringing information about the political upheaval of the neighbourhood¹⁸²—instability in Bolivia, Peru, and Argentine being of special interest due to their proximity—made Chileans with pride.

An important question to ask is why democracy worked in Chile unlike in other countries of the region. In fact, few historical elements prior to the inauguration of the Republic of Chile look helpful when trying to understand the political development of this nation. Firstly, the creoles had a limited role in the conducting of political affairs during the colony, the main military and executive positions being held by Spaniards.¹⁸³ Thus, unlike the case in the colonies of the United States, it is not possible to say that the group that would become the post-independence political elite had experience of either self-rule, or political participation.¹⁸⁴ In terms of culture, the Chilean society had

¹⁷⁷ S. Valenzuela, *op. cit.*, p. 143.

¹⁷⁸ By initiative of a notable Chilean intellectual and politician—Manuel de Salas—the 'Freedom of Belly Act' was passed on 11 October 1811. This law stipulated that all the children of slaves born from that moment on were free individuals. Years later, on 11 October 1823, José Miguel Infante introduced a Bill stipulating the full abolition of slavery, which was approved on 24 July of that same year. At the time there were some three to four thousand slaves in Chile.

¹⁷⁹ B. Loveman, *op. cit.*, p. 3.

¹⁸⁰ S. Collier, *op. cit.*, p. 167.

¹⁸¹ See E. Poepping (1960) *Un Testigo en la Alborada de Chile. 1926-1929*. Santiago: Editorial Zig-Zag and P. Treutler (1958) *Andanzas de un Alemán en Chile: 1851-1863*. Santiago: Editorial del Pacífico.

¹⁸² M. Reid, *op. cit.*, pp. 22-23.

¹⁸³ In fact, the only participation of Chilean creoles in the public administration was circumscribed to the city councils. http://www.memoriachilena.cl//temas/index.asp?id_ut=elcabildocolonial

¹⁸⁴ J. Robinson, 'The Latin American Equilibrium' in F. Fukuyama (ed.) *Falling Behind. Explaining the Development Gap Between Latin America and the United States*. New York: Oxford University Press, pp. 161-193. Also see M. Graham (1916) *Diario de su Residencia en Chile (1822) y de su Viaje al Brasil (1823): San Martín - Cochrane - O'Higgins*. Madrid: Editorial América, pp. 40-41. C. Welzel and R. Inglehart (2005), *op. cit.*, pp. 5-9 and pp. 40-41.

little knowledge about the European Enlightenment,¹⁸⁵ considered by some political theories to be necessary in the development of the nineteenth century democratic regimes.¹⁸⁶ Also, Chile's society was very conservative, not tending to quick changes.¹⁸⁷ In addition, prior to setting out on its way to democracy, the former colony had not experienced the economic development that some pundits regard as crucial in the expansion of democratic values.¹⁸⁸ Finally, the country did not have at that stage a developed middle class claiming for democratic prerogatives.¹⁸⁹

In Arturo Valenzuela's view, the Chilean case of democratic development challenges most political theories that tackle this issue: what is clear is that there is no clear explanation applicable to it. Nevertheless, there are two aspects that Valenzuela rescues. Firstly, in Chile the first years of successful democratic practice 'over a period of time encourages the development of certain norms of political conduct and reinforces belief in the legitimacy of the rules of the game':¹⁹⁰ in other words, nothing succeeds like success. Secondly, in Chile —as in Great Britain— democracy developed not against the will of the conservative landed elites but at their instigation. As for the first aspect, Valenzuela argues that the successful administrations —both political and economic— of the first Presidents generated trust in the nascent state. Secondly, Portales's idea of a strong central power and presidential figure —debatable as it is— proved to be practical: it did pacify and order the nation. As regards the elite's support of a democratic republic, it also obeyed to practical reasons. After the anarchy period running from 1823 to 1831, the creoles realised that the conservative system functioned well. They experienced the benefits of forming political coalitions and negotiating through a spirit of compromise and came to realise the advantages of extending suffrage as a strategy to gain votes for their inter-elite political groupings.¹⁹¹

Although on the whole I agree with Valenzuela's views, I differ in some aspects and would add a few points. I will first mention the role played by six Chilean leaders of

¹⁸⁵ C. Gazmuri, *op. cit.*, p. 25.

¹⁸⁶ A. Valenzuela (1995) 'Chile: Origins and Consolidation of a Latin American Democracy' in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*, *op. cit.*, p. 83.

¹⁸⁷ M. Graham, *op. cit.*, p. 11.

¹⁸⁸ C. Welzel and R. Inglehart (2005), *op. cit.*, pp. 5-9.

¹⁸⁹ M. Aylwin, C. Bascuñán, S. Correa, C. Gazmuri, S. Serrano and M. Tagle, *op. cit.*, pp. 59-60.

¹⁹⁰ A. Valenzuela (1995) 'Chile: Origins and Consolidation of a Latin American Democracy' in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*, *op. cit.*, p. 85.

¹⁹¹ A. Valenzuela (1995) 'Chile: Origins and Consolidation of a Latin American Democracy' in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*, *op. cit.*, pp. 73-91.

the emancipation period and the early Republic and then I will refer to some of the nascent nation's identity traits. As Valenzuela says, the development of a democratic political system defies quantification, being a complex process that owes much to fortuitous events and variables. In the Chilean case this has proved to be quite true. To start with, I believe that there were a few figures whose intervention or stepping down was crucial to forge a constitutional order and avoid the ills of *caudillismo*. Firstly, General Bernardo O'Higgins, undisputed leader and hero of Chile's emancipation, openly declared that he wanted to work within the legal boundaries of a constitution.¹⁹² Three years later he voluntarily renounced his position as first Supreme Director of the nation in 1823 to avoid a possible civil war. He exiled himself to Peru where he died years later, never coming back to the country.¹⁹³ Secondly, José Joaquín Prieto, President of the Republic, military hero of the Lircay battle, voluntarily ended his constitutional period, and continued serving in the public administration as a Senator and Mayor of the city of Valparaíso.¹⁹⁴ Finally, Manuel Bulnes, also a military hero at the battle of Yungay (1839) against the Peru-Bolivia Confederation, served his tenure, left his office and kept on working in the public administration as Senator.¹⁹⁵

At the other end of the spectrum there are two key figures in the independence war —José Miguel Carrera¹⁹⁶ and Manuel Rodríguez—¹⁹⁷ who played pivotal roles in the anti-Spanish resistance and died in tragic circumstances: the first was shot; the second, murdered. In my opinion, both figures might have endangered Chile's political stability: of rebellious temperament, individualistic and prone to operate outside the margins of law, having the economic means and ascendancy over sectors of the elite, they could have become *caudillo* leaders if their early death had not prevented it. On the contrary, O'Higgins, Prieto and Bulnes, who could have easily done so, voluntarily

¹⁹² B. O'Higgins (1820) *Manifiesto del Capitán General de Ejército Don Bernardo O'Higgins*. Santiago: Imprenta de Gobierno.

¹⁹³ B. O'Higgins (1823) Carta de Bernardo O'Higgins al Pueblo de Chile. Valparaíso.
<http://www.memoriachilena.cl/archivos2/pdfs/MC0001629.pdf>

¹⁹⁴ José Joaquín Prieto Vial (1786-1854).
http://www.memoriachilena.cl/temas/index.asp?id_ut=manuelbulnesprieto%281799-1866%29

¹⁹⁵ Manuel Bulnes Prieto (1799-1866).
http://www.memoriachilena.cl/temas/index.asp?id_ut=manuelbulnesprieto%281799-1866%29

¹⁹⁶ José Miguel Carrera Verdugo (1786-1821).
http://www.memoriachilena.cl/temas/index.asp?id_ut=josemiguelcarreraverdugo%281786-1821%29

¹⁹⁷ Manuel Rodríguez Erdoiza (1785-1818).
http://www.memoriachilena.cl/temas/index.asp?id_ut=manuelrodriguezerdoiza%281785-1818%29

decided to act within the established law.¹⁹⁸ As mentioned above, the progression of Chile towards democracy resists scientific measurements and is a multifaceted route partly dependent on chance, casual happenings and variables, as shown by these examples. Whatever the explanations might be, the fact is that from very early on Chileans started to consider themselves as exceptional mainly as regards the rule of law and the good functioning of their republican institutions.

As will be seen in this section, Chile's first decades of autonomous life were far from pacific—it was not until the 1860s that severe disruption eased. Nevertheless, it is my view that the roles played by the aforementioned military leaders were crucial to prevent the occurrence in Chile of the dictatorships, revolutions and coups that characterized the nineteenth century political history of neighbouring Argentina, Bolivia, Peru and Ecuador.¹⁹⁹ It is also my opinion that Chile did not have a 'lucky star': in my view, some of Chile's identity traits had an important role to play in attaining political stability. Valenzuela considers that Chileans had little or no identification with their nation up until the war against Peru-Bolivia Confederation (1837–1839).²⁰⁰ On the contrary, as I have attempted to prove in this chapter, I consider that they did have patriotic affection for their land and clear idiosyncratic features, which helped to establish a stable republic. Thus, earthquakes, pirates and the Arauco war encouraged among the early settlers and their descendants a liking for order and abiding by the law. Given that the *Mapuche* dominated most of the southern lands, Chile's small territory, its fairly homogeneous population in ethnic terms, as well as the pacifying effect of the *haciendas*, also contributed to a reasonably peaceful colonial coexistence. Lastly, in my view, the post-independence survival of the Castilian-Basque elite,²⁰¹ mostly unimaginative, orderly and law abiding,²⁰² also contributed ultimately to the establishment of a conservative and authoritarian government that was key to achieving stable democratic institutions.

¹⁹⁸ A text by Bernardo O'Higgins attests to this: 'I ordered the establishment of a temporary constitution in order to circumscribe my powers until a congress was elected'. To access the whole text in Spanish, see B. O'Higgins (1820) *Manifiesto del Capitán General de Ejército Don Bernardo O'Higgins*. Santiago: Imprenta de Gobierno.

¹⁹⁹ For more information see M. Reid, *op. cit.*, pp. 16–27.

²⁰⁰ A. Valenzuela (1995) 'Chile: Origins and Consolidation of a Latin American Democracy' in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*, *op. cit.*, p. 89.

²⁰¹ In other former colonies, such as Venezuela, Colombia and Mexico, the high class was severely decimated during the wars of independence. See C. Gazmuri, *op. cit.*, p. 15.

²⁰² G. Vial (2009), *op. cit.*, p. 604.

As mentioned above, political stability was not accomplished overnight. For decades the conservative and liberal political ideologies fought to gain in prominence and effective political power. It was not until the 1860s that order —the driving motto of Conservatives— and political liberty —the guiding axiom of Liberals— reached a point of reconciliation.²⁰³ Besides, it is important to remember that, like in almost every republican democracy in the world at the time, Chileans who mattered for political purposes were educated males. In fact, the 1833 constitution bestowed the right to vote on literate men over 21 years old if married and over 25 if single, provided that they owned a given amount of assets, be they property, income or capital from trade. It is evident that in a society with such high levels of illiteracy as Chile's, the possibilities of having the right to vote were quite slim.²⁰⁴

By current Western liberal standards, a census-based republican democracy based on census has dubious democratic credentials. Nevertheless, things are quite different if we take account of world political trends of the time when we zoom in on the young nineteenth century republics. In fact, although it is quite clear there was no rule of the people as in the rule of the majority of the population, it is also true that that majority was not prepared to participate in politics by the 1830s or even 1840s.²⁰⁵ Furthermore, a text published in 1861 in *Revista del Pacífico* asserts that most *inquilinos* of the *haciendas* had no idea —or had a very vague idea— of who the *Godos* and Patriots were²⁰⁶ and ignored the existence of a President of the Republic, courts of justice or any higher authority beyond the realms of his land.²⁰⁷ Thus it is no wonder that the only Chileans who mattered in political terms were the members

²⁰³ See S. Collier, *op. cit.*, pp. 122-144 and C. Collier and W. Sater, *op. cit.*, pp. 104-124.

²⁰⁴ G. Salazar (2005) *op. cit.*, p. 443. Gabriel Salazar radically opposes this view, considering that “the permanent prohibition of the Patrician class to give a vote to the poorer producers and vendors or to the illiterate was an offence for people who lead a hard working existence”. Given that the analysis of this highly interesting topic goes beyond the aim of the current work, it will not be possible to comment any further on it.

²⁰⁵ A. de Ramón, *op. cit.*, p. 78.

²⁰⁶ *Godos* —Goths— was the name given to the Spaniards in Chile in the independence years. Patriots were those supporting the cause of emancipation. See the text in ‘Revista del Pacífico. Publicación Literaria i Científica’ (1861) Valparaíso: Imprenta y Librería del Mercurio de Santos Tórnero, p. 102 in http://books.google.cl/books?id=KrkrAAAAIAAJ&pg=PA102&dp=PA102&dq=godos+revista+del+pac%C3%ADfico&source=bl&ots=1UVrTHLbqh&sig=zOdWqetYw7uHcEg085ndJMsm-E&hl=es&ei=vXHRTNmCoKBIAeU5em3DA&sa=X&oi=book_result&ct=result&resnum=18&ved=0CByQ6AEwAA#v=onepage&q&f=false

²⁰⁷ ‘Revista del Pacífico. Publicación Literaria i Científica’ (1861) Valparaíso: Imprenta y Librería del Mercurio de Santos Tórnero, *op. cit.*, p. 740.

of the educated elite. Nonetheless, a century after independence the panorama had changed. The growth of a well prepared middle class, an increase in public education, foreign immigration as well as internal country-to-city migration, acted as a seed-bed for full scale democratic participation.²⁰⁸

‘Posterity should feel no condescension, big or otherwise, toward the upper class Chilean writers and politicians of the early republic’.²⁰⁹ What is more, Alfredo Jocelyn-Holt is of the opinion that Chile’s elite was able to rule the country for some three hundred years because it did so in a non-violent way.²¹⁰ As regards electoral intervention and its systematic manipulation of the elections by the Executive, it was practised by all political sectors. In fact, once the Conservatives lost power to the Liberals in 1871,²¹¹ it was impossible for them to gain it back due to vote-buying by the latter.

Chileans generally believe that in Chile, save for the world famous 1973 military coup, the democratic regime has never been rescinded. Although this is a misconception, there is no doubt—as shown above—that Chile’s democracy is long-standing and has been quite solid,²¹² both by Latin American and world standards. Thus, the assertion that Chile’s political stability is just a myth—in Gabriel Salazar’s opinion—²¹³ is, in my view, a misinterpretation of historical facts. Nevertheless, Salazar is not the only one to challenge Chile’s democratic exceptionalism. Brian Loveman does not deny it, but qualifies it by saying that Chilean governments have recurrently made use of undemocratic extraordinary authority.²¹⁴

²⁰⁸ A. de Ramón, *op. cit.*, p. 78.

²⁰⁹ S. Collier, *op. cit.*, p. XX.

²¹⁰ A. Jocelyn-Holt, *La Tercera*, 6 July 2008, *op. cit.*

²¹¹ In the 1860s an important reshuffling of Conservatives and Liberals took place. The Radicals made their appearance, coming from the ‘red’ sector of the Liberals and having close bonds with the freemasonry. On the opposite side of the spectrum, the Nationals (or Monttvaristas) took over the more authoritarian branch of the Conservatives. As for the Conservative and Liberal regrouping, members of both factions triggered the merging of Conservatives and Liberals. This was to prove quite flimsy and split apart shortly after the first Liberal President of Chile—Federico Errázuriz Zañartu—was sworn in.

²¹² A. Angell (2005) *Elecciones Presidenciales, Democracia y Partidos Políticos en el Chile Post Pinochet*. Santiago: Centro de Estudios Bicentenario, p. 23.

²¹³ G. Salazar (2005) *op. cit.*, pp. 14-15.

²¹⁴ B. Loveman, *op. cit.*, p. 3.

Joaquín Fernandois argues that Chile's democracy has functioned in blocks of time rather than as an uninterrupted continuum.²¹⁵ Thus, in the nineteenth century, from 1830 onwards, all Presidents were elected, following the constitutional ruling of the young republic. Even those who were military men remained in office for the period established by the Constitution,²¹⁶ and thus contributed to the consolidation of Chile's institutional system and to prevent the development of *caudillismo* from an early age.²¹⁷ Although constitutional governments were not interrupted, it is also true that coup attempts and conspiracies were quite frequent, not to mention Portales' assassination in 1837.²¹⁸ Also, the nineteenth century witnessed several political uprisings against the constitutional governments but none of them prospered.²¹⁹ The gravest ones took place in 1851 and 1859 and were mostly circumscribed to some provinces. Although they did not have the backing of the republican armed forces, they accounted for a few thousand dead.²²⁰ The century ended with a short but violent civil revolution that put an end to José Manuel Balmaceda's presidency²²¹ and was the only such rebellion that escalated to the level of a general confrontation.

As for the twentieth century, Chile's 1920s were roaring not only because of the popular dance craze, jazz music and flapper fashion, but also political instability. Democratic rule was interrupted in 1924 when President Arturo Alessandri had to go into exile and a series of military juntas took power. 1925 saw Alessandri come back and finish off his constitutional term. It is interesting to note that this period of political turbulence, albeit triggered by Chile's problems, coincided with times of political upheaval and the advent of non-democratic regimes in other countries in Europe and Latin America, such as Spain (Miguel Primo de Rivera lead a military coup in 1923 and seized power), Italy (Benito Mussolini gained control of the government in

²¹⁵ 'Joaquín Fernandois. Bicentenario II: el Cuento del Orden', *El Mercurio*, 13 July 2010.

²¹⁶ José Joaquín Prieto Vial, President from 1831 to 1841 and Manuel Bulnes Prieto, President from 1841 to 1851.

²¹⁷ A. San Francisco (2007) *op. cit.*, pp. 50-51.

²¹⁸ A. Valenzuela (1995) 'Chile: Origins and Consolidation of a Latin American Democracy' in L. Diamond, J. Linz and S. M. Lipset (eds.) *Politics in Developing Countries*, *op. cit.*, p. 71.

²¹⁹ A. San Francisco (2007), *op. cit.*, pp. 54-55.

²²⁰ See G. Vial (2009), *op. cit.*, pp. 649-650 and 657-662.

²²¹ The civil war was not triggered by a military coup. Rather, it originated in a constitutional dispute between two political groups, the presidential and parliamentarian, which ended in a bloody confrontation when President Balmaceda approved the national budget without Congress participation.

1922 after his march on Rome) and Peru (Augusto Leguía lead a coup in 1919 and remained as President until 1929).

Back in Chile, only two years later General Carlos Ibáñez del Campo was elected President and, although democratic in origin, his tenure is generally considered to be a dictatorship. He was forced to step down in 1931 and was briefly replaced by Juan Esteban Montero, who remained in office until 1932. Once again, Chile's period of political instability coincided with a wave of coups, mainly triggered by the Great Depression. Thus, Argentina went through several military interventions from 1930 onwards; that year Peru suffered a coup led by Luis Miguel Sánchez Cerro, and Brazilian Getulio Vargas seized power in his country. These facts show that, although Chile has traditionally been isolated in the *finis terrae*, it has always been connected with world affairs. Chile is not a nation that can be fully understood by itself.²²²

In 1932 Chile witnessed a succession of very short governments jointly known as the Socialist Republic. Former President Arturo Alessandri was once again elected for the post that same year and democratic rule was not interrupted until 1973: Chile was the only Latin American nation in which open competition among political parties defined the occupancy of the presidency and congress and not coups, assassination or revolutions.²²³ In fact, Chile's lack of political stability between 1920 and 1932 gave way to forty years of legally elected civilian governments. Such stability was partly achieved thanks to the role played by the Radical Party which, as a member of the ruling Popular Front left wing coalition, considerably moderated the impact of the petitions of the working class parties.²²⁴

The negotiation spirit of the Radicals was not a characteristic exclusive to them: it was shared especially by the Conservatives: 'used to looking attentively into every issue, to calculating its pros and cons, conservatives and radicals fit very well in the parliamentary spirit: debate, negotiation and compromise'.²²⁵ This attitude gave way to what has been called the 'state of compromise' which can be defined as an agreement between the oligarchy, the middle class sectors already heavily involved in formal politics, and the urban popular sectors organized in trade unions. Such agreement

²²² J. Fermandois, *op. cit.*, p. 16.

²²³ B. Loveman, *op. cit.*, p. 196.

²²⁴ A. de Ramón, *op. cit.*, p. 144.

²²⁵ B. Bravo Lira (1978) *Régimen de Gobierno y Partidos Políticos en Chile 1924–1973*. Santiago: Editorial Jurídica de Chile, p. 56.

referred fundamentally to the strong belief of the main political currents of the need to exert political power in a shared manner and to set up a state led economic system.²²⁶

Brian Loveman interprets slightly differently the state of compromise. In his view, Conservatives, Liberals and some Radicals were able to win the congressional elections by ensuring votes in the countryside. Such dominance depended on the prevention of rural unionization and the keeping out of external political influence. In turn, the left wing sectors were 'allowed' to rule the country from the Presidency, always checked by the Congress.²²⁷ Although Gonzalo Vial does not use the wording 'state of compromise', the central thesis of his posthumous book refers to Chile's capacity of reaching agreements as the bases of its political steadiness. Thus, during the Radical governments, the diverse sectors reached a consensus 'which made the country march ahead (...) It might not appear to be an optimum solution—we can even deem it the lesser evil. But everyone—except a few eccentrics—end up by accepting it since, in a given moment, there happens to be no better solution'.²²⁸

Whilst the equilibrium lasted—and both the Left and Right had political power—Chile's negotiated steadiness was possible. Things changed dramatically in 1964 with the advent of Eduardo Frei Montalva to the Presidency. Firstly, the Radicals lost considerable weight and could not exert their role of political hinge, the Radical Party being more pragmatic than doctrine-oriented. On the contrary, the Christian Democracy (DC, its initials in Spanish) was ideological and the Right—which voted for Frei—did not negotiate its participation in a DC tenure.²²⁹ Thus, the pragmatism of Chile's political system of the previous four decades fell to pieces since 'consensus repels ideology because the former is **realistic**'.²³⁰

Although Chile had experienced violence for political reasons, several violence-free decades had gone by and the nation had developed a pragmatic style of political negotiation as practised during the state of compromise. Thus, the political polarization that brewed during the 1960s, which escalated to extreme confrontation during Unidad Popular government, resulted in the military coup of 11 September 1973

²²⁶ A. de Ramón, *op. cit.*, p. 147.

²²⁷ B. Loveman, *op. cit.*, p. 197.

²²⁸ G. Vial (2009), *op. cit.*, p. 9.

²²⁹ See A. Valenzuela (1978) *The Breakdown of Democratic Regimes: Chile*. Baltimore: John Hopkins University Press.

²³⁰ G. Vial (2009), *op. cit.*, p. 9. The bold is from the author.

and the suicide of President Salvador Allende. Both events were like a dent in Chile's traditional politics of agreements. Allende's election had been constitutional, Chile becoming yet again 'a model', as it was 'the first Latin American country to elect an avowed Marxist as President'.²³¹ Nevertheless, Allende's term of office was marked by a system of governing that did not compromise with the opposition²³² and by the violation of the Constitution, which had become an 'empty shell' in the opinion of some,²³³ leading to a coup and a military government.

It is not difficult to see why the *11 de Septiembre* means so much to Chile. It was no ordinary coup. It was a massive restructuring of Chilean society, the economy and the political system. And it was achieved partly with brutality on a substantial scale. Victors and victims had profound reasons to remember the coup and its aftermath.²³⁴

The coup d'état—which should be understood within the context of the Cold War—created two antagonizing Chiles. Half the country believed that Pinochet had saved the country from Marxism²³⁵ and the other half viewed the military intervention as a tragedy.²³⁶ Thus, the 1988 plebiscite presented two positions that were almost mutually destructive and morally opposed: the Yes/No options to a continuation of Pinochet as President of the country showed not only the sharp rift that Chile had experienced since the late 1960s but it also marked the national atmosphere that would dominate democratic life well until his death in December 2006. In fact, 'the central division in Chile in the initial years after the return to democracy was still between the supporters and opponents of the military regime. This is beginning to fade in intensity but it is still present'.²³⁷

Moreover, although the names of Allende and Pinochet are less heard in the right-left political discourse, deep down many of the topics that it deals with relate

²³¹ B. Loveman, *op. cit.*, p. 4.

²³² Patricio Prieto S., (President TLC Consulting, company which provides legal and economic advice for the establishment of free trade agreements) interviewed on 8 July 2010.

²³³ J. Fernandois in A. San Francisco and A. Soto (eds.) (2003) 'Chile y el 11 de Septiembre', *Revista de Historia de Chile y América*, 2(2), p. 22.

²³⁴ A. Angell interviewed in A. San Francisco and A. Soto (eds.) (2003) *op. cit.*, p. 254.

²³⁵ 'Nieto de Pinochet Hace Férrea Defensa de su Abuelo por "Derrotar al Modelo Marxista"', *La Tercera*, 12 December 2006.

²³⁶ For further readings on this topic see C. Huneeus (2003) *Chile un País Dividido. La Actualidad del Pasado*. Santiago: Editorial Catalonia.

²³⁷ A. Angell, interviewed in A. San Francisco and A. Soto (eds.) (2003) *op. cit.*, p. 254.

to the dictatorship's legacy. This was made evident by Pinochet's demise, an event that stirred up semi-buried issues. First of all, it made the front page of some of the most important newspapers around the world²³⁸ showing that the international memory of the 1973 coup had not faded.²³⁹ Secondly, a reshuffling of pro and anti-Pinochet feelings took place among the citizens in general: although newspapers such as *The Economist* predicted that few would mourn him,²⁴⁰ thousands of people visited the former General's remains; thousands too took part of protests against him; young people, many of whom had not been born in the early 1970s, participated in either side of the dispute: the interventions of Pinochet's²⁴¹ and General Prat's²⁴² grandsons are a good illustration of it.

Pinochet's death showed the evolution both left and right wing politicians had undergone since the reestablishment of democracy. On the aftermath of the 1988 plebiscite and the 1989 elections, the main rightist political parties had to elucidate how much to identify themselves with the military government: The *Unión Demócrata Independiente* (UDI) was very much attuned to it and *Renovación Nacional* (RN) adhered mainly to the economic legacy of the military.²⁴³ As time went by, both parties slowly but surely uncoupled themselves from Pinochet's figure. In fact, the last time RN and the UDI sided openly with the ex-General was in August 2000, five months after he arrived from London and was stripped of parliamentary immunity in order to be judged for a human rights violation case. The coming accusations for more human rights abuses, the 2004 Valech report and the Riggs Bank case²⁴⁴ were the final push the Right needed for a further *despinochetización* process.

²³⁸ The news made the front page in *The New York Times*, *The Washington Post*, *The Sunday Telegraph*, *El País* and *Clarín* among others.

²³⁹ For further information on the Pinochet case seen from overseas: A. Sepúlveda and P. Sapag (2001) *¡Es la Prensa, Estúpido, la Prensa! Cuando Chile fue Noticia... por la Razón o la Fuerza*. Santiago: Coppygraph.

²⁴⁰ 'Adiós Pinochet. The Old Dictator is Dead. Few will Mourn', *The Economist*, 10 December 2006.

²⁴¹ Captain Augusto Pinochet Molina, student at the Military Academy, delivered a highly political speech in defence of his grandfather at the latter's funeral. He did so without permission of his superiors and was expelled from the Academy for it.

²⁴² The Army's ex-Commander in Chief, Carlos Prats and his wife Sofia Cuthbert were killed by the Chilean secret police in Buenos Aires in 1974. One of their grandchildren queued up with the people who went to pay respects to the remains of Pinochet but, instead of doing so, he spat on the coffin's glass in an act of repulse towards Pinochet.

²⁴³ A. Angell (2005) *op. cit.*, p. 19.

²⁴⁴ 'El Pinochet Intimo en su Ocaso', *Qué Pasa*, 9 December 2006.

When the ex-dictator's funeral took place, public opinion wondered who would show up. That hard-core *Pinochetistas* —such as Hemógenes Pérez de Arce²⁴⁵ or Iván Moreira—²⁴⁶ would attend the service was no surprise. That Carlos Larraín and Hernán Larraín (then Presidents of RN and UDI respectively) would, was uncertain. Yet they were present at the memorial ceremony, a fact that shone a spotlight on the whole detachment operation of the Right. Sure enough, several leftist politicians jumped to the arena ready to fight the dangerous lions of the past: 'I do not believe in the democratization of the Right', said Carlos Altamirano, who ironically added: 'at the end of the day, we are still governed by two Larraínes'.²⁴⁷ The Alianza por Chile 'is once again *Pinochetized*' declared Camilo Escalona, President of the Socialist Party (PS). 'How could it have been otherwise', he added, 'given that the most prominent actors of the Right have a personal commitment to the Army's ex Commander in Chief and held high posts during his government (...) No wonder they have hastily gone back to take cover under Pinochet's umbrella'.²⁴⁸

The aftermath of the funeral was not easy for the Left either as the issue of Pinochet's legacy was discussed at large. For the so-called *autocomplacientes* —politicians who have come to terms with the idea that the successful free market economy system which is taking Chile out of poverty was fathered by the dictatorship— the dilemma is less acute: most of them admit it as a given fact and focus on the human rights abuses sadly perpetrated during the same period, a reality that highlights their disagreement with the system. As for the so-called *autoflagelantes*, they took advantage yet again to denounce out loud those events. These politicians cannot come to terms with the economic system but are forced to live with it. Mostly led by Carlos Ominami, a former socialist senator, they believe that the Concertación should have introduced deep reforms to the economic model.²⁴⁹ They criticize economic liberals within the

²⁴⁵ Mr. Pérez de Arce is a Chilean lawyer better known for his Wednesday columns in *El Mercurio*. Although many claim that his views are dated, curiously enough his blog in the newspaper's on line edition was by far the most visited and commented. He stopped writing his column in January 2009.

²⁴⁶ Mr. Moreira belongs to UDI and is a parliament deputy for the Metropolitan Region.

²⁴⁷ Mr. Altamirano was the President of the PS during Allende's government. His comments about the 'Larraínes' refers to the Larraín family, part of the colonial and post colonial elite and active in politics ever since. 'Carlos Altamirano: El de Lagos Fue el Mejor Gobierno de Centroderecha del Último Siglo', *La Tercera*, 5 August 2007.

²⁴⁸ 'Escalona: La Derecha Ha Vuelto a Pinochetizarse', *La Tercera*, 12 December 2006.

²⁴⁹ The *autoflagelante* and *autocomplaciente* tendencies in the Concertación were always present within its ranks, but came to light by the end of the 1990's when the first signs of Chile's economic slowdown appeared together with a few examples of public dissatisfaction with the Concertación governments. In 1998 the UN Development Programme (UNDP) published a report denouncing

Left and demand hiking public spending and taxes, aiming at a more equitable further economic growth.²⁵⁰

We need a proper academic analysis of those two figures (Allende and Pinochet) before we can start talking about ‘the judgement of history’. I have my own views but I do not mistake them for the verdict of history. We need more historical research and writing before we can decide —if we ever can— on the positive and negative features of the regimes over which both men presided.²⁵¹

With Allende and Pinochet dead, the Chilean society may break loose from the past and ‘be able to look at the future with more optimism and a wish for appeasement’,²⁵² a wish very deeply felt in this land from the early times of the Spanish conquest and its brutal clashes with the natives. In fact, as will be seen below, in the summary of Chapter 2 and its conclusions, the plea for order and stability is a marked trait of this country, which sprouted in the seedbed of the embryonic nation in colonial times and developed further during two hundred years of republican existence.

growing discontent in Chile’s society as a consequence of its path towards modernization. In May 1998, sixty Concertación leaders published a document called *Renovar la Concertación: la Fuerza de Nuestras Ideas*, in which they defended the liberal stance of the coalition governments, accepting that there was a need to improve the system and a need —albeit limited— for state intervention with that purpose. Few weeks later a second document came to print, this time representing an important number of Concertacionista leaders who did not agree with views of the other group. Much more critical of the state of affairs, *La Gente Tiene Razón* —as the document was entitled— called for further social democratization and regulation of the markets. From then on, the two factions were to be known as the *autocomplacientes* (self-complacent) and *autoflagelantes* (self-critical). In Gerard van der Ree’s opinion, both tendencies show a healthy ideological discussion within the Concertación. It is my view that, after the Concertación’s defeat in the 2009 elections, both sectors have polarized their positions endangering the coalition’s unity. See Van der Ree (2007), *op. cit.*, pp. 279–285.

²⁵⁰ ‘Carlos Altamirano: El de Lagos Fue el Mejor Gobierno de Centroderecha del Último Siglo’, *La Tercera*, 5 August, 2007.

Although Altamirano is quite retired from the political arena, he can be considered a left wing *autoflagelante*. In an interview with *La Tercera*, he was quite severe in his criticism of the Concertación saying they had embraced neo-liberalism too passionately.

²⁵¹ A. Angell interview in A. San Francisco and A. Soto (eds.) (2003), *op. cit.*, p. 255.

²⁵² ‘Hija del General Prats: Muerte de Pinochet Permite Mirar al Futuro con Mucho más Optimismo’, *La Tercera*, 10 December 2006.

Concluding Remarks

In Chapter 2 I started by exploring the Chileans' self-perception: in spite of the difficulties to domesticate its nature and build its society, Chile was worth the effort. In fact, the European subjugators were conquered by Chile despite war, earthquakes and pirates. Moreover, although Chile offered few easy material compensations —such as gold, silver or effortless agricultural wealth— the *conquistadores* did not go away, ethnic mixing began and the *mestizo* nation started to grow. The development of the *haciendas* and of a hierarchical society; the lack of acute regionalisms, the growth of a relatively homogeneous society plus the social control of the elite over the rest of the population; and finally the advent of the Portalian state, all these factors fashioned the typical Chilean social and political trends: respect for authority and law as well as dislike for unsteadiness.

The passing of time and the pace of history also helped to create another local facet, i.e. the remoteness syndrome, a consequence of Chile's geographical isolation and its distance from world powers from colonial times up to the present era. Throughout chapter 2 I attempted to explain the national character, contradictorily reserved and introverted, suspicious of whatever appears as novel and foreign, and at the same time, yearning for news and fads from the world. Next, I went on to describe each of Chile's regions, starting by its northern rugged land, rich in minerals and with a relatively mixed population given the migratory influx of the nineteenth and twentieth centuries. Also the extreme south was populated by foreigners to the point of extinction of the local natives. As for the zone encompassed between the Bío-Bío and the Toltén Rivers, the former *Mapuche* region, it also developed quite out of reach from the central valley. As is evident, isolation also refers to Chile's regions, some of which are quite isolated even today, which —nonetheless— has not fostered strong regionalisms. All in all, Chile is a fairly cohesive country with a strong central state.

The last section of chapter 2 deals with the issue of democratic rule in the nation's image. In fact, not many years after emancipation, Chile perceived itself and was recognized by other nations as an orderly place that had the benefit of political stability. Having the fourth oldest National Congress in the world, it was a democratic —albeit not perfect— republic almost from the start. In fact, initially the country had a censitary suffrage system (as most democracies at the time) and has undergone dictatorships and civil wars. This notwithstanding, Chileans like to consider themselves as exceptional especially regarding the rule of law and the relative good functioning of its political institutions.

The fact of being a permanent war zone throughout the centuries because of the Arauco war imbued the whole of the nascent society with a sense of military order. In the same line, the five wars fought against other nations in the nineteenth century contributed to generate admiration for order and the military life in general. The culture of order developed further within the *haciendas* and the Portalian authoritarian frame. In addition to the culture of order and endeavour, I concluded that, though confined to the end of the world, Chile has been in contact with it mainly through trade and the traffic of currents of thought and has taken part in the world's ideological tides. Despite being an isolated place and having isolated regions, the country's regionalism is minimal, mainly due to the early progress of a fairly cohesive central zone and the existence of a mostly homogeneous *mestizo* population. As regards Chile's exceptionalism, its democracy appears to have worked: there have been fewer years of dictatorial governments and anarchy than of democratic rule.

Chapter 1 presented a synopsis of what I consider the main identity traits of Chileans. Chapter 2 introduced several historical events and circumstances that contributed to their formation, namely the development of a culture of order and endeavour, a mentality of being isolated from the world, yet in an exceptional place. In Chapter 3 I will review the establishment of neo-liberal economic policies starting in the mid-1970s and the economic, political and social transformation that they triggered. As the following chapters will show, it is possible to establish four historical ruptures in the last few decades, which account for what Chile had become by the Bicentennial.²⁵³ Throughout Chapter 3 I will deal with the first fracture, triggered by Pinochet and his team, which broke with the bureaucratic order structured around the state, influential and politicised corporative groups and a strongly regulated market, protective of the national industry *vis-à-vis* foreign trade.

²⁵³ E. Tironi (2005) *El Sueño Chileno: Comunidad, Familia y Nación en el Bicentenario*. Santiago: Editorial Taurus, pp. 212-220.

CHAPTER 3

Exporting Chile: Neo-liberalism and the Commoditization of the Country's Image

Introduction

11 September 1973 is a key date for the understanding of Chile's history of the last three decades. In the midst of the Cold War, the installation of an authoritarian regime and the advent of a neo-liberal market economy represented the right wing response to Salvador Allende's socialist project. Both the Allende experience and the military regime inserted Chile as never before into world politics.¹ In my view, this arena made the comings and goings of this small Latin American nation be considered as a world laboratory where diverse social models were tested by trial and error. Arguably, as Pinochet himself avowed, few political events since Chile's emancipation from Spain, have been as transcendent to the country's evolution as the military coup d'état.²

Not that the country was forced by blind fate to accept either President Eduardo Frei's Revolution in Liberty gamble or President Salvador Allende's bet on the Chilean Road to Socialism. The same must be said of the arrival of the military and the Chicago economists: neither external imposition alone nor absolute and staunch self-determination, but a mix of international influence and national will—or rather of the will of part of the nation—explains the events from the 1973 coup d'état onwards.³ In fact, the collapse of Chile's democratic order was not inevitable; things

¹ J. Fernandois (2005) *Mundo y Fin de Mundo. Chile en la Política Mundial 1900-2004*. Santiago: Editorial Universidad Católica de Chile, p. 393.

² 'Las Frases más Controvertidas de un Dictador', *20 Minutos*, 11 December 2006.

³ J. Fernandois, *op. cit.*, p. 393.

could have been different.⁴ In Carlos Huneeus' words, 'confrontational ideological politics divided the country into enemies and friends and the irresponsible handling of the economy, weakened the bases of the pluralistic order and led it to its collapse in 1973'.⁵

The Pinochet era tarnished Chile's international image. Even today —more than 20 years have gone by since the end of the dictatorship and Pinochet has passed away— the shadow of his tenure is engraved in many foreign and local minds as if he were still ruling the nation. Although the Junta's period left an undeniable negative mark on Chile's global reflection —mainly because of human rights violations— it is also true that it planted the seed of what would come to be the contradictory and clashing foreign image of the nation: Chile, home to severe infringement of civil liberties, as well as an icon of socioeconomic development and progress within Latin America and a pioneer in the application of neo-liberal economic policies in the world.⁶

Through the liberalization of prices, the fight against inflation, a gradual devolution of companies expropriated during the Unidad Popular government, the repayment of the foreign debt and reparations to the owners of the great mining companies taken from North American hands, the military government was undoing part of what had been done since 1970 and adding new features to the national economy.⁷ Something close to an economic revolution —together with a complete set of social transformations— was underway. Moreover, the economic reforms launched by the military government disclosed an important enterprising potential in the country and the existence of a very able group of entrepreneurs concealed in Chilean society.⁸

⁴ C. Huneeus (2003) *Chile un País Dividido. La Actualidad del Pasado*. Santiago: Catalonia, p. 38. Arturo Valenzuela is of the same opinión. See A. Valenzuela (1978) *El Quiebre de la Democracia en Chile*. Santiago: FLACSO.

⁵ C. Huneeus (2003), *op. cit.*, p. 39.

⁶ P. Craig Roberts and K. LaFollette Araujo (1997) *The Capitalist Revolution in Latin America*. New York: Oxford University Press, p. 9.

⁷ It is important to point out that the military government did not revert all what had been done during Allende's administration. Thus, it only gave back part of the land that had been expropriated to the ex-owners and it did not privatize important copper mines nationalized during the Unidad Popular period.

⁸ J. Fernandois, *op. cit.*, p. 462. Also see C. Montero (1997) *La Revolución Empresarial Chilena*. Santiago: Dolmen Ediciones.

The 1980s were inaugurated with spirits on a high: Chileans considered themselves to be spearheading economic expansion in Latin America, full economic development within close reach.⁹ Although the country's isolation in the international arena was considerable, it looked as if its unacceptable political credentials would be excused by its fully accepted and admired commercial achievements. However, prosperity did not last long and the petrodollars crisis smashed the hopes of Chileans, several of whom had hoped for a rise in their living standards.¹⁰

Devastating earthquakes have always been present in the national psyche: when earthquakes destroy entire areas, the country takes a deep breath, makes an effort and gets back on its feet again. This can be applied as an analogy to what happened in the post crisis era. Although many people were never able to get back on their feet after the economic disaster hit them, from 1985 onwards the Chilean economy started growing again at a rapid pace. In 1987 the locals were impressed by *Chile: Revolución Silenciosa*, the bestselling book by Joaquín Lavín in which he optimistically praised the economic and social transformation of the country. Needless to say, the book was polemical and several intellectuals challenged its findings.¹¹ At the time awareness of the urgency to develop a solid and consistent national brand also grew: the need for presenting a united and cohesive country image to the international markets became evident to private entities and government alike. ProChile's role in the promotion of a national brand proved to be quite crucial.

In Chapter 3 the triad of concepts analyzed in the thesis, i.e. national identity, country image and social change, are developed as follows: identity and social change act together as the economic transformation triggered by neo-liberalism affects the traditional identity traits of the nation and ignites a social evolution. At the same time there are aspects which remain unchanged, such as strength in the face of adversity (the difficult aftermath of the Unidad Popular experience, the 1975 and 1982 crisis, the violation of human rights, just to name a few). Also the traditional leaning towards

⁹ In fact, optimism among Pinochet's ministers ran high, showing that they did not envision the crisis lying ahead. Thus the Finance Minister stated that by 1990 the per capita income would double. See A. Fontaine Aldunate (1988) *Los Economistas y el Presidente Pinochet*. Santiago: Zig-Zag, p. 140.

¹⁰ G. Vial (2002) *Pinochet. La Biografía*. Santiago: El Mercurio-Aguilar, pp. 473-474. By the end of 1982, Chile's growth rates had fallen to -14 percent; unemployment —real and covered by the government's minimum employment programmes— rose to 26 percent. Salaries rose only 0.3 percent, 800 companies went bankrupt and Chile's international funds slumped to -US\$ 1,200 million.

¹¹ See E. Tironi (1988) *Los Silencios de la Revolución. Chile: la Otra Cara de la Modernización*. Santiago: Editorial La Puerta Abierta.

order is present in the shape of well-organized economic and political systems and rejection of the political, economic and social chaos which characterized the last months of the Allende government. Finally, exceptionality appears with considerable strength: Chile starts developing whilst the rest of Latin America does not; it is able to overcome deep political and economic crises whilst the other countries cannot. Even Pinochet's authoritarian rule is quite distinct from other authoritarian cases in the region. In spite of the murders, torture, disappearance of political opponents and other attempts against human life and dignity perpetrated during the regime, the dictatorship successfully planted the seeds that would transform Chile from a backward nation into a swiftly developing state.¹² Also, the government envisaged the end of dictatorship and planned and acted accordingly, even when it meant giving way to its political opponents. The economic transformation initiated by the military regime contributed to create a contradictory self-image and also an ambiguous external projection of that image. On the one hand, some Chileans, who had always been relatively diffident and low key, feel that they belong to a nation of winners: they do not identify with Latin America and they mentally 'migrate' from their continent.¹³ By contrast, the opposite is felt by a considerable number of citizens who think that only a few Chileans are living in a land that is developing whilst many others remain in poverty.¹⁴ The international images are also contradictory. On the one hand Chile is known for its dictatorial rule, and thus criticised and rejected. On the other, its growing socioeconomic development is admired.

Chapter 3 starts by exploring the factors which facilitated the adoption of neo-liberal policies in the country. This economic doctrine was to provide the political Right and the military government with an *idée force* which greatly contributed to boost both of them. Through economic disaster and hardship Chile started to transform and consider itself as a tiger nation, consumerism being installed as a new feature in its identity. The chapter ends with an explanation of what ProChile did at the beginning of its existence to help make the country known and promote its positive image overseas at a time when the name of Chile was a synonym of human rights violations.

¹² P. Arancibia and F. Balart (2007) *Sergio de Castro. El Arquitecto del Modelo Económico Chileno*. Santiago: Libertad y Desarrollo - Fundación Costabal - Editorial Biblioteca Americana, p. 403.

¹³ J. Lavín (1987) *Chile, Revolución Silenciosa*. Santiago: Editorial Zig-Zag, pp. 40-42.

¹⁴ L.H. Oppenheim (2007) *Politics in Chile. Socialism, Authoritarianism, and Market Democracy*. Boulder: Westview, pp. 129-132 and 140-142. Also see 'Chile, Pinochet y la Economía', *BBC Mundo*, 18 December 2006.

3.1 Neo-liberalism and the Export of the Chilean Economic Model

In section 3.1 I describe how neo-liberalism was ‘imported’ by Chile from the American University of Chicago through a group of Chilean economists, the so-called ‘Chicago Boys’, who got their postgraduate degrees there.¹⁵ Neo-liberalism allowed the country to ‘export’ itself in many ways, mainly by fostering Chile’s participation in international trade and enhancing an export-led economy. It also contributed to export Chile’s image as a successful, dynamic and developing nation, the initial steps towards establishing Chile as a ‘model’ to be imitated, an idea that arose mostly in the 1990s. Liberalism proved to be an ideology with a strong theoretical foundation, adaptability and capable of generating idealism —almost devotion— among its followers.¹⁶

Back in the 1970s the military Junta kept having clashes with the world and did not really understand that their government — an authoritarian government, which had ousted the only Marxist regime that had gained power through the polls in the Western hemisphere— was not accepted.¹⁷ Neither Pinochet’s 1975 trip to Spain for General Francisco Franco’s funeral and the way in which prominent international figures snubbed him;¹⁸ nor the 1979 boycott by the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO); nor the 1980 *filipinazo*¹⁹ sufficed to make it clear enough to the military that they were not welcome around the world. Nevertheless, it is not that the Junta was totally blind to the international

¹⁵ Throughout this study I will refer to the Chicago Boys as a bloc, making only minimum distinctions among those who belonged to the group. Nevertheless, I want to point out that although most of them earned their post-graduate degrees at the University of Chicago, others did not, such as José Piñera (Harvard University), Jorge Cauas (Columbia University) and Hernán Büchi (Columbia University). In addition, the Chicago Boys had different political views. In spite of these variations, as all of them had a common liberal vision as regards the economy and the market, it is perfectly feasible to look at them as constituting a cohesive group.

¹⁶ E. Fontaine (2009) *Mi Visión*. Santiago: Democracia y Mercado-Universidad del Desarrollo, pp. 17 and 43.

¹⁷ J. Fernandois, *op. cit.*, pp. 415-417.

¹⁸ G. Vial (2002), *op. cit.*, pp. 300-303.

¹⁹ Against the Foreign Affairs Ministry’s opinion, Pinochet decided to visit Japan. The Japanese made him know that he would be welcomed if he previously visited another Asian country. So the Chilean presidential apparatus obtained an invitation from the Philippines, then under Ferdinand Marco’s rule who, after accepting Pinochet’s trip, banned his visit when the General was already on his way to the Asian archipelago, apparently forced to do so by American President James E. Carter. For more information see A. de Ramón, *op. cit.*, p. 253; P. Arancibia and F. Balart, *op. cit.*, pp. 328-330; R. Thomson (2001) *The Pacific Basin since 1945*. Singapore: Longman, p. 190.

hostility towards the administration.²⁰ The constant votes of censure against Chile in the UN—in open contrast with the treatment received by Fidel Castro's Cuba or the Argentine or even Brazilian military dictatorships—gave them an idea of Chile's international standing.²¹ Such negative country image presented evident obstacles for Chile's increased opening to foreign trade: a new boycott by some foreign power was always at hand as well as the possibility of a ban on Chilean exports anywhere around the globe.

Chile was progressively developing a laissez-faire economy based on exports and international trade. The country was slowly but steadily—albeit through a painful process—moving away from a state centrally planned economy onto a free system increasingly supported by exports and oriented to foreign trade. That the neo-liberals were reaching power with the tanks is quite true.²² And it was done before the neo-laissez-faire and neo-conservative ideas were fully embraced by the Western powers of the time. In fact, the neo-liberal policies introduced in the United Kingdom and the United States by Margaret Thatcher and Ronald Reagan were applied several years later. Even further, in David Harvey's opinion, even American President Gerald Ford (1974-1977) and his advisors kept watching the progress of events in Chile so as to apply reforms to the administration of the City of New York.²³ In years to come, neo-liberal reforms applied in the United States and the United Kingdom sprang out of the clues that Reagan and Thatcher got from Pinochet's Chile.²⁴ Not for the first time was Chile a sort of laboratory where an ideology was being tested, this time with success: although economic liberalism was not a new conception, its monetarist strand had not been fully applied before.²⁵

Also in Latin America the first country to implement full-scale neo-liberal changes was Chile. Although nineteenth century Latin American economies had applied liberal

²⁰ G. Vial (2002), *op. cit.*, pp. 293-294.

²¹ See *Resoluciones Aprobadas por la Asamblea General Durante el 29° Período de Sesiones. Protección de los Derechos Humanos en Chile*, 6 November 1974. Also see J. Fermandois, *op. cit.*, pp. 417-418 and G. Vial (2002), *op. cit.*, pp. 288-290.

²² A. Fontaine A. (1988), *op. cit.*

²³ D. Harvey (2005), *op. cit.*, p.47.

²⁴ D. Harvey (2005), *op. cit.*, p. 63. Even further, P. Craig Roberts and K. LaFollette Araujo, *op. cit.*, are of the opinion that for example Thatcher's privatization policy was small-scale compared to Chile's. See p. 35.

²⁵ D. Harvey (2005) *A Brief History of Neoliberalism*. New York: Oxford University Press, pp. 7-9, 46, 63.

strategies—for example, between 1870 and 1914 they showed considerable openness to international trade—between the two World Wars and especially after the Great Depression they applied import-substitution industrialization policies and increased state participation in their national economies.²⁶ One of the first difficulties Latin American nations experienced in working under such principles was the lack of markets for their products. In fact, the Latin American Free Trade Association (ALALC) was created in 1961 in order to overcome that obstacle but failed in its efforts: the incumbent governments were reluctant to lower the tariffs of some of their national goods unilaterally. In addition to this obstacle, in the 1950s and 1960s Argentina, Uruguay, Chile, Bolivia and Brazil confronted scenarios of high inflation and scarcity of foreign exchange.²⁷ In the face of growing economic stagnation, it is not surprising that in the 1960s and 1970s several regional military governments should have begun economic reform programmes involving backing away from state-led industrialization and state intervention, although none of them undertook such a radical modification as Chile did. Besides, few sustained the effort that liberalizing restructuring required. Thus Brazil alternated between liberal reforms (1964-1967) and expansionist populism (1967-1974) and Argentina embarked on stabilization programmes during the 1965-1973 and 1976-1983 dictatorships only to abandon them.²⁸

Why did full scale liberalism work in Chile? Partly because of the country's porosity to foreign ideas and veneration of what is foreign.²⁹ Secondly, the economic disaster left by the Unidad Popular administration encouraged the nation to try a totally new system,³⁰ particularly given that Chile is a country prone to order and law abidance, as we have seen before. Also, as Stepan points out, nowhere in Latin America had the local elites been so threatened by the government as was the case in Chile during the Allende years. As a result of this, the local elites showed their total support and loyalty to the military authorities, and were ready to accept some sacrifices.³¹ Then, as I will

²⁶ F. Larraín B. (2004) *Macroeconomía en la Práctica*. Mexico City: Pearson, p. 158.

²⁷ R. Couyoumdjian, A. de Ramón and S. Vial., *op. cit.*, vol. 3, p. 494.

²⁸ M. Reid (2007) *Forgotten Continent. The Battle for Latin America's Soul*. New Haven and London: Yale University Press, p. 122.

²⁹ G. Vial, 'Los Elementos de la Identidad Nacional' in A. Soto (ed.) (2003), *op. cit.*, p. 50. Also see P. Silva (2006) 'The Politics of Neo-liberalism in Latin America: Depoliticization and Technocratic Rule in Chile' in Richard Robison (ed.), *The Neoliberal Revolution: Forging the Market State*, pp. 39-57. London and New York: Palgrave.

³⁰ J. Fernandois, *op. cit.*, p. 401.

³¹ A. Stepan (1985) 'State Power and the Strength of Civil Society in the Southern Cone of Latin America' in T. Skocpol, D. Rueschmeyer and P. Evans (eds.), *Leaving the State Back In*. Cambridge:

suggest, those who introduced neo-liberalism had the ability to adapt it to Chile's needs and mentality —although through a hard process of trial and error closely followed by other nations who sought to copy the best of the Chilean experience and avoid the pitfalls.³² Moreover, neo-liberalism was not imposed on Chile by foreign powers and international financial institutions —as happened in other Latin American countries during the 1980s and 1990s— and thus it was not considered foreign by its citizens.³³ Also, this was not the first time in Latin America's history that military governments engaged and were at ease working with technocrats —i.e. professionals with serious and systematic specialized academic training, mainly engineers and economists. Both the military and technocrats normally mistrust politics in general and political parties in particular, sharing the belief that technical and apolitical solutions are what their country needs.³⁴ In Chile's case, the suggestion that the implementation of the neo-liberal scheme required the military government's prolonged permanence in power definitely coincided with what the Junta thought was a patent necessity.³⁵ Finally, Pinochet had a considerable capacity to absorb new ideas³⁶ and, 'was the first to understand the concepts of economic freedom and internal-external competition in a country with more than forty years of growing statism'.³⁷ His support for the new ideology was to prove crucial as demonstrated when he entrusted Jorge Cauas with the conduction of a shock treatment to 'cure' the country's diseased economy and kept on supporting him throughout those difficult months.³⁸

Pinochet liked the simplicity of the economic model, its anti-communism, anti-collectivism and the way in which it fostered individual effort, individual work and the loss of strength of the labour unions. In fact, an important consequence of the Unidad Popular's tumultuous administration was the generalized fear felt by the middle classes that had had to confront and antagonise radicalized popular sectors,

Cambridge University Place.

³² P. Craig Roberts and K. LaFollette Araujo, *op. cit.*, p. 37.

³³ P. Silva (2004) 'The New Political Order: Towards Technocratic Democracies' in R. Gwynne and C. Kay (eds.) (2004) *Latin America Transformed. Modernization and Modernity*. London: Arnold, p. 158.

³⁴ P. Silva (1997) 'Ascenso Tecnocrático y Democracia en América Latina', *Nueva Sociedad* 152, p. 69.

³⁵ L.H. Oppenheim (2007) *Politics in Chile. Socialism, Authoritarianism, and Market Democracy*. Boulder: Westview, p. 126. The author explains how the Chicago economists initially did not back a long military government, but later on, in order to carry out their economic plan, they ended up supporting it.

³⁶ J. Fermandois, *op. cit.*, p. 401.

³⁷ P. Arancibia and F. Balart, *op. cit.*, p. 402.

³⁸ G. Vial (2002), *op. cit.*, pp. 263-267 and S. Collier and W. Sater, *op. cit.*, p. 365.

mostly industrial workers and shanty town dwellers, often associated with leftwing parties.³⁹ In fact, not only the owners of large landed estates and business corporations opposed Allende's rule but also people from other social sectors, most of them having an ingrained dislike for political instability and social disorder, a trend that has deep historical roots in Chile.⁴⁰ In my opinion, a palpable proof of this was that the biggest movement against Allende was led by truck drivers, most of them belonging to the middle class.⁴¹ Furthermore, the intense fear of stakeholders of full expropriation of their corporations is one of the reasons that explains the support of the business sector —big, middle and small— of the military regime.⁴² Thus, the neo-liberal approach to deregulating the labour markets and reducing the trade unions' power and bargaining capacity,⁴³ was welcomed as it promised to control forces considered to be both disruptive of social order and leftist: as shown by Brian Loveman, most of them had evolved towards the Left from earlier years and thus supported Allende.⁴⁴

In 1973 the economic scenario —both domestic and international— was not auspicious. First of all, the economy inherited from Unidad Popular was seriously affected.⁴⁵ In the second place, the 1973 Yom Kippur war and the consequent oil shock had let loose a world recession of great proportions. Next, worldwide copper prices fell, a fact that added to the already mounting national economic drama: high infla-

³⁹ Gerard van der Ree, lecture delivered on 23 April 2006, Universidad de Los Andes, Santiago, Chile.

⁴⁰ A. M. Stuenkel (2000) *La Seducción de un Orden. Las Elites y la Construcción de Chile en las Polémicas Culturales y Políticas del Siglo XIX*. Santiago: Ediciones de la Universidad Católica de Chile.

⁴¹ On 8 October 1973, the truck owners of several Chilean southern provinces went on strike in protest for a CORFO initiative creating a state company that would own all means of transport. Four guild leaders were arrested. Soon the country's 165 truck drivers union joined in the strike and also other sectors of Chilean commerce. Nevertheless, decades later some have interpreted this crucial event as a ploy of the leading business class supported by the CIA. To access articles that interpret the movement as an elite movement, see 'Huelga de Camioneros 1972 y 1973. El Paro que Coronó el Fin o la Rebelión de los Patrones', *El Periodista*, 8 June 2003.

⁴² A. de Ramón, *op. cit.*, p. 265.

⁴³ A. Angell (1995) 'Unions and Workers in Chile during the 1980s' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 188. M. Barrera (1995) in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 127-149 explores the effects of neo-liberalism on labour movements, concluding that their capacity to engage in collective action has been seriously undermined.

⁴⁴ See B. Loveman, *op. cit.*, pp. 171-173 for the formation of labour movements and unions around the 1920s. For further information on the evolution of the unions under Pinochet's regime, see B. Loveman, *op. cit.*, pp. 282-285.

⁴⁵ For example, in 1972 inflation rose to 255 percent, the money emission increased by 170 percent and the fiscal deficit topped 12.5 percent. As for 1973, inflation rose to 600 percent, emission to 450 percent and the fiscal deficit to 24 percent. See G. Vial (2009) pp. 1282-1286.

tion, scarcity of foreign exchange reserves, little foreign investment, just to name the most pressing matters. It was necessary to stabilize and reactivate a badly disjointed economy and the military men in power needed advice. The group of economists nicknamed the Chicago Boys had been working in Chile for several years, trying to change the country's economic system. Nevertheless, their neo-liberal recipes were considered too radical⁴⁶ and had been put on hold until the arrival of the military regime. Even then, as will be shown in this section, their suggestions —liberalization of the market, fostering private initiative, withdrawal of the state from the economy by reducing bureaucracy and privatizing state enterprises, opening the economy to international trade—⁴⁷ were very slowly accepted by the military.

The University of Chicago had been for some decades already the chief home of up-and-coming neo-liberalism, divergent from the European capitalism predominant in Chile and consistently opposed to Keynesian ideas. A student exchange agreement with the School of Economics of the Universidad Católica in 1955, known as 'Project Chile',⁴⁸ made it possible for several young Chilean economists to be instructed in the principles of a monetarist version of neoclassic laissez-faire theory.⁴⁹ Apparently Chile was deliberately chosen by the heads of the School of Economics of this American university because in the 1950s it was a leading example of 'developmentalism'⁵⁰ and at the same time appeared to be a stable democracy.⁵¹ Besides, Santiago was hosting the headquarters of their 'natural enemy', the Economic Commission for Latin America and the Caribbean (ECLA),⁵² then pervaded by Raúl Prebisch's ideas. In fact, the Cepalian economic school of thought is often presented as the Latin American version of Keynes' tenets. The monetarist economic theory taught to the young Chilean economists who studied at Chicago, totally opposed such a vision, stating that money supply is of utmost importance for a nation's output, inflationary tendencies being caused by an excess in such supply. Besides, monetarists stress the need to adopt free

⁴⁶ G. Vial (2002), *op. cit.*, p. 256.

⁴⁷ P. Silva (2008) *In the Name of Reason. Technocrats and Politics in Chile*. Pennsylvania: The Pennsylvania State University Press, p. 149.

⁴⁸ To access a description of the years spent at Chicago by the first students benefited by the exchange agreement, see E. Fontaine (2009), pp. 43-56.

⁴⁹ For more information about the specific differences between economic liberalism taught in Chicago and the Austrian School, see Th. E. Woods (2008) *Por Qué el Estado Sí Es el Problema*. Madrid: Editorial Ciudadela, pp. 65-71.

⁵⁰ N. Klein (2007), *The Shock Doctrine: The Rise of Disaster Capitalism*. London: Allen Lane, p 59.

⁵¹ P. Drake and I. Jaksic (1995), *op. cit.*, p. 2.

⁵² CEPAL is its Spanish acronym. It is one of five regional commissions of the United Nations.

market policies, reject state intervention and foster private economic initiative led by the principles of economic profit.⁵³

The initial hard core of the Chicago Boys worked together in the economic programme that would be implemented in Chile. The plan was crystallized in a document nicknamed *El Ladrillo* —the brick— because of the density and heaviness of the text. It was secretly prepared during the last six months of 1972 under the also secret orders of the Chilean navy, which foresaw the coup d'état against Allende.⁵⁴ The text —“the Chicago Bible” as called by Gonzalo Vial—⁵⁵ was more of a pragmatic set of economic strategies to counteract the economic crisis rather than a declaration of principles. It was far from a wholly orthodox liberal manifesto. On the contrary, it clearly reflected the diverse tendencies —mainly political— nestled within the initial Chilean neo-liberal group. Also, the Chicago Boys introduced several nonconformist elements in it throughout their participation in the military administration. Prioritizing the reduction of poverty⁵⁶ —probably their religious outlook led them to stress social justice—⁵⁷ and maintaining some of the planning functions of the state are two examples.⁵⁸ Moreover, as will be seen in section 3.3, in my opinion the creation of an institution such as ProChile, aiming at fostering national exports, is heterodox within the neo-liberal prescriptions.

⁵³ P. Silva (2008), *op. cit.*, p. 147.

⁵⁴ A. Fontaine A. (1988), *op. cit.*, p. 18. Fontaine's vision is slightly different from Sergio de Castro's, often considered the leader of the Chicago economists. Having participated himself in the preparation of *El Ladrillo* he explains that Robert Kelly —former member of the Navy— in conversations with Admiral José Toribio Merino had decided to ask someone to draft an economic plan in case the armed forces decided to topple Allende's government. Then Kelly contacted economist Emilio Sanfuentes who then contacted several Chicago Boys. Based on the economic plan they had drafted for Jorge Alessandri's campaign —which had been discarded at the time— the group worked on a fuller social and economic plan. They never knew for whom they were working as Sanfuentes had promised to keep absolute secrecy. For further information, P. Arancibia and F. Balart, *op. cit.*, pp. 154-158.

⁵⁵ G. Vial (2002), *op. cit.*, p. 258.

⁵⁶ F. Frías Valenzuela (2001) *Manual de Historia de Chile. Desde la Prehistoria hasta 1994*. Santiago. Editorial Zig-Zag, p. 490 and E. Fontaine (2009), *op. cit.*, pp. 244-246.

⁵⁷ Interestingly, Sergio Onofre Jarpa —a prominent conservative politician— asserts that the concern for the poor is a moral and ethical obligation. Thus, it is very likely that the Chicago Boys also absorbed from their political milieu the importance of social justice. As for the Chicago Boys who had a Christian Democratic background, one of that party's leading ideas is social justice. See S. O. Jarpa (1973) *Creo en Chile*. Santiago: Sociedad Impresora Chile, p. 157. See also P. Silva (1993) 'State, Politics and the Idea of Social Justice in Chile', *Development and Change* 24: 465-486.

⁵⁸ G. van der Ree (2007), *op. cit.*, p. 196.

The Chicago Boys ingeniously adapted the economic postulates learned in Chicago to the specific problems they confronted in Chile. So in fact they became true pioneers in many of the neo-liberal reforms applied during the Pinochet regime, for there was no blueprint in the Chicago manuals for many of the problems they faced.⁵⁹

Many of the first generation Chicago Boys were given middle management posts by the new rule,⁶⁰ some of the youngest going into ODEPLAN.⁶¹ Their economic advice was soon felt, as shown by the October 1973 annulment of price control⁶² and the drastic devaluation of the national currency.⁶³ Nevertheless, their ascent to power was not instantaneous. As a matter of fact, both the ideology and the world view contained in the neo-liberal project had to make way patiently, cohabiting with the *gremialistas* and traditionalist conceptions present in the Right. From 1973 to 1975 the regime went through a period of eclectic undefined ideology: the confluence of ideas of diverse nature and origin were clearly present and included a few common notions such as the decrease of state intervention, anti-Marxism and criticism of the way in which the Unidad Popular administration had managed the democratic system.⁶⁴ Interestingly, similar ideals prevailed in the nineteenth century conservatives who had put an end to the decade of post-independence anarchy. On that occasion, and in response to utopian liberalism, the fledgling Portalian state aimed restoring

⁵⁹ P. Silva (2008) *op. cit.*, pp. 144-145.

⁶⁰ Several of the Chicago Boys became important industrialists, politicians and professors. Those who occupied key positions during the military government were Sergio de Castro, Pablo Baraona, Alvaro Bardón, Rolf Lüders, Sergio de la Cuadra, Carlos Cáceres, Jorge Cauas, Cristián Larroulet, Martín Costabal, Jorge Selume, Andrés Sanfuentes, José Luis Zabala, Juan Carlos Méndez, Alvaro Donoso, Alvaro Vial, José Piñera, Felipe Lamarca, Hernán Büchi, Alvaro Sahie, Juan Villalaz, Joaquín Lavín, Ricardo Silva, Juan Andrés Fontaine, Julio Dittborn, María Teresa Infante and Miguel Kast. Patricio Silva has further information about the economists that participated in the military regime. P. Silva (2008), *op. cit.*

⁶¹ State Planning Agency.

⁶² E. Fontaine (2009), *op. cit.*, p. 122 and A. Fontaine A. (1988), *op. cit.*, p. 48.

The description of a 17 September, 1973 meeting of Sergio de Castro, then advisor to the Finance Minister, with delegates of sausage producers is worth reading. In it De Castro explained that the price of products will not be fixed by the government but by the market. The guild representatives left in utter astonishment only to come back suggesting a lower price for their product: they just could not believe that prices were free and had assumed that young de Castro was very clever and had realized they were suggesting prices that exceeded what the sausages were worth.

⁶³ A. Fontaine A. (1988), *op. cit.*, p. 51.

⁶⁴ P. Vergara (1984) *Auge y Caída del Neoliberalismo en Chile. Un Estudio Sobre la Evolución Ideológica del Régimen Militar*. Santiago: FLACSO, pp. 77-78.

order back and installing principles such as authoritarianism, conservatism, depoliticization and social tranquillity.⁶⁵

Although these ideals were accepted within the administration and were inaugurated in 1973, something different happened within the sphere of economics. In fact, a clear sign of this eclectic period is the fact that there were Chicago Boys, army men and people linked to the entrepreneurs among those working in the economic sector of the new government. Thus, several of those businessmen believed in a less doctrinaire, more pragmatic and gradualist liberalism than that advocated by the orthodox monetarists.⁶⁶ In addition, there were times when the government had to forcefully hold back sectors of the business community which, after more than three decades of import-substitution industrialization, had become quite dependent on high levels of economic protection.⁶⁷

Nevertheless, the neo-liberal ideas were slowly but surely seeping through. At times of skyrocketing prices and growing unemployment, their austere views on state spending were not easily shared by some members of the military establishment. But when in 1974 the effects of the aforementioned oil shock and copper price drop were felt in Chile, general Pinochet decided to abandon the state-led system and get aligned with the Chicago economists and the market oriented scheme sponsored by them, thus inaugurating a period of radical liberal policies.⁶⁸ He conferred extraordinary powers on his Finance Minister Jorge Cauas⁶⁹ and appointed Sergio de Castro, one of the authors of *El Ladrillo*, as Economy Minister. The Chicago Boys had finally made it after years of spreading the neo-liberal word among the young students of the Catholic University and through the economy section of the Chilean newspaper *El Mercurio*.⁷⁰ This was not the first time that they had intervened in politics directly, though. In fact, they had participated in the formulation of Jorge Alessandri's economic

⁶⁵ R. Silva Alfaro (2006) *Chile: de un País Militar a un País Emprendedor. El Desafío que Viene*. Santiago: Cadaqués, *op. cit.*, p. 195.

⁶⁶ P. Vergara, *op. cit.*, p. 85.

⁶⁷ E. Silva, *op. cit.*, p. 5.

⁶⁸ E. Silva, *op. cit.*, pp. 97-130.

⁶⁹ He was an engineer. Although he got his MA degree from Columbia University, he is considered a Chicago Boy, with whom he shared their beliefs in a free market economy. He served in the Finance Ministry under President Eduardo Frei Montalva's administration, worked in the World Bank, was Vice-president of Chile's Central Bank.

⁷⁰ For further information on this topic see the book by A. Soto (2003) *El Mercurio y la Difusión del Pensamiento Económico Liberal 1955-1970*. Santiago: Centro de Estudios Bicentenario.

plan with a view to the 1970 elections⁷¹ and, as mentioned above, they authored *El Ladrillo*, after being approached by the navy.⁷²

The Chicago economists were about to lay the foundations of an economic renovation that was to impact the country's traditional identity and self-perception as well as trigger sizeable social changes. They would also provide the Right with a tool that would help it shake off the stagnation into which it had fallen into since the end of the parliamentary regime. In fact, the political and economic ideology that had dominated the Chilean Right approximately from the Great Depression up to 1973 was basically conditioned by the 'state of compromise' described in Chapter 2. The key features of those years were pragmatism and the absence of theoretical doctrine-based benchmarks. After the Popular Front governments, the Right lost its grip on the conservative-Catholic and traditional-Hispanic thought,⁷³ as Jacques Maritain's Social Christian ideas were embraced by the Conservative Party's youth. The young Conservatives slowly moved towards the political centre and then to the political Left; from the *Falange Nacional* first to the Christian Democrat Party later. Thus, the Right was deprived of its ideological and philosophical guidelines, its confessional condition and the support of the Catholic hierarchy.⁷⁴ Once these core ideas were quite lost, the Right drifted towards a pragmatic practice impregnated by strong realism. Politically cornered, looking for the lesser evil for their sector,⁷⁵ the Right was strikingly diminished. It only started to come out of the shadows in 1966 when the National Party was formed. This party embraced diverse micro tendencies glued together by the leading ideas of Chile's first governments after its Independence, which we saw in Chapter 2 and elsewhere above: order, law abidance, private initiative, the primacy of technically prepared people over political friendships, and the primacy of the nation's interest over the benefit of political groups or particular economic sectors.⁷⁶ Another

⁷¹ P. Arancibia and F. Balart, *op. cit.*, p. 131 and p. 155.

⁷² A. Soto (2003) *op. cit.*, p. 46.

The author explains how the admirals got to know the Chicago economists through Hernán Curbillos and Robert Kelly, former army officials, both working for the company in the early 1970s as president of *El Mercurio* the former, and head of the Edwards economic conglomerate the latter.

⁷³ P. Vergara, *op. cit.*, p. 18.

⁷⁴ For an explanation of the ideological-political participation of not few Catholic priests and bishops before and after the creation of the *Falange* and the Christian Democrats, see G. Vial (2009) pp. 1246-1254.

⁷⁵ *Ibid.*

⁷⁶ Silva Alfaro pp.195-205. Even further, Silva points out that whilst these characteristics were forged during the early times of Chile's republican life, Pinochet's regime as well as the Concertación

characteristic that the Right never lost was its anti-Marxism which had deepened its roots during Gabriel González Videla's government (1946-1952), when the Communist Party was outlawed.⁷⁷

In short, by 1966 we find a Right that had decided to abandon the defensive politics of compromises and conciliations, in search of an idea of its own, a developmental project that unabashedly showed its capitalistic stance.⁷⁸

True enough: the Right was capitalistic but not necessarily liberal, as it believed in various protectionist practices. Thus it is not surprising that a group of Chicago economists should have fallen out with representatives of the entrepreneurs when in 1969—working on Alessandri's campaign—the former advocated free international trade and the latter did not even want to hear about it.⁷⁹ Another example of an initially non-liberal Right was the *gremialista* movement, a political group led by Jaime Guzmán who, from the beginning of the military regime was in good standing with Pinochet because of their leading role in the opposition movement against Allende. Guzmán—mainly responsible for the 1980 Constitution—had a corporatist view of society in general,⁸⁰ quite opposed to the vision of the Chicago Boys. And also, as mentioned above, the military liked economic interventionism given that they were used to living in the orbit of the state,⁸¹ and thus were familiar with and inclined to a system of state allowances and state granting of resources.⁸² Lastly, the military were in the habit of planning and giving orders, so they also expected the economy to obey their commands and do as it was told.⁸³

Those defending the path towards a free society—as Milton Friedman called the society that would emerge after applying market strategies—⁸⁴ had to overcome many

got hold of them. In fact, he is of the opinion that Portales' political ideal was achieved during the centre-Left coalition's administration.

⁷⁷ C. Huneeus (2003), *op. cit.* p. 40. Also see S. O. Jarpa, *op. cit.*

⁷⁸ P. Vergara, *op. cit.*, p. 20.

⁷⁹ A. Soto (2003) *op. cit.*, p. 68. The event is narrated by Adelio Pipino in an interview by Angel Soto.

⁸⁰ A. Valenzuela (1995) 'The Military in Power: The Consolidation of One-Man Rule' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 44-45.

⁸¹ P. Arancibia and F. Balart, *op. cit.*, p. 175.

⁸² A. Fontaine A. (1988) *Los Economistas y el Presidente Pinochet*. Santiago: Zig-Zag, pp. 98-99.

⁸³ Sergio de Castro interviewed in 'Commanding Heights: Chicago Boys and Pinochet' at. http://www.pbs.org/wgbh/commandingheights/shared/video/qt/mini_p02_07_300.html

⁸⁴ Milton Friedman interviewed in 'Commanding Heights: Chicago Boys and Pinochet', *op. cit.*

obstacles before convincing the Junta and Pinochet of the benefits of their idea. Even then, they had to learn to cohabit until the end of the regime with the nationalist hard-liners, i.e. mostly military, the secret police and a few civilians, who backed a state-centred economy and supported the institutionalization of an authoritarian rule.⁸⁵ On the contrary, some military and most civilians participating in the dictatorship —the Chicago Boys among them— were considered soft-liners as they were in favour of having a long military rule only in order to apply a market-oriented course of action. In fact, they advocated liberalization, the gradual increase in societal participation in policy making and a definite return to democracy.⁸⁶ Key to the enthronement of neo-liberalism was Jaime Guzmán's conversion to that doctrine. In fact, at the same time as he was gaining Pinochet's trust, he started abandoning his corporative approach to the economy and favouring free-market guiding principles, in the belief that they would help to modernize Chilean politics and to neutralize political parties and ideologies.⁸⁷

Whilst all this was going on, a second phase of the military regime was about to start, one of its main characteristics being the predominance of neo-liberalism in the conduction of economic policies.⁸⁸ Milton Friedman visited Chile in 1975,⁸⁹ met with Pinochet and lectured in several places about the benefits of monetarist orthodoxy and economic liberalism. Speaking from the prestige of his brilliant academic performance —he was awarded the Nobel Prize the following year⁹⁰— he resolutely

⁸⁵ See G. Vial (2002), *op. cit.*, pp. 227–228 and A. Valenzuela (1995) 'The Military in Power: The Consolidation of One-Man Rule' in P. Drake and I. Jaksic (ed.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 41–42 and 45.

⁸⁶ A. Valenzuela (1995) 'The Military in Power: The Consolidation of One-Man Rule' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 42.

⁸⁷ A. Valenzuela (1995) 'The Military in Power: The Consolidation of One-Man Rule' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 45.

⁸⁸ P. Vergara, *op. cit.*, p. 3.

⁸⁹ There are several opinions as regards how much Friedman influenced the Junta members in their decision to commit the regime towards neo-liberal policies. Friedman himself states that Pinochet did not even pay attention to what he was saying (see P. Arancibia and F. Balart, *op. cit.*, p. 221). On the contrary, L.H. Oppenheim believes that he did influence Pinochet (L.H. Oppenheim, *op. cit.*, p. 111), a view that it is shared by G. Vial (2002), *op. cit.*, p. 265. I think that Friedman's visit must have aided the Chicago Boys: after all, he was a world eminence in his field and that must have tipped the balance in favour of the Junta's decision on market policies.

⁹⁰ Friedman stayed in Chile for five days and he expressed his wish for the installation of a democratic regime. Nevertheless, after his interview with the General, he was considered to be a supporter of the military regime and thus demonized accordingly. Even when he was awarded the Nobel Prize, several detractive manifestations awaited him. Moreover, whilst he was receiving the award, a demonstrator called him names in the awards hall at the *Stockholm Konserthuset*.

recommended a shock treatment to cure Chile's ill economy. A short time after he left, the gradualist economic model was abandoned and Jorge Cauas applied a shock treatment: public spending was sharply reduced while the money supply and interest rates rose steeply. Unemployment mounted dramatically to almost 25 per cent⁹¹ and the GDP fell by 13 per cent.⁹² The social cost was enormous, but the Junta knew beforehand what was coming.⁹³ In fact, the Generals had understood the foundations of the ideas exposed by the liberals and, although they were deeply concerned about the suffering that would be inflicted upon the citizenry,⁹⁴ they came to believe that there was no way of avoiding a shock treatment if the national economy was to be 'sanitized' and the seed of future development and prosperity be sown.⁹⁵

Although the shock measures applied were harsh, by the end of 1976 the economy had started improving. Inflation—which had been an endemic problem in Chile's economy for decades—fell from triple to double digits and finally to 9.5 per cent in 1981.⁹⁶ By 1977 the GDP had risen 8.3 per cent and for the next three years it remained above 7 per cent (annual average).⁹⁷ The growth of non-traditional exports—apples, wood—was considerable: in the 1960s copper exports accounted for almost nine tenths of all national sales abroad. Towards 1980 they accounted for fifty per cent.⁹⁸ The neo-liberal restructuring was finally bearing fruit and economic development looked closer than ever: it was believed that Chile would finally acquire the elusive status of a developed country in a few years, Taiwan, Korea, Singapore and Hong Kong being the ultimate models of economic growth. Chile yearned to leave—to sail away, as it were—its continent, and to be considered by nationals and foreigners as a 'Latin American jaguar', an implicit association with the export-led East Asian tigers that gave clear signs of economic success. This distancing from its continent

See 'Commanding Heights: Chicago Boys and Pinochet', *op. cit.*

⁹¹ J. Fernandois, *op. cit.*, p. 460.

⁹² *Ibid.*

⁹³ A. Fontaine A. (1988), *op. cit.*, p. 52.

⁹⁴ A. Fontaine A. (1988), *op. cit.*, p. 53.

⁹⁵ As L. H. Oppenheim states, the military were not oblivious to poverty related issues. In fact, as will be seen later, during the early 1980s the government established sub-minimum wage employment programs for the unemployed. As Oppenheim goes on to discuss, the government also maintained public housing programmes and a substantial number of houses for the poor were built throughout the years. L.H. Oppenheim, *op. cit.*, p. 283.

⁹⁶ S. Collier, Simon and W. Sater (2004) *A History of Chile. 1808-2002*. Cambridge: Cambridge University Press, p. 369.

⁹⁷ A. de Ramón, *op. cit.*, p. 265.

⁹⁸ S. Collier and W. Sater, *op. cit.*, p. 370.

kept increasing as the years went by and —as we shall see in chapter 4— this did not contribute to good relations with Chile's regional neighbours.⁹⁹

After years of patient work trying to disseminate their ideas, the Chicago economists seized their chance and engineered the most drastic economic reconstruction plan ever seen in twentieth century Chile. They aimed at reversing the entire state-interventionist trend that had developed in the country in previous decades. In order to ensure the accomplishment of their goal they opened up the economy, fostered the nation's comparative advantages in export markets and applied an orthodox monetarism. The marriage between these young economists —who propitiated American-style capitalism— and the dictatorship, was to prove successful. In fact, the outcome of the military government had to match the tragedy preceding it. And without the Chicago Boys and the revolution that they triggered, the authoritarian government would have been remembered as an interruption in Chile's democratic life and nothing else,¹⁰⁰ just one more of many Latin American dictatorships.¹⁰¹

In José Piñera's opinion,¹⁰² 1980 was possibly the best year of the military government.¹⁰³ Indeed, Chile was becoming an increasingly popular member of the international financial community. Besides, the approval of the 1980 Constitution and the announcement and acceptance of a deadline to return to democracy¹⁰⁴ —plus the economic dynamism of the previous years— placed the government 'at its peak of success and legitimacy'.¹⁰⁵ Given this context, it is not surprising that Pinochet should have assured that by 1985 every Chilean worker would have a house, a TV set and a

⁹⁹ E. Rodríguez Guarachi (2006) *Chile, País Puente*. Santiago: RIL Editores, p. 96.

¹⁰⁰ E. Tironi (2006) *Crónica de un Viaje. Chile y la Ruta de la Felicidad*. Santiago: El Mercurio-Aguilar, p. 124.

¹⁰¹ From 1939 to the 1970s it was quite common for civilian governments and dictatorships to interrupt each other. And by the mid-1970s, dictatorships became the norm. For example, in 1977 eight out of ten Latin American nations lived under military regimes, not counting Mexico's civilian dictatorship. Democracy survived only in Costa Rica, Colombia and Venezuela. For further readings on these matters see M. Reid, *op. cit.*, pp. 115-118.

¹⁰² José Piñera was Minister of Labour and Social Security as well as Minister of Mining during Pinochet's regime.

¹⁰³ J. Piñera (1990) *La Revolución Laboral en Chile*. Santiago: Zig-Zag, p. 144.

¹⁰⁴ The announcement of an institutional itinerary and a comeback to a democratic regime was done on 9 July 1977 during a speech at Cerro Chacarilla.

¹⁰⁵ J. Piñera, *op. cit.*, p. 144.

car: ‘it will not be a Rolls Royce’ —he added— ‘but he will have a 1975 *Citroneta*’.¹⁰⁶ In fact, if someone had announced then that a tremendous crisis was about to arrive, disbelief and even hilarity would have appeared on the face of the listeners, Chileans and outsiders alike. After the new Constitution became effective, the regime got carried away on a wave of triumph¹⁰⁷ that proved very dangerous. The traditional low-key, modest and hardworking middle class Chilean citizen —caricaturized in the famous *pobre pero honrado Condorito*—¹⁰⁸ was being replaced in the self-perception of many Chileans by the successful *Cuesco Cabrera*.¹⁰⁹ Very few —if any— suspected that *Condorito* would be back, forcing Chileans to drink the bitter chalice of lost hopes and economic disaster comparable only to the 1929 crash.

Another steep rise in the price of oil appeared in the world horizon and the globe’s economy slumped. Demand for Chilean exports wore out and with it a new and more severe crisis crossed Chile’s threshold. The national economy simply imploded. The ‘petrodollars’ that had overflowed the world markets after the first oil shock, had landed in Chile in considerable amounts, partly given the good name the country was acquiring overseas because of its economic success. The private economic conglomerates borrowed abroad on a large scale. In addition, for years the dollar had been kept artificially low at an exchange rate of 39 pesos. This measure —another heterodox exception to liberal economic theory— was staunchly defended by Sergio de Castro¹¹⁰, then Finance Minister, even when the crisis was far on its way to affecting the pockets of big conglomerates and individuals who had joined the debt-contracting game. The fixed exchange rate made Chile’s exports less competitive, overvalued the peso, fostered indiscriminate private indebtedness and caused serious balance-of-payment problems.

¹⁰⁶ ‘Las Frases para el Bronce de Pinochet’, *La Nación*, 11 December 2006. The statement was made to Radio Chilena in 1979. The *Citroneta* is the 2CV Citroën, manufactured by that firm between 1948 and 1990.

¹⁰⁷ J. Piñera, *op. cit.*, p. 144.

¹⁰⁸ *Condorito* is a comic-strip character created by René Ríos (Pepo) in 1949 as a response to Walt Disney’s 1943 personification of Chile as a small airplane that could hardly fly over the Andes. Pepo devised a condor —the largest flying bird in the western hemisphere and one of the symbols in Chile’s national coat-of-arms— personifying what he considered to be the typical Chilean: poor, honest, devious and good at quick witted riposte.

¹⁰⁹ *Cuesco Cabrera* is a comic character invented in 1978 by a famous Chilean stand-up comedian, Coco Legrand. The character ridicules the young, able and successful executives (urban yuppies in fact) that appeared in Chile as a product of the economic boom of those years.

¹¹⁰ Even up to present, and in spite of the general agreement that it was a mistake to keep an artificially low dollar exchange rate, de Castro still defends this policy. To access this information, see P. Arancibia and F. Balart, *op. cit.*, pp. 358 and 386.

When Mexico —one of the region's larger debtors— declared that it would default on its foreign debt repayments, this prompted the curtailing of any further credit for Chile.¹¹¹ If the 1975 crisis triggered the end of the period of gradual application of the liberal policy, the 1982 crisis brought to an end the radical neo-liberal conduction of Chile's economy. After months of ambiguous economic measures —partly protectionist but never radically opposed to economic orthodoxy— a third phase began. This was led by young Hernán Büchi, who had realized how dangerous dogmatism could be: as de Castro affirmed, 'he is the one among us that has learned most'.¹¹²

3.2 Chile, Tiger Nation: The Silent Revolution

The installation of Büchi as Finance Minister in 1985 was to prove decisive for Chile's maturation towards a market-oriented economy.¹¹³ As foreshadowed by the heading of this section, the image of Chile as a new tiger country —a comparison with the fast developing Asian Tigers— became stronger as he skilfully led Chile out of the 1982 crisis and paved the way for years of fast economic growth. Already before the end of the military dictatorship Chile was feeling the effect of a revolutionary transformation which, despite not having reached everyone either then or now, has put the country on its way to further economic development.¹¹⁴

The violent crash of the early 1980s was like a destructive earthquake for most people in the nation. With the country's GNP falling 14.5 per cent¹¹⁵ in 1981, the repercussions were dreadful and the suffering of Chilean citizens substantial. Unemployment climbed to a staggering 20 per cent¹¹⁶ according to official statistics and to 26 per cent if the sub-minimum wage programmes orchestrated by the government are not included.¹¹⁷ And things got worse in 1982: unemployment rose to 28.5 per cent and inflation increased from 9.9 per cent to 27 per cent.¹¹⁸ There was widespread dissent against the military administration among the general population once the military's

¹¹¹ J. Fermandois, *op. cit.*, p. 465.

¹¹² G. Vial (2009), *op. cit.*, p. 1346.

¹¹³ E. Fontaine (2009), *op. cit.*, p. 209.

¹¹⁴ See A. Benítez (1991) *Chile al Ataque*. Santiago: Editorial Zig-Zag.

¹¹⁵ L. H. Oppenheim, *op. cit.*, p. 120.

¹¹⁶ *Ibid.*

¹¹⁷ The programmes were *Programa de Empleo Mínimo* (PEM) and *Programa Ocupacional para Jefes de Hogares* (POJH).

¹¹⁸ L.H. Oppenheim, *op. cit.*, p. 120.

main legitimizing argument —i.e. economic success—¹¹⁹ had shown its frailty and the population's rising demands for consumer goods could not be met.¹²⁰ During that time Chile shared some patterns of behaviour with the other Latin American nations, but it also differed substantially. Thus, when the 1982 crisis broke out, the dictatorships gave way to the opprobrium of economic failure whilst Chile's did not bend to social pressure. Also, the nations of the continent had not broken away decisively from *Cepalista* policies, whilst Chile had.¹²¹ In fact, although Pinochet's new economic team distanced itself from the liberal principles during 1984, it basically kept on track, albeit introducing several changes as we shall see here.¹²²

Many never forgave Pinochet for the dreadful 1982 crisis. Actually, one of the effects of the acute misery induced by the economic collapse of 1981–1983 was the rise of a serious and increasingly loud opposition to his rule. Sparked and led in particular by three trade union leaders, namely, Manuel Bustos, Rodolfo Seguel and Tucapel Jiménez, public demonstrations, strikes and violent clashes with the police sprang up. Besides, on the extreme Left, the outlawed Communist Party fostered mass insurrection through urban guerrilla groups that perpetrated terrorist attacks. One of the main terrorist groups of those years was the *Frente Patriótico Manuel Rodríguez* (FPMR), which was held responsible for the assassination attempt on Pinochet and the illegal introduction of a consignment of weapons found in Carrizal Bajo. Violence was the order of the day. Anger caused by the economic hardship accumulated in the shanty towns and created social volcanoes¹²³ that facilitated the surge of terrorism. Thus, terrorists ended the life of several policemen and the secret police, and other army people murdered several civilians during those years. Emblematic were the crude assassinations of the aforementioned Tucapel Jiménez —who in 1982 was captured in his own taxi, shot

¹¹⁹ G. van der Ree, *op. cit.*, p. 222.

¹²⁰ P. Silva (2008) *op. cit.*, p. 144.

¹²¹ M. Reid, *op. cit.*, p. 123.

¹²² During the interregnum between Ministers Sergio de Castro and Hernán Büchi, the government devalued the peso, established a preferential dollar, lowered wages and intervened the financial sector taking over approximately 80 percent. Although all these procedures meant a break-away from neo-liberal orthodoxy, the government refused to resort to countercyclical measures such as increasing monetary emission or toying with fiscal deficits, which would have implied a serious regression from liberal policies. For more information, see E. Silva (1995) 'The Political Economy of Chile's Regime Transition: From Radical to "Pragmatic" Neo-Liberal Policies' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 107–110.

¹²³ A. de Ramón, *op. cit.*, p. 267.

in the head and dumped in the car— and the torturing and throat-slitting of three Communists in 1985, Santiago Nattino, José Manuel Parada and Manuel Guerrero.

As Eduardo Silva argues, social actors matter when it comes to policy making.¹²⁴ Thus, in my view, the upheaval brewing in the population forced the military regime to adapt its economic and political strategies to calm down public discontent. Firstly, out went the radical liberal policies and in came more pragmatic and less dogmatic procedures which alleviated the economic anguish of the citizenry. Secondly, the government opened a space for a moderate opposition, allowing some political activity.¹²⁵ I also think that other groups besides the regime's economic team contributed to build the third phase in the implementation of neo-liberalism.¹²⁶ For example, by 1983 the Confederation of Production and Commerce, which grouped industrialists, traders, construction entrepreneurs and other large business sectors, presented the government with a countercyclical proposal to overcome the crisis. Although capitalist, they also suggested some less liberal practices, such as protective policies tailored to the requirement of specific economic sectors.¹²⁷ In Eduardo Silva's opinion, the fact that they were heard meant that the business community regained faith in the system.¹²⁸ Other factions were not as lucky and their petitions were not immediately granted. Thus, the 1982 economic petitions contained in the Proclamations of the city of Valdivia and Rancagua, backed by most middle and small scale entrepreneurs, were not taken into account.¹²⁹ Nevertheless, in my opinion, they did alert the government to the intensity of the discomfort of society given that mid-weight industrialists¹³⁰ had been crucial to Allende's downfall and consequently might endanger the permanence of the military regime.

¹²⁴ E. Silva, *op. cit.*

¹²⁵ G. van der Ree (2005), *op. cit.*, p. 223.

¹²⁶ E. Silva, *op. cit.*, pp. 173–208.

¹²⁷ E. Silva (1995) 'The Political Economy of Chile's Regime Transition: From Radical to "Pragmatic" Neo-Liberal Policies' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 112.

¹²⁸ E. Silva (1995) 'The Political Economy of Chile's Regime Transition: From Radical to "Pragmatic" Neo-Liberal Policies' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 113.

¹²⁹ G. Campero (1995) 'Entrepreneurs under the Military Regime' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 135–136.

¹³⁰ G. Campero (1995) 'Entrepreneurs under the Military Regime' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 135–140.

By 1986 the demonstrations against the government faded away as the economy regained its strength. In the interim Chile had experienced a renaissance of its political parties and other civil society groups such as labour unions, squatter movements and diverse NGOs, among them, advocating the rights of women and originary ethnic groups.¹³¹ All of them would play an important role in the rebirth of democracy a few years later. Very interesting in this connection is the analysis by María Elena Valenzuela of the development of feminist movements and the development of female participation in politics during the military administration.¹³²

The 1981-1983 blow had shown that the 'Chilean miracle' was not solid. But once the worst of the Latin American debt crisis backlash was overcome, a 'miracle recharged' entered the scene.¹³³ In spite of having suffered the greatest set-back of the region, the mix of pragmatism and liberal heterodoxy that guided the new economic team from 1985 onwards, resulted in a renewed economic push in open contrast with the rest of the subcontinent. In fact, the 1980s is often called the lost decade for Latin America given the depth of the economic recession of those years.¹³⁴ Most of the countries of the region spent the whole decade desperately trying to get out of the situation triggered by the petrodollars, but every effort seemed useless. Once again, Chile was perceived as the exception in Ibero America, thus reinforcing the nation's traditional self-image of exceptionality:¹³⁵ 'not for the first time in its history, this small country seemed to be leading the pack'.¹³⁶

¹³¹ P. Silva (1997), *op. cit.*, p. 73.

¹³² G. Campero (1995) 'Entrepreneurs under the Military Regime' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 161-187.

¹³³ There is an ongoing discussion on the impoverishment of Chileans during the military regime. On the one hand it is argued that real wages plummeted during the early years of the dictatorship and did not fully recover until the 1990s. On the other hand it is also claimed that, although hardcore poverty remained during the military regime and does so until now, the number of people who have progressed exceeds that of those left behind. For this topic see L.H. Oppenheim, *op. cit.*, p. 132, M. Barrera (1998) 'Macroeconomic Adjustment in Chile and the Politics of the Popular Sectors' in P.D. Oxhorn and G. Ducatenzeiler, *What Kind of Democracy? What Kind of Market?* Pennsylvania: The Pennsylvania University Press, pp. 129-130.

P. Craig Roberts and K. LaFollette Araujo, *op. cit.*, p. 40, E. Fontaine (2009), *op. cit.*, p. 271 and the interview to Alejandro Foxley at 'Commanding Heights: Chicago Boys and Pinochet', *op. cit.*

¹³⁴ L. C. Bresser P. and Y. Nakano (1998) 'The Missing Social Contract: Governability and Reform in Latin America' in P. D. Oxhorn and G. Ducatenzeiler, *op. cit.*, p. 32.

¹³⁵ S. Collier and W. Sater, *op. cit.*, p. 371.

¹³⁶ S. Collier and W. Sater, *op. cit.*, p. 372.

The economic recovery of the country was on, but it was still risky to confirm that the crisis was totally over. Nevertheless, from the mid-1980s onwards, with a new Finance Minister —Hernán Büchi— the process of economic growth was finally ensured and a new period of expansion and development began. Thus, while the 1982 crisis ignited the discontent of the population, already used to previously unseen levels of consumption, Chile was eventually able to get over it. This fact and the increasing success of the pragmatic liberal economic policies applied by Büchi and his team,¹³⁷ enhanced the Chileans' self-image of exceptionality:¹³⁸ unlike its neighbours, Chile had a successful liberal system in place and it looked as if it would become a developed nation sooner rather than later. In my opinion, it is from this point in time on that several of the aspects that I examine throughout this study start showing more clearly. Thus, the free market economic reform fostered an economic transformation, social mobility and socio-cultural change as well as a shift in some features of Chile's identity. Finally, the political context that hosted the liberal reform and free market policies made it quite imperative to launch country image campaigns, thus starting a modern process of nation-branding.

The period of economic growth described above did not stop until the late 1990s. The economic benefits were not felt immediately by the whole population but were clearly perceived by the late 1980s. The country was definitely pushed into a new phase of growth, with positive effects on employment and wages. It is interesting to stress that, although Büchi is considered a Chicago Boy, his postgraduate work was done at Columbia University, and involved business, not economics. His policies differed quite substantially from the de Castro liberal-dogmatic style: in Gonzalo Vial's view, his arrival ended the 'Chicago era' proper.¹³⁹ The new minister had worked for ten years with the economic cadres of the government and had held mid-rank positions. Long haired, a lover of jogging and cycling, the 36 year-old Finance Minister symbolized the pragmatism that was replacing the previous application of *laissez-faire*.¹⁴⁰

¹³⁷ For a good summary of Büchi's economic measures, see P. Craig Roberts and K. LaFollette Araujo, *op. cit.*, p. 38.

¹³⁸ L.H. Oppenheim, *op. cit.*, p. 255.

¹³⁹ G. Vial (2009), *op. cit.*, p. 1346.

¹⁴⁰ Büchi retreated from the reflationary policies of 1983 and 1984 which were Keynesian in inspiration. On the contrary, the new minister supported stringent management of the fiscal deficit, inflation and balance of payments. While he refined liberal practices, he also allowed for protection of several domestic market producers. In the same line, the government at large gave subsidies for low income housing, aided some landowners with special credits and implemented more restrictive bank regulations. For further information, see E. Silva (1995) 'The Political Economy of Chile's Regime

Chile started to thrive in the new economic climate. A new breed of more liberal-minded entrepreneurs took their place alongside the previous generation. New and old conglomerates, more solidly based before, blossomed in the late 1980s. Established enterprises —slimmed down by two recessions— proved willing to compete in the domestic and international marketplaces, and were now less inclined than before to look to the state for support or protection: confident in their own abilities, businessmen began to see and project themselves as one of the leading edges of society.¹⁴¹ Although published when democratic rule was back, the following words by a Chilean economist help to capture the zest emerging towards the end of the decade:

We are emerging from our corner of the world and today we think in global terms. We are leaving behind our history, full of moral triumphs that led to generalized stagnation (...) Today Chile is competing on a grand scale, taking the offensive and is not satisfied with moral victories.¹⁴²

Meanwhile, the beginning of the local information revolution fostered the appearance of jobs for computer specialists. Courses in management, commercial law and accounting were very much in demand and higher education acquired a distinctly functional look by the late 1980s. What was going on broadened the scope and even went far beyond the entrepreneurial culture dreamed of by most of the military in power.¹⁴³

Some experts in Chilean history consider that the neo-liberal technocrats probably did not engineer the deep shift in the national culture, which had been gradually taking place since 1975.¹⁴⁴ In my opinion this may be applicable to lesser members of the team, but not to its leaders. They did not have absolutely coincidental views on either neo-liberalism or on specific policies to be applied in the country, but they were aware of what would become of Chile and hoped for a libertarian revolution to take place —a topic that I shall refer to in Chapter 5. In fact, these economists expanded their influence to several other fields of society, namely, education, health, culture, the

Transition: From Radical to “Pragmatic” Neo-Liberal Policies’ in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, pp. 114-119, E. Fontaine (2009), *op. cit.*, p. 209 and L. Whitehead (1987) ‘The Adjustment Process in Chile: A Comparative Perspective’ in R. Thorp and L. Whitehead (eds.), *Latin American Debt and the Adjustment Crisis*. Pittsburgh: Pittsburgh University Press, pp. 117-161.

¹⁴¹ S. Collier and W. Sater, *op. cit.*, p. 375.

¹⁴² ‘Andrés Benítez: el Chile que se la Juega’, *El Mercurio*, 15 December 1991.

¹⁴³ S. Collier and W. Sater, *op. cit.*, p. 375.

¹⁴⁴ *Ibid.*

pension system, etc. Patricio Silva points out that they became techno-politicians and ideologues as they tried to justify the coexistence of political authoritarianism with liberal economic ideas.¹⁴⁵

The Chicago Boys actively participated in the efforts to enhance people's support for the military regime and the neo-liberal model by constantly stressing the success achieved in expanding the consumption of foreign products among the entire population. In this manner, mass consumerism became one of the main instruments of legitimacy used by the Chicago Boys to obtain at least tacit acceptance by large sectors of society for their free market policies.¹⁴⁶

Their views on trade and industry went beyond the sphere of economy. Moreover, they were convinced that a new entrepreneurial culture had to replace what had been a state-dependant mentality, so that the state could be brought to a role of watchman and the whole of society would be permeated by market-oriented relations.¹⁴⁷ One of the first samples of market penetration into administrative fields and social life were the so-called seven modernizations.¹⁴⁸ Up until 1979 the open market approach had been applied through policies such as the liberalization of prices, trade and finance, all of which constituted conventional liberal practices. When in his speech of 11 September 1979 Pinochet openly assured the population that his administration desired the creation of a free market society, by launching the aforementioned modernization measures, he was indirectly saying that the phase of national reconstruction had ended.¹⁴⁹ From that year on neo-liberalism would increasingly permeate all walks of life in Chile in spite of the economic crisis that started brewing up in 1981, which endangered the trustworthiness of the neo-liberal system.

In the long run Pinochet and the Chicago Boys succeeded in the implementation of their libertarian revolution. Having said this, I also believe that the dynamic and

¹⁴⁵ P. Silva (2008), *op. cit.*, p. 143.

¹⁴⁶ *Ibid.*

¹⁴⁷ S. Collier and W. Sater, *op. cit.*, p. 366.

¹⁴⁸ The modernization plan was based on the transformation of the following fields: labour relations, social security and state education; restructuring of public health care, modernization of the judiciary, reforming of the public administration and strengthening of agriculture. Not all the planned modernizations were fully developed. Some were not even initiated —such as the modernization of the justice system. To access a description on the gestation of the seven modernizations, see de P. Arancibia and F. Balart, *op. cit.*, pp. 317–328.

¹⁴⁹ P. Arancibia and F. Balart, *op. cit.*, p. 327.

fast-growing Chile emerging after 1985 was not fully invented by Pinochet and his economic team. The culture of order and resilience developed after centuries of a difficult colonization, earthquakes and other natural disasters as well as the traditional Chilean preference for stable public institutions in addition to the role of democratic rule in Chileans' self-image are all characteristics that worked together in the forging of the post-Pinochet Chile. Today the debate on the economic benefits brought about by the dictatorship is far from closed. It looks as if the outcome was neither totally positive nor absolutely bleak. Although the economic modernization brought in by the military tanks generated an increment of wellbeing for several sections of society, the cost to be paid by others cannot be overlooked. The suffering and economic setbacks referred to elsewhere are often disregarded, especially after the long wave of economic growth that followed in the coming years, from 1984-85 on. On the other hand, I consider that acknowledgement of the crisis and of its victims makes the reloaded future Chilean miracle even more astounding.

In my opinion, the neo-liberal revolution was to show not only the resilience of the neo-liberal system which, in the Chilean case, was able to face and recover from times of crisis. I also believe that the system has a considerable capacity to change mind frames. For instance, by 1986 some social attitudes had shifted in spite of the recently undergone crisis, as shown by the opinion survey conducted that year by Carlos Huneeus. Thus, while banks and conglomerates were disliked by those interviewed, small and middle-sized businessmen were well regarded.¹⁵⁰ In William Sater's and Simon Collier's judgment, a growing attachment to market economy was shaping: proprietors of new small and successful businesses, workers owning shares in the newly privatized companies, peasants growing vegetables either for export or for the Santiago market, even some people working in the large informal sector, all of them regarded themselves as small entrepreneurs belonging to the capitalist system.¹⁵¹ Thus, it looks as if from those years on, a strong reorientation from the state towards the market, from ideological ideas to consumption, from collective to individual courses of action, had come to characterize the mentality of a considerable portion of Chilean society.¹⁵² Nevertheless, there is no total agreement on this point among pundits in the field. Thus, Carlos Huneeus gathers that a certain malaise has set in in Chile's society

¹⁵⁰ C. Huneeus (1987) *Los Chilenos y la Política: Cambio y Continuidad Bajo el Autoritarismo*. Santiago: CERC/ICHEH, pp. 116-120.

¹⁵¹ S. Collier and W. Sater, *op. cit.*, p. 375.

¹⁵² G. van der Ree (2005), *op. cit.*, p. 227. Also L.H. Oppenheim, *op. cit.*, p. 206.

because the citizens do not share the liberal axioms guiding the state. In his view citizens criticize the market and businessmen and would rather have a state playing an active role in the economy.¹⁵³ Although I do not agree with Huneus, I admit that not all Chileans embrace liberalism and there is evidence of this as late as 2010. Thus, months after Eduardo Frei lost the 2009 election, several key Concertacionista leaders came out making a *mea culpa* for having lost. Surprisingly, some blamed the ‘terribly liberal economic management’¹⁵⁴ of Michelle Bachelet’s tenure for the electoral results.

*Chile Revolución Silenciosa*¹⁵⁵ was the title of the bestselling book published in 1987 by the young economist Joaquín Lavín. Outpouring with optimism, his book both synthesized and encouraged what was the feeling of many in the country: Chile had changed and left behind the pre-1973 social and economic model, more inclined towards state protectionism. In his book Lavín argues that Chile had become a country integrated with the rest of the world, in which there were plenty of jobs and more competitive enterprises. Chileans were better educated and informed and had access to the benefits of a consumer society: there was a wider choice of products, more culture and technology. A few years later in a book jointly written with a fellow economist, Felipe Larraín, Lavín said that even in shantytowns small enterprises had appeared. The book called *Chile: Sociedad Emergente*¹⁵⁶ appeared in 1989 and highlighted the fact that the country had become more efficient, humane, was better informed, and more cultured.¹⁵⁷ They mentioned the modern business executives, the shopping malls, supermarkets and street paving in the shanty-towns of Santiago; the computer courses, the renewal of cultural expression, the great variety of consumer goods in the shops, the growth of industrial exports, the emergence of competitive private universities that allowed thousands of youngsters to access higher education: such were the indisputable signs of the emerging modern Chilean society. Changes were also permeating other aspects of Chile’s social organization. Firstly, the collective health and welfare systems —typical of the European capitalism present in Chile— were replaced by an individual model. Secondly, the labour reforms aimed at reducing the role of the state in labour relations and increasing the role of the private sector. Thirdly, the educational

¹⁵³ C. Huneus (2003), *op. cit.*, p. 16. This call for a more active state in the social field became indeed quite evident following the onset of the world financial crisis of 2008.

¹⁵⁴ ‘Francisco Vidal: La Concertación Debe Hacer su Propio ‘Nunca Más’ y Evitar que un Gobierno Suyo Sea Dominado Nuevamente por Tecnócratas’, *El Mercurio*, 5 June 2010.

¹⁵⁵ In English ‘Chile: A Quiet Revolution’.

¹⁵⁶ In English, ‘Chile: Emerging Society’.

¹⁵⁷ J. Lavín and L. Larraín (1989) *Chile, Sociedad Emergente*. Santiago: Zig-Zag, p. 17.

system was decentralized and part of its administration was allocated to private administrators.¹⁵⁸ In a nutshell, the European style collective and state-led approach to such areas as education, health and labour, was replaced by an American capitalistic approach, i.e. liberal, individual, with less state intervention.

Much of what Lavín and Larraín argued corresponded to reality as the material marks of modernization were manifold in the late 1980s in Chile. Nevertheless, in the opinion of detractors of the dictatorship, these authors failed to note that the changes and their benefits were limited to a few lucky ones, basically, the middle and upper classes. Although by the end of the 1980s Chile was perceived as an exception in Latin America, the economic benefits of the recovery would not be felt by the bulk of the population until later.¹⁵⁹ A sector that opposed Lavín's and Larraín's optimism was a considerable portion of the Catholic Church hierarchy. In this line, an interview between Pinochet and Cardinal Juan Francisco Fresno, in which the latter insisted on the existence of widespread poverty in Chile, whilst the former denied it, is quite illustrative.¹⁶⁰ Nevertheless, the best articulated criticisms were mostly voiced by sociologists Eugenio Tironi and José Joaquín Brunner. Tironi argues that the project of modernization of the Right had taken place at the cost of a large proportion of society. Instead of creating a middle class consumer society, it divided the country into two: the haves and have-nots, those who were incorporated to modernization and to the new production and consumption system and those who were left behind.¹⁶¹ On the other hand, Tironi himself acknowledges that by 1985, 85 per cent of shanty-town dwellers had their own TV sets, and 73 per cent had a radio.¹⁶²

The growing image of Chile as a jaguar, a successful nation that was leaving poverty behind, was a contentious issue that divided society. Nevertheless, with the passing of time most sectors came to agree on this image, the 1990s being years of considerable economic expansion.¹⁶³ Thus even opponents to Pinochet ended up using the

¹⁵⁸ E. Tironi (2006), *op. cit.*, pp. 141-142.

¹⁵⁹ J. Fermandois, *op. cit.*, p. 481.

¹⁶⁰ G. Vial (2002), *op. cit.*, pp. 527-529.

¹⁶¹ E. Tironi (1988) *Los Silencios de la Revolución. Chile: la otra Cara de la Modernización*. Santiago: La Puerta Abierta, pp. 28-29.

¹⁶² E. Tironi (1988), *op. cit.*, p. 87.

¹⁶³ For example, in 1992 the GDP was 12.3 percent; in 1995 it was 10.6 percent and fell to 3.2 percent in 1998 when the Asian crisis broke out. As for inflation, in 1992 it was 12.7 percent; in 1995 it dropped to 8.2 percent and in 1998 to 4.7 percent. For more information, see S. Collier and W. Sater, *op. cit.*, p. 384.

parameters introduced by the former. For example, although Tironi and Brunner had initially rejected the views expressed in *Chile Revolución Silenciosa* and *Chile: Sociedad Emergente*, a few years later they adopted the main concept contained in the books,¹⁶⁴ i.e. *sociedad emergente*. The emerging society —mainly triggered by changes in the economy, trade and communication—¹⁶⁵ is not a univocal concept. Nevertheless, in general terms it denotes a social order with an internal bottom-up dynamic, from the grassroots to the central authority or, even better, according to liberal principles, with a very small government. The emerging society brings about an increasingly larger group of well educated, informed and travelled people, individuals who move with autonomy. Within this kind of society, the market is the great organizer of life, not the state. The concept also includes the fall of traditional values and the arrival of new life styles: in short, a real shift in mentality, which will be further analyzed in Chapter 5. As Christian Welzel and Ronald Inglehart put it,

economic growth, rising levels of education and information and diversifying human interactions increase people's material, cognitive and social resources, making them materially, intellectually, and socially more independent (...) Cultural emphasis shifts from collective discipline to individual liberty, from group conformity to human diversity, and from state authority to individual autonomy.¹⁶⁶

Chile on the threshold of democracy showed many signs of such swings.

The period studied in this chapter comes to an end with the 1988 plebiscite by means of which Chileans brought general Pinochet to account.¹⁶⁷ The economic factor was very important at the time of voting. It has been argued it was the most decisive issue,¹⁶⁸ a fact that is backed by the figures: 72 per cent of those who voted 'No' did so because of their economic situation.¹⁶⁹ Eugenio Tironi claims that it was the success of the system installed by Pinochet that ended up defeating him.

¹⁶⁴ Patricio Silva addresses this issue in his 2001 article 'Towards Technocratic Mass Politics in Chile? The 1999-2000 Elections and the 'Lavín Phenomenon'', *European Review of Latin American and Caribbean Studies* 2: pp. 25-39.

¹⁶⁵ P. Halpern (2002) *Los Nuevos Chilenos y la Batalla por sus Preferencias*. Santiago: Editorial Planeta, p. 18.

¹⁶⁶ C. Welzel and R. Inglehart (2005), *op. cit.*, p. 2.

¹⁶⁷ The 'Yes' option obtained 43.01 percent and the 'No' option 54.71 percent.

¹⁶⁸ J. Fernandois, *op. cit.*, p. 482.

¹⁶⁹ A. Varas (1995) 'The Crisis of Legitimacy of Military Rule in the 1980s' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 76.

Pinochet created a much more modern society, open to the world, which was not compatible with a dictatorial regime, even less given his human rights record. Pinochet also made possible the strengthening of the entrepreneurial class that felt it could stand on its own feet and not depend on an authoritarian political power whose ill reputation, in addition, had been the cause for the closing of international markets to them. To sum up, it was the modernization process impelled by Pinochet himself that expelled him in order to expand and support the new system.¹⁷⁰

Tironi's argument is in line with Ronald Inglehart's and Christian Welzel's observations alluded to in Chapter 1. In fact, as these authors assert, human development in wealthy or wealthy-to-be nations normally leads to socioeconomic modernization, a cultural shift towards a growing accent on self-expression values and democratization. Also, Milton Friedman himself warned Pinochet that eventually the country would go back to a democratic regime.¹⁷¹ Moreover, except for the hardliners supporting the dictatorship, most of its followers were democratic:¹⁷² not in vain do Chileans believe that democratic rule is one of their country's differentiating features. I also believe that it is plausible that those who voted 'No' in the plebiscite did so not wishing to throw out of the window what had been achieved since 1973. Change was called for, but not absolute change: it was not as if Chileans wanted to start all over again and try a totally different social and economic model. Otherwise, the Concertación administrations would have changed the model and they did not. Indeed, during twenty years of government, it was impossible for the centre-Left coalition, placed at the antipodes of the political spectrum of those serving under Pinochet, to replace economic success and market economy as a dominant legitimizing feature, as will also be seen in Chapter 5.

Pinochet's government was atypical in many ways which I summarize in five points. Firstly, as mentioned in section 2.1, Chile's military government did not fall during the economic crisis as happened in other Latin American countries. Secondly, unlike other authoritarian regimes, it sought institutionalization by putting legal limits to its tenure and political ideas and by making sure that the top brass fulfilled their professional duties. For example, whenever an officer was appointed to a political position, he had to abandon his military functions.¹⁷³ In the third place, Chile's 17-year-long

¹⁷⁰ E. Tironi (2006) *op. cit.*, pp. 151-152.

¹⁷¹ 'Commanding Heights: Chicago Boys and Pinochet', *op. cit.*

¹⁷² Patricio Prieto, (President TLC Consulting, company which provides legal and economic advice for the establishment of free trade agreements) interviewed on 8 July 2010.

¹⁷³ E. Tironi (2006) *op. cit.*, p. 130.

authoritarian rule had mapped out the road back to democracy and followed it even when it meant relinquishing power, quite in accordance with Chile's law abiding mentality.¹⁷⁴ Moreover, the supporters of the regime would not have admitted a disruption of the democratic process as they expected fair play, not fraud.¹⁷⁵ Even in the army, respect for legality was more important than allegiance to the commander-in-chief:¹⁷⁶ once again, the Chileans' legalistic outlook played an important role in its historic evolution.¹⁷⁷ As novelist Isabel Allende put it, it is difficult to explain to anyone outside Chile how a dictatorship that had the support of the armed forces, the Right and a considerable part of the population accepted to leave power once the referendum was lost.¹⁷⁸

In the fourth place, military rule was not a B-movie type dictatorship in which the leaders seek their own advantage, ransack the country and take the money and run. On the contrary, it was quite exceptional in that it was constructive in the forging the country's material development and its insertion in the global economy.¹⁷⁹ Moreover, it launched several reforms meant to transform Chile from a backward nation with an inferiority complex, which was proud of its ability to 'produce' great poets such as Gabriela Mistral and Pablo Neruda or Vicente Huidobro, and convinced of its inability to create wealth,¹⁸⁰ into a fast-track developing state. Finally, as Alan Angell has argued, even though the fact is quite shocking for many, the dictatorship did have an important support base until the very end of its tenure, even among the poor.¹⁸¹

¹⁷⁴ Carlos Huneeus states that the opinion Chileans have of Pinochet is better than that the Spaniards have of general Francisco Franco: the year 2003, when Huneeus' book was published, 22 percent of Chileans thought positively of Pinochet and only 17 percent of Spaniards did so as regards Franco. C. Huneeus (2003), *op. cit.*, p. 71.

¹⁷⁵ A. Valenzuela (1995) 'The Military in Power: The Consolidation of One-Man Rule' in P. Drake and I. Jaksic (eds.), *The Struggle for Democracy in Chile*, *op. cit.*, p. 108.

¹⁷⁶ *Ibid.*

¹⁷⁷ In the book in which Isabel Allende revisits her native country, she affirms that Chileans are 'legal animals'. Thus, it is not surprising that even General Pinochet should have wanted to go down in history as a president, not a usurper of power. Thus, he planned his own election as President but lost and consequently, handed over the presidential sash to his elected opponent. I. Allende, *op. cit.*, p. 92.

¹⁷⁸ I. Allende, *op. cit.*, p. 92.

¹⁷⁹ See an interview with Alejandro Foxley in 'Commanding Heights: Chicago Boys and Pinochet', *op. cit.*

¹⁸⁰ J. Piñera, *op. cit.*, p. 21.

¹⁸¹ A. Angell (2005) *Elecciones Presidenciales, Democracia y Partidos Políticos en el Chile Post Pinochet*. Santiago: Centro de Estudios Bicentenario, p. 26.

It is not uncommon that a military coup has an initial support when the population is tired of the incertitude and turmoil of a weak civil government —1976 Argentina was a good example of it. Nevertheless, what is singular (to the Chilean case) is that this support stands for a long period of time, even after the return to a democratic regime.¹⁸²

In my opinion, Pinochet's government was successful in terms of having planted the seeds of economic development. In contrast to this, one of the negative implications of his rule was the bad country image that he generated around the world. Given that Chile's new economic scheme called for the country to reach out for the globe, especially through trade, it was crucial to help to revert or soften the negative connotations that the dictatorship had. Thus, as described in section 3.3 will, ProChile was created to enhance Chile's integration to global trade and improve its reputation.

3.3 ProChile and the Marketing of Chile

The project of modernization brought about by the military administration throughout 17 years in power aimed at the full opening of Chile's economy to foreign competition and the incorporation of the country to world markets. Although the radical and systematic way in which this was done during the dictatorship was unique in Chile's history, the nation's integration to global trade was not new as shown in Chapter 2. Besides, Chile was 'born to history under the sign of business, a corporation with partners, capital and warranties (...) Work —a pivotal value in North America's conquest— is also present here'.¹⁸³ In my view, Chile's origins as a land of work and commerce, tends to be forgotten. For example, the figure of Juan Jufré de Lozcaya y Montesa who, in the early years of the conquest planted the first vineyards of the country, thus initiating the wine industry and commerce,¹⁸⁴ is scarcely known among Chileans. In fact, one of the founding fathers of this nation, he contributed to the inauguration of the industrious and *mestizo* country that evolved during the colonial period and initiated Chile's transoceanic commerce trying to sell his produce to the South Pacific islands and to what appears to be New Zealand and Australia.¹⁸⁵

¹⁸² A. Angell, *op. cit.*, p. 27.

¹⁸³ M. Laborde (2004) *Santiago, Región Capital de Chile. Una Invitación al Conocimiento del Espacio Propio*. Santiago: Publicaciones del Bicentenario, pp. 29-30.

¹⁸⁴ J. T. Medina (1906) *Diccionario Biográfico Colonial*. Santiago: Imprenta Elzeviriana.

¹⁸⁵ M. Laborde, *op. cit.*, p. 81.

The embryonic commercial spirit and activity of the early *conquistadores* was then overshadowed by other more pressing matters —mainly the Arauco war— which explains why it went more or less unobserved. Nevertheless, it is interesting to note that the entrepreneurial drive present in today's Chilean society is not without historic foundation. In addition to the already mentioned efforts to develop trade from the very beginning of colonial times,¹⁸⁶ the desire for further commercial freedom appears to have been one of the propelling forces behind the independence movement:¹⁸⁷ in fact, through monopoly, the Spanish administration imposed all kinds of restrictions on colonial trade in general and Chile's trade in particular, thus hampering its economic development.¹⁸⁸ Independence opened the door to expand and diversify Chile's international trade which, as seen in previous chapters, flourished and sparked an incipient development. As was to happen more than a century later, the national trend coincided with international tendencies which collaborated with Chile's economic growth. Thus, a first globalization wave that took place after the industrial revolution helped to increase that nation's commerce.¹⁸⁹ Also the gradual unfolding of liberalism and withdrawal of mercantilism in the nineteenth century encouraged the young republic's adherence to free market values.¹⁹⁰ The tendency reverted from the Great Depression onwards when state intervention, market control mechanisms and protectionism entered the scene. This global tendency started to ease towards the end of the Second World War, but not in Chile: it was not until the military dictatorship that those tendencies remained unchanged.¹⁹¹

Neo-liberalism and its drive towards free trade triggered in Chile the need to foster national exports. Nevertheless, the political isolation in which the nation found itself involved in because of the ruling dictatorship was definitively an obstacle. In the first place, the ban on Chilean exports around the world as political retaliation was a latent possibility. Secondly, the sale of a product also sells its place of origin —it comes as part of the traded goods.¹⁹² Thus, Chile's bad reputé inevitably had an effect in the

¹⁸⁶ See J. T. Medina, *op. cit.*

¹⁸⁷ Patricio Prieto (President TLC Consulting, company which provides legal and economic advice for the establishment of free trade agreements) interviewed on 8 July 2010.

¹⁸⁸ D. Barros Arana, *op. cit.*, Vol. VII, p. 298 and Vol. VIII, p. 194.

¹⁸⁹ O. Muñoz (2007) *El Modelo Económico de la Concertación 1990-2005 ¿Reformas o Cambio?* Santiago: FLACSO-Catalonia, p. 64.

¹⁹⁰ G. van der Ree (2010) 'Chile's (Inter) National Identities: Framing the Relations with Bolivia and Peru', *Bulletin of Latin American Research*, p. 212.

¹⁹¹ O. Muñoz, *op. cit.*, p. 10.

¹⁹² S. Anholt (2005), *op. cit.*, pp. 115-116.

marketing of items ‘made in Chile’. It was obvious that something had to be done to assist the national businessmen to export their produce, internationalize their companies and help the country regain its good name, or at least, to tone down the negative connotation that the country had acquired internationally.¹⁹³ These aims were synthesized in one organization: ProChile, the name of which means ‘in favour of Chile’.

ProChile was created in 1974 as a state-run organization that aimed at backing the exports of small and middle size private companies and the internationalization of Chilean corporations. Inspired by a Colombian association called Proexpo, the Chilean version was going to try to reverse Chile’s dependence on copper sales abroad.¹⁹⁴ In order to do so, ProChile started gathering information about international markets and passing it on to whoever was interested in exporting non-traditional goods, i.e. practically everything but copper. Interestingly, the early stages of the institution coincided with a world tendency to link foreign trade and political international relations at a state level. Thus, the 1944 Bretton Woods agreements, the World Bank and the International Monetary Fund as well as the 1948 General Agreement on Tariffs and Trade (GATT) showed that foreign affairs ministers all over the world had been actively participating in trade matters for some decades already.¹⁹⁵ The integration of both concepts did not prove an easy task, and it was eventually necessary to hire new officials to work in the ministry of Foreign Affairs and to make others redundant. Nevertheless, it was not until 1979 that members of the ministry staff dedicated to economic matters were attached to some embassies around the world. To do so, the creation of a new institution was necessary —the *Dirección General de Relaciones Económicas Internacionales* (DIRECON)— linked to the ministry and under whose direction ProChile continued to operate throughout the decades.¹⁹⁶

In my view, the linkage to DIRECON proved positive in two ways. Firstly, it lowered ProChile’s profile thus helping it to look less threatening for the neo-liberal orthodoxy. In fact, some of the Chicago Boys, especially ministers Sergio de Castro and Pablo Baraona, considered it to be an unnecessary subsidy to exports as, in their opinion, exports only needed adequate monetary stimuli and trading barriers.¹⁹⁷ Secondly, while from 1974 to 1979 the organization was mainly dedicated to coaching

¹⁹³ Fernando Morales B., (Founding member of ProChile) interviewed on 14 March 2011.

¹⁹⁴ *Veinticinco Años de ProChile* (2000) Ministerio de Relaciones Exteriores. Santiago: ProChile, p. 3.

¹⁹⁵ *Veinticinco Años de ProChile*, *op. cit.*, p. 1.

¹⁹⁶ Fernando Morales B., (Founding member of ProChile) interviewed on 14 March 2011.

¹⁹⁷ Fernando Morales B., (Founding member of ProChile) interviewed on 14 March 2011.

national would-be exporters, working in closer connection with the Foreign Affairs ministry also allowed ProChile to promote Chile's good reputation overseas using the embassies. In fact, by 1977 it started articulating the activities of promotion offices in Germany, Argentina, Brazil, Colombia, the United States and Japan, and by 1980 the fully operating foreign offices were 12.¹⁹⁸ The role played by ProChile in the country's export system and country image was proving to be effective. In fact, although it carried less weight as regards the major national commodities sold overseas, it made an important difference for many smaller enterprises.¹⁹⁹

As mentioned above, during the first years ProChile concentrated on helping to boost exports. For example, its 1979 annual report explains that from 1974 onwards the organization had helped to qualify people wishing to get into the foreign trade business. ProChile also provided exporters with information on legislation in force for overseas shipping and means of transport available throughout Chile to carry their goods. It also provided business people from places other than Santiago with updated information on international prices for diverse products.²⁰⁰ According to a ProChile report of 1979, which gives an account of the rise in Chile's export capacity, these efforts bore fruit: within a year non-traditional sales abroad had increased by 57.8 per cent.²⁰¹ The trend continued to rise. In fact, more than twenty years after ProChile's creation a French newspaper affirmed that if by 1975 exporters in Chile numbered approximately two hundred exporters, by 1995 there were almost six thousand.²⁰²

As for helping to overcome Chile's relative international isolation and improving its image, the task was more difficult. For example, a study prepared in The Netherlands —based on newspaper articles and interviews with Dutch business men—²⁰³ showed Chile's reputation was negative both during Allende's and Pinochet's tenures: while the first leader was accused for his confrontational political style, which could have

¹⁹⁸ A. Cárcamo and M. Riveros, (1998) *La Imagen de Chile en el Exterior*. Santiago: Universidad Nacional Andrés Bello, p. 154.

¹⁹⁹ Sergio Lecaros, (President Duncan Fox S.A. holding, one of the biggest companies in Chile) interviewed on 11 December 2006.

²⁰⁰ See *Memoria de ProChile Año 1979*. Santiago: ProChile.

²⁰¹ See *Memoria de ProChile Año 1979*. Santiago: ProChile.

²⁰² 'Le Chili. Modèle Économique de L'Amérique Latine', *L'Express*, 27 February 1997.

²⁰³ V. Stols (1994) *La Imagen de Chile de Los Empresarios Holandeses. Una Investigación de la Imagen Global de Chile*. Nijmegen: Katholieke Universiteit Nijmegen.

led the nation to civil war,²⁰⁴ Pinochet's government was criticized for its violation of human rights.²⁰⁵ Interestingly, the study shows that Pinochet's economic policies were regarded as leading the nation towards development.²⁰⁶ Thus, Chile's economic performance was no doubt helping to improve the country's poor reputation: as seen in previous sections, after two economic setbacks, the dictatorship's neo-liberal policies were working and elite business groups were acknowledging so. Although ProChile had not initiated proper international country image campaigns, its contribution to enhance exports was bearing fruit in terms of good reputation for Chile.

Once the 1982 crisis was over, two contrasting identities and images emerged in Chile, that of triumph and pride together with a sense of international rejection because of its dictatorial regime: while many Chileans were proud of their nation because of its economic performance, most of the world—as well as many nationals—loathed it because of its political system. In fact, although the image that was gaining strength in the country was that of achievement and a possible return to democracy, detractors all over the world considered this country to be one more among Latin America's chaotic and dictatorial nations. However, it is also true that Chile's economic performance was acknowledged at least among small political and financial international elites.²⁰⁷ Hence, the general improvement of the economic system was also a positive contribution to one aspect of the country's image. The military government took advantage of this situation by reinforcing commercial diplomacy with the world using ProChile's increasingly globalized network.²⁰⁸ Also, the government worked at building new commercial ties with the Asian nations, whose economies were on the rise in order to lessen its political isolation.²⁰⁹

Key in terms of a shift in Chile's international image was its return to democracy.²¹⁰ Nevertheless, as we shall see in Chapter 4, even this political change was not enough to reverse the negative connotations that Chile's name had acquired during the dic-

²⁰⁴ 'Oppositie in Chili Verbreekt Gesprek', *NRC Handelsblad*, 7 August 1973 and 'Weer Executies in Chili', *NRC Handelsblad*, 10 August 1973.

²⁰⁵ V. Stols, *op. cit.*, p. 108.

²⁰⁶ *Ibid.*

²⁰⁷ V. Stols, *op. cit.*, p. 21.

²⁰⁸ I. Witker (2005) 'La Política Exterior de Chile Frente a la Teoría de las Relaciones Internacionales. 1990-1999' in *Revista de Historia de Chile y América*. Santiago: Centro de Estudios Bicentenario 4(1), p. 53.

²⁰⁹ *Ibid.*

²¹⁰ V. Stols, *op. cit.*, p. 22.

tatorship: the transition to democracy was not always credible to the international community, even if the country's economic performance continued to be acknowledged.²¹¹ It was evident that Chilean diplomats had a considerable task ahead of them and that well-orchestrated international campaigns to promote Chile's international name were needed. During the 1990s Chile's Foreign Affairs Ministry gave considerable emphasis to economic diplomacy and launched commercial negotiations with several nations in order to establish free trade agreements and other business-related deals.²¹² The guiding principle behind this strategy was to take advantage of globalization and use diverse dimensions of soft power: communications, information, commerce and finance.²¹³ Probably the main campaign orchestrated in the first decade of Concertacionista governments was Chile's stand at Expo Seville 1992, which will be described in the next chapter. Although ProChile was not primarily responsible for this activity, it played an important role in its organization, thus contributing to build one of the ten most visited and original stands in the whole exhibition.²¹⁴

Also in 1992, ProChile launched for the first time different business-related campaigns around the world, which developed the same idea of commercial diplomacy. The organization had been operating through its international promotion offices based in several Chilean embassies around the globe, but the emphasis had been mostly on helping private business people to establish commercial links overseas. Thus, the promotion of Chile's good name had been indirect. Also in 1992, ProChile launched some research in different countries to determine what the world citizens knew about Chile or what image they had about this country. The results were quite discouraging. To begin with, several commercial divisions of the Chilean embassies around the world reported that, except for the business community, nobody had heard of the country. Thus, in Miami —a city with a strong Latino presence— people vaguely associated Chile with wine and grapes.²¹⁵ As for the city of New York, the study established that its dwellers linked Chile to Mexico.²¹⁶ In Europe, Chile's image was either diffuse or

²¹¹ 'Aylwin sluit vervolging van Pinochet niet uit', *NRC Handelsblad*, 16 December 1989.

²¹² *XXX Aniversario de ProChile. Discurso del Ministro de Relaciones Exteriores de Chile*. Santiago, 1 December 2004. Santiago: ProChile.

²¹³ I. Witker, *op. cit.*, p. 62.

²¹⁴ Informativo de ProChile, April 2010 in http://www.prochile.cl/newsletters/2010/04_expo_shanghai.html

²¹⁵ Proyecto Imagen Corporativa para Chile (1992) Ministerio de Relaciones Exteriores, Dirección General de Relaciones Económicas and Dirección de Promoción de Exportaciones. Biblioteca Histórica de ProChile, p. 4.

²¹⁶ *Ibid.*

negative. Thus, Chile was hardly known in Sweden and —when remembered— it was associated with underdevelopment. At the same time some of the people interviewed did acknowledge its recent economic success.²¹⁷ As for the Netherlands, Chile's national image was definitely negative: it was considered to be a poor country, associated with plagues, crime, drugs and violation of human rights.²¹⁸

Given these discouraging findings, ProChile launched in 1993 an initial country image campaign, targeting the United States, Chile's main commercial partner at the time. It consisted mainly of advertisements in newspapers and journals such as *The Wall Street Journal*, *International Business*, *Harvard Business Review*, and specialized magazines like *Bon Appetite* and *Gourmet*.²¹⁹ The targeted public was an ABC1 elite cluster, and the aim was to convince them to try Chile's delicious and prime quality salmon, wine, fruit and pasta. In addition, the advertisements promoted tourism in Chile, Chilean software, and Chilean stock traded at the New York's Stock Exchange. In 1994 the budget for Chile's international promotion increased and in 1995 two new countries were added to the campaign, Great Britain and Spain, whose citizens had shown some knowledge about Chile.²²⁰

Aiming at the promotion of national products, this time the campaign also tried to give Chile a stronger international underpinning, so that it could stand on firmer ground in the event of a political or economic crisis. In fact, the 1989 grape crisis²²¹ showed that Chile did not amount to much on American soil, had few friends, no lobby and no strength—all of these facts that increased its vulnerability. This could not be reverted by ads in the press intended for the general public. So this time promotional brochures with information on Chile's public affairs, democratic regime, etc., were sent to journalists and congress representatives and others.²²² Alongside this, the European operation focused on the organization of 'Chilean rallies' such as

²¹⁷ *Proyecto Imagen Corporativa para Chile, op. cit.*, p. 5.

²¹⁸ *Ibid.*

²¹⁹ A. Cárcamo and M. Riveros, *op. cit.*, p. 160.

²²⁰ A. Cárcamo and M. Riveros, *op. cit.*, p. 162.

²²¹ In March 1989, an anonymous caller phoned the American Embassy in Chile and announced that fruit shipped to the United States had been injected with cyanide. The FDA urged small groceries and the public to throw away any Chilean fruit that they had, and impounded 2 million crates of fruit nationwide. Between 20,000 and 50,000 Chileans lost their jobs as a result of the closure of the American markets. The allegedly cyanide-contaminated grapes were harmless and the rest of the fruit was not contaminated.

²²² A. Cárcamo and M. Riveros, *op. cit.*, pp. 159 and 161.

cultural weeks organized by the embassies, photography shows to display the beauty of the national landscape, or food and wine tasting events. 'The idea was to establish a positive link between Chile's name and some characteristics of products and services related to that name'.²²³

The results of this initial international branding drive were quite satisfactory. The assessment carried out by ProChile showed that 45 per cent of the groups of Americans surveyed in the cities of New York, Washington, Boston and Philadelphia knew about Chile, although the names of Brazil, Mexico and Argentina rang a louder bell.²²⁴ The best known element about Chile was its agriculture and economic development as well as the opportunities to do business. Nevertheless, the quality of local produce was perceived as low.²²⁵ With all these relatively positive results, a new campaign was launched in 1995, this time including Singapore and Japan under the umbrella of a slogan, 'Chile, a good business partner'.²²⁶ Besides, and for the first time, a visual logo was prepared, consisting of a bright sun shining on blue, red, green and white stars: blue for the sky and the Pacific Ocean, red for copper and natural resources, white for the snow crowning the Andes and green for the forests and woods.²²⁷

In 1997, i.e. two years after the 1995 campaign, ProChile carried out a second international survey as to find out what people from several countries knew about Chile or what image they had of the country. We must remember that the same initiative had taken place in 1992 —with negative results— and that ProChile had launched promotion campaigns in 1993 and 1995. The results of 1997 survey were almost as discouraging as those of 1992, despite ProChile's expectations of improvement: Chile had gone back to democracy, its economy was performing very well and, worst of all, the organization had ran two country image campaigns apparently to no avail. For instance, a 1997 report showed that Miami dwellers associated Chile with Mexico and citizens of the Netherlands still related the country to poverty, crime, drug traffic and human rights violation. The British happened to have a more positive vision of Chile: they associated it with lovely —but non-existent— Caribbean beaches. On the positive side, however, the readers of papers such as *The Times* and

²²³ Interview with Jorge Lavados, director of ProChile in *Revista Comercio Exterior*, Agosto 1994, pp. 5-7.

²²⁴ A. Cárcamo and M. Riveros, *op. cit.*, p. 164.

²²⁵ Chilean Ministry of Foreign Affairs (1995) *Una Política Exterior para el Desarrollo de Chile*.

²²⁶ *Forbes Magazine*, 16 November 1998.

²²⁷ A. Cárcamo and M. Riveros, *op. cit.*, p. 175.

The Financial Times — definitely an elite group — had some idea of Chile's economic accomplishments. The Spanish were some of the few Europeans able to tell Chile from other Latin American nations, although they expressed — as well as the German respondents — that this country was way too far to be of any 'use' or interest to them. The French thought Chile was as poor as Haiti except, once again, for an elite entrepreneurial core, who knew it was doing quite well in its economic development.²²⁸ Referring to the seemingly useless nation-branding efforts carried out by ProChile, Jack Leslie, a branding world expert, declared that Chile had never invested enough money to promote a strong country image, and that although it has organized a not insignificant number of events, the efforts have lacked continuity.²²⁹

In my view, the role played by ProChile since its creation in 1974 up to now has been relevant in all matters related to Chilean exports. As for the efforts to foster a positive country image, they were quite positive during Pinochet's era, as the commercial diplomacy deployed during those years was one of the few tools that Chile had to show an image that did not identify this nation with the dictatorship and human rights violations. Nevertheless, it is my opinion that once democracy was regained, the nation-branding effort should have been assigned to a different association, and should have focused on branding Chile with a holistic outlook, going beyond commerce and trade related propaganda — an issue that I shall come back to in Chapters 4, 5 and 6. I also think that ProChile should have focused on doing what it does best: promoting exports among medium and small scale entrepreneurs and promoting Chile as a niche brand. This is what the organization is doing at present, but it should have started doing so some fifteen years ago.

An example of what, in my opinion, ProChile should concentrate on in terms of branding Chile from a commercial perspective has to do with organic food. In fact, experts say that Chile should bet on becoming a member of the 'exclusive club' of wholesome, organic and healthy food producers and exporters, benefiting from its geographic isolation. In fact,

²²⁸ ProChile (1997) *Informe sobre la Campaña de Posicionamiento Económico y Comercial*. Santiago: ProChile.

²²⁹ 'La Mayoría de los Estadounidenses no Saben Dónde Queda Chile', *El Mercurio*, 2 November 2006.

with the Pacific Ocean stretching the whole country's length to the west, the towering Andes Mountains to the east, the Antarctica territory to the south and the Atacama Desert to the north, Chile is naturally protected from the parasites and diseases that plague most other farming regions of the world. Thus, Chilean farmers use significantly less agrochemicals than most food producing regions in the world.²³⁰

Since it is free from most of the world's pests and diseases, Chile could very well become a haven for bio-security just like New Zealand, Australia and South Africa.²³¹ Thus, as centuries have gone by, what was often perceived as a factor that hindered Chile's contact with the world (as seen in Chapter 2), the nation's isolating geography has become a plus in economic terms. Leveraging on what has become a natural advantage, Chile needs good public policies aimed at this sector and heavy investment for the promotion of this angle of its country brand. New Zealand's '100% Pure New Zealand' is considered a masterpiece as a of nation brand publicity tagline. By contrast, Chile's 'Chile: All Ways Surprising', the last slogan devised by ProChile, proved quite negative.²³² Also, whereas Chile spent US\$ 8 million during 2008 to promote that slogan all over the world, Australians wines alone spent US\$ 50 million promoting themselves in American supermarkets.²³³ Lots more needs to be done if Chile wants to brandish the elite 'business card' as a wholesome, safe and clean food producer. ProChile has done much to position the country in the minds of international consumers and business people. But, as shall be seen in the following chapters, it has not been enough.

Concluding Remarks

In this chapter I explored the introduction of neo-liberalism in Chile from the mid-1970s onwards. It meant a real break with twentieth century construction of a state-centred society with its bureaucratic order, dominant and politicised corporative

²³⁰ 'Facts About the Chilean Food Industry and Specialty Food Industry' in <http://www.prochile.us/flavors/fast-facts-about-chilean-food-industry-specialty-food-exports?page=show>

²³¹ 'Chile es un País que Sorprende' in <http://www.prochile.cl/coquimbo/noticias.php?item=00000005447>

²³² Juan Gabriel Valdés S., (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*) interview on 10 December 2008.

²³³ 'Los Hitos de las Tres Últimas Décadas. Cómo se Gestó la Revolución Agrícola Chilena', *El Mercurio*, 23 July 2007.

factions and a regulated market that tended to protect the national industry to the detriment of foreign trade. I started with a description of how neo-liberalism arrived in Chile via the young economists nicknamed 'Chicago Boys' and then I described how they gained prominence within the military dictatorship. Their economic leadership marked the start of a period of great economic dynamism that filled Chileans with hopes of soon becoming a developed nation. Nevertheless, the 1982 crisis shattered those expectations and led the military regime to go back on some of its liberal policies. However, although the Latin American nations that had started a liberal-oriented reform process retraced their steps, Chile did not.

Indeed, from 1985 on a new phase of the liberal economic period began, with a blend of orthodoxy and pragmatism that paved the way for years of realistic economic growth. By 1990, when the military dictatorship left power, Chile felt the effects of a revolutionary economic and social transformation which, nonetheless, has not reached everyone even now. Neo-liberalism allowed the country to be 'exported' in several ways by fostering Chile's participation in international trade, enhancing an export-led economy and projecting the image of a dynamic and developing nation. In the last section of the chapter I tried to probe deeper into those concepts, by exploring the contradictory images of a successful nation whose citizens started acquiring new identity traits, and a world that kept looking at Chile mainly as a political outcast. ProChile was created to help shift such image and foster sales overseas. While Chapters 1 and 2 showed some examples of spontaneous and non-technical branding of Chile, this one described ProChile's professional efforts for the country to be better known abroad. Although this organization contributed to improve the image of the country and helped to establish an economic diplomacy system, it is my view that another organization should have taken over the task. In fact, time and events have shown that despite ProChile's role in promoting Chile during Pinochet's tenure, it definitely was not able to do it once democracy was regained. A more holistic and politically oriented organization was called for.

During the time period that I have addressed in this chapter, Chile became a sort of world laboratory where economic liberalism in its monetarist strand was tested. A theory that goes beyond the field of economics, it inspired devotion among the economists trained at the University of Chicago who, despite their young age, managed to be entrusted with the economic direction of the country. I conclude that the tenacity of the Chicago Boys in spreading their views through the mass media and universities and their ability to produce a pragmatic version of their ideas, were central to the penetration of neo-liberal views in Chile. I also think that the same pragmatism

led Pinochet's economic team to abandon some doctrinal phases that they deemed unfit for the country and to innovate in other best suited aspects. Chapter 3 also deals with the Chileans' self-perception of exceptionality. Although holding strong beliefs about belonging to an exceptional nation that is quite different from the rest of Latin America, these views were based on the success and stability of Chile's institutions rather than on its economy. I suggest that neo-liberalism has endowed this nation with a system that has taken it close to development. Pinochet's dictatorship also contributed in this sense: despite the violation of human rights and civil liberties, it was constructive in terms of inserting Chile in the global economy. Also the fact that a plebiscite was held and that Pinochet admitted his defeat, made it clear that his had not been just another Latin American authoritarian regime.

While Chapter 3 addressed the first relevant fracture accounting for what Chile has become by the Bicentennial, in Chapter 4 I will go on to tackle a second vital historical rupture that also characterizes what Chile has become in the 2010s. In fact, the coming chapter will deal with the beginning of the post-authoritarian regime, the development of the political transition and the following Concertacionista governments. As done in previous chapters, I also analyse Chile's social changes, its identity shifts and the transformation of its national image.

CHAPTER 4

Democratic Restoration and the Search for a New International Image

Introduction

Since democratic restoration in 1990, Chile consciously began to put an end to the nation's relative isolation suffered during the military regime. In order to reposition itself abroad, Chile began to participate in many worldwide forums, and to sign trade agreements with nations all over the world. The return to democracy and the good economic performance of the Concertación governments has been one of the main tools used by Chile from the 1990s on to improve its international image. This has been partially attained, mainly in financial and economic circles where Chile is frequently mentioned as an example of good fiscal administration for developing nations. Thus, the Cato Institute declared that Chile was leading the ranking of economic freedom in Latin America.¹ According to the World Economic Forum, during 2006 Chile was the 27th most competitive economy in the globe.² The organization also classified the country as the most attractive place to invest in the subcontinent.³ Chile is considered to be the safest location in Latin America for foreign investors and corporations according to Latin Business Chronicle.⁴ In 2007 the international credit rating firm

¹ 'Chile Lidera Ranking de Libertades Económicas en América Latina', *El Mercurio*, 12 September 2006.

² 'Chile Mantiene Lugar 27 en Competitividad', *El Mercurio*, 27 September 2006.

³ 'Chile Lidera Ranking del BID sobre Calidad Regulatoria en Latinoamérica', *La Tercera*, 30 April 2007.

⁴ 'Ranking Pone a Chile como País más Seguro de América Latina para Ejecutivos y Empresas', *La Tercera*, 22 February 2007.

Standard and Poor's gave Chile an A+.⁵ In the 2009 United Nation Index for Human Development Chile was listed as the best place to live in Latin America⁶ and that same year the International Monetary Fund reported that Chile had the highest GDP in the region and would continue to do so in the near future.⁷ Finally, between 2009 and 2010, several publications forecast that Chile would become Latin America's Silicon Valley since this country has the best technological infrastructure and the government's innovation policies were as advanced as Singapore's and New Zealand's.⁸

For decades Chile has kept collecting 'good reviews' in economic performance, despite the Asian crisis of the late 1990s and the subprime crisis of the beginning of the twenty first century. Even amidst the latter Chile was praised for its fiscal discipline and counter-cyclical measures, which made the country face this predicament on a better footing than most economies in the region and the world.⁹ Interestingly enough, one of the main sources of criticism against Chile's economic performance does not come from outside its frontier but from the inside. There were several voices—mainly from the rightwing Alianza por Chile coalition—that criticized the economic administration of the Concertación governments, complaining that they put brakes on the system and thus were slowing down the pace of the economy. The fact is that the status of Chile as a developed nation remains quite elusive: it evaporated in the 1980s; it was not achieved by the turn of the century and was not attained by the Bicentennial (2010). President Piñera promised that Chile would abandon underdevelopment by 2018, and Bachelet's Minister of Finance, Andrés Velasco, said that this goal would be attained by 2020. However, that remains to be seen.¹⁰

Yet, in spite of what some classify as a napping economy, or a very slow second half of the match in economic terms (referring to Ricardo Lagos's and Michelle Bachelet's administrations), the fact is that Chile has not stopped growing for over twenty years,

⁵ 'S&P Sube Clasificación de Chile y Dice que su Economía Hoy es Más Sólida que en Toda la Historia del País', *La Tercera*, 19 December 2007.

⁶ 'Chile es el Mejor País para Vivir en Latinoamérica, según Informe ONU', *La Segunda*, 5 October 2009.

⁷ 'Chile Liderará PIB per cápita en la Región en 2010 por Segundo Año Consecutivo', *La Tercera*, 2 October 2009.

⁸ 'Wenceslao Casares Apuesta a que Chile Sea el Nuevo Silicon Valley de América Latina', *El Mercurio*, 25 August 2010 and 'Chile's Silicon Valley', *Business Week*, 13 August 2009.

⁹ 'Chile Es el País de la Región que Mejor Resistirá la Crisis Económica en los Próximos Seis Meses', *La Tercera*, 19 February 2009.

¹⁰ 'Velasco Afirma que Chile Será un País Desarrollado hacia el 2020', *La Tercera*, 28 September 2007.

albeit at a slower pace since the Asian crisis. Besides, the transition to democracy in this country has been generally catalogued as successful —the most successful in Latin America according to some.¹¹ A vast network of agreements, pacts and conventions among a wide and diversified array of negotiators¹² made possible a system of peaceful coexistence in the Chilean democratic transition.

Although the Concertación administrations have not had many difficulties letting the world know about Chile's economic achievements, they have faced considerable obstacles in improving the country's international image as regards the situation of human rights. In fact, several international organizations and movements, as well as Chilean left wing sectors, have criticized the democratic authorities accusing them of not doing enough to clarify the abuses carried out during the dictatorship. In their opinion, numerous *desaparecidos* remain as such, and not all the military men who have or may have been involved have been tried and sent to jail to pay for their alleged crimes.

There are many opposed views as regards what has been done in Chile in the 1990s and since 2000. There are also contrasting assessments of how the country has performed in the field of international relations and of whether Chile's international reputation has improved: of the ExpoSeville iceberg that intended to convey an image of a clean, democratic and efficient Chile¹³ and the detention of Pinochet in London, which made it evident that history had frozen on 11 September 1970 in the minds of many foreigners;¹⁴ of the Chilean economic miracle, the nation as a model, a paradigm, in sharp contrast with the evident animosity that some Latin American countries feel towards Chile partly caused by its clumsy foreign policies; of the Asia Pacific Economic Cooperation (APEC) 2004¹⁵ and the nation-branding campaigns showing a bright and fast developing Chile in opposition in contrast with negative

¹¹ If transition to democracy is over in Chile is still a matter of debate in the country. Some sectors state that there are still institutions —such as the binominal voting system— which prevents full democratic operation. Others deem it necessary for the Right to win an election to consider the democratic transition complete. I suggest that transition was basically achieved during Patricio Aylwin's tenure. Although it is true that institutions generally held as non democratic —such as the existence of designated senators— extended beyond Aylwin's government, it is also true that they did not prevent or gravely hinder the exercise of democracy.

¹² E. Tironi (1999) *La Irrupción de las Masas y el Malestar de las Elites*. Santiago: Grijalbo, p. 159.

¹³ See J. Hernández (2008) 'Transparencias que se Derriten: el Iceberg del 92 y la Identidad Chilena en la Transición', *El Amauta* 5. San Juan: Universidad de Puerto Rico.

¹⁴ See C. Malamud (2002) 'El Caso Pinochet en España' in *Bicentenario. Revista de Historia de Chile y América*. Santiago: Centro de Estudios Bicentenario, Santiago 1(1).

¹⁵ See Communication and Culture Secretariat, *op. cit.*

perceptions in the region. In my opinion, Chile's participation in a global world has been successful and the nation's good name has improved. Nevertheless, I also believe that during the Concertación administrations there was a mismatch of good will, wishful thinking and reality in the management of Chile's international reputation.

Chapter 4 focuses on the two decades of Concertacionista governments, the 1990s and 2000s and the mission taken up by the country: reinstalling democracy without discarding the economic benefits inherited from the dictatorship¹⁶ and reinstating the nation in a world and a region that were not always friendly.¹⁷ This chapter describes the ideological renovation of Chile's Left, the reinsertion of the country in the world arena and the considerable difficulties it faced in its search for a new international image to position itself globally. Chile was slowly improving its international reputation. Even its standing within the region was looking quite positive until it became obvious that its insertion in Latin America was ambiguous. Although Chile was not openly declared as an enemy, it was not treated as a friend by its close neighbours, and was met with antagonism and discomfort.¹⁸ Section 4.1 starts by exploring some aspects of the country's democratic restoration. It describes how Chile's Left renovated and embraced democracy and a liberal economy. This section also touches upon some of the difficulties faced in the country's transition to democracy. Sections 4.2 and 4.3 show that Chile has tried to convey the message of being a successful nation in economic terms and, through this image, insert itself in the world. Nevertheless, as both sections indicate, although that image has met with the approval of institutions such as the World Bank and the International Monetary Fund, which have used Chile as a case study and sounding board to show macroeconomic equilibrium works,¹⁹ it has not been well received in all of Latin America. Besides, the detention of general Pinochet in London made it clear that Chile's bad reputation in terms of human rights violations was still alive, affecting the country's good hard-earned name for its socio-economic development. Finally, section 4.4 explores some explanations about Chile's relative

¹⁶ M. Moreno (2006) *'Emergencia del Paradigma de Gobernabilidad en América Latina. Aprendizajes de la Transición y Consolidación Democrática para la Gobernabilidad en Chile'*. Doctoral Dissertation, Leiden University, p. 98.

¹⁷ H. Brum (2005) 'Entre los Deseos y la Realidad' in H. Fazio *et al.*, *Gobierno de Lagos: Balance Crítico*. Santiago: LOM Ediciones, p. 128.

¹⁸ G. van der Ree (2010) 'Chile's (Inter) National Identities: Framing the Relations with Bolivia and Peru', *Bulletin of Latin American Research*, 29: 208-223.

¹⁹ G. van der Ree (2010), *op. cit.*, p. 213.

failure in its insertion in the subcontinent and shows the specific efforts made by the Concertación governments to improve relations with neighbouring countries.

The three strands —country image, national identity and social change— studied in this thesis also interact in Chapter 4. Identity issues will go into the reaffirmation of the Chileans' self-image of exceptionality, as well as their self-perception as people of order and democracy. Interestingly, this feature of uniqueness is also perceived and corroborated by external actors. This would be the case of the World Economic Forum, which stated Chile had symbolically migrated from the Latin American region in terms of economic performance.²⁰ The identity traits touched upon in Chapter 4 result in various and colliding images. On the one hand, as seen in Chapter 3, Chileans have kept feeling part of a nation of jaguars or tigers. They feel that they belong to a fast developing land and not to an average Latin American country, which has generated an ambiguous relation with the region.²¹ International campaigns promoting Chile have tended to highlight its financial and economic achievements, its technical capacity, trying to convey this self-perception of exceptionality: Chile is different from Latin America to the point that —in my opinion— highlighting such differences has become almost a part of its renovated identity.

The messages of economic success were well received in some parts of the world but not in the whole region. On the contrary, several Latin American nations perceive Chile as overconfident and hostile. On the other hand, in other places of the world the image of Chile had frozen in the early 1970s, in the fall of Allende's government and the rise of the military: the violation of human rights overshadows Chile's reputation up to the present although —as pointed out in Chapter 6— the rescue of 33 miners trapped in a pit in 2010 gave Chile a chance to restore its reputation. Like Chapter 3, chapter 4 also deals with social change from the perspective of the renovation brought in by the market system. At the same time, Chapter 4 explores new areas of change: the transformation of the Left, the advent of democracy, how both the Concertación and the new political opposition had to adapt in order to ensure Chile's governability. While Chile changed, other nations in Latin America did so to, only that under other ideological signs. Thus, Chile was not well received in that environment.²² In

²⁰ See the 2004 report of The World Economic Forum in .
http://www.weforum.org/pdf/Gcr/Executive_Summary_GCR_04

²¹ H. Brum, *op. cit.*, p. 126.

²² 'Trouble with the Neighbours. Can Chile Stay Different?' *The Economist*, 18 July 2002.

addition, border disputes with Peru and Bolivia have added tension and antagonism to Chile's regional participation.²³

4.1 Exile, Socialist Renovation and the Continuation of the Model

Section 4.1 starts by exploring how and why the Chilean Left changed to the point of embracing liberal democracy and economy. Exile was a key factor in such renovation: the experience of living in both Western and Eastern Europe helped exiles to experience personally the dark side of 'real socialism', and the prosperity of the masses achieved in Western European democracies under economic liberalism. Thus, when the Concertación coalition took office in 1990, leading a successful transition to democracy, it showed that the new political path chosen was of one of consensus, dialogue and agreements.²⁴ The Right also consented to this route, thus facilitating the return to what had been Chile's political style throughout most of the nineteenth and twentieth century. Besides, the centre-leftist governing coalition indicated that it would not change the free market model, as it was aware that economic success had become a key legitimating factor.²⁵ This aspect calmed the Right and contributed to the acceptance of the new government. Nevertheless, not all was smooth in the newly regained democracy. Firstly, pockets of non-renovated left-wingers refused to change their political and economic ideas favouring non-democratic environments. Secondly, the opinion polls showed that a considerable proportion of Chileans were not satisfied with democracy.

'Strictly speaking, neo-liberalism paved the way for the deepest revolution ever undertaken in Chilean history'.²⁶ In fact, the process initiated under the military regime, which started flourishing at a steady pace after 1985, reached full bloom in the 1990s. The economy grew by 12 per cent in 1992, reaching approximately a rate of 8 per cent between 1992 and 1997. Inflation dropped to 4.7 per cent that year,

²³ 'Heat, but not Light. An Argument Over Energy Priorities', *The Economist*, 3 June 2010 and 'Después de 100 Años de Negociaciones, el Gobierno Boliviano no Consigue su Ventana al Océano. Bolivia Pretende que Chile Cambie Gas por Mar' in.

<http://www.americaeconomica.com/numeros4/271/reportajes/2vanesa271.htm>

²⁴ See M. Serrano (2009) *La Igual Libertad de Edgardo Boeninger*. Santiago: Uqbar Editores.

²⁵ O. Muñoz (2007) *El Modelo Económico de la Concertación 1990-2005 ¿Reformas o Cambio?* Santiago: FLACSO-Catalonia, p. 10

²⁶ P. Vergara (1984) *Auge y Caída del Neoliberalismo en Chile. Un Estudio sobre la Evolución Ideológica del Régimen Militar*. Santiago: FLACSO, p. 2.

unemployment reached 6 per cent, per capita income rose from US\$ 2.625 in 1990 to US\$ 4.956.²⁷ Thus, by 1990, when Patricio Aylwin took power, his administration and most of the Chilean Left had acknowledged the benefits of the system as a powerful wealth and development hastener. Nevertheless, the embracing of neo-liberalism by the Left was not without internal havoc or transformation of the system itself. As will be seen in this section, far from being a copy-paste adoption of an alien model, throughout almost 20 years in power the scheme suffered transformations more to the liking of the governing leftwing coalition. Nevertheless, in spite of such changes—which in the opinion of several experts from the political opposition have caused the slowdown of the national economy—²⁸ the economic system that Chile has today is liberal, as stated by the Heritage Foundation, a conservative American think-tank. For example, in its 2010 ranking for economic freedom Chile scored an overall 72.2 per cent, and was ranked the tenth most free economy in the world and number one in Latin America.²⁹

Although this statement seems so natural nowadays, the road to reaching such agreement was winding and painful. The bottom line question is why an important part of the Chilean Left changed so dramatically, how Enrique Correa abandoned his staunch Marxist-Leninist ideas to participate in Patricio Aylwin's administration in the early 1990s and later on headed a lobby corporation that assists major national and foreign companies.³⁰ Or what made Communist Roberto Ampuero denounce Cuba's regime³¹ and Mauricio Rojas—a Marxist during the Unidad Popular—³² abandon his postulates to become a member of the Swedish parliament for the Liberal Party. As Silva argues,

the attack on La Moneda Palace by the military, the death of Allende, and the dramatic end to the Unidad Popular experiment signified a bitter awakening from the dream that

²⁷ E. Tironi (2002) *El Cambio Está Aquí*. Santiago: La Tercera-Mondadori, p. 19.

²⁸ M. Reid (2007) *Forgotten Continent. The Battle for Latin America's Soul*. New Haven and London: Yale University Press, p. 183.

²⁹ <http://www.heritage.org/index/ranking.aspx>. Chile is followed by El Salvador (place 32) in this ranking.

³⁰ Enrique Correa: Hicimos la Transición más Exitosa de Latinoamérica, *Qué Pasa*, 4 July 2008.

³¹ R. Ampuero (1999) *Nuestros Años Verde Oliva*. Santiago: Editorial Planeta.

³² M. Rojas (2007) *Diario de un Reencuentro. Chile Treinta Años Después*. Santiago: El Mercurio-Aguilar, p. 136.

had seemed possible. Both the coup and its aftermath clearly had a traumatic effect on the intellectuals' consciousness.³³

The fall of Allende marked the beginning of a deep process of revision within an important part of those who have supported him. Such a process triggered a renovation stream, which criticized both the mistakes in the economic administration of the country during the Unidad Popular and the political exacerbation encouraged by its ideologues. These factors led to the establishment of an alliance of a former hard Left with the Christian Democrats and the awareness of the necessity of ensuring a good economic management in a future democratic regime, which implied the acceptance of the technocratic running of economic issues.³⁴ Besides, although in the immediate aftermath of the military coup the Left tended to blame the military and the United States for what had happened, towards the mid-1970s many of the former Unidad Popular supporters started acknowledging the failure of the system, especially in its incapacity to reach agreements with the DC.³⁵

For many Chileans the experience of exile was a turning point. They had all escaped from the authoritarianism of Pinochet's regime to fall into repressive systems or came in contact with people who had a bad time in the socialist world. Such was the case of Mauricio Rojas who in exile met a Pole, a Russian and a Cuban, all of them running away from the Communist societies in which they lived. For Rojas it was impossible to deny that socialist ideals had been transformed into dictatorships and that the Marxist views he upheld were causing much damage around the world.³⁶ In fact, life in the Soviet Union or East Germany showed the Chilean exile that the socialist *Heilstaat* was a myth, that there is no good or benevolent dictatorship, regardless of side of the political spectrum.³⁷ Not only the Chilean Left learned the lesson the hard way: also Brazilians and Uruguayans who experienced living under dictatorships transformed democracy into an essential aspect of their political standing.³⁸ It is true that the diaspora triggered by the forced exile generated deep personal dramas for many, but

³³ P. Silva (2008) *In the Name of Reason. Technocrats and Politics in Chile*. Pennsylvania: The Pennsylvania State University Press, p. 142.

³⁴ *Ibid.*

³⁵ E. Tironi (2006) *Crónica de un Viaje. Chile y la Ruta de la Felicidad*. Santiago: El Mercurio-Aguilar, p. 137.

³⁶ M. Rojas (2007), *op. cit.*, p. 136.

³⁷ 'O. G. Garretón: Izquierdas', *La Segunda*, 18 November 2009.

³⁸ *Ibid.*

it also opened new doors to those who were able to overcome those difficult years. Some studied, learned to live and work in different societies, and acquired a different vision of their country and the world. They came to appreciate the advantages of economic freedom and globalization and the importance of tolerance. 'In the end exile transformed the Left and helped it to develop a more receptive political culture, open to the world and the challenges of modernity'.³⁹

Many exiles, who were received as refugees in capitalist Western Europe, realised that economic systems based on a market approach had been able to pull large segments of the population out of poverty and was thus not a scheme meant to further enrich the wealthy and pauperize the needy. The logical conclusion was that capitalism and Western democracy were not evil and had been the object of a systematic demonization from the Marxist Left.⁴⁰ Besides, the negative personal experience of the socialist economies, finally convinced left wing political leaders that such economic system was not what they would want for their own country after the restoration of democracy.⁴¹ Patricio Silva summarizes in a few points the radical shift in the economic thought of the Left. Firstly, this sector had a first-hand experience of implementing socialist economic policies that had been unsuccessful during Unidad Popular. Thus, when the centre-left coalition got hold of power in 1990, very few thought of retrying that approach. Secondly, most of them admitted that thanks to the neo-liberal model, Chile's economy was in better shape than in the past twenty five years.⁴²

In Enrique Correa's opinion 'our generation came to recognise capitalism as a reality, liberal democracy as a great political regime, gradualness as a positive method instead of abrupt change and negotiation instead of confrontation'.⁴³ Many exiled Leftwing intellectuals shifted the focus of their political studies from revolutionary strategies to bringing social change to democratic movements that guaranteed respect for human rights,⁴⁴ whose defence had not been part of the traditional doctrine of their sector.⁴⁵ Actually, the fact of being persecuted themselves for their political ideas and having

³⁹ E. Tironi (2006), *op. cit.*, p. 139.

⁴⁰ O. Muñoz, *op. cit.*, p. 81.

⁴¹ P. Silva (2008), *op. cit.*, p. 158n.

⁴² P. Silva (2008), *op. cit.*, pp. 158-159.

⁴³ 'Enrique Correa: Hicimos la Transición más Exitosa de Latinoamérica,' *Qué Pasa, op. cit.*

⁴⁴ J. Larraín (2001) *Identidad Chilena*. Santiago: LOM Ediciones, p. 224.

⁴⁵ J. Natanson (2008) *La Nueva Izquierda. Triunfos y Derrotas de los Gobiernos de Argentina, Brasil, Bolivia, Venezuela, Chile, Uruguay y Ecuador*. Buenos Aires: Debate, p. 267.

received protection from Christian churches showed the Left the intrinsic value of such rights⁴⁶ and of democracy. The different denominations, until then considered among left-wingers as a bourgeois facade hiding class domination, began to be valued as something that needed to be guarded at all costs.⁴⁷ In this sense revolutionary rhetoric was practically removed from public speech and the polarization of the past was avoided.⁴⁸ Former revolutionaries and comrades, now members of Aylwin's cabinet, were more concerned about foreign investment and fiscal discipline. Correa, who was one of them, explains that the harshest dispute between the renewed socialists and the hard-liners took place between 1986 and 1989 —from the murder attempt against Pinochet to the plebiscite. The former advocated for gradualism and the latter for the overthrow of the dictator.⁴⁹ Wisely, the violent road that aimed at replacing the dictatorship lost strength and steadiness marked the complex transitional process ahead.⁵⁰ The transition to democracy was tricky in many aspects.

On the one hand, the democratic institutions were being subjected to an uncertain reform and the consolidation process, was facing extraordinarily complex issues such as attaining truth and justice in matters of human rights. On the other hand, the economic system installed in an authoritarian regime was being tested in its ability to adapt to a democratic regime and its demands for change.⁵¹

Besides, civil-military relations had to be as smooth as possible in to avoid any violent reaction on behalf of the army. It must be borne in mind that the 'Yes' ballot in the 1988 Plebiscite had obtained over 40 per cent of preferences and that the Right had had good results during the 1989 election: they were a political force that could not be overlooked.

⁴⁶ E. Tironi (2006), *op. cit.*, p. 137.

⁴⁷ J. Natanson, *op. cit.*, p. 266.

⁴⁸ B. Loveman (2001) *Chile: The Legacy of Hispanic Capitalism*. New York: Oxford University Press, p. 311.

⁴⁹ 'Enrique Correa: Hicimos la Transición más Exitosa de Latinoamérica,' *op. cit.*, p. 12.

⁵⁰ In Eugenio Tironi's opinion none of the parties who today integrate the Concertación formally backed the insurrectional strategy preached by the Communist Party, nor the murder attempt against Pinochet. Nevertheless the Communist influence was felt within the Concertación: the return to the road of violence was always a possibility, which eventually did not prosper. E. Tironi (2006), *op. cit.*, p. 175.

⁵¹ E. Tironi (2002), *op. cit.*, p. 16.

(The military government) was a successful regime in economic terms, it rescued Chile from the extremely grave crisis to which Allende's government had driven it and it impelled an economic transformation that helped the country's economy take-off. Besides, the regime ended in a peaceful way through a transition to democracy in agreement with the institutional rules established by the military in the 1980 constitution and there were several elements of continuation between both periods.⁵²

Finally, close advisors to Aylwin's presidency were wary of offering too much, moving too fast and mobilizing social forces to speed up their government programme:⁵³ populism was a real threat and popular power was to be feared.⁵⁴ Pinochet's claim during the plebiscite campaign in the sense that 'Yes' meant order and 'No' meant a return to the chaos of the Allende period seemed not entirely absurd at least to moderate left-wingers.⁵⁵ All of these factors on the balance made the main policy-makers during Aylwin's government adopt an extremely cautious approach to the resolution of even the matters dearest to the Concertación, such as the full clarification of human rights violations, some constitutional reforms and the independence of the armed forces from civil power.⁵⁶ In my view, governability became almost an obsession for the new democratic authorities, which implied efficiency, legitimacy and stability in the exercise of political power,⁵⁷ particularly as most Latin American nations that were getting out of dictatorial regimes had difficulties in generating democratic governability.⁵⁸ Chile was an exception. In fact, democratic governability did not appear out of the blue in 1990 in this country, but had deep historical roots. In Alan Angell's view, in spite of several breaks in Chile's democratic continuum —Pinochet's tenure being the most

⁵² C. Huneeus (2003) *Chile un País Dividido. La Actualidad del Pasado*. Santiago: Catalonia, p. 53.

⁵³ B. Loveman, *op. cit.*, p. 311.

⁵⁴ Interestingly, according to the findings of the 2006 Report of the Programa de Naciones Unidas para el Desarrollo, UNDP, after 16 years of Concertacionista governments, only 7.6 percent of the population surveyed believe that mass protests are useful to claim for what they consider their rights. Thus, the intentions of the Concertación of discouraging popular mobilization, plus the influence of neo-liberalism in that sense, have deterred mass demonstrations.

PNUD (2006) *Desarrollo Humano en Chile. Las Nuevas Tecnologías: ¿un Salto al Futuro?* Santiago: PNUD, p. 231.

⁵⁵ L. H. Oppenheim (2007) *Politics in Chile. Socialism, Authoritarianism, and Market Democracy*. Boulder: Westview, p. 160.

⁵⁶ B. Loveman, *op. cit.*, p. 311.

⁵⁷ M. Moreno, *op. cit.*, p. 232.

⁵⁸ M. Moreno, *op. cit.*, pp. 185-230.

prolonged one— the country is anchored in a tradition of democratic development and strengthening of its institutions.⁵⁹

This does not belittle the government inaugurated in 1990. In fact, the Concertación had promised joy and happiness if they gained power:

expectations as regards democracy were high, although fear was strongly felt by others —entrepreneurs were very scared. We were convinced that people wanted peace and not war and we decided to satisfy the people's desires.⁶⁰

As we shall suggest, the governing coalition understood it was fundamental that the economic benefits that Büchi had attained in the last five years kept growing:⁶¹ efficiency, legitimacy and stability were largely dependent on the government's economic outcome. Secondly, the consensus achieved by the diverse political actors was fundamental to assure Chile's democratic governability. Although the Concertación had won at the polling stations in 1988 and 1989, it did not have the support of strong institutions and had formidable adversaries. Thus there was an urgent need for a pact between the governing coalition that accepted the 1980 constitution and the opposition —Pinochet, the armed forces, their civil supporters and the business community— accepting the transition to democracy as long as no one rocked the boat too hard.⁶² In the end most of society wanted democracy to succeed. On the one hand, the Concertacionistas needed to demonstrate that democracy was not synonymous with chaos and populism.⁶³ On the other, those who had adhered to the military regime wanted their main legacy —the socio-economic market model— to survive in democracy.⁶⁴ Thus, democracy consolidated⁶⁵ and —in Edgardo Boeninger's view— by the end of Aylwin's administration there was no danger of an authoritarian regression.⁶⁶

⁵⁹ A. Angell in O. Muñoz, *op. cit.*, p. 93.

⁶⁰ M. Serrano (2009), *op. cit.*, p. 184.

⁶¹ M. Serrano (2009), *op. cit.*, p. 185.

⁶² P. Isern (2005) 'Democracia, Estado de Derecho, Consensos y Economía de Mercado en Chile: 1990-2005' in P. Isern and G. Salvia, *La Experiencia Chilena. Consensos para el Desarrollo*. Buenos Aires: CADAL, p. 69.

⁶³ O. Muñoz, *op. cit.*, p. 88.

⁶⁴ E. Tironi (2005) *El Sueño Chileno. Comunidad, Familia y Nación en el Bicentenario*. Santiago: Taurus, p. 228.

⁶⁵ A. Angell (2005) *Elecciones Presidenciales, Democracia y Partidos Políticos en el Chile Post Pinochet*. Santiago: Centro de Estudios Bicentenario, pp. 34, 61, 78, and 92.

⁶⁶ M. Serrano (2009), *op. cit.*, p. 179.

In fact, a renewed Chilean consensus was reached.⁶⁷ After experiencing traumatic situations and considerable hardship from the 1970s to the late 1980s, the national political elites had gone back to the old Chilean way of agreement-building. Following this conciliatory state of mind, in a post-Unidad Popular and post-Pinochet period few wanted to go back to a confrontational political backdrop. Thus, both the centre Left and centre Right coalitions acknowledged the benefits of democracy and the market system and abided by their rules, imperfect as they obviously are: as far as human governmental and economic inventions go, both sectors recognise in democracy the fairest political arrangement created up to now. As for the market approach, both admit that it is the economic scheme that more material development has created in Chile throughout the twentieth century.⁶⁸

In spite of what has been said up until now and although there is a certain agreement on the success of the country's transition to democracy, there are two factors which I consider may have shed doubt on the whole process. The first one refers to the data available which shows that Chileans might not have fully converted to democracy. In this sense, there are authors who indicate that Chileans have a very clear authoritarian streak.⁶⁹ Secondly, poll studies carried out by Latinobarómetro in 2002 show that Chileans do not have high levels of support for democracy,⁷⁰ as countries like Costa Rica and Uruguay.⁷¹ The opinion polls state that 31 per cent of Chileans were indifferent to the form of political regime, be it democracy or dictatorship. This information is in sharp contrast with polls conducted in Costa Rica, where 75 per cent of respondents expressed their satisfaction with democracy.⁷² Nevertheless, and in spite of the apparent intensity of antidemocratic feeling in Chile, Carlos Huneeus attributes the results not to a dislike or rejection of democracy *per se* but to the identification of democracy with the Concertación and the identification of the

⁶⁷ P. Isern in P. Isern and G. Salvia, *op. cit.*, pp. 31–63.

⁶⁸ O. Muñoz, *op. cit.*, p. 19.

⁶⁹ B. Loveman, *op. cit.*, pp. 311–312.

⁷⁰ <http://www.latinobarometro.org/>

⁷¹ C. Huneeus (2003), *op. cit.*, p. 93 and *latinobarometro_Informe_2002.pdf* in. <http://www.latinobarometro.org/>.

Only 50 percent of Chileans support democracy in contrast with Uruguayans (77 percent) and Costa Ricans (77 percent). Furthermore, in 2002, 75 percent of respondents in Costa Rica expressed satisfaction with democracy whilst in Chile 69 percent said that they were dissatisfied with democracy.

⁷² *latinobarometro_Informe_2002.pdf* in <http://www.latinobarometro.org/>

military dictatorship —which still has supporters— with non-democratic regimes.⁷³ Interestingly, Latinobarómetro 2008 —in contrast with its 2002 version— shows that Chileans rank the highest when asked if democracy works better in their nation than in other Ibero-American countries.⁷⁴ Besides, the levels of dissatisfaction with democracy in Chile also lowered in 2008: 61 per cent of respondents were not satisfied with democracy. If compared to the 69 per cent obtained in 2002, there has been 8 per cent increase in support of democracy in a span of 6 years.⁷⁵

In this connection, the identity studies of this thesis suggest a taste for strong authorities, order and law abidance rather than a liking for dictatorial regimes. Thus, this study does not share the opinion that Chileans are undemocratic. On the contrary, as shown in Chapters 2 and 3, Chileans perceive themselves and project an image of well-functioning republicanism in open contrast with what the media show of its continental neighbours. What is more, as they are seen as failed, fragile and populist democracies, this only contributes to enhance Chileans' self-image of exceptionality. Furthermore, populism is mistrusted and political parties, even if not as influential as in the past, still have the capacity to preserve the agreements about the courses of action on economic and political issues.⁷⁶ Undoubtedly, this adherence to law or legalism —an attribute of Chile's character— was shown in the fact that Pinochet needed a constitution and a legally approved political path towards democracy to stay in power. When the opposition took over the ruling of the nation, they also had to abide by the constitution to be accepted as legitimate rulers.⁷⁷

In my view, the second issue that sheds doubt on the success of the country's transition to democracy refers to the existence of a hard-line Left that does not agree with Chile's Western liberal democratic style. In fact, the socialist renovation —as it was called in Chile— was not absolute. Pockets of left-wingers outside and inside the Concertación remained either totally opposed to the transformation of their former comrades or had converted themselves half-heartedly. What upsets them most is all

⁷³ C. Huneeus (2003), *op. cit.*, pp. 93–96.

⁷⁴ Chile (44 out of 50), followed by Uruguay (43 out of 50) and Costa Rica (42 out of 50). http://www.latinobarometro.org/latinobarometro_Informe_2008.pdf.

⁷⁵ http://www.latinobarometro.org/latinobarometro_Informe_2008.pdf.

⁷⁶ P. Silva (2006) 'The Politics of Neo-liberalism in Latin America: Legitimacy, Depoliticization and Technocratic Rule in Chile' in R. Robison, *The Neo-liberal Revolution. Forging the Market State*. New York: Pelgrave-McMillan, p. 42.

⁷⁷ E. Kvatavnik (2005) 'La Experiencia Chilena' in *La Experiencia Chilena. Consensos para el Desarrollo*. Buenos Aires: CADAL, p. 186.

the caution in the transitional process —some talk of a mediated democracy in which, in their view, the political power is still in the hands of the armed forces.⁷⁸ A second aspect that they disagree with is the adoption of a liberal economy, as they are unable to forget the ‘original sin’ in which the system was conceived.⁷⁹ In Gonzalo Vial’s words, their marriage to market policies was not out of love but out of sheer convenience.⁸⁰ In this sense, this political sector considers that the advent of democracy has been no more than mere ‘transformism’, a continuation of Pinochet’s rule with less visibility of military uniforms.

‘The core ideas are the same: primacy of the market, trickle-down growth, acceptance of free economy and representative democracy as the panacea for a “brave new world”’.⁸¹ This is Tomás Moulian’s view, who —together with the hard-line Left— would rather have participative democracy and an economic system not centred on profit.⁸² Besides, what the non-truly-renewed Left will never accept is that the economic model —and even the handing over to democracy— was planned by the military dictatorship that planted the seed of the ‘Chilean miracle’. Moreover, as will be seen in Chapter 5, in the last years of Concertacionista government, people coming mainly from a socialist background finally let out a cry of protest: for years many of them had swallowed their own preferences and views for the sake of prudence, brooding dissatisfaction and disapproval of what was being done in their political coalition.⁸³ There had been no deep renovation of their ideas. As Edgardo Boeninger puts it,

in my view, socialism today has elements that tend to impose things by sheer authority. For me, imposition from an authority should be an exception. For socialists it is a rule. Socialists do not believe in freedom specifically because they do not trust economic freedom.⁸⁴

Similarly, Patricio Navia points out that what made Lagos’s and Bachelet’s governments successful was that they were able to advance ideals such as justice and equality

⁷⁸ T. Moulian (2002) *Chile Actual. Anatomía de un Mito*. Santiago: Ediciones LOM, p. 14.

⁷⁹ Arturo Fontaine Talavera coined the concept.

⁸⁰ ‘Gonzalo Vial: Nostalgia del Estatismo’, *La Segunda*, 25 November 2008.

⁸¹ T. Moulian, *op. cit.*, p. 15.

⁸² *Ibid.*

⁸³ M. Serrano (2009), *op. cit.*, pp. 183–184.

⁸⁴ M. Serrano (2009), *op. cit.*, p. 192.

with moderation, pragmatism and gradualness, unlike hard core socialists who wish to re-inaugurate a confrontational and fighting Left.⁸⁵

As mentioned before, even if within the Concertación there was hesitation as to the convenience of embracing the market system, the context made it almost impossible to do otherwise: both Chile and its ruling coalition were not ready to get involved in further socio-economic experiments.⁸⁶ Moreover, most developed nations were following the same path, the end of the Cold War was moving socialism in France, Spain and Great Britain towards the political centre. The orthodox communist system, a traditional referent for the Left, was in crisis.⁸⁷ Thus post-Mao China was putting great emphasis on the market⁸⁸ and the economic and political transformation of the former socialist republics in Eastern Europe was like a *coup de grâce* for those who still insisted on the advantages of a centralized economic system.⁸⁹ Always with Allende's failed economic and political experiment at the back of their minds, the new governments understood that their legitimacy as political leaders lay in their capacity to keep up Chile's economic growth —hopefully better than the military had— and keep the social peace and civil order.⁹⁰

'It was satisfactory to realise that the new authorities, who had criticised so much the model when they were in the opposition, kept administrating it with no major changes'.⁹¹ Arnold C. Harberger, mentor to the Chicago Boys, has a similar opinion when he points out that the biggest success of 'Project Chile' —i.e. the training of Chilean economist in Chicago— had not been the adoption of a market approach by the military regime but that the Concertación had continued with it.⁹² Lois H. Oppenheim recognizes the continuity of the system, but acknowledges that from 1990 onwards, the state has played a greater regulatory role on the market.⁹³ Gerard van der Ree affirms that the Concertación economic project has several neo-structural

⁸⁵ 'Patricio Navia: a Destiempo', *La Tercera*, 24 January 2010.

⁸⁶ O. Muñoz, *op. cit.*, p. 10.

⁸⁷ E. Tironi (2006), *op. cit.*, p. 137.

⁸⁸ L.H. Oppenheim, *op. cit.*, p. 171.

⁸⁹ P. Silva (2008), *op. cit.*, pp. 158-159.

⁹⁰ L.H. Oppenheim, *op. cit.*, p. 172.

⁹¹ H. Büchi (2008) *La Transformación Económica de Chile. El Modelo del Progreso*. Santiago: El Mercurio-Aguilar, p. 300.

⁹² A. C. Harberger in G. Vial (2009), *op. cit.*, p. 1385.

⁹³ L.H. Oppenheim, *op. cit.*, p. 206.

elements⁹⁴ that have changed the liberal project of the Chicago Boys in a considerable way. He asserts that neo-structuralism is present, for example, in the way in which the Concertación tries to tackle social justice. Thus, if during the Pinochet era there was concern about raising the living standards of the needy, Ricardo Lagos and Michelle Bachelet tried to extend welfare beyond the extremely poor. An example of this would be the AUGE Plan,⁹⁵ which also intends to benefit the middle class.⁹⁶

Regardless of the differences between the intensity of the liberalism applied during the military regime and the Concertación administrations, there is little doubt that a consensus on the liberal path towards socio-economic progress has been achieved. The variations introduced by the leftwing coalition in two decades, have mainly aimed at tackling the social cost allegedly left unpaid by the previous regime. The issue has always been a thorny one. As mentioned in Chapter 3, the military regime was concerned about improving the living condition of the underprivileged. As Büchi explains, they prioritized the general growth of the country and at the same time the administration tried to assist the poor. He refers to UN indicators which show that, by 1990 —i.e. when the dictatorship had just ended— Chile was one of 10 nations that had most grown in the world in terms of schooling and literacy, nutrition and reduction of infant mortality among others.⁹⁷ However, the Concertación forces judged that not enough had been done, that the gap between the poor and the wealthy was unacceptable and that the number of people living under the poverty line was still considerable. Bearing this reality in mind the Concertación administrations —from Aylwin to Bachelet— tried to reconcile economic performance with an increase in state spending on social development.⁹⁸

Patricio Aylwin's administration inherited a once again growing economy after the 1980s downturn and his challenge was to maintain such growth. At the same time he

⁹⁴ 'Neo-liberals argue that the market can never lead to structural imbalances, and as a result state intervention is unnecessary and disruptive. Neo-structuralists claim that the market does produce such imbalances and that the state should play a regulatory role in order to correct them'. G. van der Ree (2007) *Contesting Modernities. Projects of Modernization in Chile, 1964-2006*. Amsterdam: Dutch University Press, p. 247.

⁹⁵ AUGE: Acceso Universal Para Prestaciones Integrales y Garantías Explícitas Asociadas a la Atención de Prioridades.

⁹⁶ G. van der Ree (2007), *op. cit.*, p. 288.

⁹⁷ H. Büchi, *op. cit.*, pp. 205-206.

⁹⁸ L.H. Oppenheim, *op. cit.*, p. 206-207.

raised the minimum wage, which adjusted yearly to the inflation rate, expanded taxes⁹⁹ and increased social spending by 45 per cent between 1989 and 1993.¹⁰⁰ Eduardo Frei Ruiz-Tagle focussed his government's energies on assuring for Chile an access to the world markets through the negotiation of free trade agreements (FTAs). He increased minimum wages and the general social spending between 1990 and 1996, accounted for 70 per cent of the total budget by 1997.¹⁰¹

The 1997 Asian currency crisis hit Chile quite hard and recovery was very slow. In fact, it was not until halfway through Ricardo Lagos' administration that the Chilean economy started to recover. Undoubtedly, the final negotiating and signing of several international Free Trade Agreements during his period —the best known being that with the United States— helped to revamp the economy. During his government, social spending focused mainly on hard-core poverty. Indigence had proven very difficult to eradicate and during his administration it diminished to 5 per cent of the total population according to Lois H. Oppenheim,¹⁰² although there is no agreement on this issue, as we will see in Chapter 5.

As for Michelle Bachelet's administration, it started on a high with a fast-growing economy and historically high prices for Chile's main commodity export, copper. In the last two years of her administration the initial optimism with which it had been received practically vanished, mainly because of the subprime crisis. This crisis is partly to blame for the shocking news the country received a few months after she had left power: for the first time since 1987, in 2009 poverty had increased in Chile,¹⁰³ an issue that will be referred to in Chapters 5 and 6. Nevertheless, in spite of this and previous crises and the general sluggishness of the economy in the past ten years, the record of material achievements in the country has been quite impressive, not only at a macroeconomic but also at a domestic level. In fact, with the highest per capita rates of phone¹⁰⁴ and cell phone ownership¹⁰⁵ in Latin America, as well as the highest

⁹⁹ L.H. Oppenheim, *op. cit.*, p. 191.

¹⁰⁰ Consejo Nacional para la Superación de la Pobreza (1996) *La Pobreza en Chile: Un Desafío de Equidad e Integración Social*. Santiago: Editorial Despertar.

¹⁰¹ C. Hardy (1997) *La Reforma Social Pendiente*. Santiago: Ediciones Chile 21, p. 37.

¹⁰² L. H. Oppenheim, *op. cit.*, p. 102.

¹⁰³ 'Pobreza en Chile Crece por Primera vez desde 1987 y Afecta a 2.5 Millones de Personas', *El Mercurio*, 14 July 2010.

¹⁰⁴ C. Gervasoni, 'Sobre el Éxito Chileno y lo que Podemos Aprender de El' in P. Isern and G. Salvia, *op. cit.*, p. 23.

¹⁰⁵ *Ibid*, p. 24.

per capita ratios of internet access in the continent,¹⁰⁶ top life expectancy levels¹⁰⁷ and lowest ratios of infant mortality,¹⁰⁸ for many Chileans in 30 years life has changes for the better, as will be seen in Chapter 5. In 1990 the economic development and material improvements were already noticeable. Nevertheless, some important tasks were pending, namely the improvement of Chile's international image and its insertion in Latin America. Section 4.2 starts by addressing the first issue and ends by tackling the second.

4.2 Is Chile Cool? From the Seville World Exposition to the Pinochet Affair

Following the previous analysis, this section begins by explaining some of the reasons why neo-liberalism fitted well —and lasted— in Chile unlike what happened in other Latin American nations.¹⁰⁹ Secondly, the section explains how liberalism transformed Chile, differentiating it from the region and reinforcing the Chileans' self-perception of exceptionality.¹¹⁰ Section 4.2 describes Chile's participation in the 1992 Seville World Expo, explaining why the newly inaugurated democratic government decided to transport an iceberg to represent the Chilean nation at the event. It was meant to transmit the idea of coolness as in modern and chilly: only an advanced country would be able to transport a gigantic piece of ice through the Atlantic and only cold-headed people, belonging to a serious country, would dare to have an iceberg as a symbol.¹¹¹ Obviously, this country had few similarities with most Latin American nations. Section 4.2 also presents a counterpoint or contrast between what Chileans felt they had become —well portrayed by the iceberg— and what that part of the world —Europe in this case— thought. In fact, Pinochet's detention in London showed Chileans that the country which they were so proud of was peripheral and had been misunderstood in its transition to democracy which they considered successful. The section ends with the analysis of several aspects of the Pinochet affair.

¹⁰⁶ *Ibid.*

¹⁰⁷ *Ibid.*, p. 25.

¹⁰⁸ *Ibid.*, p. 26.

¹⁰⁹ For a country by country analysis on Latin America's relation with neo-liberalism see M. Reid (2007) *Forgotten Continent. The Battle for Latin America's Soul*. New Haven and London: Yale University Press, chapters 5 and 6, pp. 107-158.

¹¹⁰ S. Collier and W. Sater, *op. cit.*, pp. 371-372.

¹¹¹ B. Subercaseaux S. (1996) *op. cit.*, p. 61.

That Chile should be considered a model for the rest of Latin America is an idea that is expressed with relative frequency by non-Latin Americans and Latin Americans alike. The equation behind those declarations is simple: if Chile has a successful economic and political system, why not copy it. The answer is not that straightforward, as quite a few countries in the subcontinent tried adopting the market approach during the 1990s and 2000s and several failed in their purpose. In contrast to what happened in most of the latter, the technocrats that pioneered neo-liberal reforms in Chile were totally convinced that the reforms which they intended to introduce were the solution to the nation's problems.¹¹² It was not necessary that some foreign force, such as the International Monetary Fund or the World Bank, should impose structural adjustment policies: the Chilean economists did the job of studying the theory, were convinced of its benefits and adapted it to the nation's characteristics.¹¹³ In addition, as will be further explored in Chapter 5, given that their Chilean-style policies were applied across society, arguably liberalism ended up by sinking in quite deep in at least the minds of better educated people.¹¹⁴ Even if, as will be mentioned in Chapter 5, some authors argue that many Chileans remain in favour of intervention by the state, it is also true that the relative success of market policies earned them approval from the bulk of the population.¹¹⁵ The way in which many leftwing Chileans have changed the way they think —a phenomenon that was studied in section 4.1— is also very important to understand the wide acceptance that the market approach has reached in this nation. Also, the fact that the 1975 and 1982 crises took place during a dictatorial regime —making it very difficult to build a threatening opposition— helped the continuity of the system.¹¹⁶

That Chile constitutes an exception within Latin America in the application of free market policies has all but deepened the national self-perception of uniqueness. In open contrast to what the media shows the public as happening in some countries of the continent —conflicts, crisis, high levels of violence, poverty— Chileans perceive something very different in their society: democratic and institutional stability,

¹¹² See P. Arancibia and F. Balart, *op. cit.*, and E. Fontaine, *op. cit.*

¹¹³ P. Silva (2006) 'The Politics of Neo-liberalism in Latin America: Legitimacy, Depoliticization and Technocratic Rule in Chile', *op. cit.*, p. 43.

¹¹⁴ G. Vial (2009), *op. cit.*, pp. 1384-1385.

¹¹⁵ P. Silva (2006) 'The Politics of Neo-liberalism in Latin America: Legitimacy. Depoliticization and Technocratic Rule in Chile', *op. cit.*, p. 41.

¹¹⁶ L. H. Oppenheim, *op. cit.*, pp. 204-205.

and economic growth albeit slow at times.¹¹⁷ Chile's level of political stability under a democratically elected majority coalition after 1990, coupled with a market system, puts the country at odds with the trajectory of some of its neighbours.¹¹⁸ This has not made things easier in terms of regional integration, at least regarding economic issues. For example, Chile was one of the founding members of the *Pacto Andino*,¹¹⁹ signed in 1969 by Chile, Peru, Bolivia, Colombia and Ecuador. In 1976 Pinochet decided to withdraw from this treaty given Chile's different approach to foreign investment. In Chile's opinion the *Pacto Andino* should have been more liberal; in the other members' opinion, it should have been more protectionist, i.e. there was incompatibility in international trade strategies.¹²⁰

Probably MERCOSUR¹²¹ has been the most noticeable of all South American alliances into which Chile has declined to participate fully. Formed in 1991, the Chilean government of the time —led by Patricio Aylwin— decided not to join because the tariffs for international trade imposed by the organization were much higher than those that Chile already had since the mid-1970s. By joining the group, the latter would have to raise its taxes to foreign trade, thus undoing what had given to this country a considerable advantage in international trade.¹²² The Chilean decision was not well received and augmented the feeling of segregation from the rest of the continent. The international isolation in which Chile found itself during Pinochet's regime was one of the biggest criticisms his government received from the opposition. Interestingly enough, as we shall see here, the Concertación has not been able to fully reverse this tendency in Latin America. The situation worsened somehow with the successive Free Trade Agreements signed with different nations around the world: it was even perceived as an act of treason towards the neighbourhood and was especially opposed by Brazil, which has always wanted to lead regional negotiations for an agreement with the United States.

¹¹⁷ P. Silva (2006) 'The Politics of Neo-liberalism in Latin America: Legitimacy. Depoliticization and Technocratic Rule in Chile', *op. cit.*, p. 42.

¹¹⁸ L.H. Oppenheim, *op. cit.*, p. 255.

¹¹⁹ Andean Pact, now called Andean Community (CAN for its Spanish acronym).

¹²⁰ To have further information on Chile's withdrawal from the Andean Pact, see E. Fontaine p. 150.

¹²¹ MERCOSUR (acronym for *Mercado Común del Sur*) is a regional trade agreement signed by Brazil, Argentina, Uruguay and Paraguay. It aims at promoting trade and the fluid movement of goods, people, and currency. Colombia, Ecuador, Peru and Chile currently have associate member status. In 2010 Bolivia and Venezuela were in the process of incorporation.

¹²² J. Fernandois, *op. cit.*, p. 529.

Far from hiding what Chile perceives as its differentiating traits, the country has often tried to show them off. Thus, the need to demonstrate how it had changed since the advent of democracy, that the political transition was a success, that Chile was very different from the rest of the region were some of the reasons why Aylwin's government chose an ice sculpture as the national symbol to represent Chile at the 1992 World Exposition in Seville.¹²³ The fact of being able to carry the enormous blocks of ice all the way to Spain and to be able to preserve the ice figure intact during the torrid Mediterranean summer, said much about Chile's technical ability.¹²⁴ In fact, if such a feat could be accomplished, then Chile was more than capable of exporting fresh products like fruit, vegetables and salmon.¹²⁵ Chile's technical prowess was criticized by ecologists who considered that the initiative would start the looting of the Antarctic continent.¹²⁶ Others opposed it as they considered that the Antarctic Treaty was being violated as it forbids any mining activity. They also claimed that taking ice from the Antarctic went against the conservation of one of the most precious elements on earth: drinkable water.¹²⁷ In spite of all these and other criticisms, Chile's 60 ton iceberg, placed on a refrigerating platform covered in *lapis lazuli*, was one of the main attractions at Expo Seville, thus fulfilling some of several aims of the creators of Chile's stand: making this country better known and fostering business relations.¹²⁸

The goodbye to Latin America through a process of differentiation had already started in the 1980s, as seen in Chapter 4. The idea —a new version of Chile's self-image of exceptionality— persisted during the democratic governments showing that it was a concept not exclusively ascribable to the Right, but rather a national identity

¹²³ B. Subercaseaux S. (1996), *op. cit.*, pp. 60-61.

¹²⁴ In fact the technical deployment needed to set up the project was quite impressive. Firstly, a ship from the navy transported some 120 tons of 500 thousand year old ice from the Chilean Antarctic territory to Punta Arenas. Then, the ice was carried to Valparaíso and from there a second ship took it to Spain in blocks in ten refrigerated containers. The voyage through the Atlantic took 28 days and it ended in Cádiz. There, several trucks moved the blocks to Seville where the ice sculpture was built. When the Seville exposition ended, and in a gesture of environmental conscience, Chile brought the ice back to its original location in Antarctica.

For more information see 'En Siete Containers Llevan Hielo a Expo Sevilla', *La Tercera*, 12 November 1991; 'Embarcaron Témpano a Sevilla', *La Tercera*, 21 December 1991; 'Iceberg Chileno Llegó a Sevilla', *La Tercera*, 18 February 1992.

¹²⁵ J. Hernández, *op. cit.*, p. 6.

¹²⁶ 'Critican el Traslado del Iceberg', *La Tercera*, 14 November 1991.

¹²⁷ 'El Iceberg Antártico que se Expondrá en la Expo 92 Levanta una Fuerte Polémica en Chile', *El País*, 28 November 1991.

¹²⁸ J. Hernández, *op. cit.*, pp. 10-11.

trait. Chile and another four countries¹²⁹ chose to have their own stands, segregated from the shared Latin American platform built by the Spanish government. As has been argued by Juan Hernández, in doing so Chile and Puerto Rico tried to seize the chance to prove that they were different from the other nations in the subcontinent. If we attempt to interpret the elements chosen as their symbols —the Puerto Rican salsa dance and the Chilean iceberg— both tried to convey the message of political, cultural and economic modernity. Thus, the salsa although tropical, is a typical urban music that connected the island's capital city with New York. Accordingly, the ice sculpture recalled a Santiago–Antarctica correlation, hence positioning Chile south of tropical America:¹³⁰ Chile is cold and efficient like the Nordic countries, not tropical, unreliable and unstable like other nations in Latin America.

Repositioning the country in the minds of those who visited ExpoSeville was the principal objective of the publicists who conceived the Chilean stand: a modern nation, a new country with no past, with almost no pre-Spanish culture, no ethnic problems, and open to the future, competitive and able.¹³¹ 'We are not interested in making an impact as an exotic place, which we are not (...) those working at the stand will be people of personable looks, bilingual (...) we need them (Europeans) to see us as their equals, not as a curiosity'.¹³² No wonder those chosen to be 'ambassadors of the nation' on the stand were mainly children of recent European migrants.¹³³ The iceberg also represented the launching of a new country in political terms, 'sanitized, and purified by the long journey across the sea. The iceberg had no blood prints, no *desaparecidos*. Not even Pinochet's shadow was there'.¹³⁴ It also hid the murder of a Senator of the Republic, Jaime Guzmán,¹³⁵ and the way in which the government had dealt with that crime: in a nutshell, it tried to hide the problems faced by the new democracy. In spite of all its defects, the initiative was applauded by all those —within the Concertación as well as the Right— who applauded the country's transitional process and its economic achievements: Chile was a tiger, not a loser wet kitten. After so much effort and so much suffering Chile was decidedly on its way to development, it was a nation

¹²⁹ Puerto Rico, Venezuela, Cuba and Mexico.

¹³⁰ J. Hernández, *op. cit.*, pp. 15–16.

¹³¹ B. Subercaseaux S. (1996) *op. cit.*, pp. 60–61.

¹³² F. Leniz, *La Época*, Santiago, 1 November, 1990.

¹³³ 'Nunca tan Privilegiados: Lolos Chilenos en Expo Sevilla 92', *La Tercera*, 14 June 1992.

¹³⁴ T. Moulian, *op. cit.*, p. 41.

¹³⁵ Guzmán was murdered on 1 April 1991 by members of the leftwing extremist group 'Frente Patriótico Manuel Rodríguez' (FPMR).

of winners: 'we did not get there (to Seville) with a third-world, second-rate nation attitude'.¹³⁶ On the contrary, Chile felt the peer of the developed countries in the world.

'It is a mistake to mix up economic success with a permanent change in our position in the world'.¹³⁷ Pinochet's detention in London in 1997 was a very clear example of those words: no matter how advanced Chile's economy was, or that almost ten years had elapsed since democracy had been restored, or the gigantic dimensions — seven meters tall, 8 meters wide— of the Seville iceberg. In the minds of millions of people around the world 11 September 1973 was the day when history had stopped for a small, poor and underdeveloped Latin American nation. Probably, the fact that Pinochet did not retire from the public arena kept alive the international memory of his performance during the dictatorship. If he had, perhaps his detention, humiliating for him and the country, would not have taken place.¹³⁸ In Chile the news of the detention was met with all sorts of reactions. Utter disbelief was widespread, followed by joy, anger or perplexity depending on the person's political stance. The position of Eduardo Frei's government was especially difficult. On the one hand, the individual imprisoned was a political adversary. On the other, the detention came to ruffle the waters of the national political stability, which had so cautiously been kept calm during the years of the transition to democracy. Besides, there was every possibility that the Chilean-Spanish commercial relations, especially the future of Spain's investments in Chile, would be negatively affected.¹³⁹ Finally, most people felt that Chile's borders and sovereignty had been violated in a country where foreign intervention in national matters has always been rejected by the whole political spectrum.¹⁴⁰

Like years before with the episode of the poisoned grapes,¹⁴¹ Chileans had to admit the bitter truth: their country, no matter if they felt it had become a jaguar, was powerless and peripheral on the world scene.¹⁴² It was as if it had two faces, one for

¹³⁶ 'En Expo Sevilla 92: Relatan el Desafío de Dar a Conocer a Chile al Mundo', *El Mercurio*, 20 April 1992.

¹³⁷ José Miguel Insulza in J. Rodríguez Elizondo (2006) *Las Crisis Vecinales del Gobierno de Lagos*. Santiago: Random House Mondadori, p. 179.

¹³⁸ C. Huneeus (2003), *op. cit.*, p. 65.

¹³⁹ C. Malamud, *op. cit.*, pp. 94 and 99.

¹⁴⁰ P. Silva (2000) 'Politics Across Borders: Pinochet's Arrest and the Chilean Democratic Process' in P. van Dijk et al. (eds.), *Fronteras: Towards a Borderless Latin America*. Amsterdam: CEDLA, p. 153.

¹⁴¹ Cfr. chapter 3, note 238.

¹⁴² P. Silva (2000) 'Politics Across Borders: Pinochet's Arrest and the Chilean Democratic Process', *op. cit.*, p. 154.

Chileans, a different one for the world. In spite of having suffered important economic backlashes, during the 1970s and 1980s the nation had advanced decidedly towards development: ‘*Vamos bien, mañana mejor*’¹⁴³ was the jingle during the military regime. Even the dictatorship was ‘getting better’ as the government promised fair balloting for the plebiscite. The victory of the ‘No’ and the following triumph of the Concertación in the coming elections made Chileans feel better—including members of the new opposition: after all, the dictatorship many had supported was like no other, it had accepted its defeat and had launched the nation towards development.¹⁴⁴

As previously analyzed, the iceberg in Seville was not intended to convey a false message but one believed to be true by many Chileans. Pinochet’s detention showed what others—other nations, other continents—perceived, which was radically different from what Chileans did. As subsequent communications studies have shown, in Spain many believed that Chile was not a democracy, regardless of how many congressional and presidential elections there had been. Spaniards thought that the streets of Santiago were filled with tanks and soldiers: Chile was utterly incapable of sustaining its own democratic process,¹⁴⁵ its democracy being controlled: a false free society “open until curfew”.¹⁴⁶ No wonder Judge Garzón was a hero for Chileans, patronizing Spanish citizens supposed. And thus, it is not surprising that they thought that President Frei was quite arrogant when he declared that there was little Spain could teach Chile about democracy, given that so far the Spaniards had never tried anybody responsible for human rights violations in the already long post-Franco era.¹⁴⁷

In Carlos Malamud’s opinion, the Pinochet affair was used by the Spanish political parties to obtain political advantages. On the one hand the PSOE—*Partido Socialista Obrero Español*—was deeply divided with a party president who opposed the party candidate for the elections, and both taking advantage of the Pinochet case to fight over their differences. As for the PP—*Partido Popular*—the Pinochet affair broke out in the midst of its drive towards the political centre. Thus, the approval of Pinochet’s

¹⁴³ ‘We are fine. Tomorrow we will be better’.

¹⁴⁴ E. Tironi (2006) *op. cit.*, p. 130; C. Huneus (2003), *op. cit.*, p. 71; A. Valenzuela in L. Diamond, J. Linz and S. M. Lipset (ed.) (1995) *Politics in Developing Countries*. London: Rienner, *op. cit.*, p. 108; I. Allende, *op. cit.*, p. 92; J. Piñera, *op. cit.*, p. 21; A. Angell (2005) *Elecciones Presidenciales, Democracia y Partidos Políticos en el Chile Post Pinochet*. Santiago: Centro de Estudios Bicentenario, p. 26.

¹⁴⁵ A. Sepúlveda and P. Sapag (2001) ¡Es la Prensa, Estúpido, la Prensa! Cuando Chile fue Noticia... por la Razón o la Fuerza. Santiago: Ed. Copygraph, pp. 50-55.

¹⁴⁶ C. Malamud, *op. cit.*, p. 97.

¹⁴⁷ C. Malamud, *op. cit.*, pp. 96-97 and A. Sepúlveda and P. Sapag, *op. cit.*, pp. 65-66.

detention was very timely to show that it was not a hard-line Rightist grouping.¹⁴⁸ Malamud highlights the behaviour of Felipe González¹⁴⁹ and Manuel Fraga¹⁵⁰ who, from the prestige of their long and successful political careers were almost the only ones in Spain to express moderate views about the case, showing more respect for what Chile's transitional process had been.¹⁵¹ Chile's Ministers of Foreign Affairs during the crucial months of Pinochet's detention were José Miguel Insulza and Juan Gabriel Valdés Soublette. Both of them defended the idea that criminal territoriality had to be safeguarded and therefore, Pinochet could only be judged in Chile for the alleged crimes that had been perpetrated in this country. In Valdés' opinion, Chile's defence of such a principle would inevitably sully the good name of the country and of the Concertación, misleading people into believing that Chile was still governed by the General. Nevertheless, in his opinion, Frei's government did what had to be done, although trying to muffle the effect by, among other strategies, taking advantage of Felipe González's declarations in support of Chile's position.¹⁵²

Pinochet's detention in London uncovered an angle of Chile's international image, which most people residing in Chile thought had already been sorted out, namely, the ominous connotation of the human rights violations during the dictatorship. Much to the contrary, it became apparent that the idea projected was that nothing had changed since 1990, that it was as if 'there had been no Rettig Report,¹⁵³ or General Izurieta¹⁵⁴ had not been named by Frei Ruiz-Tagle's government to succeed Pinochet (as Commander in Chief of the army), or that the old officials who had headed the coup d'état

¹⁴⁸ C. Malamud, *op. cit.*, p. 100.

¹⁴⁹ PSOE Secretary General between 1974 and 1997, President of the Spanish government from 1982 to 1996.

¹⁵⁰ Minister during Francisco Franco's government and during the coming democratic regime. President of Galicia from 1990 to 2005. He was one of the main contributors to the Spanish Constitution of 1978.

¹⁵¹ C. Malamud, *op. cit.*, p. 100.

¹⁵² Juan Gabriel Valdés S., (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*) interviewed on 10 December 2008.

¹⁵³ The Rettig Report was a study prepared by a commission designated by President Aylwin to investigate human rights abuses resulting in death or disappearance occurred under the military dictatorship.

¹⁵⁴ Ricardo Izurieta Caffarena replaced general Pinochet as Commander in Chief of the army. He held this post from March 1998 to March 2002.

had not retired (...) or that Manuel Contreras¹⁵⁵ was not in prison”.¹⁵⁶ The role played by some —mainly Socialists and Communists who orchestrated campaigns against the dictatorship—¹⁵⁷ partly explains the survival of Chile’s human rights bad reputation . Some of the people who did not return in 1986 when the military regime put an end to the exile status kept in contact across Europe and were able to create some sort of mythical aura around their cause,¹⁵⁸ keeping alive the memory of the excesses of the military regime. Also, the famous film by Patricio Guzmán called *La Batalla por Chile*,¹⁵⁹ greatly contributed to fix in the memory of thousands the images of the last weeks of the Unidad Popular government and Allende’s death. Having won several awards —which explain its considerable diffusion— the film became a referent for a whole generation of Europeans.¹⁶⁰ Moreover, the Chilean case became illustrative and symbolic, which explains why Pinochet’s regime —responsible for allegedly three thousand deaths— is remembered much more than the Argentinean military dictatorship during which at least twelve thousand people were killed.¹⁶¹ In fact,

Chile’s case became emblematic. First of all, there was Pinochet with his dark sunglasses: that image spoke for itself of the gravity of the military coup. Before Pinochet, Frei Montalva’s government had attracted world attention with his revolution in liberty; many considered Chile as an example to be followed. Then Allende came, supporting a democratic transition to socialism: he also had tremendous world support. And when Allende was overthrown by the military that was considered just plain wrong: the same would have happened if Frei Montalva had been overthrown. Allende was an absolute hero (...) the addition of all these factors helps to understand why Pinochet was challenged.¹⁶²

Finally, many misunderstandings regarding Chile point to the European mass media fixed on ideas like, for example, Salvador Allende’s death. Despite the independent

¹⁵⁵ Juan Manuel G. Contreras S., nicknamed ‘Mamo’, created in 1973 and lead until 1976 Chile’s secret police department DINA. Intellectual perpetrator of several political murders, he was finally taken to trial and condemned in 1993.

¹⁵⁶ A. Sepúlveda and P. Sapag, *op. cit.*, p. 23.

¹⁵⁷ M. Serrano (2009), *op. cit.*, p. 182.

¹⁵⁸ A. Sepúlveda and P. Sapag, *op. cit.*, p. 31.

¹⁵⁹ For further information about this documentary check Patricio Guzmán’s web page. http://www.patricioguzman.com/index.php?page=films_dett&fid=1

¹⁶⁰ A. Sepúlveda and P. Sapag (2001), *op. cit.*, p. 17.

¹⁶¹ M. Serrano (2009), *op. cit.*, p. 182.

¹⁶² M. Serrano (2009), *op. cit.*, p. 182.

autopsy practised on his body during Aylwin's government, or the statement of those who had remained with him in La Moneda until the end, or not even the testimonies of doctors Oscar Soto and Patricio Guijón, who saw the President's body, the idea that Allende did not commit suicide but was murdered has proven almost irremovable.¹⁶³ In my opinion, these events do nothing but confirm that Chile has a sad tradition of bad habits in the exercise of political communication —i.e. the use of communication for influencing political decisions— and thus has lost many battles in the area of the international perception of its history. This state of affairs has much to do with Chile's pattern of international political behaviour by means of which it tends to promote foreign relations at an economic and commercial level and neglect other areas of contact.¹⁶⁴ In fact, for the past 30 years Chile has abused the practice of marketing the country for its economic achievements, neglecting political bilateral or multilateral issues. This explains why, for example, Chileans think so highly of their country while its continental neighbours —despite of admiring its economic achievements— often have negative judgments.¹⁶⁵ Another example of Chile's inadequate communication strategies can be observed in the way it has handled its opposition to Bolivia's claims for sea access. Although from a juridical perspective Chile is right to assert its sovereignty over the northern coastline of the country, the international public opinion tends to feel sympathy towards Bolivia.¹⁶⁶ In my opinion, once again —and probably not for the last time— Chile is losing the communications battle.

As happened during the imprisonment of Pinochet, it is in the field of relations with Bolivia, Peru and Argentina that Chile must take into consideration where it really stands as regards other countries. Although bilateral and trilateral relations with these nations improved after the advent of democracy,¹⁶⁷ the absence of armed confrontations is not a synonym of peace. Moreover, every so often important conflicts between them ignite showing that in spite of entrepreneurial joint ventures or the signing of

¹⁶³ See 'Doctor Guijón: Yo Ví Cuando se Suicidó Allende', *El Mercurio*, 28 January 2011. Also see 'En Portada. Allende, Caso Cerrado', *Corporación RTVE*, 27 March 2009 in: <http://www.rtve.es/noticias/20090327/portada-allende-caso-cerrado/254667.shtml>

¹⁶⁴ M. Colacrai and M. E. Lorenzini, *op. cit.*, pp. 57-58.

¹⁶⁵ For example, see the article 'Peruanos Consideran a Chile un "Enemigo Natural", pero Admiran su Éxito Económico', *La Tercera*, 30 April 2006.

¹⁶⁶ H. Brum, *op. cit.*, p. 148.

¹⁶⁷ Twice in the 1970s Chile was in danger of facing an armed conflict with its three neighbours at the same time, not to mention the conflict with Argentina about Picton, Nueva and Lennox islands in the Beagle Channel.

economic cooperation agreements, business deals are not sufficient to build up trust.¹⁶⁸ I am not saying that any of the countries, Argentina, Bolivia, Chile or Peru, is the sole responsible for these tense neighbour country relations. Actually, the probable reasons for the conflicts can be found firstly in the lack of appropriate territorial demarcation during Latin America's colonial time and the consequent deficient settling of limits after the independence from Spain;¹⁶⁹ secondly, in the Pacific War;¹⁷⁰ and thirdly in Argentina's alternative attempts to dominate either the southern Atlantic and Pacific oceans¹⁷¹ or ensure its dominion over the southern Atlantic leaving the Pacific to Chile.¹⁷² Besides, several democracies in the region—including these nations—tend to go through or have gone through periods of institutional instability resulting in lack of governability.¹⁷³ In my opinion, this situation has triggered aggressive international behaviour. Having said this, I do not think that Chile is just a victim deserving sympathy for living in a bad neighbourhood. Some critics point out that Chile has been too concerned about its own development, lacking in solidarity towards the region. What is almost unquestionable is that Chile's emphasis on an economic diplomacy and the lack of tact of the Chilean state and some of its citizens provoke unnecessary friction. Also, lack of information on certain issues—including inept responses on the part of the authorities—has made Chileans react in a chauvinistic manner.¹⁷⁴

By 2004 Chile had signed some free trade agreements and the nation's image shifted again in the eyes of the region. If in the 1990s Chileans were perceived as arrogant, in the 2000s the perception increased. And reality proved this perception right: Chileans now felt they belonged to the big leagues. Moreover, because of hosting APEC 2004—which will be referred to below—Chile believed that its international prestige was confirmed. It was then, at the peak of success, that this nation had to face the old vicinal threat yet again, this time in the shape of a triple assault from its northern and western

¹⁶⁸ J. Rodríguez Elizondo (2006) *op. cit.*, p. 21.

¹⁶⁹ See P. Lacoste (2003) *La Imagen del Otro en las Relaciones de La Argentina y Chile. 1534-2000*. Buenos Aires: Fondo de Cultura Económica and R. Riesco (2004) Reseña in. http://www.scielo.cl/scielo.php?pid=S0717-71942004000100013&script=sci_arttext

¹⁷⁰ 'Joaquín Fernandois. Bicentenario 3: Fragilidad Internacional', *El Mercurio*, 10 August 2010.

¹⁷¹ See P. Lacoste, *op. cit.*

¹⁷² This principle has been a source of conflict with other nations as Argentina has claimed territorial sovereignty over several islands located in the Southern Atlantic. Such was the case when Argentina claimed dominion over three small islands (Picton, Nueva and Lennox), located in the Beagle Channel which were considered Chilean when the 1881 treaty on Chilean-Argentine limits was signed. Chilean sovereignty over the islands was ratified by the British arbitration award of 1985.

¹⁷³ M. Moreno, *op. cit.*, pp. 11-12.

¹⁷⁴ J. Rodríguez Elizondo (2006) *op. cit.*, p. 305.

neighbours, an issue that will be addressed in section 4.3. Alejandro Toledo and Carlos Mesa, Presidents of Peru and Bolivia respectively, signed an agreement to block any attempt to export Bolivian gas through Chile. Mesa used the occasion to put forward an aggressive maritime demand. At the same time Toledo claimed a revision of Peru's maritime southern borders with Chile. And last, but not least, Argentina's President Nestor Kirchner decided to cut gas supplies to Chile, thus breaking an international agreement signed in 1995. Not happy with that, he later on agreed with Mesa not to sell Chile any Bolivian gas that went into Argentina. Thus completed the energy blockade against Chile, this nation felt once again the heavy weight of isolation.¹⁷⁵

4.3 The New Nation-Branding Campaigns and Regional Turbulences

This section presents a counterpoint between Chile's self-perception and reality in terms of international image. The section starts by addressing two new events of nation-branding: firstly, what APEC 2004 meant for Chile in terms of global exposure and secondly, the country image campaign launched by ProChile. In sharp contrast with those attempts, the coming years were to show that the nation's immediate neighbours, i.e. Argentina, Peru and Bolivia, did not really care whether Chile's economy was growing or if its political institutions were stable: those reasons were not powerful enough to persuade them to foster better relations with Chile. The failure to build a gas pipeline across Chile to export Bolivian gas and the declaration of the Bolivian President stating that no Bolivian gas would be sold to Chile;¹⁷⁶ Argentina's unilateral decision not to sell any more gas to Chile, thus violating a 1995 international treaty;¹⁷⁷ and Peru's revision and disputing of its maritime boundaries with Chile, to the point of submitting a claim at the International Court of Justice in The Hague¹⁷⁸ provide evidence, in my opinion, that Chile's insertion in the region has not been successful

¹⁷⁵ After these episodes Chile decided to build liquefied-natural-gas (LNG) terminals along the country so as to import gas from various producers without the gas supply being jeopardized by either Argentina, or Peru or Bolivia. So far two plants have been built (in Quintero Bay and in Mejillones Bay). Both supply gas mainly to central Chile and the great northern mining industries and have helped Chile to increase its energy-supply independence. Nevertheless, they do not constitute a final solution as in the event of a natural disaster—for instance, a mayor earthquake along the country's northern coastline—Chile's capacity to import gas would be seriously impaired.

¹⁷⁶ H. Brum, *op. cit.*, pp. 145-150.

¹⁷⁷ H. Brum, *op. cit.*, pp. 129-130.

¹⁷⁸ J. Rodríguez Elizondo (2009) *De Charaña a La Haya. Chile, entre la Aspiración Marítima de Bolivia y la Demanda Marítima de Perú*. Santiago: La Tercera Ediciones.

in spite of its nation-branding efforts. In fact, Chile may be admired for its socio-economic achievements and democratic regime, but not necessarily liked. In spite of these discouraging problems the section ends on a high note: Chile's participation in the UN-led peace mission in Haiti and José Miguel Insulza's election as Secretary General to the Organization of American States, may open up more auspicious prospects to Chile being accepted in Latin America.

The APEC 2004 Meeting at Santiago gathered together world leaders such as George W. Bush, Vladimir Putin and Hu Jintao. A couple of decades ago it would have been unthinkable and unlikely to have an international meeting in Chile with such high-ranking leaders, given the way in which international politics were articulated at the time and because Chile was just not the place to organize a world level economic gathering that normally receives considerable coverage from the international media. So, the fact that APEC 2004,¹⁷⁹ the twelfth general meeting of the organization, was held in Santiago somehow showed what Chile had become. For a few days the attention of important mass media conglomerates concentrated on Chile, and the local government organized things so as to make the most of the exposure that this country would have in a short period of time. Besides, being visited by some of the most important world leaders, provided the chance to give them a first-hand experience of what Chile had attained: stability, functioning democracy, stable state institutions, a progressing economy, all this against a backdrop of natural beauty.¹⁸⁰

The meeting had positive effects in economic terms. For example, it was the occasion for establishing agreements between the Chilean *Corporación Nacional del Cobre* (CODELCO) and China Minmetals Corporation, the gigantic Chinese corporation interested in buying Chilean copper. In terms of international relations, APEC 2004 can be considered one of the most successful foreign-policy events that took place during the Concertación era.¹⁸¹ As for the impact it might have had in the expansion of a positive image of Chile, this is almost impossible to ascertain. On the one hand,

¹⁷⁹ The Asia-Pacific Economic Cooperation forum —APEC— is a grouping of 21 Pacific Rim countries or regions. Its aim is the discussion of the regional economy, cooperation, trade and investment. Its membership is claimed to account for approximately 41 percent of the world's population, approximately 56 percent of world GDP and about 49 percent of world trade. The activities, including year-round meetings of the members' ministers, are coordinated by the APEC Secretariat. <http://www.apec.org/>

¹⁸⁰ See Communication and Culture Secretariat, *op. cit.*

¹⁸¹ I. Witker, *op. cit.*

understandably, the Chinese, American and Russian press fixed their attention on their Presidents and not on the wonders that Chile offered. In fact, they were more interested in showing the disagreement that the Chilean police had with members of the American security staff rather than highlighting Chile's economic achievements. Conversely, there are some surveys on what other people who participated in APEC thought of the country, and the findings were quite positive.¹⁸² Interestingly, 17 per cent of respondents answered the question 'what are the future challenges Chile must face?' by saying that it had to improve the neighbourhood effect, i.e. have better relations in the region and make sure that negative events that might occur there did not affect such relations. The answer given by that 17 per cent of the business leaders present at the CEO Summit¹⁸³ was timely, as 2004 was the year for a new round of regional trouble.

Soon after APEC finished, the World Economic Forum's competitiveness report was launched. It contained laudatory words about Chile:

Within Latin America, we note that Chile improved its performance significantly, moving up from twenty-eight to twenty-second place in the overall rankings. Chile not only has the highest ranking in Latin America, but the gap with respect to its nearest rival (Mexico) is a full twenty six places; there is no other continent in the world where we can observe this symbolic 'migration' from the region, in terms of performance.¹⁸⁴

With the symbolic migration jingle as background music and in high spirits, ProChile announced one more initiative also aimed at the promotion of Chile's international image. It was another nation-branding campaign and the final result was little more than a tag line that read 'Chile All Ways Surprising' which intended to sell the nation for its natural beauty, its efficient and warm citizens, its institutional order and economic success. The idea was received with coldness by the public, and very soon criticism appeared in the press. Firstly, some thought that neither the logo nor the colours represented Chile.¹⁸⁵ Secondly, if the brand intended to attract foreign investment, the word surprise was absolutely out of the question: what investors seek is security, not surprises. Even the syntax of the phrasing was criticized, not to mention the great

¹⁸² Communication and Culture Secretariat, *op. cit.*

¹⁸³ *Ibid.*

¹⁸⁴ The World Economic Forum's Annual Global Competitiveness Report (2004-2005). http://www.weforum.org/pdf/Gcr/Executive_Summary_GCR_04. p. 4.

¹⁸⁵ Question/discussion time with the press on 25 April 2006 during the launching of the slogan.

similarity the slogan had with the campaign that Swatch —the world famous watch brand— had launched just a few weeks before.¹⁸⁶

Eight months after the launching of the new Chilean logo very little had been made to promote it either inside or outside the country. Lack of money, a change of ProChile's directors and the approaching presidential campaign, were excuses given to explain the inactivity. According to the press, it looked as if from the very start the initiative had been badly conceived and the approach unprofessional. For example, Interbrand, the international publicity agency chosen to create the logo, had won a public bid to do so, but had never shown its ideas prior to the choice.¹⁸⁷ Also, the people working in the project, such as Interbrand's Executive Director in Chile Luis Hernán Bustos or Silvana Gattini, ProChile's Manager of Commercial Promotion, had different views on what 'Chile All Ways Surprising' should be: a tag line, a slogan, a national campaign, an operation directed to the outside world.¹⁸⁸

As for the alleged lack of cooperation of the private sector to the campaign, some business men openly declared that they would not contribute to an unclear promotional strategy,¹⁸⁹ an opinion that was backed by a well-known trio of Chilean journalists in a radio programme in 2007: 'Velasco (then Finance Minister) will not give them (ProChile) one more peso as they are so inefficient in its administration'.¹⁹⁰ They were wrong though, and shortly afterwards Michelle Bachelet's government gave ProChile US\$ 40 million to spend during 2009. This is not surprising, as Chile's major competitors such as Australia, New Zealand or South Africa, kept increasing their budgets to promote their produce around the world —only that theirs were highly successful and well-orchestrated campaigns.¹⁹¹ Nevertheless, the government was not taking past mistakes sitting down. It announced a new nation-branding effort, and for this it launched an all-encompassing public-private agency led by diplomat and ex minister, Juan Gabriel Valdés Soubllette. The outcome of this will be seen in the next section.

¹⁸⁶ Swatch's logo reads "Swatch is always surprising". See <http://www.always-surprising.com/>

¹⁸⁷ Hugo Lavados, (Director of ProChile) interviewed on 5 July 2006.

¹⁸⁸ Luis Hernán Bustos, (Executive Director of Interbrand Chile) interviewed on 27 June 2006.

¹⁸⁹ Anibal Larraín C., (Vicepresident *Watt's S.A.* holding, one of the biggest companies in Chile) interviewed on 20 June 2006.

¹⁹⁰ Héctor Soto, Cesar Barros, Fernando Villegas in 'Terapia Chilensis' Radio Duna, 14 November, 2007.

¹⁹¹ 'Claves para Aprovechar el Fondo de Imagen País', *El Mercurio*, 21 May 2008.

As already mentioned, shortly before APEC took place and Chile's new nation-branding campaign had been launched, the neighbourhood effect came to the fore once again. On this occasion conflict sparked in Bolivia. Tarija is the area where Bolivia has one of the largest untapped natural gas reservoirs in the world,¹⁹² and thus a source of considerable wealth for the country. California, always on the brink of an energy shortage, was most interested in this commodity. In order to be able to export the natural gas to the United States, it was necessary to build a gas pipeline ending in a Chilean port, for the gas to be shipped to its final destination. At the beginning of 2002, news about the negotiations between Bolivian President Jorge Quiroga and Chile's President Ricardo Lagos hit the press.¹⁹³ And then all hell broke loose. One year later the project was abandoned and Chile's Consul, Edmundo Pérez Yoma, left La Paz. By July 2004, that is, three Bolivian Presidents later, the Bolivians voted that they approved that their gas should be used as a diplomatic tool—or weapon—to force Chile to give back the territory lost by their nation more than a century before. The issue at stake was not the gas pipeline—that had been totally discarded—but the wish that 'not even a molecule' of Bolivian gas should have Chile as its destination.¹⁹⁴

This show of animosity to Chile among Bolivians was quite appalling. 'Pérez Yoma should have known that anti-Chilean feeling is the amalgam of the minimum possible national unity in Bolivian politics'.¹⁹⁵ Interestingly, Chile is not Bolivia's only enemy or the country that seized the most territory from it. In fact, a few years after the War on the Pacific, Brazil snatched from Bolivia its right to access the Amazon River. Then Paraguay left it with no direct access to the River Plate. 'This is so only because, as happens with Peru, Chile has been chosen as the one enemy that synthesizes all national catastrophes in the nation's collective imagination'.¹⁹⁶ The abrupt end of the gas-pipe project was a sad epilogue to what promised to be 'the best instrument the country (Bolivia) has known since the War on the Pacific in its march towards the sea'.¹⁹⁷ In fact, the sad thing was not only that a good business opportunity vanished, or even

¹⁹² Bolivia's gas reserves stand at 60 trillion cubic feet. For further information on Bolivia's gas reserves see E. Pérez Yoma (2004) *Una Misión. Las Trampas de la Relación Chileno-Boliviana*. Santiago: Random House-Mondadori, p. 46.

¹⁹³ Conversations had started previously, with Bolivian President Hugo Banzer.

¹⁹⁴ 'Después de 100 Años de Negociaciones, el Gobierno Boliviano no Consigue su Ventana al Océano. Bolivia Pretende que Chile Cambie Gas por Mar' in. <http://www.americaeconomica.com/numeros4/271/reportajes/2vanesa271.htm>

¹⁹⁵ J. Rodríguez Elizondo (2006) *op. cit.*, p. 103.

¹⁹⁶ *Ibid.*

¹⁹⁷ *Semanario Pulso*, Bolivia, 17 November 2001.

that Chile lost a good gas supplier for its territory, but that the joint venture would have helped to create a climate of trust and understanding between both nations, thus paving the way for future discussions of far more sensitive issues, such as a sovereign access to the sea for Bolivia.¹⁹⁸

Interestingly enough, in the opinion of some Chilean pundits, there is much more than meets the eye as to what made the agreement fall through. Undoubtedly, the emotional nationalistic feeling emerging in Bolivia has much to do with it. Nevertheless, the roles played by President Quiroga and President Alejandro Toledo from Peru¹⁹⁹ were important too. In fact, Toledo's offering of Ilo as an alternative port to export the Bolivian gas was quite unrealistic²⁰⁰ and I believe it was just a clever —and successful— way of introducing a wedge in the Chilean-Bolivian conversations: that Peru will try and spoil any approach between Bolivia and Chile is a well-known geopolitical regional axiom.²⁰¹ Besides, given that Toledo's popularity was drastically dropping, he fell back on the always successful tool of weak governments: turning public attention towards an external enemy. Thus, Toledo resorted to a Peruvian claim for a re-definition of the Chilean-Peruvian sea boundary.²⁰² The claim was furthered by his successor Alan García who submitted the case to The Hague's International Court.

¹⁹⁸ J. Rodríguez Elizondo (2009) *op. cit.*

¹⁹⁹ O. Pinochet de la Barra, J. Rodríguez and E. Pérez Yoma are of the opinion that president Quiroga had a real chance of getting the project approved. Nevertheless, he thought it was not politically convenient for him as the agreement would have met some opposition from nationalistic sectors. Secondly, Quiroga knew his presidential period was close to an end and he might have wanted to leave a source of instability to his successor: he proved to be right.

²⁰⁰ To run the operation through Chile was a far better economic option and, since a Bolivian oil pipe has functioned through Chilean territory for similar purposes since the 1960s, the gas pipe business should have encountered few obstacles. The gas pipe to unite Tarija and Chilean ports of Mejillones or Patillo would have been 750 kilometres long, whilst the pipe to join Tarija and Ilo would have been 1,040 kilometres long. The cost of building that extra 285 kilometres amounted to US\$ 600 million. As this was not commercially feasible, the transnational companies interested in funding the project withdrew and Bolivia has not been able to materialize gas exports through a Peruvian port ever since.

²⁰¹ 'Oscar Guillermo Garretón: Latinoamericanistas', *La Segunda*, 31 August 2009.

²⁰² The maritime boundaries between Ecuador and Peru and between the latter and Chile, were fixed in the 1950s by the same trade agreements, ratified by the three nations and by the consuetudinary use of the accords over fifty years. Only in 1986 was there diplomatic manoeuvring as regards this issue, which could imply a certain challenge to the treaty. The first formal questioning was put forward in the year 2002. Although not publicly acknowledged, what is really at stake is a large fish-rich area located in the northernmost area of Chile's seas. A very serious issue at risk is that, if Peru wins its case for a change in boundaries, this would practically blocks out any chance that Bolivia may have of getting some sea back, as Chile would only yield some territory in the extreme north of the country

Even if it may be true that on occasion hatred against Chile is important as a merger of the Peruvian social forces because of the country's lack of internal unity, or because it bears fruit to some political movement,²⁰³ I believe it is also true that Chile has often been clumsy, to put it mildly, in its bilateral dealings. This was the case with the ungracious videos shown in LAN Peru,²⁰⁴ or the graffiti painted by a couple of Chilean youngsters on Inca constructions,²⁰⁵ or the sometimes xenophobic treatment that Peruvian immigrants have received on Chilean soil,²⁰⁶ to name but a few examples. As recent polls show, 57 per cent of *Limeños* think that Chile and Peru are natural enemies on a permanent basis, i.e. with little or no chance of improving such relations in the future. Chile is perceived as a worse enemy than Ecuador, a country against which they went to war in 1995. Although *Limeños* admire their southern neighbour's economic improvement, they also think that Chile is ambitious and expansive: 59 per cent believe that it has started an arms race and 65 per cent consider it to be the most ambitious nation in the region. According to these opinion polls, Peruvians consider that Chileans feel superior and are proud,²⁰⁷ which coincides with the widespread opinion of other Latin Americans. As a matter of fact, many say that Chileans have become the new Argentines, only that poorly dressed, alluding to the alleged proverbial arrogance of Argentines who, besides, are very stylish. The transformation of the Chilean character is quite recent, as shown by Pablo Halpern.²⁰⁸ In fact, it was only in the 1980s approximately that the inhabitants of the former poor and dangerous Captaincy General —a real colonial backwater— started doing business around the continent acting as if the other countries were inferior, less able and not organized.

given it cannot accept that the country be split apart by a sash of foreign land, regardless of how narrow it might be. Thus, Bolivia might have access to the sea, but no sea.

²⁰³ Ollanta Humala, elected as Peru's president in 2011, is a good example of the use of anti-Chilean feeling as a political tool. For instance, he criticized Chilean investments in his country, and stated that Chile was engaged in an arms race, etc.

²⁰⁴ Lan Peru is a privately owned Chilean airline operating in Peru. Its on-flight entertainment included a US-made video showing a sad picture of Peruvians: misery in some cities, people urinating in the street, etc. LAN was not the only airline showing the video at that time: British Airways, TAM and Avianca did so too.

²⁰⁵ Enzo Tamburrino and Eduardo Cadima, students of 20 and 21 years old, were arrested in December 2004 for drawing on an Inca wall in Cusco. When President Ricardo Lagos talked about this incident to the media, he said that it was not an important issue but rather a typical —albeit wrong— attitude of two youngsters who liked graffiti. His comments were considered inadequate by Peruvians.

²⁰⁶ 'Peruanos en Chile Sufren Insultos y Maltratos tras Declaraciones de Donayre', *El Mercurio*, 3 December 2008.

²⁰⁷ 'Peruanos Consideran a Chile un "Enemigo Natural"', *op. cit.*

²⁰⁸ P. Halpern, *op. cit.*

The last round of unpleasant regional events that took place in 2004 had to do with Argentina. On 9 November 2003 two Chilean military officers went into the Argentine consulate in Punta Arenas, on an intelligence-gathering mission under orders from military superiors. They were discovered and, in their hasty escape, one of them left behind his coat, with an identity card.²⁰⁹ Their clumsy procedure showed that they were amateur spies, a fact that did by no means make the situation any less serious. The military personnel involved in the affair were discharged, proper diplomatic excuses were sent to the Argentine government, and things seemed to have settled down. It looked as if the espionage attempt had been just a strange incident that came to interrupt many years of good bilateral relations with Argentina. Oddly enough, a few months later, during the *Cumbre Iberoamericana*, President Kirchner declared that he was in favour of the cession of Chilean territory to Bolivia. Finally, as already mentioned, in March 2004 Kirchner announced that Argentina would not honour the gas agreement and would therefore stop supplying this commodity to Chile.²¹⁰ This cancellation put Chile in a very difficult situation as two thirds of its gas supply came from the other side of the Andes. Things got worse in April, when Bolivia and Argentina agreed not to re-route any gas imported by Argentina to a third nation, a euphemism soon clarified by Bolivian President Carlos Mesa: not one molecule of its nation's commodity should go to Chile.²¹¹

It was then that Chilean analysts started putting together a few ideas and arriving at an alternative reading of the facts. Firstly, Kirchner was in need of boosting his general social and specific *Peronista* support. Sending gas to Chile in the midst of a supply shortage in Argentina, even if this meant not honouring an international agreement, would have made him unpopular. Moreover, apparently Argentine law allows gas exports only if there was no problem with the domestic supply,²¹² which—in my view—makes the people who negotiated the treaty on behalf of Chile appear as very naive. Secondly, it appeared that the Punta Arenas espionage episode had not been as innocuous as originally thought. In fact, several factors related to the Falklands or Malvinas war were resurfacing once again. Apparently, there were old grievances about

²⁰⁹ 'Cuatro Detenidos en Chile por el Espionaje en Punta Arenas', *Clarín*, 13 November 2003.

²¹⁰ 'Néstor Kirchner: los Altibajos de Bachelet y Lagos en su Relación con el Ex Mandatario', *La Tercera*, 28 October 2010.

²¹¹ 'Después de 100 Años de Negociaciones, el Gobierno Boliviano no Consigue su Ventana al Océano. Bolivia Pretende que Chile Cambie Gas por Mar', *op. cit.*

²¹² H. Verbitsky (1992) *Robo para la Corona. Los Frutos Prohibidos del Arbol de la Corrupción*. Buenos Aires: Planeta, p. 267.

the role that Chile had played in that war.²¹³ As Kirchner himself was from the area of Argentina that faces the Malvinas, he had a personal grudge to settle, not only because Chile had helped the United Kingdom in the early 1980s but also because of Chile's current commercial ties with the Kelpers, as the islanders are called. In fact, although Britain subsidized the island, the day to day supply of food, medical care, flights to the continent, etc. was provided by Chile from Punta Arenas. Argentina used to do all that in a pre-Galtieri time,²¹⁴ but no longer did so for obvious reasons. 'Sidestepping Galtieri's clumsiness and the market codes of practice, they (the Argentine) saw in Chile a country that, in addition to having backed the United Kingdom, had deprived them of a possible strategy that might be appealing to the Kelpers'.²¹⁵ Even though the present dealings of Chile and the Falklands were strictly commercial, many suspicious eyes saw a second intention. There were several on-going investigations on behalf of Argentine consuls, the military and diplomats to see how close the relations between the islanders and Chileans were.²¹⁶ It is interesting to note that Argentina finally succeeded in severing those commercial ties by placing restrictions on the traffic of the supply boat that went from Punta Arenas to Port Stanley.²¹⁷ So, after all, the Chilean spies caught red-handed did have some work to do in the consulate.

Although the Chile-Argentina relations did not undergo any other grave conflict ever since these episodes and during the rest of Michelle Bachelet's tenure, it is also true that the intermittent supply of gas to Chile always added tension to what might have otherwise been a good bilateral deal. In addition, Argentina's decision to increase the price of the gas exported to Chile —and even charge a higher price to Chileans who crossed the border to buy much cheaper gas in Argentina— have undoubtedly strained bilateral relations. What did not improve until late in Bachelet's tenure were relations with Peru. As already mentioned, it was Alejandro Toledo that introduced into the

²¹³ Although it was suspected that Pinochet had helped Thatcher, it was during his detention in London that the information was disclosed by the 'Iron Lady'. Information on Chile's participation was also made public in *The Official History of the Falklands Campaign* published in the United Kingdom.

²¹⁴ Leopoldo Fortunato Galtieri was a *de facto* President of Argentina between 1981 and 1982. He declared war on the United Kingdom over the Falkland Islands.

²¹⁵ J. Rodríguez Elizondo (2006) *op. cit.*, p. 67.

²¹⁶ It is to be remembered that Chilean private citizens restarted commercial ties with the Malvinas in the early 1980s. In 1984 the Argentinean government sent a note to Chile's ambassador in that country, Arturo Fontaine Aldunate, complaining about such transactions.

²¹⁷ 'Barco que Abastece a las Malvinas Suspende la Recalada en Punta Arenas e Impacta al Comercio', *El Mercurio*, 30 June 2010.

bilateral agenda the discussion over the redefinition of the sea boundary between Chile and Peru. And Alan García, far from retracing on Toledo's steps, complicated matters even further by taking the case to the International Court of Justice at The Hague.²¹⁸

According to Chile, the maritime borders between Chile and Peru were fixed in the 1950s, specifically, by the tripartite treaty of 1952 and 1954 signed by these two nations and Ecuador. Previously, in 1947, they had recognized their respective sovereignty extending over 200 nautical miles offshore. Besides being ratified by the three countries, both treaties were also ratified by the consuetudinary compliance with the agreement by the nations directly involved in the border delimitation and third countries that had commercial dealings with Ecuador, Peru and Chile. Peru had accepted the boundaries with Chile without any formal questioning until 2002.²¹⁹ Funnily enough, it has never questioned the border with Ecuador which is surprising, given that the international instrument used for the demarcation of the boundary with Ecuador is exactly the same one used for the delimitation with Chile.²²⁰ Although not publicly acknowledged, what is really at stake here is a large catchment area located in the north of Chile.²²¹

Peru's impugnation of the 1952 and 1954 treaties has resulted in a string of connected regional problems. Firstly, Ecuador has not felt comfortable with its southern neighbour's claim: it may well be that in the near or distant future Peru will start contesting their common border. Thus, it came as no surprise that in May 2010 Ecuadorian President Rafael Correa declared that his country regards the aforementioned agreements demarcating the Ecuadorian-Peruvian maritime boundaries as valid.²²² Secondly, as already mentioned in footnote 202, if Peru wins its case for a change in the borders with Chile, it practically blocks out any chance that Bolivia may have of getting some sea. Chile would only yield territory on the northernmost part of the country as it could not accept being divided into two by a strip of foreign land. Thus, Bolivia may have access to the sea, but no sea. These issues have obviously strained

²¹⁸ 'Chile, Perú y la Haya', *El Mercurio*, 29 June 2010.

²¹⁹ Cfr. note 203.

²²⁰ 'Piñera Califica como "Poco Comprensible" que Perú Aplique Criterios distintos con Ecuador y Chile', *La Tercera*, 9 March 2011.

²²¹ Sergio Lecaros M., (President Duncan Fox S.A. holding, one of the biggest companies in Chile) interviewed on 11 December 2006.

²²² 'La Haya Notifica a Ecuador y Abre Espacio para que Opine en Juicio entre Perú y Chile', *El Mercurio*, 23 May 2010.

relations between Bolivia and Peru. In what looks like revenge for impeding Bolivia's access to the Pacific, President Evo Morales came to the fore backing the Peruvian indigenous movements that oppose Alan García. At the same time, García pushed through the idea of the existence of secret agreements between Chile and Bolivia to solve the latter's landlocked problem, without consulting Peru. García added that he wanted to be involved in the maritime discussion from the very beginning, and thus, the issue now affects three countries and not just two.²²³ Although the start of the border dispute between Peru and Chile initially helped to improve Chilean-Bolivian dealings, an on-going discussion over ownership of the waters of the Silala River in the north has once again complicated matters.²²⁴ Perhaps taking advantage of this situation in an attempt to cool down Chilean-Bolivian dealings, García tried a rapprochement with Morales by insinuating that he would facilitate a sea port for Bolivia if Peru wins at The Hague.²²⁵

As shown in this section, during Ricardo Lagos's and Michelle Bachelet's governments Chile's relations with its immediate neighbours were not cordial. Nevertheless, as mentioned above, two events may have proved favourable to Chile's efforts to bond with Latin America: the Chilean presence in Haiti and José Miguel Insulza's election as the Organization of American States (OAS) Secretary General. In the first case, in June 2004, while Ricardo Lagos was President of Chile and Michel Bachelet his Defence Minister, the United Nations Stabilization Mission in Haiti (MINUSTAH) was established and Chile was entrusted with its direction.²²⁶ It was not the first time that Chile had taken part in UN peace keeping missions.²²⁷ However, its participation

²²³ 'La Jugada a Dos Bandas de Alan García', *La Tercera*, 30 August 2009.

²²⁴ The Silala River is a stream of water that springs in south eastern Bolivia and crosses the Andes to end in Chile. According to Bolivia, its waters are diverted to Chile by a canal built under a Bolivian concession to the Antofagasta-Bolivian Railway Company, a Chilean firm now known as Ferrocarril Antofagasta-Bolivia which obtained two water concessions (in 1906 and 1908). Bolivia affirms that Chile should pay taxes for the use of the Silala's water as it is an artificially built water path and thus not subject to international law. That law establishes that as regards international rivers, none of the riverside dwellers can affirm they have absolute sovereignty over the shared water resources. As stated above, Bolivia claims that the matter involves flows originating in some 94 springs in its territory, diverted to Chile in the shape of an artificially formed stream and thus not subject to international rulings in this regard.

²²⁵ Tres Mensajes Estilo Maquiavelo, *La Tercera*, 30 August 2009.

²²⁶ President Bertrand Aristide had departed Haiti for exile in the aftermath of an armed conflict which spread to several cities across the country.

²²⁷ For example, it did take part in UN missions in Salvador (1992), Kuwait (1991), Cambodia (1993) Nicaragua (1993) Peru and Ecuador (1995) among others.

in this specific mission was to prove especially beneficial in the sense that it would contribute to improve Chile's unstable relations with the rest of Latin America. Firstly, Haiti has considerable strategic importance within the continent and thus its normalization affects it as a whole. Being close to the United States, Cuba and Venezuela and dominating important maritime water passages, it is a place where proxy confrontations can take place. Besides, the island can be a breeding ground for drug trafficking and terrorism.²²⁸ Secondly, Chile's participation sends a message to the rest of the continent: 'we do care about Latin America'. Somehow it is trying to tell the other nations that it has decided to join MINUSTAH not only for the benefit of international commerce²²⁹ but also to share in the task of continental peace-keeping. Chile's cooperation with MINUSTAH has undoubtedly brought benefits to the country. Such is the opinion of Juan Gabriel Valdés Soublette who acted as the UN official representative on the island. In his opinion, the Chilean army members had managed to develop the best diplomatic relations with the military people from the other Latin American countries deployed in Haiti, decisively contributing to a better understanding between them. In his opinion, 'Chile's armed forces have developed a more successful and better diplomacy towards Latin America than the civil governments'.²³⁰

As for José Miguel Insulza's election as the OAS Secretary General, it was not an easy task and Chile had to display all its diplomatic ability to ensure his appointment.²³¹ The attainment of this post would be a good way of endorsing Chile's role as promoter of international cooperation in the region²³², just like its participation in MINUSTAH had been. Nevertheless it was Miguel Ángel Rodríguez, former President of Costa Rica, that was elected as head of the OAS in 2004. However, Rodríguez had to step down as he had to face charges of corruption in his country. It was then that Lagos's government concentrated all its diplomatic efforts on getting the chair. Mexican Foreign Minister Luis Ernesto Derbez and former Salvadorian President Francisco Flores presented their candidacies too. Flores, who was said to

²²⁸ D. Snow (2003) *Cases in International Relations. Portraits of the Future*. New York: Longman.

²²⁹ M. Tapia Canihuante (2005) 'Misión de Paz en Haití (MINUSTAH). Análisis de la Participación de Chile' in:
http://www.ndu.edu/chds/Journal/PDF/2005/N2-September/Tapia_essay-edited1.pdf

²³⁰ Juan Gabriel Valdés S., (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*) interviewed on 10 December 2010.

²³¹ H. Brum, *op. cit.*, p. 153.

²³² G. van der Ree (2010), *op. cit.*, p. 216.

have the United States' support, withdrew his candidacy in April 2005, as he knew that he had not rallied enough votes. Derbez and Insulza confirmed that they would remain on the race. However, after intense negotiations between Mexico, Chile and the United States, it was announced that the Mexican candidate had withdrawn, leaving Insulza as the sole candidate for the post. In May 2005 he was duly elected to serve as Secretary General of the OAS. Voting was 31 in favour, two abstentions (believed to have been Mexico and Bolivia), and one vote left blank (announced in advance by Peru). Chile's biggest supporters were Brazil, Argentina, Uruguay and Ecuador, followed by Venezuela. In my opinion, Insulza's election was ambiguously positive for Chile. On the one hand, I believe that it showed that this country was able to gather enough backing to have a Chilean head the OAS and it also proved Chile was not totally isolated within the wider continental context. On the other hand, the election obviously produced animosities with Mexico and it also meant that Chile had to make an important diplomatic effort as the backing of its candidate was not immediate. In fact, Horacio Brum thinks that winning this time had high costs such as triggering Mexico's support for Bolivia's maritime claim.²³³ Even further, Brum believes that the strenuous manoeuvring exerted by Chile's diplomacy prior to the election made it clear that this nation's business approach to international relations was not good enough to ensure friendly regional dealings.²³⁴ Even though I believe that any country that aspires to lead the OAS has to face important diplomatic obstacles, I agree with Brum in that the ability to sell salmon, grapes or copper does not make up for capability of fostering good international political contacts. As I will go into in section 4.4, Chile tends to use business diplomacy which does not always bear sweet fruits.

4.4 Something Old, Something New: Chile's Difficult Marriage with South America

Section 4.4 will attempt to give an explanation —however limited— of why Chile's insertion in the continent is not smooth. It will also try to show the specific efforts carried out by each Concertación government —from Aylwin to Bachelet— to increase Chile's participation in the world arena and improve its regional contacts. The section starts by pointing out the differences between Chile's democratic and liberal Left and some of the subcontinent's leftist administrations. In fact, the 2000s saw several left

²³³ H. Brum, *op. cit.*, p. 153.

²³⁴ H. Brum, *op. cit.*, p. 153.

wing regimes gain power throughout Latin America, their tendency to populism and state intervention putting them at odds with the Concertación's governmental style.²³⁵ In fact, they are different Lefts: once again Chile's neo-liberal stance puts the country in conflict with its neighbours, increasing its feeling of isolation.²³⁶ Then section 4.4 explains how Latin America is not a well-integrated continent in itself. Therefore, in the midst of frequent struggles, Chile's ambiguous situation is not totally surprising. This should not prevent Chile from changing its mainly economic diplomacy strategy and be more tactful in its dealings with other Ibero-American nations, especially Peru, Bolivia and Argentina given that their vicinity and common history has fostered mistrust. The section ends by showing what Presidents Aylwin, Frei, Lagos and Bachelet did during their tenures to improve Chile's integration to the world and the region.

Admiration is what many economic experts and citizens in Latin America feel for what has been Chile's path towards development, hence contributing to foster the Chilean self-image of exceptionality.²³⁷ Some 25 years of non-stop growth, albeit at a much slower pace since 1997; a considerable reduction of poverty; the signing of free trade agreements with the United States, Europe, Japan, China, India, Korea among others;²³⁸ the growth of its market from 17 million to 900 million people worldwide thanks to these accords,²³⁹ are all factors that add up to the world business and financial elites' approval of the Chilean economic management for the past decades. Besides, the relative good name that the country has in terms of transparency and low corruption, has made it possible in recent years to publicize Chile as a safe and accessible place for

²³⁵ See P. Silva (2009) 'Swimming against the tide? The Chilean social democratic model in historical perspective' in Steve Ludman and Geraldine Lievesley (eds.) *Reclaiming 'Our America': Radical Social Democracy in Latin America*. London: Zed Publishers, pp. 82-104.

²³⁶ It is also true that during the 2000s Brazil, Peru and Colombia have liberalized their economies. Nevertheless, as it is not the first time they do so and there are chances that they may go back to interventionist policies, as has happened before. This thesis does not get into analyzing the implications for Chile of there being more nations with liberal inclinations.

²³⁷ C. Gervasoni, 'Sobre el Éxito Chileno y lo que Podemos Aprender de El' in P. Isern; G. Salvia, *op. cit.*, p. 16.

²³⁸ Chile has signed Free Trade Agreements with Japan, China, USA, Canada, Mexico, South Korea, Central America, EFTA (Iceland, Liechtenstein, Norway, and Switzerland); Association Agreements with the EU and P4 (Chile, New Zealand, Brunei Darussalam, Singapore); Complementarity Agreements with Argentina, Bolivia, Colombia, Ecuador, MERCOSUR, Peru and Venezuela; A preferential Trade Agreement with India and works in conjunction with multilateral organizations such as APEC, WTO and OECD. For further information check the DIRECON web page at <http://www.direcon.cl/index.php?lang=en&accion=>

²³⁹ E. Kvatarnik in P. Isern; G. Salvia, *op. cit.*, p. 185.

foreign companies that want to invest in, and/or operate their investments in Latin America, from Chile. Laws and regulations have been approved in to promote Chile as a springboard into new markets and the strategy has proven to be effective: by 2004 forty important multinational enterprises have located some of their facilities in Chile and have used the country as an export platform to other destinations.²⁴⁰ Investing in other nations is not only done via Chile, but also by Chileans. In fact, a new feature of the current Chilean economic situation is that Chile has become an exporter of capital mainly to other South American countries.²⁴¹ Although the economic benefits for the investors have been positive, the presence of Chilean businesses in neighbouring nations has brought some hostile responses.

As we have seen throughout this study, Chile's past fifty years of social, economic and political experimentation and its outcomes —a stable democracy and growing liberal economy— makes this country an exceptional case in the region. Thus, Frei Montalva's 'revolution in liberty' attracted global notice; Salvador Allende's attempt to lead the country to socialism through the voting polls was quite unique in the region and the world, and generally admired.²⁴² Another experience, this time under Pinochet's dictatorship, made Chile become the first country where neo-liberalism was adopted under conditions of military rule.²⁴³ Seventeen years later, Chile underwent yet another important experience, which led to a success story: the restoration of democracy accompanied by a liberal socio-economic system and the blossoming of unseen economic growth and prosperity.²⁴⁴ Probably the country with the best governability performance in the region,²⁴⁵ 'this level of political stability under a democratically elected majority coalition, coupled with a market-oriented economic policy, puts Chile at odds with the trajectory of many of its neighbours'.²⁴⁶

As I see it, if Latin America could be compared to a jigsaw puzzle and the different countries to its pieces, Chileans seem to believe that their piece does not fit in properly, or that it belongs in a different puzzle altogether. Although I admit that this may be

²⁴⁰ See Foreign Investment Committee at <http://foreigninvestment.cl/index/.asp>.

²⁴¹ L. H. Oppenheim, *op. cit.*, p. 187.

²⁴² M. Serrano (2009), *op. cit.*, p. 182.

²⁴³ P. Craig Roberts and K. LaFollette Araujo, pp. 28-41.

²⁴⁴ L.H. Oppenheim (2007) *Politics in Chile. Socialism, Authoritarianism, and Market Democracy*. Boulder: Westview, p. 255.

²⁴⁵ M. Moreno, *op. cit.*, p. 185.

²⁴⁶ L.H. Oppenheim, p. 255.

an exaggeration, it is undeniable that—at least in the past 10 years—there have been several clashes that have prompted and encouraged this line of thought. Probably and partially caused by an imbalance triggered by Chile's different economic parameters as regards nearby nations,²⁴⁷ in spite of being surrounded by left wing governments, most of the Concertación administrations did not get on with them as well as expected. José Natanson refers to Latin America's Left wing governments of late as a 'new left'. In his view, the end of the Cold War made the United States forget the continent located south of the Río Grande, as it had ceased to be fertile ground for Communist guerrilla. Thus, a new style of Latin American political Left started taking shape: it abandoned its revolutionary goals, rose to power using democratic means and became pragmatic.²⁴⁸ Although with diverse styles, the up-and-coming leftist governments shared the same goal: they sought to increase state intervention mainly getting hold of a bigger portion of the national income without risking macroeconomic stability.²⁴⁹ Thus, Natanson holds that it is not appropriate to talk of a sensible and modern Left versus a nationalist and populist one: they are basically the same ideological movement.²⁵⁰ Unlike Natanson, I believe that there are considerable differences in political performance between Evo Morales and Ignacio 'Lula' da Silva; Cristina Fernández and Michelle Bachelet. Also, Hugo Chávez's Left—with its violent claims for social justice, expropriation of private property and censorship of the press—reminds more of the pre Cold War Left rather than Ricardo Lagos's methods, more in the line of the renewed Left (see section 4.1).²⁵¹ In fact, Chile's democratic political approach, its law abidance and respect for the Constitution, the adoption of a market economy and the application of social policies, demonstrate that Chile's Left is quite different from Evo Morales' or Cristina Fernandez's, and closer to Ignacio 'Lula' da Silva's in Brazil and Tabaré Vázquez's in Uruguay.²⁵² A growing convergence with these nations' political and economic styles might result in friendlier international relations for Chile in the future.

²⁴⁷ E. Rodríguez Guarachi, *op. cit.*, p. 96.

²⁴⁸ J. Natanson, *op. cit.*, pp. 261-267 and J. Castañeda (1993) *Utopia Unarmed: The Latin American Left After the Cold War*. London: Vintage Books.

²⁴⁹ J. Natanson, *op. cit.*, p. 169.

²⁵⁰ J. Natanson, *op. cit.*, p. 268.

²⁵¹ P. Navia (2006) 'La Izquierda de Lagos vs. La Izquierda de Chávez' in http://www.cadal.org/documentos/documento_52.pdf

²⁵² 'Vargas Llosa y el Ascenso del Perú', *El Mercurio*, 16 October 2010.

Indeed, a growing closeness in political styles and economic parameters may contribute to the continent's smoother interaction and thus improve not only Chile's insertion in the region but also the peaceful cohabitation of some Latin American nations. In my view, this should be applicable to Chile, Colombia, Costa Rica, Mexico, Peru and Brazil, as all these countries have become the standard-bearers of democracy and capitalism in the area.²⁵³ Although it is difficult to know if this liberalizing trend will last, for the moment it ensures a bloc of nations with similar goals. Alternatively, the development of a second grouping, consisting of Argentina, Bolivia, Cuba, Ecuador, Nicaragua and Venezuela²⁵⁴ —which at least rhetorically oppose neoliberal capitalism— makes it possible to foresee political clashes between the blocs.²⁵⁵ In fact, more than half of the countries in South America —most of which are aligned with either bloc— do not have full diplomatic relations. Thus Bolivia, Colombia, Chile, Ecuador, Peru and Venezuela do not have or have withdrawn their ambassadors from some of these nations.²⁵⁶ I suggest that this is part of the problem as regards Chile: in a fragmented continent, divided in spite of much integrationist rhetoric and anti-imperialist speeches, it is certainly difficult to advance in terms of good regional relations. Moreover, there is a long list of mutual interventions in the national affairs of other countries in the region, a fact that does not contribute to a healthy and pacific coexistence. For example, Colombia allowed the United States to have more military bases in its territory²⁵⁷, while Venezuela agreed to accept Iran's and Russia's aid to develop nuclear energy.²⁵⁸ Also, military equipment sold by Sweden to Hugo Chávez's Venezuela ended in the hands of the Colombian FARC guerrilla, which aims at overthrowing the Colombian regime. To boot, it was also found that the same FARC had financed Ecuador's Rafael Correa's election.²⁵⁹ Finally, it is quite possible that Venezuela may have been granting sanctuary to some 1,500 Colombian guerrilla fighters.²⁶⁰ As for Chile, although there have been attempts to present it as a counterweight to Hugo Chavez's leftwing populism —thus encouraging the latter's

²⁵³ J. Kotkin, 'The New World Order', *Newsweek*, 26 September 2010.

²⁵⁴ J. Kotkin, 'The New World Order', *Newsweek*, 26 September 2010.

²⁵⁵ M. Falcoff (2002) 'Two Latin Americas' in America Enterprise Institute for Public Policy Research in <http://www.aei.org/outlook/14404>

²⁵⁶ 'Hernán Felipe Errázuriz: Bicentenario Latinoamericano', *El Mercurio*, 1 August 2009.

²⁵⁷ 'Eje Venezuela Irán', *América Económica* in <http://www.americaeconomica.com/portada/opiniones/septiembre09/110909/varde110909.html>

²⁵⁸ 'Russia agrees to Help Venezuela Build First Nuclear Power Station', *The Guardian*, 15 October 2010 and 'Eje Venezuela Irán', *op. cit.*

²⁵⁹ 'Hernán Felipe Errázuriz: Bicentenario Latinoamericano', *El Mercurio*, 1 August 2009.

²⁶⁰ 'Latinoamérica y el Fracaso de Unasur', *El Mercurio*, 1 August 2010.

intervention in Venezuela's internal affairs— apparently Chile is not willing to play that game and has continuously avoided becoming involved in regional ideological controversies.²⁶¹

Coming back to the Chilean case within Latin America, Chileans believe that they have done their homework in connection with internal development, re-democratization and globalization. But as I said before, the country has not often been successful in its dealings with other Latin American countries, especially its Andean neighbours. As already mentioned (sections 4.2 and 4.3), at times Chile's foreign affairs have been conducted with clumsiness and arrogance,²⁶² yet I also believe that the formation of a less democratic and less free-market oriented group of countries has also contributed to hinder positive interactions. In fact, Jorge Castañeda and Mitchell Seligson have shown that the existence of a non-populist and a populist Left in Latin America has been a source of controversy.²⁶³ Governments that have nationalized companies and even private pension schemes and have intervened mass media²⁶⁴ clash with Chile, which has maintained a privatization policy and respects private property. Also, nations whose presidents have tried —and in some cases succeeded— to be re-elected *ad infinitum*, who foster *caudillismo* and populism,²⁶⁵ are in contention with nations like Chile, that has a tradition of non-populist and non *caudillista* leadership and a constitution that forbids permanent re-elections.

Although the political and economic differences with its neighbours help to understand Chile's difficult integration to the region, they represent only one of several factors. In fact, past history and several Chilean identity traits and the resulting international image that they project are significant in Chile's dealings with its close and distant neighbours. For example, already during the Spanish conquest some discrepancies between Chile and Peru entered the scene through the civil war that confronted the followers of Peru's conqueror, Francisco Pizarro, and 'the Chileans', i.e. those supporting Diego de Almagro, who had been the first Spaniard to explore

²⁶¹ For example, President Sebastián Piñera went to Argentina, Venezuela, Mexico and the United States aiming at visiting antagonistic nations during the same trip. See 'Presidente Piñera Suma Visita a Estados Unidos a su Gira por Venezuela y México', *El Mercurio*, 25 May 2011.

²⁶² See J. Rodríguez Elizondo (2009).

²⁶³ M. Seligson (2007) 'The Rise of Populism and the Left in Latin America', *Journal of Democracy* 18(3): 81-95 and J. Castañeda (2006) 'Latin America's Left Turn', *Foreign Affairs* 85(3): 28-42.

²⁶⁴ 'Argentina's President Moves to Seize Control of the Country's Newsprint', *The Guardian*, 25 August 2010.

²⁶⁵ J. Kotkin, 'The New World Order', *Newsweek*, 26 September 2010.

Chile.²⁶⁶ In the case of Bolivia, having been part of the Viceroyalty of Peru, once it became an independent entity it inherited the Peruvian animosity towards Chile. Finally, as mentioned in section 4.2, the lack of proper territorial demarcation during the colonial period and the poor settling of limits during the nineteenth century, help to understand the early ill feelings between Argentina and Chile.²⁶⁷

Gerard van der Ree points out that currently there are three Chilean identity traits that frame the relations between Chile and Bolivia, and Chile and Peru. Firstly, Chile's neo-liberal development has fostered its economic presence in the region. This fact has been interpreted as a revival of the nineteenth century free-trade boom, its connection with the nitrate business and the War of the Pacific and, consequently, considered a new phase of Chilean expansionism.²⁶⁸ Also Chile's legalism —and its legalistic approach to diplomacy—²⁶⁹ have had negative regional connotations. Thus, Chile has always focused on existing treaties in connection with Peru's and Bolivia's territorial claims, asserting that international treaties are not to be discussed.²⁷⁰ The refusal to negotiate on this basis has contributed to build an image of Chile as arrogant.²⁷¹ Finally, the Concertación's twenty years in power have shaped a progressive identity: in fact, by the Bicentennial, Chile is far more leftist than twenty years before.²⁷² Although this identity trait has fostered the sympathy and understanding of other left-wing leaders such as Lula da Silva and Tabaré Vázquez, in the progressive circles of Peru and Bolivia, it has been mocked as a naive and fake effort to mitigate the exploitative nature of capitalism.²⁷³

So far, section 4.4 has tried to explain some of the reasons why Chile's insertion in Latin America, and more specifically among its Andean neighbours, has been difficult and ambiguous. In the following paragraphs, the section will show the attempts of the four Concertación governments to boost Chile's participation in the world and enhance its regional contacts. Patricio Aylwin's tenure was marked by the effort to lead a delicate transition to democracy, which explains why the first government of the Left

²⁶⁶ 'V. García B.: Tan Cerca de Chile y tan Lejos de Dios', *El Comercio*, 15 May 2005.

²⁶⁷ See R. Riesco, *op. cit.* and P. Lacoste, *op. cit.*

²⁶⁸ G. van der Ree (2010), *op. cit.*, pp. 213-215.

²⁶⁹ M. Colacrai and M. E. Lorenzini, *op. cit.*, pp. 57 and 59.

²⁷⁰ H. Brum, *op. cit.*, pp. 148-149.

²⁷¹ G. van der Ree (2010), *op. cit.*, pp. 215-218.

²⁷² P. Navia (2006), *op. cit.*

²⁷³ G. van der Ree (2010), *op. cit.*, pp. 218-219.

wing coalition concentrated mainly on domestic affairs. In fact, Aylwin's government is generally remembered for the improvement of civil-military relations and the compiling of the Rettig Report mentioned in section 4.2. Nevertheless, his government was very interested in improving regional relations, especially with Argentina.²⁷⁴ Hence, it dealt with the much debated and criticized Aylwin-Menem 1991 agreement on the delimitation of an area of the southern Patagonia disputed by Argentina and Chile. The first Concertacionista administration also sent a clear international economic message: by deciding not to participate in MERCOSUR but in ALADI,²⁷⁵ an association that promoted the reduction of trade barriers in the region,²⁷⁶ Aylwin's Chile was showing continuity as regards neo-liberalism. In the same line, Aylwin signed several economic agreements with nations like Mexico, Argentina, Venezuela, Bolivia and Colombia, thus contributing to further Chile's integration into the world economy. Also Aylwin's government orchestrated Chile's participation in Expo Seville 92, as mentioned in section 4.2. Its aim was to show the world that it had regained democracy and was a good commercial partner, given that the European media was not totally convinced by Chile's transition, as Pinochet's image was still present.²⁷⁷

It was during Eduardo Frei's tenure that economic relations with the world improved considerably, as one of the second Concertación governments' goals was to institutionalize global commercial ties.²⁷⁸ In fact, negotiations with the United States, the European Union, and China entered the fast track stage. In terms of regional integration, during Frei's administration, Chile joined MERCOSUR as an associate member. In 1995 it also signed an international treaty with Argentina to secure its gas supply, although this treaty was finally no guarantee, as seen in section 4.3. In spite of Chile's efforts to improve its international reputation, Pinochet's detention in London showed that the transition to democracy had not been perceived as exemplary as many Chileans thought it was.²⁷⁹ President Lagos inherited 'the obsession to settle economic agreements',²⁸⁰ and his government shone for achieving the final signature of four

²⁷⁴ I. Witker, *op. cit.*, p. 53.

²⁷⁵ Asociación Latinoamericana de Integración. Its members are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela and Cuba.

²⁷⁶ Chile's participation in Aladi is a contentious issue as some consider it only involves more expense for the state and very few benefits, as Chile's economy is more open to foreign trade than the economies of the other members. For more information, see E. Fontaine, *op. cit.*, p. 150.

²⁷⁷ H. Brum, *op. cit.*, pp. 127-128.

²⁷⁸ I. Witker, *op. cit.*, p. 53.

²⁷⁹ H. Brum, *op. cit.*, p. 132.

²⁸⁰ H. Brum, *op. cit.*, p. 131.

important free trade pacts with the United States, the European Union, China and South Korea. What the third Concertación administration was not heir to were the peaceful dealings with Chile's neighbours, as shown in section 4.3. In fact, one of the features of Ricardo Lagos's mandate was the trouble regional relations encountered.²⁸¹ In a way Lagos' tenure was a compendium of the key idea that I have tried to convey in Chapter 4: Chile was convinced that its international reputation and dealings with other countries had improved, but its Andean neighbours proved it wrong. This country found itself once again at odds with its neighbours, which goes to show that economic performance does not suffice to be accepted as a friend.

Before going into some aspects of Chile's dealings with other nations during Michelle Bachelet's tenure, it is important to highlight that the Concertación governments succeeded in enhancing this country's insertion into the world. Moreover, they 'sold' Chile's economic success abroad and the resulting new international trade deals fostered a national consensus, making it possible for Chileans to be united at least on one front. In fact, social changes and a shift in values had sharpened differences within the country, making it difficult to find the social agreements so necessary for a healthy national coexistence. Thus, the fact of finding a common denominator in economic and technical matters has helped Chile to continue building up an acceptable level of internal cohesion.

As for Bachelet's government, the most contentious issues were those based on values. Thus, the discussion over the free distribution of the Postinor 2, the famous 'day-after pill', sparked bitter rows not only between, but also within the government and the opposition.²⁸² Once again, international affairs and economic issues helped to preserve the national unity, so it is not surprising that the government should have resorted to business diplomacy. In addition, the performance of the government economic team, led by Minister of Finance Andrés Velasco, was generally approved, especially concerning the management of the subprime crisis, which was considered worldwide as an example of good administration.²⁸³ Also some external problems, such

²⁸¹ See J. Rodríguez Elizondo (2006) *op. cit.*

²⁸² 'Diputado UDI Celebró Decisión de Minsal de Entregar Píldora del Día Después', *La Tercera*, 23 November 2010.

²⁸³ 'Chile Es el País de la Región que Mejor Resistirá la Crisis Económica en los Próximos Seis Meses', *La Tercera*, *op. cit.*

as the boundaries dispute with Peru, proved beneficial in terms of fostering enough national agreement.²⁸⁴

Finally, Bachelet's tenure made renewed efforts in the promotion of Chile's national brand. In fact, the *Fundación Imágen de Chile*²⁸⁵ started its activities raising hopes of a better administration of Chile's international reputation in the near future. This organization was conceived of as an organization that would coordinate the diverse groups —private and public— dealing with country image issues. It specifically aimed at designing concepts, initiatives and specific actions that would contribute to spread Chile's good name around the world. It is headed by the Minister of Foreign Affairs, and renowned Chilean personalities from different walks of political life are board members. The foundation hired Simon Anholt during 2009 as international adviser and developed several focus groups, surveys and studies to define what Chileans and foreigners think of this country. The aim was to collect information about diverse aspects of the national culture, from literature, poetry and films to Chile's originary people in order to develop a corpus of information that might be of interest overseas. What the organization declared it would not do was to focus its efforts on the development of a logo, such as the failed 'Chile All Ways Surprising': they developed one but have coordinated many more initiatives, examples of which will be seen in Chapter 6. The foundation's first executive director, Gabriel Valdés Soubllette, declared that what Chile needed was to establish a narrative, i.e. tell others what Chile has done in the past years that makes it worth paying attention to this small Latin American nation:²⁸⁶ The year 2010 gave the country a unique opportunity to do so, as shown in Chapter 6.

Concluding Remarks

My first conclusion related to Chapter 4 is that every cloud has a silver lining. In fact, exile, difficult as it was, gave Chilean expatriates the opportunity of living in societies that in one way or another opened their eyes to what hard-line or real socialism meant and to the benefits of democracy. A turning point in the Left's path towards a liberal market economy was the economic failure of socialism in the communist world and

²⁸⁴ 'Tenemos la Tranquilidad de que el Derecho Internacional Respalda Postura de Chile', *La Tercera*, 19 March 2009.

²⁸⁵ <http://www.fundacionimagendechile.cl/>

²⁸⁶ Juan Gabriel Valdés S., (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*) interviewed on 10 December 2008.

in the Chilean Unidad Popular.²⁸⁷ When the Concertación took office in 1990 and led a successful transition to democracy, it showed that the new political path chosen was that of democracy, consensus and economic liberalism.²⁸⁸ Those who had backed the military regime also agreed to the democratic route, thus facilitating the return to Chile's political style of agreements and political pragmatism, which had characterized the country for decades. In fact in Chapter 4, I conclude that the so-called 'Chilean consensus'—the capacity to reach agreements between divergent ideological sectors—has been prompted by the pragmatic spirit that characterized Chilean politics prior to the 1960s. To begin with, economic liberalism performed well under both dictatorial and democratic regimes. Then the Concertación coalition had to be pragmatic and abandon or postpone matters that had been or still are very much at the heart of left-ist sensibilities: such was the case of mass mobilizations—which might lead to social chaos—or the wish to inaugurate Aylwin's tenure by taking human rights violators to court.²⁸⁹ The rightwing sectors also adapted to the new scheme of things—not being in power, being governed by their ideological opponents, and so forth—and were able to build up an important political opposition to the ruling coalition.

Although the Chicago Boys' neo-liberalism is different from that of the Concertación, which is more inclined to state intervention and fiscal expenditure, there is little doubt the market system remained. In fact, even if sectors of the leftwing coalition might not be fully convinced of the merits of market economy, this system has proved its capacity to create wealth and Chileans will not accept other schemes unless they permit the levels of consumption that liberalism does. It is in this sense that Ecuador's President Rafael Correa commented: 'with due respect to the Concertación and my friend Michelle Bachelet, Chile's economic policy has always been rightist. It did not change much compared to Pinochet's'.²⁹⁰ To a certain point, Chile's adoption of liberalism and its consequent socio-economic development has placed the nation at odds with the region. In fact, although the financial world might applaud Chile's achievements, its participation in Latin America has been difficult and ambiguous.²⁹¹ Moreover, Chile's adoption of a market economy is not going to be easily transmitted to other countries of the region as its path towards this system occurred under atypical circumstances and resulted in Chilean-style liberalism. Thus, the main conclusion of

²⁸⁷ O. Muñoz, *op. cit.*, p. 99.

²⁸⁸ See M. Serrano (2009), *op. cit.*

²⁸⁹ See M. Moreno, *op. cit.*, p. 97; M. Serrano (2009), *op. cit.*, p. 183; G. Vial (2009) *op. cit.*, p. 1381.

²⁹⁰ 'Correa Dice que Piñera Resultó Ser una Grata Sorpresa', *El Mercurio*, 31 May 2010.

²⁹¹ G. van der Ree (2010), *op. cit.*

this chapter is that Chile cannot really be a ‘model’ for the region as it has so often been suggested.²⁹²

In Chapter 4 I also attempt to explain why and how market policies fitted in Chile, triggering its socio-economic development and increasing its self-perception of exceptionality.²⁹³ It is in this sense that the setting of Chile’s pavilion at 1992 Seville World Exposition should be understood. Organized around an iceberg —meant to convey the idea of coolness, seriousness and technological development—²⁹⁴ the exhibition brazenly asserted Chile’s pretensions of being dissimilar to its vicinity. Nevertheless, when a few years later Pinochet was arrested in London, Chileans learned that —no matter if they were proud of their nation’s economic, social and political evolution— Chile was peripheral and misunderstood in its transition to democracy. The incident also showed that Chile tends to opt for international communication policies based on the promotion of its economic achievements and neglects other areas of its global image.²⁹⁵

In the following sections, I presented another counterpoint between Chile’s self-perception and reality in terms of international acceptance in the 2000s. Two new events of nation-branding took place, namely APEC 2004 and the country image campaign launched by ProChile. In sharp contrast with these initiatives, the coming years were to show that Chile’s Andean neighbours —Argentina, Peru and Bolivia— were not impressed by Chile’s economic growth or convinced by its business diplomacy. In fact, in my opinion, the failure to build a gas pipe across Chile to export Bolivian gas; the assertion of the Bolivian President that gas would not be sold to Chile;²⁹⁶ Argentina’s determination to stop gas exports to Chile;²⁹⁷ and Peru’s revision of its common border with Chile²⁹⁸ are all episodes that reveal that Chile’s insertion in the region has not been successful in spite of several nation-branding efforts: Chile might be admired but not necessarily liked. This issue has to be understood in the context of a continent that remains divided, several of its nations not having bilateral diplomatic representations.

²⁹² L.H. Oppenheim, *op. cit.*, pp. 204–205.

²⁹³ S. Collier and W. Sater, *op. cit.*, pp. 371–372.

²⁹⁴ B. Subercaseaux S. (1996) *op. cit.*, p. 61.

²⁹⁵ See H. Brum, *op. cit.*

²⁹⁶ H. Brum, *op. cit.*, pp. 145–150.

²⁹⁷ H. Brum, *op. cit.*, pp. 129–130.

²⁹⁸ J. Rodríguez Elizondo (2009) *op. cit.*

Chile's tendency to promote itself by means of its economic achievements and to establish links at a commercial level may work with some institutions such as the International Monetary Fund or the Organization for Economic Cooperation and Development (OECD) but not necessarily with the nations of the region. Thus, the Chilean negotiators in the case of Bolivian gas exports through Chilean soil should have known that, despite how positive business perspectives were for both nations, the deep animosity that Bolivia feels towards Chile was going to tip the scales. Something similar can be said of Argentina's failure to abide by an international treaty—although in this case it looks as if President Kirchner rather than the whole of Argentina held a grudge against its Andean neighbour. In fact, throughout Kirchner's presidency and that of his wife cold and distant relations towards Chile have been typical.²⁹⁹ As for Peru, its claim to the northern area of Chile's sea complicates Bolivia's access, and has made the progress of a Chilean-Bolivian understanding even harder.

Despite all this, I believe that not all the blame should be placed on the hostile behaviour of Chile's neighbours as if this country was blameless. On the contrary, Chile has often performed clumsily at a governmental and private citizen level making. This has shown that the management of international relations by the government must be professionalized, and that private citizens must be chastened. In fact, although Chile's neighbours have sometimes acted aggressively, it is not irreproachable. On the contrary, Chile as a state and Chileans as private citizens have at times shown a clumsy and arrogant behaviour. In spite of this, it is undeniable that the four Concertación Presidents made efforts to integrate Chile into the world and the region, although several critics point out that they leaned too much on economic diplomacy. I would also like to suggest that the emphasis on business mediation may have an internal explanation: Chile tends to set up contacts around the globe on economic grounds not only because it fails to understand the negative aspects of neglecting political affairs but because it helps the country keep a basic internal unity. In fact, Chile's society is in conflict over issues such as values, poverty, what it means to be Chilean towards the Bicentennial, and how Chile's society has changed, all of which are issues that will be addressed in Chapter 5. One aspect that encourages national consensus is economic development through trade. It is then understandable why the Concertación administrations have kept promoting the country by highlighting aspects that generate internal agreement and a relative internal harmony.

²⁹⁹ 'Fallecimiento y Trascendencia de Néstor Kirchner', *El Mercurio*, 28 October 2010.

CHAPTER 5

National Identity and Cultural Change in Modern Chile

Introduction

In the past two decades many scholars have studied the profound social and cultural changes experienced by Chilean society since the mid-1970s.¹ Most of them agree that these changes are part and parcel of modernity. As we shall see in the coming sections, some of their basic empirical indicators are changes in the structure of families, urbanization, improvement in the material well-being of the population, wider access to education, an increase in the qualified labour force and the percentage of females working outside their homes. The fact that a divorced, agnostic woman was elected President of the Republic in 2006 comes to mind when talking about a shift in attitudes in modern Chile. And the fact that the right wing candidate won the 2009 presidential election also speaks of a shift in outlook: perhaps the memory of the years that have so divided Chileans —the Unidad Popular government and the military dictatorship— may be fading away.

Chile's newly acquired modernity is uneven as material progress has not reached everyone —at least, definitely not with the same intensity. Also, the modernization process itself contains pre-modern, modern and post-modern features. The aforementioned indicators of modernity were not achieved in one single decade but are the result of a long process that exploded in the last decade. Thus, whilst some

¹ See J.J. Brunner (1988, 1989, 1990, 1995), E. Tironi (1988, 1999, 2002, 2005, 2006), G. van der Ree (2007), P. Halpern, C. Huneeus (1987, 2000, 2003), P. Navia, E. Engel, J. Larrain (2001), O. Larrañaga (2003), B. Subercaseaux S. (1996, 1999), T. Moulian (1998, 2002) among others.

modernizing processes still have a long way to go before reaching full maturity (education, for example), others have entered a second or third phase of development.² Finally, there are so many discourses about modernity that it is not possible to either circumscribe the nation's process to just one of them or fix its beginning on a certain date, as explained in Chapter 1.

As argued in Chapters 3 and 4, it is possible to identify four historical ruptures in Chile's path towards modernity in the period addressed in this thesis (1973-2010). The first one took during the military government and was studied in Chapter 3; the second was the result of the restoration of democratic rule, and was addressed in chapter 4. As for ruptures three and four, they will be studied here. Broadly speaking, the third rupture came about during Ricardo Lagos' presidency. It resulted in the partial replacement of the traditional conservative order and values. This explains events such as the massive attendance of people to the photography session organized by world famous Spencer Tunick,³ the approval of a divorce law,⁴ the discussion of homosexuality as a sexual choice, the growing awareness of several dark zones of the Chilean society, such as domestic violence, paedophilia and child pornography, as well as a renewed interest in human rights violations during the military regime. In Tironi's opinion, all these seemingly unconnected events have a common thread: the emerging society, democratic, horizontal and transparent, that judges the conduct of the elites and governing forces.⁵

The fourth and final rupture relates to the individualism brought about by the modern liberal consumer society and installed about some three decades ago. With all the positive aspects and the influx of wealth brought in by the neo-liberal system, it has also fostered feelings of insecurity and vulnerability. And this is because the old institutions that were meant to protect the citizens for life —landowners in the countryside, trade unions, state agencies, and so forth— have seen their power greatly diminished. Thus, although the establishment of a free market has triggered

² O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins (2003) *Cuánto y Cómo Cambiamos los Chilenos: Balance de una Década*. Santiago: Cuadernos Bicentenario, p. 56.

³ Spencer Tunick is an American photographer famous for his pictures of naked individuals and multitudes. On 30 June 2002 he photographed some four thousand Chileans in Santiago, who voluntarily posed unclothed in the freezing winter at very early hours of the morning. Tunick had only been able to gather such numbers of people in Australia.

⁴ The Chilean divorce law was approved in 2004.

⁵ E. Tironi (2005) *El Sueño Chileno: Comunidad, Familia y Nación en el Bicentenario*. Santiago: Editorial Taurus, pp. 214-215.

the economic development of the nation and consequent social mobility, it has also left people with the feeling of uncertainty and loneliness. As I shall suggest, it is the family as an institution that has contributed to fill in the gaps and provide most of the emotional and economic support that individuals need. Thus, it is plausible that in years to come Chileans will ask for and seek more associative and affective links, a common dream and memory.

The advent of a new century and the approach of the celebration of the Bicentennial (2010) prompted reflection, particularly as the changes undergone by this country since the 1970s have been so drastic. In this chapter, I aim to sum up those changes, describe the society that Chile is becoming, and refer to the ill feeling that emerged mainly during the 1998 economic crisis, which highlighted the antagonisms brewing for a long time because of the current modernization process. In section 5.1, I start by describing what Chile has become in the last decades, mainly tackling issues such as the liberal modernization and the development of a consumer culture. Section 5.2 shows the development of the empirical indicators of modernity, and the issue of social mobility in Chile. Although undoubtedly Chileans are better off today than ever before in the whole of the country's history, there are still a considerable number of citizens who live in miserable conditions.

Section 5.3 tackles the issue of discontent, ill feelings and antagonism within Chile. Such feelings broke out with the Asian crisis, which showed that the country's indefinite progress was not a realistic hope. The economic failures also uncovered other aspects of development that had been somehow veiled by success, such as the inefficient educational system. Finally, it is at this time of psychological unrest that the third historical break-up mentioned at the beginning of the introduction —i.e. the replacement of traditional conservative order and values— became manifest, thus aggravating the ill feelings and antagonism within the country. Finally, section 5.4 addresses the issue of Chile's quest for an identity, which led the nation to a controversial celebration of its Bicentennial.

Country image, national identity and social change, the trio of concepts addressed in this thesis, interact a great deal in Chapter 5. Social change is the underlying and most important process described throughout the chapter, every alteration needing a consequent adjustment and thus triggering a chain of transformations. Firstly, there is the accelerated conversion of Chile's traditional and conservative society into a liberal consumer society. This fundamental modification implies several others such as the growth of cities, further education of the population and general —but not universal,

and certainly uneven— access to material goods. All these factors have introduced other variations such as an increase in social mobility. The greater freedom preached by Chile's increasingly liberal society triggered a revolution in values. Political and religious authorities having lost their leading power over people, the ethics of fulfilling one's duty towards others and society has been replaced by that of further exaltation of the individual; the replacement of collective utopias by the pursuit of self-interest, has also fostered a shift in values. Although not the only strand that has changed, a value issue that generates considerable clashes is sexual ethics. The drop in fertility and marriage rates, the increase of births out of wedlock, the debate over homosexuality, etc., are probably the topics that spark the most passionate debates. All these transformation have obviously triggered an important alteration in Chile's identity and image. As mentioned in previous chapters, the nation's identity is undergoing a process of adjustment, and consumption has become a new feature in it. By contrast, the loss of several values —such as austerity— long considered as part and parcel of being Chilean, stirs doubts about how far can transformations go and not replace what has traditionally been believed to be inherent to the Chilean identity. Social studies, such as the UNDP report, have said that Chile's image is diffuse and elusive.⁶ Nevertheless, opinion polls show that Chileans perceive a national identity and image although it appears to be different from the image that the members of the nation's intellectual elite long for.

5.1 Modernity and the Current Transformation of 'Chileanness': Who Are We?

The debate over modernity in Chile has normally focused on practical and empirical rather than on theoretical aspects. José Joaquín Brunner has suggested that the publications on modernization in Chile often account for specific experiences of modernity, which aim to build up policy strategies for the achievement of such forms of modernity.⁷ Gerard van der Ree points out that this tendency is due to two characteristics of Chile's intellectuals: firstly, they perceive modernity as achievable, and thus they conduct the debate on practical rather than philosophical or theoretical terms.

⁶ PNUD (2002) *Desarrollo Humano en Chile. Nosotros los Chilenos: Un Desafío Cultural*. Santiago: LOM, pp. 67-75.

⁷ J.J. Brunner (1996) 'Tradicionalismo y Modernidad en la Cultura Latinoamericana', *Escritos, Revista del Centro de Ciencias del Lenguaje* (13-14). Santiago: FLACSO, p. 304.

Secondly, they often participate actively in national politics and thus encourage a policy-oriented intellectual creation.⁸ In fact it is not surprising that several Ministers who served under the Concertación governments should also have been members of *Expansiva*, a Concertación-prone think-tank: such was the case of Jorge Marshall, Vivianne Blanlot and Andrés Velasco. By the same token, several Ministers of Piñera's administration —namely Cristián Larroulet, Ena von Baer, Juan Andrés Fontaine and Felipe Larraín— belonged to rightwing research centres such as *Libertad y Desarrollo* and *Centro de Estudios Públicos*.

According to van der Ree, there are four main schools of thought that represent the diverse forms of modernity put forward by diverse intellectual currents in Chile. Jorge Larraín in his book *Identidad Chilena* refers to the first perspective as 'baroque modernity'. This perspective tries to recover the Hispanic and Catholic elements present in Chile as key elements of its identity, factors that should thus be present in a project of modernization. A second perspective of modernity in Chile postulates a liberal model in a social-democratic sense. A third approach is the Socialist modernization alternative which suggests an egalitarian society with a minimized role of the market and larger state intervention. The state's main duty would be the eradication of socio-economic inequality even at the expense of democracy. Finally, a fourth model put forward by Chilean intellectuals refers to a liberal modernity resembling an American style of society with a reduced state and a bigger role for the market: this would be the model present in Chile in the historical period under consideration.⁹ Lastly, I would like to insist on what I said in Chapter 1 regarding modernity: for the purposes of this dissertation modernity equates socio-economic development, as has occurred in the wealthy Western European nations. Modernity —as manifested in Chile— is mainly an economic event that brings about social, cultural and political transformations.

Liberal modernity brings about the construction of a consumer cultures —formed when a certain level of material wealth has been achieved, which permits to have many products to offer and a mass of consumers who want to get them. The birth of consumer cultures coincided with the industrial revolution, whose techniques of mass distribution helped to increase the consumption of ready-made goods.¹⁰ In fact,

⁸ G. van der Ree (2007), *op. cit.*, pp. 15-16.

⁹ G. van der Ree (2007), *op. cit.*, p. 18.

¹⁰ See D. Harvey, *op. cit.*, p. 126.

the industrial era triggered the availability of an enormous number of products at low prices. In Don Slater's opinion, consumer cultures are periodically rediscovered as fields of study after certain events, the latest of which would be the advent of neo-liberalism in the 1980s.¹¹ Consumption —defined here as knowing one's needs and getting them satisfied—¹² is, on the one hand, an individualistic issue. It is also a social statement in the sense that by saying 'I need' something, it is understood that many of those requirements are expressed in order to live a certain life in relation to others. As Celia Lury puts it, 'it is through the acquisition, use and exchange of things that individuals come to have social lives'.¹³

It is generally acknowledged that consumer culture reduces social life to trivial materialism only. Although it is true that an alienating materialism can be a consequence of such cultures, I believe that they also have to do with how a group of people organizes their society, aspirations and self-individuality. Thus, material possessions also serve as expressions of group membership and help to locate or categorize others in the social-material environment: in fact, material possessions provide people with information about other people's identities.¹⁴ In fact, as stated by Paul S. Boyer, consumer cultures refer to societies in which mass consumption and production stimulate the economy and shape perceptions, desires, values and the construction of a personal identity.¹⁵ Hence, although I do not deny that consumer culture can produce mindless acquisitiveness, selfish individualism and greed, I agree with the idea that it is also associated with positive actions and constructs such as freedom and choice.¹⁶ It also implies the achievement of certain standards of material wealth for the population at large, which are necessary to live in improved conditions, as the experience of Euro-American societies attests to. In the case of Chile, the advance of a consumer society showed that the nation's proverbial poverty was not a 'necessary' national character trait but a reality that could be overcome. Chile demonstrated to itself and others that its economic inferiority was not due to unavoidable racial factors and other ominous predictions but to a set of circumstances that proved to be surmountable.¹⁷

¹¹ D. Slater (2006) *Consumer Culture and Modernity*. Malden: Polity Press, p. 1.

¹² D. Slater, *op. cit.*, p. 2.

¹³ C. Lury (1996) *Consumer Culture*. New Jersey: Rutgers University Press, p. 19.

¹⁴ H. Dittmar (1992) *The Social Psychology of Material Possessions: to Have Is to Be*. New York: St. Martin's Press, p. 205.

¹⁵ P.S. Boyer, *op. cit.*

¹⁶ D. Slater, *op. cit.*, p. 8.

¹⁷ In his famous and influential book *Nuestra Inferioridad Económica*, published in 1910, Francisco A. Encina stated that Chileans were inept as regards economic activity due to their mentality, their

Consumer culture is inextricably linked to modernity, not just a late consequence of industrialization. It is part of what is generally considered a modern person: individually free, rational and walking the path towards political liberty.¹⁸ The notion of consumer culture implies a modern society whose core tendencies are oriented towards consumption. In fact, consumer societies are mainly directed to expenditure rather than to other social dimensions such as solidarity, political participation, religion or military development. As mentioned in Chapter 1, in Chile neo-liberalism instated consumerism and a consumer society as identifying features of modernity. Based on real material and structural changes that have taken place in society, this consumerist means of experiencing modernity is more than just a cultural phenomenon. The consumerist ethos developed in Chile is related to the neo-liberal economic policies introduced by the military.¹⁹

Often criticized for its ingrained materialism and concern for ‘having’ instead of ‘being’,²⁰ the concept of consumer cultures is also contentious because it places together two ideas that seem to clash, i.e. ‘consumption’—a fairly rudimentary activity—with ‘culture’, which implies more sophisticated actions. Nevertheless, the contradiction in terms is valid only if culture is taken as ‘high culture’ reserved for the elites—and belonging to the superior realm of ideas—²¹ or as an accumulation of immutable values which cannot be subject to market exchange. In fact, what can be considered as traditional culture was reserved for a few. With modernity, culture abandons the opera house²² and hits the streets—literally and metaphorically.²³ It ceases to constitute a class marker to become a binder of social groups defined in terms of similar consumer

racial background and the education that they had received. Chile’s economic development of late proves his theories wrong. See Francisco Antonio Encina (1972) *Nuestra Inferioridad Económica*. Santiago: Editorial Universitaria.

¹⁸ D. Slater, *op. cit.*, p. 9

¹⁹ P. Silva in D. Hojman (1995), *op. cit.*, p. 119.

²⁰ Interestingly enough, different sectors of the world’s Left and Right intellectuality, as well as religious groups, reject the advent of consumer societies. Such would be the cases of Herbert Marcuse who condemned the alienation brought about by capitalism, Jaime Guzmán, who thought that consumerism triggered a dehumanizing materialism, and some progressive Roman Catholics who oppose consumption to solidarity.

²¹ J.J. Brunner (1996) *op. cit.*, p. 306.

²² Luis Orrego Luco in his *Memorias del Tiempo Viejo* comments on this issue, which is picked up in J.J. Brunner *et al.* (1989) *op. cit.*, p. 29.

²³ In the last years several world known opera singers, both Chilean and foreigners, have sang opera pieces for thousands of people in the streets. Such events have been organized by city councils for free.

patterns which single out specific and differentiated life styles.²⁴ This definition matches my definition of culture in Chapter 1: a given way of existence, shared in a society and recognizable in the lifestyles of ordinary people,²⁵ containing behavioural standards²⁶ and forming a system of attitudes, values and knowledge transmitted through generations.²⁷ Despite being different notions, culture and identity are connected given that both imply symbolic constructions through which individuals communicate—in the case of culture—and build a narrative about their selves—in the case of identity.²⁸

There is a distinct culture of youth, of women, of professionals, of yuppies, of people who tend to consume the same items—not only things of daily use such as clothes and food but also things that transcend time, such as education, opinions, group values, etc. Thus, culture merges with the city; it is present in government affairs, in politics and in society in general. It stops being just intellectual information, an enjoyment of fine arts, literature or science, to become life itself. As José Joaquín Brunner suggests, ‘the incorporation of modernity is, partly, a movement of culture in all its diversity towards the market’.²⁹ Thus, works of culture are commercialized and their production depends on what the market demands. Consequently, industrial production and culture operate together and publicity is used to finance cultural endeavours.³⁰

In my opinion, although consumption may be the leading activity in a consumer society, there is a tendency to overstate the importance of consumption in society: activities that can well be catalogued otherwise are classified as consumption. This is the case of pundits such as Helga Dittmar who, unlike Don Slater, considers almost every human act as consumption. In my view, consumption does not only refer to the acquisition of retail goods but also to activities which imply interaction with what in Chapter 1 is called high culture, i.e. fine arts, literature and so on. Such activities have been performed by humans for centuries, only that fewer people had access to them. Thus, consumer cultures—which imply a wider availability of economic means to

²⁴ J.J. Brunner *et al.* (1989) *Chile: Transformaciones Culturales y Modernidad*. Santiago: FLACSO, p. 188.

²⁵ J. Larraín (2005) *¿América Latina Moderna? Globalización e Identidad*. Santiago: LOM Ediciones, pp. 88–90.

²⁶ F.R. Vivelo in R. Wodak, R. de Cillia, M. Reisigl and K. Liebhart, *op. cit.*, p. 21.

²⁷ R. Inglehart (1997) *Modernization and Postmodernization. Cultural, Economic and Political Change in 43 Societies*. Princeton: Princeton University Press, p. 15.

²⁸ J. Larraín (2005), *op. cit.*, p. 100.

²⁹ J.J. Brunner *et al.* (1989) *op. cit.*, p. 67.

³⁰ *Ibid.*

access, for example, high culture ‘goods’— has not created the need to consume such things as music or literature but has expanded the public that wants them. I make this clarification to insist on what I said above: there is a tendency to consider that almost every activity that takes place in a consumer society is hard core consumption even though it may have existed long before consumer cultures. In addition, several of these activities can be considered as different from consuming. For example, attending church services or any religious activity may be considered as religious consumption yet—to me— this constitutes an abuse of the notion of consuming. By the same token, Chile’s traditional celebration of the *Virgen de la Tirana*³¹ could be considered as consumption of the devotion to the Virgin Mary, which, in my opinion, appears to be the wrong conclusion.

It is necessary to differentiate between forms of consumption which call for some sort of spiritual activity—as in non-material actions such as appreciating beauty—and the consumption of material goods. We can refer to the former as ‘soft consumption’ and to the latter as ‘hard consumption’. This consideration of the non-material side of consumption does not prevent the recognition of commercial activities associated with them. Thus, visiting an art gallery or reading a book are forms of ‘soft consumption’ (art and literature consumers) which also involve some sort of economic transaction (paying for the ticket to the art gallery or the book at the bookshop).

As I said before, although consumer societies have existed for some time now, they experience periodic revivals and become the centre of academic research after spearheading social changes. In the case of Chile, since the Chicago Boys introduced novel liberal economic practices, consumer culture has grown and developed, leading the country through liberal modernization patterns. The society that has risen is based on the autonomy of individuals and the freedom of the markets from a state that has renounced its traditional role of universal assistance to focus—mostly— on the fight against extreme poverty. In actual fact, the retreat of the state can be traced in fields such as the increase of private education at school and university level, private social security, privately-led health care systems, and so forth. To a certain extent, the current social mobility in Chile has less to do with governmental backing and much with personal effort, family support and real growth and expansion of the economy.³²

³¹ The devotion to *La Virgen de la Tirana* is a religious tradition of Chile’s northern region.

³² PNUD (2004) *Desarrollo Humano en Chile. El Poder: ¿Para Quién y Para Qué?* Santiago: PNUD, pp. 285–286.

Chile has become a nation in which the general interest in politics declined rapidly following democratic restoration³³ given that the country reached a general consensus on a basic political and economic organization: thus politics, participation in political parties and mass mobilization is no longer so important as it was in the past. Besides, many consider that political parties have lost their mystique and are now nothing but elite organizations with little regard for what people really think and need and eager to get jobs in the government and power for their leading members.³⁴

It is true that Pinochet's consistent rhetoric against politicians harmed the good name of politics,³⁵ but it is undeniable that there is genuine disenchantment with power politics reserved for just a few. Thus, parties have definitely lost the grip they once had on society. Nevertheless, specific candidates that have been able to show people that they work beyond political parties and seem to understand and empathize with the public, have been very successful and gained wide support, beyond the coalitions that backed them. Such have been the cases of Ricardo Lagos, Joaquín Lavín and Michelle Bachelet, politicians who were able to convey strong emotions —honesty, leadership, sympathy for the weak and poor, strength of character— on what up to now has been the main communication medium, television. Thus, what seemed a political anachronism, a personalized political style based on charismatic leadership, has proved to be a strong political feature that cuts across all the liberal modern societies producers of consumer cultures.³⁶

It is undeniable that Chileans today tend to have little participation in stable social groupings.³⁷ What is more, 66.1 per cent would not like to lead any of those groups if offered the possibility³⁸ and would definitely not participate in a public protest against any public authority or private company.³⁹ In spite of what some consider as

³³ In the 1988 plebiscite young voters between 18 and 24 accounted for 20.3 percent of the general voting population. Already in 1993 they accounted for only 13.1 percent and 3.4 percent in the 2001 elections. The information is available in the Electoral Registry <http://www.servel.cl/servel/index.aspx?channel=289>

³⁴ P. Halpern (2002) *Los Nuevos Chilenos y la Batalla por sus Preferencias*. Santiago: Planeta, p. 57.

³⁵ C. Huneeus (2003) *Chile un País Dividido*. La Actualidad del Pasado. Santiago: Catalonia, p. 215.

³⁶ E. Tironi (2005), *op. cit.*, p. 276.

³⁷ PNUD (2004) *op. cit.*, p. 30. In the same line, the findings of the UNDP 2008 report are quite astounding: 98.7 percent of respondents do not participate in political parties, 96.7 percent are not members of trade unions and 98.9 percent are not members of any professional association.

³⁸ PNUD (2006) *Desarrollo Humano en Chile. Las Nuevas Tecnologías: ¿un Salto al Futuro?* Santiago: PNUD, p. 293.

³⁹ *Ibid.*

general apathy as regards the common good of society, there are still issues that stir public opinion showing that the civil society has not disappeared. This fact is attested to by the surge of national solidarity movements in times of catastrophe, defence of the environment groups, associations to protect people from crime and groups that struggle to improve living conditions for all Chileans. It is worth mentioning two such entities, '*Educación 2020*'⁴⁰ and '*Un Techo para Chile*',⁴¹ both of them born from the grassroots of society, neither mediated nor fostered by the state. There is another issue that moves people and arouses public sympathy: the defence of consumer rights. In fact, the amount of claims registered by the National Consumer Service (SERNAC in its Spanish acronym) is constantly rising and the same happens in other entities entrusted with the protection of individuals versus governmental and private agencies and companies.⁴² What is at stake is not only a given amount of money stolen or unfairly charged to someone, but the lack of transparency and honesty.⁴³

As already claimed in the 1980s by Joaquín Lavín in his book *La Revolución Silenciosa*⁴⁴ and later on in Eugenio Tironi's *La Rebelión de las Masas*,⁴⁵ the Chilean society cannot be described without mentioning consumption.⁴⁶ This obviously relates to the vigorous expansion of the credit facilities that have allowed people of lesser means to access the goods that modernity tantalizingly offers through the media. The shopping

⁴⁰ '*Educación 2020*' sprang from the initiative of an engineering professor —Mario Waissbluth— who in 2008 denounced through the media what he considered the disastrous state of public education in Chile. He suggested that by 2020 the poorest 20 percent of Chile's children should have access to the same education excellence as the richest 20 percent. Two months after the initiative was launched, more than 25,000 people had adhered to the idea and a year later the movement was about to become a foundation with juridical status, had numerous volunteers working in the project and a Board of Directors formed by prominent Chileans. For more information visit <http://www.educacion2020.cl/>

⁴¹ '*Un Techo para Chile*' is another grassroots movement that started in 1997 when university students lead by a Jesuit priest —Felipe Berrios— undertook the commitment to build 350 basic homes in a poor area of southern Chile. By the year 2000 '*Un Techo para Chile*' had built 2000 basic homes. The project was a success and thousands of people have participated in the initiative, aiming at the eradication of camps in which many families live in appalling conditions. The initiative was exported to different South American countries. See more information www.untechoparachile.cl/

⁴² E. Engel and P. Navia (2006) *Que Gane el 'Más Mejor'*. *Mérito y Competencia en el Chile de Hoy*. Santiago: Random House Mondadori, p. 18.

⁴³ E. Tironi (1999) *La Irrupción de las Masas y el Malestar de las Elites*. Santiago: Ed. Grijalbo, pp. 27-28.

⁴⁴ J. Lavín (1987) *Chile, Revolución Silenciosa*. Santiago: Editorial Zig-Zag.

⁴⁵ E. Tironi (1988) *Los Silencios de la Revolución. Chile: la Otra Cara de la Modernización*. Santiago: Editorial La Puerta Abierta.

⁴⁶ P. Halpern, *op. cit.*, p. 18.

mall has become the new city square where people meet, take the children to play and, of course, celebrate Mother's Day and Father's Day, and is a clear example of the deep penetration of a consuming mentality. Not only do shops sell goods: politicians also do so in their campaigns when they offer medical and legal assistance, scholarships to pursue studies, fumigation of homes,⁴⁷ disinfection of pets,⁴⁸ and *domaduras*—horse round-ups—a typical entertainment in rural areas of central Chile.⁴⁹ It is also interesting to consider that on consuming, each individual projects his or her own identity and a group identity too, and that each group has several elements of consumption that symbolize the community it is nurturing.⁵⁰

The massive acquisition of electronic devices such as television sets, radios and computers has greatly widened the 'message market', and has expanded it by incorporating segments that used to be quite marginalized, such as poor families, some segments of the female population and people from the countryside.⁵¹ The modern consumer culture has somehow empowered people, allowing them to emancipate from the former leading sectors of society—often for better, but also for worse, as not every indication from an authority or leader is necessarily negative for those being commanded or led. In fact, individuals show considerable independence of opinion from old and well regarded institutions such as political parties and the Roman Catholic Church. Also investigative journalism has helped to unmask all sorts of white-collar offenders—from politicians to policemen, to ordinary citizens that abuse children, etc.—and this has made the 'sacred cows' of old lose their grip over the population.

Although 'two Chiles' still coexist—the country of the poor and the rich denounced by the opposition towards the end of the 1980s—nowadays it is more exact to speak of 'many Chiles' formed by several groupings. Following the logic of free market, the supply of produce has diversified thus replacing uniformity, fostering social diversity and individuality and diminishing the importance of collective utopias.⁵² This explains what I mentioned before, that is, the emergence of fragmented sub-cultures—youngsters, families, women, industrialists, etc.—linked by common consumer patterns ranging from clothing to education.

⁴⁷ P. Halpern, *op. cit.*, p. 50.

⁴⁸ Ernesto Silva, UDI winner of a deputy seat in congress in the 2009 elections.

⁴⁹ José Antonio Kast, UDI winner of a deputy seat in congress in the 2009 elections.

⁵⁰ J. Larraín (2001) *Identidad Chilena*. Santiago: LOM Ediciones, pp. 247–248.

⁵¹ J.J. Brunner *et al.* (1989) *op. cit.*, p. 81.

⁵² P. Halpern, *op. cit.*, p. 27.

Another interesting aspect of the culture of consumption is that it has helped to democratize society. The traditional ‘monopoly’ exerted by the higher social classes on the possession of goods and the access to services has become less severe. Even though the gaps in income, opportunities and life styles that differentiate the social strata present in Chile are still considerable, the democratization of consumption has contributed to blur in some way the edges between social groups.⁵³ With more and more people having access to cars, computers, holidays and trips overseas—which some 15 years ago were clear indicators of luxury—are today also the domain of the middle classes, partly thanks to credit cards. This phenomenon is not exclusive to Chile, but has become a world trend Chilean trend, as once exclusive brands—such as Mercedes Benz and Armani—have developed more accessible products to expand their markets.⁵⁴ As we shall see in section 5.2, the *Nuevos Chilenos*, the new Chileans that have emerged from the consumer culture developed in the country from the mid-1970s onwards, adhere to a whole array of novel values, consumption being one of them. Thus, as I said in Chapter 1, it has been a long time since we could say that Chileans were austere.⁵⁵

5.2 Los “Nuevos Chilenos”: New Values and New Cultural Reality

Section 5.1 suggested that most studies addressing the issue of Chile’s modernization have had a clearly practical inclination. This thesis is not an exception and also deals with this issue from a pragmatic perspective. Hence, section 5.2 shall examine the appearance and development of certain tangible indicators of modernity which attest to the development of that sort of present cultural ethos and way of living in Chile. This country has experienced an accelerated—albeit uneven—economic growth and modernization process. In fact, while many people have been able to get out of poverty, thousands of others have not. Also, although 99 per cent of young Chileans are able to read and write,⁵⁶ the differences in quality of education in the public and private system are enormous. Thus, Chile’s development since the mid-1970s has a bitter-sweet aftertaste as social mobility has increased, but deep poverty and social differences remain.

⁵³ ‘Luces y Sombras de la Nueva Sociedad Chilena’, *La Tercera*, 22 October 2006.

⁵⁴ *Ibid.*

⁵⁵ F. Villegas, *op. cit.*, p. 147.

⁵⁶ http://www.unicef.org/spanish/infobycountry/chile_statistics.html#56

The definition of modernity as the transformation of traditional societies has multiple reading and interpretations —almost as many as the authors that have written about it. Nevertheless, there is some degree of consensus among scholars as regards the existence of certain empirical features which confirm the advent and development of modernity, such as urbanization, improvement in the material well-being of the population, wider access to education, an increase in qualified labour force, women working outside their homes and changes in the structure of families, among several others. That modernity had ‘arrived’ in Chile became evident in the 1990s when diverse and long-standing tangible and intangible processes emerged, thus confirming that Chile was experiencing high levels of socio-economic development, which in this thesis equates modernity. Nevertheless, even though the emergence of so many characteristics common to modern and modernizing nations does not imply they develop in an identical way, as they have a wide variety of cultures and institutions.⁵⁷

The urbanization process is one of these indicators. In Chile, the strongest country-to-city migratory movement took place between the 1940s and 1980s with its peak during the 1960s and 1970s. Towards the 1980s it started stabilizing and ten years later Santiago, the main migratory centre, stopped receiving important population influxes.⁵⁸ What happened then in terms of urban development was an increase in the population’s stability: people not only ceased to move towards the cities but also within the cities themselves. ‘*No me cambio ni de casa ni de barrio*’⁵⁹ was the saying by Zalo Reyes, a Chilean singer that was famous in the 1980s. His motto was at the same time populist —meaning that he would not change his lifestyle even when fame and money were knocking at his door— and realistic as Conchalí, the inner city area where he lived, was becoming a respectable working class area. In the last ten years Conchalí has become a middle class residential sector. In its adjacent zones, some of which lodge sophisticated entrepreneurial complexes, real estate developments have been rising steadily. By the same token, areas of Peñalolén, La Florida, Puente Alto, Macul (which have been traditionally working class sectors) have experienced important urban transformations that attest to the noticeable improvement of the living condition of the population in general.

⁵⁷ R. Inglehart, *op. cit.*, p. 18.

⁵⁸ O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 47.

⁵⁹ I won’t leave either my house or my neighbourhood.

For those experiencing the rapid upwards social mobility of the 1980s and 1990s, moving to more prosperous urban districts ceased to be necessary as prosperity literally hit home and schooling and employment begun to be available in almost every place. The increasingly smaller groups of people who refuse to settle down form part of elites who have accessed higher levels of education and employment than their milieu. Thus the patterns of urban mobilization have shifted drastically. It is no longer the city poor that look for places that offer less unfit living standards, but better qualified workers that look for improved living conditions.⁶⁰ Some cities have not stopped growing in size, but this is not necessarily due to external migration but the fact that more families own or rent homes. The 2002 national census showed 30.6 per cent⁶¹ increase in the number of homes in a ten year period, which greatly contributed to reduce overcrowding. These data are confirmed by complementary information: in the same period, homes housing less than two people per room rose from 58.5 per cent to 73.9 per cent.⁶² The 2002 census also showed that 95 per cent of Chilean homes sheltered one single family.⁶³ These data show a considerable reduction in overcrowding. Also the quality of the buildings has improved: 90.7 per cent of the population resides in solid dwellings compared to 81.1 per cent in 1990.⁶⁴

There has been an improvement in home furnishing: 82.1 per cent of Chilean households have refrigerators; 78.8 per cent have washing machines and 87 per cent colour television sets; and over 51.5 per cent have phones.⁶⁵ Finally, whereas in 1992 21.6 per cent of the population had a car by 2002 35.2 per cent owned one.⁶⁶ What also shows spectacular advances is the acquisition and use of information technology (IT):⁶⁷ between 1989 and 2004 the number of mobile phone owners rose from five thousand to 9 million⁶⁸ and internet users went from 250 thousand in 1997 to almost 4.8 million in 2004.⁶⁹ Also, there are areas that have improved so greatly that there is little space to keep doing so. Such is the case of infant mortality, malnutrition and

⁶⁰ E. Tironi (2005), *op. cit.*, p. 157.

⁶¹ CENSO 2002. Síntesis de Resultados, <http://www.ine.cl/cd2002/sintesisencensal.pdf>, p. 37.

⁶² O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 99.

⁶³ CENSO 2002. Síntesis de Resultados, *op. cit.*, p. 43.

⁶⁴ O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 99.

⁶⁵ CENSO 2002. Síntesis de Resultados, *op. cit.*, p. 50.

⁶⁶ O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 99.

⁶⁷ As access to IT is not normally mentioned in sociology texts I studied as a separate modernity indicator, in this thesis I include it in the improvement of the general living standard of the population.

⁶⁸ PNUD (2006) *op. cit.*, p. 10.

⁶⁹ *Ibid.*

other poverty related health matters. Improvement is quite marginal as the indexes have been very good for many decades now, as happens in developed nations. These figures are good examples of the second empirical indicator of modernization, i.e. the general improvement of the material wellbeing of individuals and their living standards and the people are aware of such upturn. As pointed out in the 2004 UNDP report, 67.1 per cent of respondents consider that they themselves and their families live in better conditions than in 1994.⁷⁰

Education has also expanded, reaching almost the entire population at primary and secondary schooling level.⁷¹ The new national educational goal appears to be higher education: although the number of people accessing university or technical professional training has risen —2.7 per cent of the population in 1952,⁷² 16.1 per cent in 1990⁷³ and 37 per cent in 2003⁷⁴— there is still a long way to go before reaching mass or near universal professional training: in fact government forecasts predict that by 2012 almost one million youngsters between the ages of 18 and 24 —i.e. only 50 per cent of that age group— will get some form of higher education.⁷⁵ Furthermore, many years will elapse before the parent-children gap in terms of instruction is bridged: current studies show that the parents of two out of three higher education students have a lower educational floor.⁷⁶ Education is directly related to the transformation of the working force. In fact, skilled workers are on the rise, as it is easier for those with higher education level to find a job.

According to Brian Loveman, the female labour force's share by 1970 amounted to approximately 25 per cent.⁷⁷ Thirty years later the percentage had risen. In fact, according to the 2002 census, the women's workforce share amounted to 35.6 per

⁷⁰ PNUD (2004) *op. cit.*, p. 289.

⁷¹ L. Mires and H. Rivas, (2003) Los Principales Cambios Socio-Económicos de Chile en la Década 1992-2002, *Revista Estadística y Economía* (23). Santiago: Instituto Nacional de Estadísticas, pp. 9-12. Also see O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 33.

⁷² O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 50.

⁷³ *Ibid.*

⁷⁴ PNUD (2004) *op. cit.*, p. 273.

⁷⁵ 'Educación superior en Chile'. Ministerio de Educación.

http://tuning.unideusto.org/tuningal/images/stories/presentaciones/chile_doc.pdf, p.4.

⁷⁶ O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 129.

⁷⁷ B. Loveman (2001) Chile: *The Legacy of Hispanic Capitalism*. New York: Oxford University Press, p. 337.

cent.⁷⁸ Rises in educational standards, a drop in fertility rates,⁷⁹ the availability of home appliances that facilitate the household chores, are some of the reasons that explain the upswing in females working outside home. Nevertheless, the Chilean rates for this indicator are quite low by world and Latin American standards. Part of the problem is due to the lack of a comprehensive child care system: although it has extended considerably, it still benefits only a small portion of society. Furthermore, although there has been a change in the traditional gender roles within the family, women still take on their shoulders most domestic tasks, a fact that is acknowledged by women and men alike.⁸⁰

In the end women who have a full time job outside their homes, tend to have a full time occupation at home too.⁸¹ This greatly raises their levels of stress and unhappiness.⁸² As this fact shows, the shift in gender roles in Chile is not quite smooth, but it is definitely taking place. For example, some patterns have changed sharply over the past decades precisely because of this fact: as many more women prioritise their professions, fewer are getting married and if they do so, it is later in life. The same can be said of maternity, which is postponed, and of fertility rates which have been consistently dropping since the 1960s. These facts have led to a transformation of families, which have been evolving from extensive family groupings, with at least three generations under the same roof, to the nuclear groupings centred on a couple and their children or a couple with no offspring.⁸³ The changes experienced within the family will be analyzed in greater detail later on.

Within consumer culture the social order that attributes an inherited fixed status to individuals disappears. Upward or downward social mobility is a matter of personal income and there is no law that guarantees that people will have a certain social level

⁷⁸ The year 1992 female labour force participation was 28.1 percent. O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 157.

⁷⁹ According to some estimates, if fertility rates keep dropping, by the year 2050 Chile will have a population of 19 million. The number is quite small considering that the population in 2010 was approximately 17 million. See 'Sergio Melnick: Santiago y el Bicentenario: Mucho Cuerpo, Poca Alma y Nada de Futuro', *Qué Pasa*, 28 February 2009.

⁸⁰ Encuesta Nacional Bicentenario Universidad Católica-Adimark (2008). http://www.adimark.cl/medios/Encuesta_Nacional_Bicentenario_08.pdf, p. 82.

⁸¹ PNUD (2002) *op. cit.*, p. 25.

⁸² 'El 60% de las Santiaguinas Se Sienten Estresadas por su Carga de Responsabilidades', *El Mercurio*, 11 July 2007. Study conducted by Clínica Las Condes.

⁸³ L. Mires and H. Rivas, *op. cit.*, p. 24.

throughout their life and that of their children. This has happened in Chile in the past 15 years. The seed was planted in the 1970s and 1980s and the economic growth of the 1990s brought the democratization of consumption, the expansion of the middle class and an increase in the purchasing power of the poor. People started to believe in and live by the idea that a life of hard work and personal effort leads to social betterment and that the social class in which a person was born is not predetermined.

Three of the interviews conducted for this dissertation illustrate these points. The women to whom I talked to were born into poor families who originally lived in rural areas. Mercedes Hermosilla⁸⁴ was the eldest of thirteen children, María Guzmán's⁸⁵ parents had twelve children and Jaqueline Aburto⁸⁶ was adopted and grew up as an only child. The three of them ended up living in Santiago where they got married. Mercedes had no children whilst María and Jaqueline had two each. The three women were able to finish school and access technical education where they were trained as carers of babies and elderly people, a well-paid job: they charge approximately CLP\$25.000 per day, some US\$ 50. Mercedes and María own their homes. The three carers' children and/or several of their nephews have been able to access higher education, some having attended university. Thus, María's eldest son is a lawyer and Jackie's daughter is an English teacher. The three women understand perfectly well that things have changed in Chile in such a way that they, who were brought up in poor families, are now part of a forceful middle class. Mercedes specifically relates those changes to Pinochet's government, which she approves of in economic terms and condemns for human rights violations.

Mercedes Hermosilla, María Guzmán and Jaqueline Aburto have been able to move upwards socially speaking but they know their situation is not guaranteed. And this is also valid for those born to humble families and those blessed by fortune from birth. In fact, in recent years Chile has seen an expansion in its 'millionaires club', who also struggle relentlessly to preserve and increase their wealth. Nowadays, approximately 4,000 families have assets for more than US \$1,000,000 and some 600 of them for over US\$ 5,000,000.⁸⁷ It is for them that helicopters and planes, as well as other luxury products, have arrived in the country. Although these figures are quite indicative of the

⁸⁴ Mercedes Hermosilla, (baby carer) interviewed on 30 May 2009.

⁸⁵ María Guzmán, (baby carer) interviewed on 7 October 2009.

⁸⁶ Jackelin Aburto, (baby carer) interviewed on 28 November 2009.

⁸⁷ Since 2000 the multinational Boston Consulting Group publishes an annual report of world wealth. The figures of Chilean millionaires are available there.

economic transformation of Chile, the families of millionaires account for only 0.09 per cent of the total population.⁸⁸ Much more impressive and important is what has happened to the great majority of the Chilean population. As already indicated in the first section of this chapter, the living standards of the vast majority of Chileans have improved greatly in the last 30 years, particularly after the 1985 economic expansion. Although the subprime crisis of 2008 and the February 27th, 2010 earthquake shattered many of these dreams, until 2006 about 70 per cent of the population believed that it would climb up the social ladder throughout their lives and 92 per cent believed that their children would lead a better life than themselves.⁸⁹ Two years later, that is once the crisis had broken out, people were less optimistic. But still 53 per cent thought that they would improve their living standards, only that this might take longer.⁹⁰

It is generally agreed that social mobility has been possible due to the 30 per cent increase in real wages in the past 10 to 15 years⁹¹ as well as to a wider access to education. In fact, approximately 70 per cent of the students attending university are the first generation to do so in their families.⁹² These facts explain the important growth experienced by the middle classes, which is increasingly related to the private sector of the economy. Following the privatization of public enterprises during the 1980s and 1990s, the state had fewer jobs to offer, i.e. there were fewer positions traditionally to be filled by the middle classes. This contributed to a change in the characteristics of these groups, which were somehow pushed into the new consumer, free market society and became mainly an urban class, hooked to the means of communication that have developed consumer habits like those of the middle classes of industrialized nations.⁹³

Although the enrichment of so many people in Chile is certainly positive, it is also true that not everything is so bright. It is undeniable that the whole country has

http://www.bcg.com/SearchResults/ViewSearchResults.aspx?page=1&sort=date%3aD%3aL%3ad1&filter=0&output=xml_no_dtd&access=p&ie=UTF-8&oe=UTF-8&start=10&num=10&q=annual+report+world+wealth.&search_type=basic&numrecs=95&site=bcgsite

⁸⁸ 'Luces y Sombras de la Nueva Sociedad Chilena', *op. cit.*, 8 October 2006.

⁸⁹ 'Luces y Sombras de la Nueva Sociedad Chilena', *op. cit.*, 15 October 2006.

⁹⁰ Encuesta Nacional Bicentenario Universidad Católica-Adimark (2008) *op. cit.*, p. 33.

⁹¹ 'Luces y Sombras de la Nueva Sociedad Chilena', *op. cit.*, 15 October 2009.
 PNUD (2004) *op. cit.*, p. 273.

Income per families from 1990 to 2003 have increased 73 percent in the Great Santiago area and 65 percent in the regions of Magallanes, Aisén and Coquimbo.

⁹² 'Luces y Sombras de la Nueva Sociedad Chilena', *op. cit.*, 15 October 2009.

⁹³ P. Halpern, *op. cit.*, p. 40.

grown in economic terms, but it is also irrefutable that this growth has not been even. Although income distribution has improved in the past ten years,⁹⁴ the difference between the rich and the poor is considerable; 41 per cent⁹⁵ of the national wealth concentrates in the hands of the wealthiest 8 per cent⁹⁶ to 10 per cent of the country.⁹⁷ The concentration of wealth is not the only—or the major—problem in the uneven development of so many nations around the world. In fact, there are nations with a more equal wealth distribution—such as Peru—but with far fewer possibilities of social mobility and much larger portions of their population living under the poverty line. In fact—although this situation may change in the coming years due to Peru's successful economic performance—the inflow of poor Peruvians into Chile looking for a brighter future is such that some speak of the formation of a new social segment in Chile, that of Peruvian immigrants. Thus, if a society with a less unbalanced accumulation of wealth does not ensure improved social mobility, then what is the problem if some have a lot, even if they are few?

The dilemma lies in the fact that such levels of inequality imply the existence of severe flaws in the social and economic organization of the country. In fact, poor quality education, a persisting lack of pre- or in-service qualifications and less access to credit all greatly diminish the possibilities of having better incomes.⁹⁸ These factors affect the economic growth of a country, its political and social stability and good labour relations.⁹⁹ In the opinion of the Executive Director of *Fundación para la Superación de la Pobreza*,¹⁰⁰ Leonardo Moreno, in Chile the acute socio-economic differences attest to a deep inequality of opportunities. For example, in Santiago the wealthiest urban sectors have access to more green areas and parks even though several of the people living there have access to private gardens. Also, more policemen guard their streets instead of watching over zones with far higher crime levels. In Moreno's opinion, this is not the fault of the wealthy and the problem is not necessarily solved by increasing

⁹⁴ 'Distribución del Ingreso Logra su Mayor Mejoría desde 1990', *La Tercera*, 29 June 2007.

⁹⁵ B. Loveman, *op. cit.*, p. 434.

⁹⁶ Leonardo Montes, (Executive Director *Fundación para la Superación de la Pobreza*) interviewed on 30 November 2009.

⁹⁷ A. Solimano and M. Pollack (2006) *La Mesa Coja. Prosperidad y Desigualdad en el Chile Democrático*. Santiago: CIGLOB, p. 64.

⁹⁸ A. Solimano and M. Pollack (2006) *op. cit.*, pp. 77–79.

⁹⁹ A. Solimano and M. Pollack (2006) *op. cit.*, p. 17.

¹⁰⁰ For more information see <http://www.fundacionpobreza.cl/>

taxes. Rather, the problem lies in a deficient system of distribution and access to opportunities of development, which are facts that demand better public policies.¹⁰¹

The other dark zone of economic growth and social mobility is the existence of an important number of people that have not been able to progress and still live under the poverty line. This issue is a matter of much debate because it is a political topic. Despite the good will of several left and right wing politicians, as well as confessional and lay organizations, entrepreneurs and academics, all of whom sincerely long for the elimination of poverty in the country, it has been very difficult to reach a consensus on how many people live in poverty and the means to get them out of it. On the one hand, there are political sectors that still blame Pinochet and the Chicago Boys for neglecting the poor, forgetting that it was the introduction of a market economy that allowed the subsequent socio-economic development experienced by the country since the 1980s. Also, as social justice has been one of the main battle flags of the Concertación, the representatives of their governments do not easily accept a frequent criticism in the sense that the measurement standards that they used to assess the levels of poverty were dated, and thus tended to make the real problem seem less serious as, by these standards, not all the poor were considered as such. Finally, in recent years the right wing Alianza sectors have somehow stolen the banner of defenders of the poor. So, instead of the Concertación and the Alianza joining forces and ideas to fight poverty, there has been an increase in clashes. Hence, although the politicization of the 'topic' of poverty is positive in the sense that it keeps it in the public agenda instead of shutting it away,¹⁰² it is negative in that the lack of consensus is an obstacle to the clarification of policies to put an end to such a scourge.

The important question to be addressed now is how many poor live in Chile and the answers differ substantially from one source to another. The official figures—to be found in the 'National Characterization Socio-economic Survey'—CASEN in the Spanish acronym, conducted every three years by the Ministry of Planning— suggest that by 2006 13.7 per cent¹⁰³ of Chileans lived under the poverty line, this is 2,208,937 people. Of that figure, 1,692,199 correspond to poor people who earn approximately

¹⁰¹ Leonardo Moreno, (Executive Director *Fundación para la Superación de la Pobreza*) interviewed on 30 November 2009.

¹⁰² Mauricio Rosenblüth, (Research and Public Policy Director *Fundación para la Superación de la Pobreza*) interviewed on 30 November 2009.

¹⁰³ Encuesta de Caracterización Socioeconómica (CASEN) 2006
<http://www.mideplan.cl/casen/publicaciones/2006/Pobreza.pdf>

\$50,000 pesos a month (some US\$ 100) and 516,738 who are indigent, that is, they live with less than \$24,000 pesos per month (some US\$ 50). These results were considered quite positive as the results of the previous CASEN, which appeared in 2003, showed that Chileans living under the poverty line added up to 18.7 per cent of the total population. If compared with Mideplan's studies of 1990, the improvement has been considerable, as poverty fell by 24.9 percentage points from 38.6 per cent¹⁰⁴ of the whole population to the aforementioned 13.7 per cent. In addition to the CASEN survey there are other studies whose results can differ quite substantially basically because the methodology used in them is different.¹⁰⁵

Probably one of the most interesting debates on the issue of how many poor there are in Chile took place in 2008 between the Ministry of Planning and the study conducted by the economist Felipe Larraín,¹⁰⁶ who blamed the ministry for using obsolete methods to measure the levels of poverty. In fact, the CASEN methodology considers a basic food basket contrasted with the income of those being surveyed, the result of which is the purchasing power of respondents. The study conducted by Larraín used exactly the same methodology except for one aspect: the food basket both studies considered is that of the National Statistics Institute,¹⁰⁷ only that MIDEPLAN still uses the 1987-1988 version of the Survey on Household Budgets whilst Larraín used the version released between 1996 and 1997. The difference in the results is substantial: if CASEN 2006 talked about 2.2 million poor, that is 13.7 per cent of the total population, the study conducted with the updated information states that 29 per cent of Chileans live in poverty, i.e. some 4 million. Interestingly, the study conducted by Larraín was based on data gathered by a reputed national institution that fights poverty, *Fundación para la Superación de la Pobreza*, which is partly funded by the government. Both its Executive Director, Leonardo Moreno, and its Research and Budget Director, Mauricio Rosenblüth, think that there are far more poor in Chile than indicated by CASEN 2006, although the foundation prefers not to conduct a parallel study to

¹⁰⁴ *Ibid.*

¹⁰⁵ To illustrate this point I took three studies on poverty published on the internet and compared their results. I made the calculations with an estimated population of 16,000,000 for Chile in 2003. The results were as follows: CASEN 2003: 3,008,000 poor, i.e. 18.8 percent of the population; Cepal 2003: 3,760,000 poor, i.e. 23.5 percent; Adimark 2003: 3,248,000 poor, i.e. 20.3 percent of the population.

¹⁰⁶ F. Larraín (2008) 'Four Million Poor in Chile: Updating the Poverty Line', *Estudios Públicos* (109). Santiago: CEP, pp. 101-148.

¹⁰⁷ INE in its Spanish acronym.

replace the official figures.¹⁰⁸ Definitely lack of agreement on the issue of poverty and the fact that some Chileans lead a first-world nation life whilst many others live in appalling conditions introduces a tensioning factor in Chile's peaceful coexistence, which will be explored in the coming section.

5.3 Thesis-Antithesis: the Quest for a Bicentennial Chile within Antagonising Forces

In the previous sections I outlined the recognizable features of neo-liberal modernity and the consumer society in Chile. Nevertheless, one should not draw the wrong conclusion that Chile's transformation in the last decades has been straightforward, like an arrow shot by an expert archer that cannot but hit its target, i.e. development. On the contrary, the modernization phase has encountered not only ups and downs because of the external and internal economic context but also bitter antagonisms among the elites that have thought out the changes and conducted them. There are also natural or spontaneous conflicting feelings, responses and attitudes that arise within the wider population when many of Chile's traditional institutions and values are being shaken from their very roots. For example, there is the controversy that took place by the end of the 1990s on what several intellectuals regarded as the ill feelings to be found in Chile due to the characteristics of its fast liberal modernization, and also a second controversy on the dismantling of the value system prevailing in the country until few years ago. In fact, the debate around issues such as divorce, abortion or homosexuality, has tended to divide the nation thus contributing to the controversial celebration of its Bicentennial.

The achievement of development has been one of the dearest wishes of the nation through its last hundred years of existence, a frustrating quest at the heart of several political proposals. As Antonio Cándido said, until the first decades of the twentieth century the predominant notion as regards Latin America's development considered its nations as 'new countries', i.e. states with still unfolding histories full of possibilities. Nevertheless, as those promises did not always materialize, what began to sink in

¹⁰⁸ Leonardo Moreno, (Executive Director *Fundación para la Superación de la Pobreza*) interviewed on 30 November 2009.

Latin America's self-consciousness was the notion of frustrating underdevelopment.¹⁰⁹ Chile was no exception to this view.¹¹⁰ In fact, one of the reasons for the bitter feelings surrounding the celebration of the Centennial was that, in spite of the immense wealth brought in by the 30-odd years of nitrate trade boom, towards 1910 the nation was still poor, with a per capita income that had started tumbling down quickly. Far from being catapulted towards development Chile saw its hopes for improvement totally thwarted.¹¹¹ Together with the economic downturn came the time of *autocrítica de Chile*, as Mario Góngora called the wave of ill feelings that sprang around the change of century described in Chapter 2.¹¹² Interestingly, a hundred years later the ill feelings have once again entered the scene, spreading a depressive outlook on the celebration of the Bicentennial. And the reasons are quite similar: Chile has touched development, as described here, but the Asian and subprime crises as well as the devastating February 2010 earthquake, have made the Chileans realize that progress is neither indefinite nor to be taken for granted.¹¹³

¹⁰⁹ A. Cándido (2000) 'Literatura y Subdesarrollo' in César Fernández Moreno (ed.) *América Latina en su Literatura*, Mexico City: Siglo XXI (UNESCO), p. 335.

¹¹⁰ See A. Pinto (1959) *Chile, un Caso de Desarrollo Frustrado*. Santiago: Editorial Universitaria.

¹¹¹ According to one account of the nitrate wealth, the Chilean state earned an immense wealth through taxes, which set the foundations of a statist national mentality, quite different from what had been predominant during the previous decades. In fact, the wealth paid into the state permitted the establishment of a protectionist industry, a large bureaucracy and fostered state clientelism. For further information on this line of analysis see M. Rojas (2007) *Diario de un Reencuentro. Chile Treinta años Después*. Santiago: El Mercurio-Aguilar, pp. 103-104.

¹¹² M. Góngora (1986), *op. cit.*

¹¹³ Interestingly, Sebastián Piñera's website for the 2009 presidential campaign made a comparison with the spirit of the Centennial celebration. The web page reads as follows: ¿Qué Ataja el Poderoso Vuelo? Hace más de 100 años, cuando Chile se aprontaba a celebrar su primer Centenario de vida independiente, Enrique Mac Iver, desde las tribunas del Ateneo de Santiago, pronunció un discurso que quedó grabado a fuego en nuestra historia. El destacado político denunciaba entonces: "Me parece que no somos felices"; y agregaba: "La holgura se ha trocado en estrechez; la energía en laxitud; la confianza en temor; las expectativas en decepciones". ¿Por qué Chile parecía haberse detenido? ¿Y qué había atajado el poderoso vuelo que había tomado la República?, se preguntaba. Poco más de un siglo después, y a punto de celebrar el Bicentenario, nos asaltan interrogantes similares: ¿Qué ha sucedido con la promesa de llegar al año 2010 como un país desarrollado y sin pobreza? ¿Dónde está el crecimiento sólido y las promesas de promover la innovación y el emprendimiento? ¿Qué ha ocurrido en Chile que los delincuentes nos atemorizan día a día arrebatándonos calles, plazas y parques? ¿Dónde ha quedado nuestra admirada tradición de eficiencia y probidad en el servicio público? ¿Cuándo las envenenó la incompetencia y la corrupción? ¿Cuándo y por qué Chile perdió el liderazgo? ¿Por qué volvemos a tener un desempleo que afecta a casi 750.000 compatriotas?"

Voices of discontent have risen from diverse sectors of the nation. Those groups who have left poverty behind panic when they face the possibility of losing what they have achieved with so much effort.¹¹⁴ And even if things do not evolve so negatively, they find it frustrating to be moving forward at a slower pace now that they have tasted the goods of modernity. What also irritates the middle class is the Chilean education system.¹¹⁵ Chileans have come to believe that education is the springboard to social mobility—as do the three baby carers mentioned in section 5.3—and thousands of parents have made heavy sacrifices to allow their children to access an education that will take them and their families not only out of poverty but into undreamt-of lifestyles. Regrettably, what the inefficient public system—and not for lack of economic means—has done is to reproduce and increase the social inequality mentioned in 5.2 as has been repeatedly shown by diverse national examinations. For example, 2009 was characterised by the strikes of school teachers, which meant that the students from the public system who sat the university admission test¹¹⁶ in November had had fewer classes to prepare for the test than the students from the private sector.¹¹⁷ Thus, their performance was poorer and once again it was the teenagers coming from wealthier families that got accepted at the best universities and the top degree courses.¹¹⁸

Delinquency is another topic that greatly worries the whole population, cutting across all class divisions. Criminality rates have increased steeply in the past years. Less threatening to the population, but still a menace, are the anti-systemic groups that have emerged in the last five to ten years. The Chilean Neo-Anarchists, who

¹¹⁴ María Guzmán, (baby carer) interviewed on 7 October 2009.

¹¹⁵ President Michelle Bachelet practically inaugurated her administration with the biggest student protest ever seen in Chile. During May and June 2006 thousands of secondary school students went on strike in protest for what they considered to be bad quality public education. This was known as the ‘penguins protest’. The movement was quite eclectic in terms of ideology and many youngsters did not have a clear idea of what they were fighting against or asking from the government. Nevertheless, the movement showed what everyone knew in the country: that in spite of the abundant resources spent in the public education system, it had proved unable to provide quality education, thus increasing the rift between the high quality private schooling system existing in the country and the public system.

¹¹⁶ PSU: Prueba de Selección Universitaria.

¹¹⁷ In fact, the students from the public system who sat the university admission test in 2009 are often called the lost generation since they spent a considerable part of their high school education in demonstrations. For more information see ‘La Generación Perdida de la PSU’, *La Estrella de Valparaíso*, 24 November 2009.

¹¹⁸ In fact, from the 100 schools with best performance in 2010 PSU, only three were public and three partly state-funded; the other 94 were from the private sector. For more details see <http://static.latercera.com/200912/644201.pdf>

have seldom heard of Mikhail Bakunin, are vague left-wingers with minimal political ideology: they oppose authority, hate the police forces and any type of organized government. Frustrated by the current social order, often jobless, they appear on key days —such as ‘the day of the young fighter’ or on September 11— wreaking havoc and destruction.¹¹⁹ All this adds to the feeling of insecurity, personal defencelessness and depression.¹²⁰ The withdrawal of the state from so many aspects of public and private life has highlighted the role played by other institutions that might replace it, basically, the mass media and the Roman Catholic Church.¹²¹

Between the late 1990s and early 2000s several works interpreting the transformation of the decade were published. Most of them can be grouped along four lines of interpretation¹²² which reflect the antagonism produced by the advent of liberal modernization as well as the malaise triggered by the Asian crisis. Felipe Larraín¹²³ emphasises the continuity of the economic system and the similarities with that implanted by the Chicago Boys. The same is argued by Tomás Moulian¹²⁴ and Alfredo Joignant¹²⁵ but under an absolute opposite perspective: they basically deny any positive aspect of the changes of the 1990s which they consider as a spurious continuation of Pinochet’s regime. A more positive outlook is presented by an alternative interpretation of those times, its main exponents being Manuel Antonio Garretón,¹²⁶ Paul Drake, Ivan Jaksic¹²⁷ and Felipe Agüero.¹²⁸ They acknowledge the advantages of democracy

¹¹⁹ ‘Manual del Encapuchado’, *El Mercurio*, 6 September 2006. The day of the young combatant —celebrated every 29 March— was inaugurated in remembrance of Rafael and Eduardo Vergara Toledo, two brothers and members of the Movimiento de Izquierda Revolucionaria (MIR). The Rettig Report states that they were killed in 1985 by state agents. With the passing of time the memorial date has degenerated into days of vandalism.

¹²⁰ Interestingly enough, in 1995 The World Health Organization declared Santiago to be ‘the world capital of depression’. See ‘Psiquiatras Explican el Alza de la Depresión’, *El Mercurio*, 15 June 2006.

¹²¹ PNUD (2004), *op. cit.*, p. 287.

¹²² E. Tironi (2005), *op. cit.*, pp. 141–149.

¹²³ F. Larraín and R. Vergara (eds.) (2000) *La Transformación Económica de Chile*. Santiago: CEP.

¹²⁴ T. Moulian (2002) *Chile Actual. Anatomía de un Mito*. Santiago: LOM Ediciones.

¹²⁵ A. Joignant (2002) *Los Enigmas de la Comunidad Perdida. Historia, Memoria e Identidad Políticas en Chile (2000–2010)*. Santiago: LOM Ediciones.

¹²⁶ M. A. Garretón (2000) *La Sociedad en que Vivi(re)mos, Introducción Sociológica al Cambio de Siglo*. Santiago: LOM Ediciones.

¹²⁷ P. Drake and I. Jaksic (eds.) (1999) *El Modelo Chileno. Democracia y Desarrollo en los Noventa*. Santiago: LOM Ediciones.

¹²⁸ F. Agüero (2002) ‘Chile: Unfinished Transition and Increased Political Competition’ in J. Domínguez and M. Shifter (eds.), *Constructing Democratic Governance*. Baltimore: John Hopkins University Press.

but think it is characterized by authoritarian enclaves and a longing for past times of wider social participation. A third line of interpretation, which follows a more sociological analysis is presented in the 1998 UNDP report.¹²⁹ Acknowledging the benefits of material progress, this report shows concern for the fissures of culture and community bonds in Chile. Finally, Edgardo Boeninger,¹³⁰ Cristián Tolosa and Eugenio Lahera,¹³¹ Ernesto Ottone, Crisóstomo Pizarro¹³² and José Joaquín Brunner¹³³ acknowledge the achievements of the new democratic-market system and are quite hopeful of its future development.

The intellectual debate described above sums up the attitudes and opinions of the main lines of thought in Chile by the 2010 Bicentennial celebrations. That Chile is no longer the rising star of South America¹³⁴ is a reality generally agreed on, as the economy has never been able to perform at a pre-1997 level. Nevertheless, and although higher levels of pessimism have sunk in, as a consequence of the slower pace of economic growth from 1998 onwards, there are still optimistic voices as regards the society that Chile has become and its capacity to transform lives for the better. Thus, the 2004 UNDP report findings makes it clear that most people think that in Chile today there are more chances of studying, accessing material goods, setting up a private business and expressing one's view than ever before.¹³⁵ The study published by PUC-Adimark in 2008 shows that 57 per cent of respondents believe that Chile will have better education and achieve the status of developed nation (58 per cent) by 2018¹³⁶ and 53 per cent trust that their economic situation will improve, although not at a fast pace.¹³⁷ Obviously, once the crunch of the Asian crisis was over, people tended to recover faith in the system. Hence, whereas in the 2002 UNDP report 55 per cent of the people considered themselves as losers within the market system and

¹²⁹ PNUD (1998) *Desarrollo Humano en Chile. Las Paradojas de la Modernización*. Santiago: PNUD.

¹³⁰ E. Boeninger (1997) *Democracia en Chile Lecciones para la Gobernabilidad*. Santiago: Editorial Andrés Bello.

¹³¹ C. Tolosa and E. Lahera (1998) *Chile en los Noventa*. Santiago: Dolmen Ediciones.

¹³² E. Ottone and C. Pizarro (2003) *Osadía de la Prudencia. Un Nuevo Sentido del Progreso*. Santiago: Fondo de Cultura Económica.

¹³³ J.J. Brunner (1998) 'Malestar en la Cultura, ¿de qué Exactamente Estamos Hablando?', in *Revista de Estudios Públicos* (72). Santiago: CEP, pp. 173-198.

¹³⁴ 'Michael Reid: Chile Era la Estrella de América Latina', *Qué Pasa*, 21 February 2009.

¹³⁵ PNUD (2004) *op. cit.*, p. 289. Answers to question 45 state that in today's Chile there are more opportunities to study (73,3 percent), to access material goods (63,1 percent), set up a private business (53,7 percent), express one's view and live as one wants (57.0 percent).

¹³⁶ Encuesta Nacional Bicentenario Universidad Católica-Adimark (2008) *op. cit.*, p. 28.

¹³⁷ Encuesta Nacional Bicentenario Universidad Católica-Adimark (2008) *op. cit.*, p. 33.

thus disapproved of it,¹³⁸ the 2006 PNUD report showed that 62.6 per cent considered themselves as winners.¹³⁹ However, this was followed by the subprime crisis: once again pessimism sank in and a more deteriorated scenario was envisioned, some publications announcing the end of the Chilean model.¹⁴⁰ It seems that those predictions were wrong as Chile's economy was able to recover from that troubled period.

There are also voices complaining about the shift in values experienced in Chile. Although brewing for several years, this became apparent in the 2000s. As mentioned in the introduction to this chapter, some point out that it was specifically during Ricardo Lagos' administration. The concept of values is ample. What it refers to here pertains mainly to the traditional-conservative Christian view, with most of the dissenting voices concentrating on issues such as family, life and religion. On a second level, it also alludes to what the traditional-progressive Left has cherished as valuable: solidarity, austerity, control of nature —and thus of the market— by human reason.¹⁴¹ Both visions have undoubtedly been questioned by society. This is not surprising if modern capitalism is seen as a doer and destroyer, a big machine that at the same time wipes out and creates material things, values and life styles.¹⁴² Definitely, modernity is an 'ambiguous enterprise that, on the one hand, frees human energies as it multiplies the possibilities of being, doing and knowing. On the other hand, it creates a social environment that menaces with destroying everything'.¹⁴³

Christian Welzel and Ronald Inglehart argue that modern societies bring about favourable existential conditions, which help them to shift from survival values to self-expression values. This means that when basic needs —such as food, accessing education and health care— are covered, people tend to pay attention to less material principles centred on subjective well-being and self-expression values derived mainly from an increasing autonomy from authority.¹⁴⁴ It is in this context that Chile's traditional standards have shifted and resemble what David Harvey calls the postmodern

¹³⁸ PNUD (2002) *op. cit.*, p. 43.

¹³⁹ PNUD (2006) *op. cit.*, p. 233.

¹⁴⁰ 'El Fin del Modelo Chileno', *Punto Final*, 19 March 2009.

¹⁴¹ E. Tironi (1999), *op. cit.*, p. 215.

¹⁴² J.J. Brunner (1988) *op. cit.*, p. 175.

¹⁴³ *Ibid.*

¹⁴⁴ C. Welzel and R. Inglehart (2005) *Modernization, Cultural Change and Democracy: the Human Development Sequence*. New York: Cambridge University Press, pp. 29 and 37.

value fragmentation.¹⁴⁵ It is necessary to say that although several of these changes are positive, often leading to more humane societies, history teaches us that thoughts and ideas are neither innocent nor innocuous.¹⁴⁶ In fact, socio-economic development as achieved in Chile has a bittersweet taste, which is not surprising if we consider that development has both positive and negative effects on the different segments of the population,¹⁴⁷ as the following passages suggest. Moreover, the findings of positive psychology research appear to indicate that several of the trends that developed in Chile may not necessarily lead Chileans to a happier life.¹⁴⁸

That Chileans attribute the greatest importance to family is out of the question. When asked about their main source of happiness, protection and emotional support, most respondents answered that it was their families.¹⁴⁹ What is more, 94 per cent of young respondents declare that they have full trust in their parents and 72 per cent also trust their relatives.¹⁵⁰ In a society that has become more aggressive and competitive, with less state protection for the individual and less community bonds, the family is resorted to as comforting refuge and panacea, which can be quite dangerous. On the one hand, studies about the levels of happiness of different nations show that those societies with strong family bonds tend to be happier and cope better with the demands of modern life: Chile would be such case.¹⁵¹ On the other hand, the fact that the family is so well evaluated does not mean that it is well prepared to cope with such expectations and demands. In fact, there is a general belief that Chilean families are in crisis, given the increase of divorce, the decline in number of people who get married¹⁵² or do so later in life,¹⁵³ the fairly large amount of grandparents who are forced to take care of their young grandchildren whilst their teenage daughters try to finish school

¹⁴⁵ D. Harvey, *op. cit.* He organizes in tables (pp. 174-79 and p. 221) the shift of values in the post modern era.

¹⁴⁶ B. Subercaseaux S (1999) *op. cit.*, p. 35.

¹⁴⁷ A. Y. So, *op. cit.*, p. 267.

¹⁴⁸ S. Lyubomirsky (2008) *The How of Happiness*. New York: Penguin Press.

¹⁴⁹ 'La Felicidad, Aquí y Ahora', *Revista Capital*, 19 May 2006 -31 May 2006.

¹⁵⁰ 'Concertación Boys. Encuesta de Participación Social de Jóvenes 2009 Periodismo UDP-Feedback', *Qué Pasa*, 16 October 2009.

¹⁵¹ 'La Felicidad, Aquí y Ahora', *Revista Capital*, 19 May 2006 - 31 May 2006.

¹⁵² 'Hijos Nacidos Fuera del Matrimonio Duplican a los Nacidos de Parejas Casadas', *La Tercera*, 18 July 2009. Between 1960 and 1992 50 percent to 52 percent of the whole population was married. By 2002 only 46 percent. For further analysis on these issues, see E. Valenzuela, S. Schwartzman, A. Biehl and S. Valenzuela (2006) *El Eslabón Perdido. Familia, Modernización y Bienestar en Chile*. Santiago: Taurus, pp. 226 and 255.

¹⁵³ E. Valenzuela, S. Schwartzman, A. Biehl and S. Valenzuela, *op. cit.*, p. 257.

or look for a job,¹⁵⁴ the wider acceptance of couples living together with no formal bond,¹⁵⁵ the decrease of births in general and the increase of births out of wedlock.¹⁵⁶

Although some claim that the family is undergoing a deep crisis, other voices say that Chile has never massively adhered to the traditional family style, i.e. two parents and their children. On the contrary, single-parent families, often headed by a woman, have been the most common feature throughout Chilean history, especially in the lower classes.¹⁵⁷ Regardless of what type of family has been predominant in Chile, what is in crisis is the traditional conception of family. What is suggested by some national intellectuals is that families are not univocal realities but flexible, optional¹⁵⁸ and heterogeneous kinds of associations that consider themselves as families.¹⁵⁹ Whatever the case, the changes observed in these associations —home to people related by blood or adoption bonds— are currently in the eye of the storm. These associations serve as economic supporters and take care of the elderly and children, and of over-worked women that have full time jobs at home and away. They somehow make up for weaker or less durable links between parents, with the series of consequences this has in the emotional formation of children, etc.

The causes of the changes in the family—which also contravene Christian-conservative and Left-progressive values— can be tracked down to the agents of change of all liberal societies: flexible labour markets, consumerism, and post-modern hedonistic morals that weaken personal links as they imply sacrifice. They are societies that oppose ideas such as duty in a rigorous sense, and praise self-autonomy and the pursuit of

¹⁵⁴ '500 Mil Niños Son Criados por sus Abuelos', *The Clinic*, 23 July 2009.

The newspaper article states that some 500,000 grandparents have to take care of the offspring of their own children. The rise is considerable if this figure is compared with the data to be found in the year 2002 census that registered only 150,000 grandparents doing so.

¹⁵⁵ E. Valenzuela, S. Schwartzman, A. Biehl and S. Valenzuela, *op. cit.*, p. 255.

¹⁵⁶ 'Hijos Nacidos Fuera del Matrimonio Duplican a los Nacidos de Parejas Casadas', *La Tercera*, *op. cit.* During 2009, children born out of wedlock (some 60,000) were more than those born to married couples (30,000). Interestingly enough, Mauricio Rosenblüth explained that in *Fundación para la Superación de la Pobreza* they have come to the conclusion that in the last years several of the teenagers who fall pregnant do it on purpose. The reason for doing so is that in the harsh and hopeless environments that they live in, maternity gives them some dignity. Thus, the figure of the young girl who got pregnant by accident and was abandoned by the male is no longer totally valid.

¹⁵⁷ For more information see E. Valenzuela, S. Schwartzman, A. Biehl and S. Valenzuela, *op. cit.*, chapter 1.

¹⁵⁸ PNUD (2002) *op. cit.*, p. 21.

¹⁵⁹ O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 229.

individualistic happiness. It is not extreme *carpe diem* —as in eat, drink and be merry, for tomorrow we die— but it also rejects costly responsibility: ‘we seek respect for ethics without a mutilation of ourselves and excluding difficult obligation: a spirit of responsibility, not unconditional duty’.¹⁶⁰ It is in this context that a society that in 1990 rejected abortion, the morning-after-pill, homosexuality, suicide, prostitution, divorce and euthanasia in almost absolute terms, now fully justifies second marriages and is more tolerant of same sex couples.¹⁶¹ The acceptance of the other realities remains low or very relative, especially as regards abortion,¹⁶² but none of them is universally rejected, as was the case in the early 1990s.

It can be concluded that changes in terms of moral values have occurred slowly if compared to the accelerated transformation of the country in other fields. This situation may or may not change, as Chile —like the United States— has an important containment barrier, i.e. religion. This idea coincides with Christian Welzel’s and Ronald Inglehart’s studies in the sense that the secularization of modern societies does not always occur. In their view, although the authority of established religions has declined, spiritual concerns do not disappear, they even become more widespread.¹⁶³ The behaviour of Chileans is in line with this assertion. Thus, there are very low levels of church attendance¹⁶⁴ —closer to European patterns at least among Roman Catholics—¹⁶⁵ Chileans show high levels of belief in God,¹⁶⁶ the devil,¹⁶⁷ miracles,¹⁶⁸ the Virgin Mary and saints. In the 2002 census 85 per cent considered themselves Roman Catholic,¹⁶⁹

¹⁶⁰ G. Lipovetsky (1994) *El Crepúsculo del Deber: La Ética Indolora de los Nuevos Tiempos*. Barcelona: Anagrama, p. 48.

¹⁶¹ See World Values Survey 2006 at <http://www.worldvaluessurvey.org/statistics/WVSQuestRoot.pdf>

¹⁶² Encuesta Nacional Bicentenario Universidad Católica-Adimark (2008) *op. cit.*, p. 91. Although abortion is rejected in absolute terms by 53 percent of respondents, 40 percent accept it under certain circumstances.

¹⁶³ C. Welzel and R. Inglehart, *op. cit.*, p. 23.

¹⁶⁴ 75 percent does not go to church regularly, PNUD (2002) *op. cit.*, p. 33.

80 percent does not go to church regularly, PNUD (2004) *op. cit.*, p. 298.

¹⁶⁵ ‘¿Es Chile un País Cristiano?’, *El Mercurio*, 2 April 2006.

¹⁶⁶ Approximately 94 percent believe in God (94 percent according to ‘Retrato Hablado de Dios’, *La Tercera*, 23 December 2007 and 93.9 percent according to Encuesta Nacional Bicentenario Universidad Católica-Adimark, 2006 www.tironi.cl/inicio/codigo.php?documento=Encuesta_Nacional_Bicentenario_07.pdf)

¹⁶⁷ 78 percent believe in the Devil, ‘Retrato Hablado de Dios’, *La Tercera*, 23 December 2007, *op. cit.*

¹⁶⁸ 72 percent believe in miracles, 65 percent believe in the Virgin Mary, and 55 percent believe in saints. Encuesta Nacional Bicentenario Universidad Católica-Adimark (2008) *op. cit.*

¹⁶⁹ O. Larrañaga, E. Tironi, E. Valenzuela, D. Bravo, B. Teitelboim and V. Gubbins, *op. cit.*, p. 65.

which attests to a modernizing society but not a secularized one. Still, Catholics have shown a strong tendency to disapprove of what have been the traditional moral values and teachings from the hierarchy, thus constituting ‘rebel children’ of the Church. As the Church will almost certainly not yield on those issues, it remains to be seen how many Chileans will still say that they are Catholic in the 2012 census.¹⁷⁰ The issue is important not only in terms of values but also because it is directly connected with Chile’s identity. The questions asked in the coming section relate to such issues: how much can Chile change before it stops being Chile.

5.4 A Nation in Search of a Collective Identity

In my view, whilst the year 2010 approached—thus getting closer to Chile’s Bicentennial celebration—three important questions about the future of the country were pending, namely, what does it mean to be Chilean today, when is Chile going to be considered a developed nation and what will happen to the modern, liberal, free market oriented system implanted in the mid-1970s (will it continue or will it be altered). The answers are very elusive and definitely not univocal. Firstly, current Chile is so much in the making that it is almost impossible to say what will become of it in terms of identity. Some ideas will be advanced here. Then, the so longed-for full development status is being constantly pushed further away: global crises that affect our economy and alleged jamming economic policies implemented during the last Concertación governments are said to be slowing the pace. Finally, the idea that ‘the model has to be changed’ became dominant during the electoral campaign in 2005: both Concertación and Alianza candidates pointed out that the system should be altered particularly as regards bad income distribution.

It seems pertinent to recall some aspects of what I defined as national identity in Chapter 1. On the one hand I consider that there are several historical features—traditions, languages, shared historical memories, a territory considered to be national—which are traces of a nation’s identity. This view is compatible with the creation of myths mainly by stressing and selecting historical facts and imagining some

¹⁷⁰ Besides the issues mentioned above (divorce, contraception, etc) it is quite astonishing to see that 50.7 percent of Roman Catholics think that women should become priests and 48.2 percent think that priests should marry—issues that are very much against core teachings of the Church in its Latin tradition. ‘A Dios Rogando y con el Mazo Dando’, *El Mercurio*, 2 April 2006.

aspects of the national community. Thus, a nation's identity deals with realities that exist independent from subjectivity and it also entails an intellectual and symbolic construction.¹⁷¹ The 2002 UNDP report concludes that Chile has both a diffuse and non-convincing image and identity and that very few nationals seem to be proud of their country. This assertion contrasts sharply with PUC-Adimark 2006 findings which show that 77.5 per cent of respondents feel strongly identified with Chile.¹⁷² Perhaps the difference of opinion is due to the recent blow of the Asian crisis when the report was published. This relates to Jorge Larraín's assertion in the sense that it is in times of crisis that countries evaluate their identity.¹⁷³ Another explanation for the difference between the UNDP's conclusions and those of ordinary citizens may be that we are facing a dissociation between what the national *intelligentsia* and the 'commoners' think. In my opinion this may be due to the fact that the UNDP research is directed by left-wing thinkers, who, as we shall see here, find it difficult to accept the positive aspects of the neo-liberal system and society that the Concertación has contributed so decisively to anchor. Whatever the case, the fact is that the approach of the Bicentennial is a good time to reflect on what the country is and what it is not after 30 odd years of fast-track social changes, introduced during two markedly different historical periods, the Unidad Popular era and the advent of the military dictatorship.

As Eugenio Tironi argues, countries with a strong identity consciousness have invested considerable intellectual energy in developing national myths.¹⁷⁴ Such myths are not pure inventions; they are based on historical realities, but require a level of selection of facts that are remembered and facts that are forgotten. Chile has enough historical events —some of them referred to in this dissertation— of which to feel very proud and many episodes on which to elaborate a myth. In Juan Gabriel Valdés' opinion, one of the reasons why Chile does not build up a forceful narrative about its history and achievements is the natural modesty of the people and a fear of the governments to be perceived as arrogant by the surrounding countries.¹⁷⁵ Also Chilean intellectuals seem to find it uncouth or uncivilized to feel positively about their own nation. Thus, just like American patriotism is considered naive or French pride always

¹⁷¹ See B. Subercaseaux S. (1999) *op. cit.*, p. 46 and J. Larraín (2001), *op. cit.*, pp. 15-16.

¹⁷² Encuesta Nacional Bicentenario Universidad Católica-Adimark (2006) *op. cit.*

¹⁷³ J. Larraín (2001) *op. cit.*, p. 8.

¹⁷⁴ E. Tironi (2005), *op. cit.*, pp. 288-290.

¹⁷⁵ J. G. Valdés Soubllette (2009) 'La Asignatura Pendiente de Chile', *op. cit.*

chauvinistic, to accept that Chile has valuable identity traits is just too simple.¹⁷⁶ Once again, there might be a rift in between what the elites and what average citizens think, as shown by the same PUC-Adimark study quoted above, which claims that 82.2 per cent of Chileans are proud of their nation's history and 74 per cent consider it to be the best country to live in Latin America.¹⁷⁷

Does Chile have a 'dream' as the United States has? It seems as if many immigrants —especially Peruvians— thought so as they keep moving to Chile in search of a better life. Certainly a dream can be built up on the idea of a land of possibilities, particularly given the revolutionary changes studied here. The idea is not to deny the black episodes of the nation's past but to correct them and learn from them. Thus, for instance, Carlos Huneeus and Jorge Larraín point out that a trait that has arrived to stay in Chile's culture is respect for human rights.¹⁷⁸ Taking this as given, the task ahead would be to look for episodes that identify Chile as a nation, highlighting aspects that are part of a historical continuum —such as respect for law, inclination towards order and the existence of strong institutions. Although it may hurt the sensibilities of some members of the Chilean intellectual elite, what neo-liberalism and liberal modernity have brought to the country, is probably one of the main issues to be tackled when re-thinking the Bicentennial Chilean myth.¹⁷⁹

As mentioned above, the idea that the neo-liberal model has to be altered became part of the 2005 presidential campaign of the Concertación and the Alianza. In fact, the same as the Left 'stole' free-market ideas from the Right, the Right seemed to have appropriated equity issues from the Left. Thus, in 2005 both right wing candidates to the Presidency, Joaquín Lavín and Sebastián Piñera, reproached the Concertación governments for not having obtained what they had so often promised, i.e. growth and equality and promised to do it themselves even if it called for more state intervention. Nevertheless, although during the 2009 presidential campaign the idea of changing the system was present in some of the Concertación and Alianza candidates speeches, their specific proposals conformed to the system. Thus, Sebastián Piñera's proposals were conservative, and he did not recommend anything that did not fall within market

¹⁷⁶ In the past years several young historians have published books and papers in which they revise what has been the traditional view of Chile's founding fathers, from the colonial period onwards, stripping them of most of their merits.

¹⁷⁷ Encuesta Nacional Bicentenario Universidad Católica-Adimark (2006) *op. cit.*

¹⁷⁸ C. Huneeus (2003), *op. cit.*, pp. 167-204 and J. Larraín (2001) *op. cit.*, p. 225.

¹⁷⁹ E. Tironi (2005), *op. cit.*, pp. 287-312.

economy orthodoxy.¹⁸⁰ As for Eduardo Frei's proposals, under the heading of 'against the abuses of the market'¹⁸¹ in his website—which could have suggested radical and progressive initiatives—the candidate advocated for increased market competition and controlling monopolies, measures that are very much in the spirit of neo-liberalism. Then, under the heading of 'transparency in the health system'¹⁸² Frei proposed that the health plans of the ISAPREs¹⁸³ should be standardized so that the consumers could compare between the different institutions. Thus, as can be seen, both Frei's proposals were quite within the liberal orthodoxy.

As equity issues are now being taken into account by left wing and right wing sectors alike, the question is whether suddenly all Chilean political sectors—with parliamentary representation—have become social democrats, seeking the eradication of poverty through wider governmental intervention. Yet, and up to now, what has prevailed in the governmental actions and speeches is that the state should keep helping the poor to improve their situation and promote 'equality of opportunities' for the rest of the population investing in education and health care.¹⁸⁴ Eduardo Engel and Patricio Navia think that more than this is needed: the only way to really achieve a society based on merit rather than contacts or birth, is to foster impartial competition—an even football pitch to ensure a fair match—¹⁸⁵ eliminating 'market distortions' in areas such as political parties, labour markets, education, etc. Given that all political sectors agree on the need to improve social equality in Chile, it appears to be almost certain that the quest for social justice—understood as the promotion of non-discriminatory practices—will be part of the name-tag of the nation to come.

The findings of the World Bank Human Opportunity Index¹⁸⁶ published in 2008 are quite revealing in terms of the importance of the levelling of opportunities for the children of the countries being studied. In fact, the report reveals that between one fourth and one half of income inequalities observed among Latin American and

¹⁸⁰ <http://pinera2010.cl/programa-de-gobierno/>

¹⁸¹ <http://efrei.cl/laspropuestas/contra-los-abusos-del-mercado>

¹⁸² <http://efrei.cl/laspropuestas/transparencia-en-salud>

¹⁸³ *Instituciones de Salud Previsional* –ISAPRE– are a private health insurance that has been operating in Chile since 1981.

¹⁸⁴ G. van der Ree (2007), *op. cit.*, p. 287.

¹⁸⁵ E. Engel and P. Navia (2006) *op. cit.*, p. 22.

¹⁸⁶ To see the World Bank's Human Opportunity Index, access.

<http://web.worldbank.org/wbsite/external/countries/lacext/0,,contentmdk:21915630~pagepk:146736~pipk:146830~thesitepk:258554,00.html>

Caribbean adults are due to the unequal access to basic services during childhood and other circumstances —such as gender, race, birthplace, parent’s educational level— that were beyond their control. In the case of Chile, the study reveals several inequalities. For example, only 1 per cent of the population that has a better income comes from families whose parents have little education.¹⁸⁷ The study also shows that 80 per cent of those who are economically successful were educated in Santiago and only 20 per cent in the regions.¹⁸⁸ Thus it is not surprising that Chile’s main political forces should highlight the importance of levelling opportunities among the nation’s people. Although the fight against hard-core poverty will undoubtedly be a main concern, as the possibility of dying poor is ever-present in Chile, the country’s development offers enough room to pay attention to other issues such as, for example, that every young person who shows talents for sports, arts or science should not be prevented from developing her or his talent for lack of money.¹⁸⁹

Up to now there has been a national consensus on the need to support and preserve the neo-liberal system as the path to development and the ultimate elimination of poverty. Nevertheless, the strong discomfort brewing at the heart of the Concertación may bring a sharp shift in years to come. In fact, some left-wingers look embarrassed at what their governments have achieved, and look down on their own work.¹⁹⁰ ‘Many hope for the dismantling of the system, not its administration. This urge has increased as a result of the slowdown of economic growth and the increase of unemployment’.¹⁹¹ Given that the subprime crisis has been worse than the Asian crisis —which is what the author I have cited refers to— it is to be expected that such urge may keep on developing.

As Oscar Guillermo Garretón has pointed out,

For some time now several Concertacionistas seem to be blind, as they keep denying what has been achieved. It means they deny themselves, reject twenty years which constitute an important portion of their lives and the existence of the parties they support...

¹⁸⁷ Human Opportunity Index, World Bank in.

http://siteresources.worldbank.org/lacinspanishext/Resources/Cap5_Desigualdad_Oportunidades.pdf

¹⁸⁸ Human Opportunity Index, World Bank in.

http://siteresources.worldbank.org/lacinspanishext/Resources/Cap5_Desigualdad_Oportunidades.pdf

¹⁸⁹ E. Engel and P. Navia (2006) *op. cit.*, p. 23.

¹⁹⁰ P. Halpern, *op. cit.*, p. 54.

¹⁹¹ E. Tironi (2002) *El Cambio Está Aquí*. Santiago: La Tercera-Mondadori, p. 109.

Will they say they never agreed to what their governments did? That during twenty years they were forced to act as they did?...Such an attitude would be understandable if the Concertación administrations had been a failure, but no. (On the contrary), the improvements are impressive'.¹⁹²

Some time ago, these ideas were to be expected from the self-flogging sectors of the Concertación that cannot come to terms with the original sin of Chilean liberalism. They regard with nostalgia the politics of the 1960s and early 1970s with its rhetoric of popular participation and state intervention. Thus, it is not that surprising that someone like Camilo Escalona should describe businessmen as “bloodsuckers”.¹⁹³ It is more disconcerting when harsh opinions come from moderate leftist sectors that blame businessmen for the crisis and for the rising levels of unemployment. ‘It is not that entrepreneurs are angels, but it is evident that without them, and with high levels of freedom, the current system does not work. In spite of this, a favourite target of the Concertación grassroots —especially its left wing sectors— are businessmen and business activities’.¹⁹⁴

As for the Right, as we shall see here, it is not as if their coalition has no conflict. Firstly, as mentioned in Chapter 3 the Alianza parties have been increasingly detaching themselves from Pinochet’s figure, his death in 2006 coming as a blessing in disguise. The trend has gone so far that the UDI refused to support his daughter Lucía Pinochet’s candidacy at the 2008 municipal elections; she finally had to run as an independent candidate. The same happened with his grandson Rodrigo García Pinochet, who also ran —and lost— as an independent candidate for Congress. Although Pinochet’s relatives’ candidacies did not bring about a rift in the Right, they produced some concern. The appearance of people like Pinochet’s daughter and grandson —who are voted for by right-wingers— gives the Concertación the perfect excuse to keep accusing this sector of still being attached to a dictatorial past.

If the Pinochet factor still divides the Right, it is more in the sphere of values that some of the major disagreements take place. Interestingly, although not a homogeneous movement, the ideological differences between its two main parties —RN and

¹⁹² O. G. Garretón: ‘Un País Está Terminando’, *La Segunda*, 18 August 2008.

¹⁹³ ‘Felipe Bianchi: Chupasangres y Explotadores. Carta Abierta al Compañero Escalona’, *The Clinic*, 8 September 2006.

¹⁹⁴ E. Tironi (2002), *op. cit.*, p. 109.

UDI—are not as deep as those between the parties of the Concertación. Being mainly inheritors of the two related rightist parties of the nineteenth century, respectively the Liberal and Conservative parties, typically ‘*come curas*’¹⁹⁵ the former and confessional the latter, similar traits can be found in the current organizations.¹⁹⁶ Although neither RN nor UDI are openly Catholic nowadays, the latter tends to align with Christian values (not with the clergy though) whilst the former is much more liberal in this respect. Yet, in the last years the fissures introduced by modernity in Chile in terms of moral ideas has also hit the Right, and more transversally than in the past. Thus, with the debate concerning the acceptance of therapeutic abortion, UDI senator Evelyn Matthei¹⁹⁷ and RN deputy Karla Rubilar¹⁹⁸ declared themselves in favour of discussing the issue. As for the presidential candidates for the 2009 elections, they were all ready to legalize homosexual unions in one way or another. This was no surprise when the proposal came from Jorge Arrate, Marco Enríquez-Ominami or even Eduardo Frei. It was a bombshell when it came from the Alianza candidate. Thus, when RN senator Andrés Allamand and UDI senator Andrés Chadwick launched out of their own initiative—and not consulting with their parties—the idea of legalising gay civil unions along the lines of Piñera’s ideas,¹⁹⁹ the commotion was considerable, some UDI sectors declaring themselves in open rebellion.

As I said before, the Alianza parties have few ideological divisions. In spite of this, their confrontations and quarrels can be so bitter that at times they appear to be the worst of enemies.²⁰⁰ It looks as if such struggles are mainly due to conflicting personalities among people used to commanding. Hence, what might appear to the public

¹⁹⁵ Literally: priest-eaters. Typical Spanish expression to denominate people who are not close to the Roman Catholic Church, very specially to its clergy.

¹⁹⁶ To get a good summary of the right wing parties and tendencies, see G. van der Ree (2007) *op. cit.*, pp. 271–275.

¹⁹⁷ ‘Rossi y Matthei se Reúnen con Especialistas para Discutir Sobre Aborto Terapéutico’, *La Tercera*, 10 January 2011.

¹⁹⁸ ‘Política Stereo: Aborto Terapéutico, ¿Es Necesario Legilar?’, *La Tercera*, 14 January 2011.

¹⁹⁹ ‘Piñera Defiende Propuesta de Allamand y Chadwick para Regular Uniones Civiles’, 13 October 2004.

<http://www.radiobiobio.cl/2009/10/13/pinera-defiende-propuesta-de-allamand-y-chadwick-para-regular-uniones-civiles/>

²⁰⁰ Perhaps the nastiest clash between RN and UDI took place when a pedophilia network led by a businessman called Spiniak was uncovered. RN deputy, Pía Guzmán, accused UDI senator Jovino Novoa of being involved in it. The accusations proved to be false, but for two years—until the case was fully clarified—members of both parties fought fiercely over it with destructive consequences in terms of undermining mutual trust.

as inability to form teams and thus govern Chile as a coalition, possibly boils down to simple problems of pride and power ambition.²⁰¹ It might also be due to a further ‘liberalization’ of the sector opposed to the traditional party discipline of the Left. In fact, for years the Concertación was able to solve its problems behind closed doors in spite of having much deeper ideological differences than the Alianza.

Nevertheless, it was during Bachelet’s tenure that deep rifts were disclosed in public. One of the groups within the coalition to show the depth of the divisions was the DC when its ‘*colorín*’²⁰² faction, led by the redheaded Senator Adolfo Zaldívar, left the party and joined the PRI, *Partido Regionalista de los Independientes*. Another rift came from the PPD when Senator Fernando Flores first and Jorge Schaulsohn later, left the party. They formed a new movement, called *Chile Primero* which, together with Zaldívar’s party, ended voting for several laws and projects with the Alianza and supporting Piñera’s candidacy in the case of the former PPD. It must be noted that two of these three prominent political figures were expelled from their parties —Flores resigned voluntarily— for acting in open rebellion against their coalition’s leaders. The PS also suffer important dismemberments, namely when senator Alejandro Navarro left the party to form his own movement, *Movimiento Amplio Social* (MAS) and Jorge Arrate renounced his party membership to run as the presidential candidate of the non-Concertacionista extra parliamentary Left. Another commotion came from several Concertacionista deputies who called themselves *díscolos*, — i.e. rebellious— did not always follow party orders and sometimes acted and voted in open contradiction to indications from their political leaders. Finally, and probably the gravest of all schisms, Marco Enríquez-Ominami left the PS to launch its candidacy for 2009 presidential elections, and was followed by several prominent figures such as his step-father, senator Carlos Ominami. Enríquez-Ominami’s candidacy greatly complicated the scenario of the elections given that it divided the Concertación’s voters. In fact, many blamed him for Frei’s defeat in the 2010 presidential elections.

As seen in sections 5.1 and 5.2 the modern society that has emerged in Chile has somehow ‘freed’ its citizens in the sense that people tend to pay less obedience to what different authorities or elites declare. Thus, the political parties have lost their

²⁰¹ In a speech delivered on 25 April 2006, UDI senator Pablo Longueira assured the Concertación had the great ability of showing the coalition’s internal disagreements as a sample of diversity and democratic spirit, whilst every discord within the Alianza ended up in the press featuring the latter’s incapacity to govern.

²⁰² Redhead.

grip over a society that is less and less interested in what they have to say; politicians themselves seem to not to conform much to what the heads of their organizations command; Christians in general and Catholics in particular, follow less closely what their spiritual leaders suggest as patterns of moral conduct. The causes of such behaviour are multiple, but it is almost certain that the sense and reality of freedom and the praise of individuality and subjectivity introduced by neo-liberalism are behind these developments.

Concluding Remarks

Chile shows observable signs of modernity: material well-being has increased, infant mortality is very low, more women have been incorporated into the workforce and urbanization has increased. In the same empirical line of study, I revised other indicators such as an increase in levels of education and of a qualified workforce. Although Chile shows the signs of modernization, the nation's development has been only partly successful as the levels of poverty are still high. In fact, the existence of considerable social gaps, attest to the failure of the channels for the distribution of wealth and highlights the need for better planning in the public sphere. It also seems clear that the country has fostered a consumer society, as consumption has become a newly acquired feature of Chileanness. The emerging Chilean society is complex and at the same time it must face the problems of abundance and lack of material resources.²⁰³ In chapter 5 I tried to convey that idea: Chile's path to modernization under the neo-liberal star has not been straightforward. On the contrary, on the one hand this nation is still a country with high levels of poverty and feeble when it faces an international economic crisis. On the other, it has to deal with the typical problems of developed nations such as overcrowded cities. It is also complex in terms of the existence of the elites —be they economic or intellectual, from the political Right or Left— who seem to have lost their directing role over society. This fact may explain the discrepancy between some social analyses that reach certain conclusions and the facts shown by surveys. Conflicting feelings, antagonism between different sectors of society, disassociation between those who govern the country and those supposedly being led, are some of the underlying sentiments in Bicentennial Chile.

²⁰³ E. Tironi (1999), *op. cit.*, p. 225.

In chapter 5 I focused mainly on describing the socio-economic changes that took place in Chile in the 1990s and 2000s. Most studies about Chile's modernization have an empirical inclination and this chapter also deals with that issue from a similar perspective. I started by studying the development of a national consumer culture which, although it encourages impulsive buying, also implies that more people have the means to buy what is needed to lead a decent life. The chapter goes on to study some typical features of consumer societies analysing how they operate in Chile, thus helping to recognise new features of Chileanness. Two of them are the hike in social mobility and the decline of mass mobilizations attached to collective utopias. It also has forwarded emancipation from the authorities, be they religious, political or cultural.

After outlining the recognizable features of modernity and the consumer society in Chile, I suggested that the achievement of full development should not be taken for granted. On the contrary, the current modernization project has encountered important external and internal obstacles and also triggered antagonism among the elites that planned and led the changes. The wider population also breeds disagreement at times of economic crises and when Chile's traditional values are being challenged. Possibly, the ill feeling about Chile's neo-liberal modernization will not disappear unless the country recovers the momentum of fast economic growth.

Controversy goes beyond the topics I have just mentioned. In fact, the evolution of both Chile's identity and the neo-liberal system implanted in the 1970s are also a source of dispute. It is certainly not clear what it means to be Chilean today, but it does seem that many Chileans feel proud of their nation. As regards neo-liberalism—probably the greatest agent of change in the period addressed in this thesis—the 2005 presidential campaign implied that the model would be changed. However, the tendency shifted in the 2009 campaign, as the presidential candidates did not stress the need to transform the model all that much. Although it looks as if the model will remain fairly unchanged, I believe that there is some risk in the lack of healthy pride—and even in the embarrassment shown by some right and left wing sectors—in the system that they helped to create and preserve respectively. In the first case, the efforts to separate the sector from Pinochet's figure have led rightist leaders to distance themselves from the liberal system. As for left-wingers, it looks as if some are still nostalgic for the era of collective utopias and mass mobilization, regardless of the fact that they did not prove efficient in fostering Chile's development.

If Chapter 5 studied such issues as what it means to be Chilean towards 2010, how Chile's society has changed, the change in values of past decades as well as the shift

in the image that Chileans have of themselves, in Chapter 6 I shall go into the year 2010, the year of the nation's Bicentennial. Although the newly elected right wing government—with its promises of all-out efficiency—had raised hopes of regaining economic growth, the February 2010 earthquake and tidal wave shattered not only families and villages but also all hope of a fast recovery. Once again Chile's aggressive nature was taking its toll. Nevertheless, as always throughout the country's history, people began to recover, in many cases in the midst of disaster. Although it is true that the country has changed in many aspects since 1970s, apparently some of the traces of Chileanness have not. As I shall analyse in the next chapter, it looks as if the Chileans' staunch endurance of adversity—engraved in fire in their memories throughout centuries of experiencing war, poverty, isolation and earthquakes—is a psychological feature that modernity has not washed away. By the same token, solidarity, which I read as a version of Chile's traditional hospitality, has shown quite alive despite the fact that ideas such as individualism have found a niche in society.

CHAPTER 6

Chile in its Bicentennial Year: a Case Study

Introduction

You have what people are looking for: proximity to nature, modesty, sobriety, your country has governability, science, imagination and vision. With those elements you can build a puzzle and tell the world that this country is not in the fringes of the planet but at the heart of global dialogue.¹

With these words Simon Anholt—usually identified as the inventor and populariser of the concept of nation-branding—summarized what he thought of Chile in terms of its country image-building process. During 2009 he worked with *Fundación Imagen de Chile* on a major project to develop this nation's international identity and reputation. Although his words were complimentary, he stated in plain language that Chile 'does not exist' for most inhabitants of the planet, meaning that it is generally unknown. He added that—in his view—Chile is one of the few nations that deserve to be well known or, in other words, that there is but a small number of countries that meet the Western requirements of 'good behaviour' and attractiveness: the same as Germany or Japan, Chile is 'boring' or 'unsurprising', a concept that denotes predictability and generates trust.²

¹ 'S. Anholt: Presupuestos y Requisitos para una Política de Estado en Materia de Promoción del País', 22 April 2009 in <http://www.imagenpais.cl/frmviewnoticia.aspx?idArticulo=196>

² *Ibid.*

Nevertheless, 2010 was far from predictable for Chile. What is more, it was quite remarkable: 'catastrophic in February after one of the worse earthquakes the world has witnessed; symbolic with the celebration of its Bicentennial; heroic because of the miners' rescue'.³ In fact, the country celebrated a mega event—the commemoration of its Bicentennial—with a new rightwing political coalition in power, being shaken by a mega-quake and embarked upon the task of saving thirty-three miners buried in a pit. The four events involved a trial to Chile's capacity to handle its international image as the Bicentennial celebration meant increased media exposure in Latin American nations; the new rightwing government would probably make everybody evoke past images of Pinochet's dictatorship, and the impact of two negative events—an earthquake and a mining accident—were not likely to contribute to its positive reputation. Against all odds, these events proved advantageous to Chile's international repute and good name for governance.

In the first place, while Latin America was celebrating the Bicentennial of the start of its struggle for independence from Spain, a number of its nations had further cause for celebration. In fact, despite several difficulties, from 2003 to 2008 the region's economic growth averaged 5 per cent and inflation was fairly low. Also, a subcontinent which had become a byword for financial instability had performed comparatively well through the subprime crisis. Once the region overcame the crisis, there was a strong recovery and a 5 per cent growth became once again the goal of most of the region's nations.⁴ With this panorama as a backdrop to the Bicentennial celebration, the countries' *mise en scène* was quite festive. Thus, Chile's own celebration was perceived within a positive continental environment. Also the peaceful election of a rightwing President and the uneventful debarkation of twenty-year-ruling Concertación added to the international recognition of its political stability.⁵

Nevertheless, two events which occurred in Chile during 2010 made its Bicentennial merriments quite particular. As mentioned above, February's cataclysm was to prove devastating and costly. Thus, the celebration of Sebastián Piñera's coming to power was very austere and September's commemorations were expected to be so. What contributed to shift the sombre mood prevailing in the country since the quake was

³ 'Piñera: Le Sauvage des Mineurs a Transformé le Chili', *Le Figaro*, 20 October 2010.

⁴ 'So Near, and Yet so Far', *The Economist*, 9 September 2010.

⁵ D. Kaufmann (2010a), 'Natural Disasters, National Diligence: the Chilean Earthquake in Perspective' in http://www.brookings.edu/opinions/2010/0305_chile_earthquake_kaufmann.aspx

a tragedy that ended in triumph. In fact, the pitmen trapped in a mine in northern Chile, who survived extremely harsh conditions, became symbols of perseverance. If they had endured, Chile would also get back on its feet.⁶

Chapter 6 concentrates on these two events mainly because they clearly affected Chile's country image. Section 6.1 starts by describing February's quake and tsunami and then gives a historical account of the main earth movements and tidal waves that have hit this nation along its history. After asking a rhetorical question —why do Chileans insist on staying in such a geologically unstable land? — the section ends by explaining that an even worse earthquake has been predicted. Section 6.2 studies the deficiencies in Chile's technical capacity to face a mega-quake, the immediate post-catastrophe response and the failure to release a tsunami warning. Other topics considered are the inefficiency with which aid was initially delivered and the delay in sending military personnel into the affected areas so as to control vandalism and pillage. Section 6.2 also addresses issues such as the solidarity shown by Chileans during the post catastrophe months.

Section 6.3 concentrates on the outcome of the earthquake in terms of Chile's international image. In spite of having been a negative event, world opinion in general was well impressed by Chile's fast pace getting back to normal. In fact, overseas, post-quake Chile was perceived as organized, efficient and resilient. Probably the role played by *Fundación Imagen de Chile* and the disastrous situation of post-quake Haiti helped to install this positive vision of the country's world brand. Interestingly, this vision is not shared by Chileans. In fact, a high percentage thinks that reconstruction has been too slow: once again there is a rift between self-perception and what outsiders see.⁷ Also intended to study the way Chile's international image behaved, section 6.4 starts by describing the accident in the *San José* mine, shows how the search proceeded until the miners were found alive, and gives some detailed information on the organization of the rescue. *Operación San Lorenzo's* live transmission had an impact on Chile's

⁶ 'The Media Circus at Chile's *San José* Mine', *Der Spiegel*, 9 August 2010.

⁷ Diego Vergara R., Mayor of Paine, interviewed on 10 June 2011. Paine is a rural area close to Santiago. Mayor Vergara explains that two factors have prevented a quicker reconstruction process at least in rural areas: firstly, lack of money; secondly, in those zones not declared as catastrophic, the legal requirements for building new houses are quite strict. In fact, a governmental plan that would have allowed for the construction of 58 new houses in Paine for December 2010 has managed to build only 29 because of these legal requirements.

international reputation. Four attributes were attached to the country: efficiency, organizational capacity, solidarity and strong spirit/resilience.

The three strands —country image, national identity and social change— studied in this thesis also intertwine in Chapter 6. February's earthquake and the Atacama pitmen saga definitely had an impact on the world's opinion on Chile. The earthquake was an unfortunate event and would not normally have helped to improve the country's image, yet did so. Chile's fairly quick response to the earthquake and its resilience and capacity to get back on its feet were well perceived in different places, mainly among the foreign business elite sectors. Also the comparison with Haiti's sad disaster and its incapacity to deal with it in a prompt and independent manner added up to the international approval of Chile. Nevertheless, what was going to be probably the most important visibility window since the fall of Allende and rise of Pinochet was the disaster, heroic survival and rescue of the thirty-three pitmen in the Atacama Desert. In fact, although February's earthquake attracted more worldwide attention than normal,⁸ the miners' survival and rescue implied a great leap in its international visibility and reputation. Although this sudden fame has to be taken care of, it has been a once-in-a-lifetime chance to improve this small and peripheral country's name. As for Chile's national identity, the events addressed in Chapter 6 confirm and contribute to reinforce some of its traits. Thus, resilience, culture of order and endeavour or a strong belief in being an exceptional country, were reinforced during the events narrated here and confirmed as part of 'Chileanness'. As for social change, this chapter shows that upward mobility is not guaranteed. In fact, although the rescue of the miners showed that Chile has been able to get hold of hi-tech instruments and is capable of organizing first-world-type rescue events, the earthquake definitely meant a return to poverty of people who had managed to get out of it. This, added to the aftermath of the subprime crisis plus alleged —and not fully proven— public mismanagement during the last Concertacion government, made poverty rates rise.⁹

⁸ F. Pujol, 'Los Beneficios del Rescate de los 33 Mineros Irán a la Marca Chile', *El Mercurio*, 19 October 2010.

⁹ CASEN 2009. Encuesta de Caracterización Socioeconómica Nacional in: http://www.mideplan.cl/casen2009/RESULTADOS_CASEN_2009.pdf

6.1 Quakes and the Making of 'Chileanness'

2010 arrived with an impending change of government. In fact, after 20 years in office the Concertación was leaving La Moneda palace, as the January election had been won by their political opponents, the Alianza por Chile. The rightwing coalition had been getting ready to re-enter La Moneda promising greater efficiency and an improvement in the nation's economy. Nevertheless, destiny was preparing to pull the rug under the new administration's feet as a mega-quake and tidal wave severely hit almost one third of this long country. Most of the planning made by the newcomers had to be filed away and emergency measures put into place. Section 6.1 starts by describing February's earthquake explaining that telluric movements have contributed to create a climate of resilience, order and entrepreneurial spirit in Chile. In fact, its citizens are aware that every twenty five years a natural disaster will probably hit their families and belongings. If they are lucky, there will be damage, but there is also the possibility of absolute destruction. The cycle of life starts all over again pushing Chileans to pull through and rebuild what they have lost. An example of this is that the country's reconstruction started very quickly despite the fact that Chileans have been expecting an even stronger earthquake, announced by scientists shortly after the February quake.¹⁰

This fact makes one wonder: why do Chileans stay in this country and do not move to safer places? Probably, for years Chile's isolation and the poverty of its dwellers made it difficult for them to run away from the unsteady lands that saw them grow. In addition, as shown in earlier chapters, there is some evidence suggesting that an early and strong love for their motherland characterizes those living in this long and remote strip of land —from colonial times to the present— preventing nationals from leaving. Finally, as also mentioned in other chapters, quakes have contributed to the development of a longing for relative order and stability, as opposed to the chaos produced by the trembling earth.

The man of Chile —active geography par excellence— rebuilds cities and restores the crops after each earthquake with amazing confidence and great contempt for the treacherous ground: he knows that between two disasters many years fit in. There is in our people a stoicism that is not cold but burning, determined to possess and enjoy

¹⁰ M. Cisternas *et al.* (2005) 'Predecessors of the Giant 1960 Chile Earthquake', *Nature* (437), pp. 404-407.

their land, one that the telluric anger takes away from their hands for a moment only. While I narrate their story these people are once again recovering the soil, planning and doing.¹¹

Gabriela Mistral writes these lines in April 1939, three months after an 8.3 earthquake on the Richter scale hit the southern city of Chillán's, almost entirely reducing it to rubble. Although not the strongest seismic event that has taken place in Chile, its death toll was quite high: some twenty-four thousand lives were taken away by the trembling earth that night on January 24th, 1939. Although with a significantly lower rate of casualties, the February 27th 2010 earthquake —8.8 on the Richter scale and widely known as 27-F— was nevertheless the second strongest quake in the lengthy list of such events that periodically hit Chile. In fact, that night straight high-rise buildings and adobe houses became leaning towers and collapsing mud; flat ground and solid hills changed their geological features; and the peaceful sea spawned an enormous and devastating tidal wave.

This sixth greatest earth movement in the world since records began strongly hit six of Chile's fifteen regions and was felt throughout practically the whole national territory and even as far as Buenos Aires in Argentina and São Paulo in Brazil.¹² In order to understand its magnitude and devastating effects, I will mention some details. In my view this may help to understand why several Chilean historians consider that tremors in general have contributed to create within this nation a spirit of resilience, order and entrepreneurship¹³ just as the battle against the waters has intervened in the forging of the Dutch character.¹⁴

¹¹ G. Mistral, 'Geografía Humana de Chile' in R. E. Scarpa (1978) *Gabriela Anda por el Mundo*. Santiago: Editorial Andrés Bello.

The text in Spanish reads "El hombre de Chile, naturaleza activa por excelencia, después de cada terremoto reconstruye las ciudades y restablece los cultivos, con una confianza pasmosa y con gran desdén hacia la traidora del suelo, pues él sabe que entre dos catástrofes caben muchos años. Hay en nuestra gente un estoicismo no helado sino ardiente, una decisión tal de poseer y de gozar su tierra, que la furia telúrica se la quita de la mano apenas un momento. Allá están ellos, mientras yo los cuento, con la tierra otra vez recobrada, planeando y haciendo."

¹² 'Confirman que el Sismo de Chile se Sintió en Buenos Aires', *Infobae*, 27 February 2010 and 'Terremoto no Chile é sentido em São Paulo', *Terra*, 27 February 2010.

¹³ For example, see S. Collier and W. Sater, *op. cit* and G. Vial (2009) *op. cit*.

¹⁴ See S. Schama (1987) *The Embarrassment of Riches: An Interpretation of Dutch Culture in the Golden Age*. New York: Vintage Books and P. Arblaster (2006) *A History of the Low Countries*. New York: Palgrave.

The epicentre of the earthquake was located 4.75 kilometres deep in the earth's crust underneath the seabed, facing the small towns of Curanipe and Cobquecura on the continent. It caused a change in the planet's rotation —making days 1.26 microseconds shorter— and changing the inclination of the axis of the earth by 8 centimetres.¹⁵ It also moved the city of Santiago 28 centimetres southwest and the city of Concepción some 3 metres to the west,¹⁶ raised the port of Talcahuano some 1.5 metres,¹⁷ and tilted several lakes in the Arauco region some 26 centimetres.¹⁸ Although the worst earthquake ever recorded in the world —9.5 on the Richter scale— also took place in Chile in 1960, its devastating effect was said to be less severe than that of the 2010 quake because the territory affected was circumscribed to the city of Valdivia and surrounding areas in the south of the country. Thus, 27-F has possibly been the worst cataclysm in Chile: it affected its most densely populated areas —some thirteen million people, i.e. 80 per cent of the total population— and the economic heartland of the country. The impact of the tremor was equivalent to one hundred atomic bombs like those dropped on the cities of Hiroshima and Nagasaki.¹⁹

As normally happens when the epicentre of a quake is located under the seabed, a tsunami soon struck the coastline of the regions of Maule and Bío-Bío. Approximately half an hour after the quake, an eight metre high tidal wave, followed by a second wave some ten metres and a third some eight metres high destroyed towns like Constitución, Pelluhue, Curanipe and Duao and caused severe damage in one of Chile's main ports, Talcahuano.²⁰ Sadly, 124²¹ out of the official 521 earthquake casualties²² were caused by the tidal wave, which the authorities failed to warn about, despite having received an —albeit ambiguous— tsunami alert. As for material damages, some five hundred thousand dwellings collapsed and two million people lost most of their possessions. Many structures were not destroyed by the mega-quake but by the aftershocks. Ac-

¹⁵ 'Chile Earthquake: Shock Effect on Earth's Axis', *The Guardian*, 2 March 2010.

¹⁶ 'Chile Earthquake Moved City of Concepcion 10ft to the West', *The Daily Telegraph*, 9 March 2010.

¹⁷ 'Imagen Satelital Muestra que la Costa de Talcahuano se Elevó 1.5 Metros Tras el Terremoto', *El Mercurio*, 20 April 2010.

¹⁸ 'Terremoto Deformó e Incluyó Lagos de Arauco', *El Mercurio*, 25 April 2010 and 'Satellite Images Show That Talcahuano "Grew" 1.5 Meters Higher as a Result of Earthquake', *Santiago Times*, 21 April 2010.

¹⁹ 'Así se Gestó el Megaterremoto, el Más Intenso en Chile desde 1960', *La Tercera*, 28 February 2010.

²⁰ 'Tres Enormes Olas Devastan a Constitución tras Sismo', *La Tercera*, 28 February 2010 and 'Olas de 5 Metros Azotan Talcahuano y Arrastran Embarcaciones y Casas', *La Tercera*, 28 February 2010.

²¹ 'Las Contradicciones Frente a la Catástrofe', *El Mercurio*, 23 May 2010.

²² Access this information at the Interior Minister's web page at .
http://www.interior.gov.cl/filesapp/Lista_fallecidos.pdf

according to the United States Geological Survey,²³ between 27 February and 14 July 2010, 13 telluric movements —ranging over 6 on the Richter scale— kept shaking the land.²⁴ This further affected the already battered Chilean industrial sectors, such as agriculture, forestry, fisheries and wineries. The wine-making industry alone reported a loss of some US\$ 250 million.²⁵ It has been estimated that the whole economic cost of the disaster amounted to 18 per cent of Chile's GDP, i.e. US\$ 30 billion. An equivalent loss would be about \$2 trillion in the United States' economy.²⁶

Chileans know that when an earthquake comes, it destroys the lives of many and the toil of years, making it necessary to start all over again. Why do they stay instead of moving to a safer residence? Why did the Spanish *conquistadores* remain in a place that—as seen in Chapter 2— was so hard to conquer and was hit by geological disasters periodically? Probably the answer was given by Pedro de Valdivia in his letter to the then Spanish monarch: 'this land is such that for living and for settling in, there is none better in the world'.²⁷ In the same vein, narrations by colonial writers, such as Alonso de Ovalle and Alonso de Ercilla, to twentieth century authors, such as Pablo Neruda, Gabriela Mistral or Benjamín Subercaseaux, have all sung the praises of their fellow nationals and fondness for their motherland. As asserted by historian Ricardo Krebs, although most human beings are proud of their native land, this psychological trait developed in Chile quite strongly and from early on: 'affectionate patriotism' became a characteristic of Chilean writings.²⁸ Thus, love for their native country developed into an identity trait of Chileans in spite of the hardships triggered by natural disasters. At the same time, these disasters —especially earthquakes, part of Chileans' DNA—²⁹ also bred an identity trait: human resilience,³⁰ the 'burning stoicism' of those determined to possess and enjoy their land in spite of nature.³¹ It also made them yearn for organization and stability³² leading them to build a culture of order, as mentioned

²³ <http://www.usgs.gov/>

²⁴ For further information access.

http://earthquake.usgs.gov/earthquakes/recenteqsww/Maps/degree10/285_-35.php

²⁵ 'Tragédia na Estrela dos Andes', *Veja*, 10 March 2010.

²⁶ 'Jeffrey Sachs; Chile's Lessons in Leadership', *The New York Times*, 20 October 2010.

²⁷ Pedro de Valdivia to Emperor Charles V, 4 September 1545 in *Cartas de Pedro de Valdivia* (1970), *op. cit.*, p. 36.

²⁸ R. Krebs, *op. cit.*, pp. 16 and 17.

²⁹ 'Carta Abierta de Ricardo Lagos Escobar: La Tarea de Chile Hoy: Reconstruir y Avanzar', *La Tercera* 21 March 2010.

³⁰ D. Kaufmann (2010a) *op. cit.*

³¹ G. Mistral, 'Geografía Humana de Chile', *op. cit.*

³² S. Collier and W. Sater, *op. cit.*, p. 29.

in Chapters 1 and 2. Moreover, this helps to understand why Chileans—who are relatively cheerful people—are often considered to be more sombre and less merry than other Latin Americans.³³

In pre-Hispanic times, the local natives developed a religious interpretation of earthquakes and other natural disasters. For example, the Mapuche people believed that seismic events were manifestations of cosmic disequilibrium. In order to regain the balance, they deemed it necessary to perform reparatory rites and offerings to their deities.³⁴ These offerings were seldom human lives, but it has been recorded that, after the catastrophe of 1960, human sacrifices were suggested by Mapuche communities.³⁵ The worst earthquake registered during colonial times took place in May 1647. It simply devastated the whole colony³⁶ and reduced Santiago to rubble. The coming years were very trying for the colonial masters as the cataclysm was preceded by a draught, triggered an economic crisis and ended in a general rise of the natives.³⁷ Although the 1751 earthquake was less devastating in the Central Valley, it was very destructive in the city of Concepción and its environs, to the point of forcing the removal of the city and its reconstruction on its current site, further away from the coast.³⁸ The description of that year's catastrophe reads very much like that of 2010. In addition, the area affected by the 2010 earthquake and tsunami is the same:

Shortly after one o'clock AM came a strong tremor and we all left our rooms and went to the *patios* of the house. Some ten minutes later a terrible earth movement began, its rumbles were maddening. (...) Nothing was left, no church, neither small nor big houses, people fell to the ground (...) One of God's wonders was that He impeded the rise of the ocean for half an hour so that most of the people were able to run away to the hills. (...) Then the sea started to boil; it withdrew from the coast and seven minutes later it came back with great force, each wave curling above the next one up to such height that the waters totally covered the city with the violence of horses in rampage.³⁹

³³ 'Jennyfer Salvo: Este Terremoto es una Oportunidad para Mostrar Chile', *El Mercurio*, 8 Abril 2010.

³⁴ R. Foerster (1995) *Introducción a la Religiosidad Mapuche*. Santiago: Editorial Universitaria.

³⁵ Los Terremotos en Chile (1570-1985). Cultura Mapuche in <http://www.memoriachilena.cl/temas/dest.asp?id=terremotosculturamapuche>

³⁶ D. Barros Arana, *op. cit.*, p. 49 and p. 54.

³⁷ Los Terremotos en Chile (1570-1985). Mayo de 1947 in: <http://www.memoriachilena.cl/temas/dest.asp?id=terremotosmayo>

³⁸ I. Municipalidad de Concepción. Información Comunal. Traslado de Concepción al Valle de la Mocha in <http://www.concepcion.cl>

³⁹ D. Barros Arana, *op. cit.*, p. 135.

This description also fits the accounts of the 1960 catastrophe. On that occasions the city of Valdivia was severely damaged and the coming tidal waves washed away what was left, drowning people, sinking boats, ships and hills that disappeared under the ocean.⁴⁰ As mentioned above, this 9.5 mega-quake has been the strongest ever registered in the planet. Seismology experts are of the opinion that they occur once every four hundred years.⁴¹ Nevertheless, others think that northern Chile should experience a Valdivia-like cataclysm —much stronger than that of 2010— in the coming years.⁴² While Chileans are expecting it, they are trying to learn from the mistakes and shortcomings of some authorities during the 2010 earthquake, as will be seen in the next section.

6.2 Chile's Modernity and Governance Under Scrutiny

Although up until now science has not been able to predict with accuracy the timing of an earthquake, it is also true that countries like Chile or Japan —members of the sad club of seismic nations— should be on a better footing than others to face such catastrophes. For example, compared to Haiti, a country that also suffered an earthquake in 2010 and whose case will be analyzed in section 6.3, Chile's response to the calamity was far better. Nevertheless it was not good enough as 124 lives could have been spared and social peace and security ensured with a prompter reaction. In fact, the failure to launch a tsunami warning, the slow pace when delivering essential goods to the victims of the earthquake and the lack of a decision to send the armed forces into the affected areas to maintain peace were three aspects that may be argued were erroneously handled by Bachelet's administration. As for sending for the armed forces, it is understandable that the members of a Concertacionista government, several of whom had suffered the repression of the military dictatorship, feared the presence of soldiers in the streets and thus delayed the deployment of troops.

As regards the failed tsunami alert, facts are unclear. It appears that a first warning was sent at 3:45am Chilean time by the National Oceanic and Atmospheric Administration (NOAA) based in the United States to Chile's Hydrographical and

⁴⁰ 'Los Gritos del Primer Mega Terremoto', *El Mercurio*, 10 April 2010.

⁴¹ M. Cisternas *et. al.*, *op. cit.*

⁴² 'Le Chili, Une Zone Sismique a Risques', *Le Figaro*, 27 February 2010.

Oceanographic Service (SHOA)⁴³, which reports to the Navy. Apparently Chile's instruments to measure the rise in sea levels along the country failed.⁴⁴ It has also been said that initially the SOHA thought that the earthquake epicentre had been inland, which reduced the possibilities of a tidal wave. In any case, at 3:51 SHOA staff sent an alarm message by radio and later by fax to the Chilean National Emergency Office (ONEMI).⁴⁵ It is precisely this point that has caused much controversy. The ONEMI stated that the radio message had said that the epicentre had been inland, a fact that has been strongly denied by the SHOA.⁴⁶ As regards the fax, ONEMI has stated that it was blurred and ambiguous⁴⁷ and that its officials decided not to send a tsunami alert message to the rest of the country. This stopped people from running away to the highlands. In my view, this event can have a second reading: Chileans trust in their authorities and institutions and therefore abide by their guidelines. Although this tendency has helped to achieve social stability, it can also lead to tragedies like this one.

In spite of dissenting opinions on who is to be blamed for the failed tidal wave alert, there is a consensus on the slow way in which the government dealt with delivering aid and basic supplies to the most afflicted cities in the south and its hesitation to deploy the army in the areas affected to preserve the law and order. In fact, a few hours after the quake and tsunami, there was looting and pillage, as unfortunately happens in almost every catastrophic event around the globe. Although partly due to its incapacity to assess local needs as a result of the general power and communication failure,⁴⁸ I also believe that the administration's lack of efficiency might have a simple explanation: the quake hit during Chile's summer holidays, and therefore, the government officials were away and quite 'unplugged'.

Jacqueline van Rysselberghe, Major of the city of Concepción at the time, beseeched the central authorities to send in troops⁴⁹ as the looting of shops and houses was increasing and bands of people armed with rifles, metal stakes and hatches attacked

⁴³ Servicio Hidrográfico y Oceanográfico de Chile.

⁴⁴ 'Las Olas Después del Sismo Magnitud 8.8', *Caras*, 12 March 2010.

⁴⁵ Oficina Nacional de Emergencia Ministerio del Interior.

⁴⁶ 'Las Principales Controversias que Establece el Informe Final de la Comisión Terremoto', *El Mercurio*, 29 August 2010.

⁴⁷ 'Las Contradicciones Frente a la Catástrofe', *El Mercurio*, 23 May 2010, *op. cit.*

⁴⁸ D. Kaufmann (2010a) *op. cit.*

⁴⁹ 'Desesperado Llamado de Van Rysselberghe: Imploramos a la Presidenta que Envíe más Militares', *Radio ADN*, 1 March 2010.

fire-fighters and burnt supermarkets.⁵⁰ The government was hesitant to do so given that the presence of military on the streets could remind people of Pinochet's regime.⁵¹ Interestingly, even left wing dwellers of Concepción applauded the patrolling of some ten thousand army people who arrived in the city:⁵² 'I never thought I would see in a leftist area such as Concepción, people from popular sectors applauding the arrival of twelve tanks in their neighbourhood' commented van Rysselberghe.⁵³ Within a few days the situation was normalized and a brief amnesty was declared so that looters could return the stolen goods. Risking prison if they were found with those items, hundreds decided to get rid of them. In fact, more than thirty five lorries were needed to transport the looted goods —television sets, sofas, mattresses, fridges, items that had nothing to do with survival— adding up to some US\$ 2 million.⁵⁴

March 11th 2010 was marked by two events, political the first, geological the second. That day Michel Bachelet — and with her the Concertación— left power, and a new Aliancista President was sworn in. During the ceremony a 6.9 aftershock struck Valparaíso —where those events were taking place, making buildings sway, rattling windows and triggering a tsunami alert that sent people running to the hills. Twelve days had passed since the 8.8 seism and the new tremor reminded Chile of the tragedy that the incoming government had to deal with. There were renewed efforts to deliver basic supplies to more than two million Chileans affected by the quake and several collateral topics emerged. Firstly, the media never stopped showing the considerable solidarity movement created by the disaster both overseas and within Chile. In fact, hundreds of people —of their own accord and for free— went to the affected regions to help to build houses and collect food and clothes to deliver to the homeless. Even schools and universities located in areas that were not or were less affected, voluntarily delayed the beginning of the academic year so that the students could go and give a hand. This type of reaction is not new to Chile: as mentioned in Chapter 1, in a land marked by natural disasters the need to help others has also developed into a national trait.

⁵⁰ 'Chile Earthquake: Troops Sent in to Deter Looting and Violence', *The Guardian*, 2 March 2010.

⁵¹ D. Kaufmann (2010a), *op. cit.*

⁵² J. García-Huidobro, H. Herrera and D. Mansuy (2010) *8.8 Escombros en el Bicentenario*. Santiago: Instituto Democracia y Mercado – Pan American Development Foundation, pp. 129-130.

⁵³ '480 Edificios Inhabitables en el Gran Santiago', *El Mercurio*, 6 March 2010.

⁵⁴ 'Chile Looters Rush to Dump Stolen Goods', *The Guardian*, 8 March 2010.

A second aspect shown by the media was that although former president Bachelet had declared that she was leaving Chile in good shape,⁵⁵ many Chileans considered that her government had not dealt properly with the catastrophe.⁵⁶ For example, a poll conducted at that time found that 72 per cent of respondents believed that the government had responded late and inefficiently during the emergency.⁵⁷ Thirdly, when CASEN 2009 was published, showing that for the first time since 1987 poverty had increased in Chile in the past three years⁵⁸ this highly sensitive issue was once again centre stage. Apart from what was explained in Chapters 4 and 5, the worrying fact was that the earthquake would undoubtedly increase the poverty levels given the fact that many had lost all their possessions and initially some 89,000 people were left jobless.⁵⁹ Also, the looting that took place mostly in the Maule and Bío-Bío regions provided food for thought about the high social differences existing in the country, which might have pushed ordinary people to steal. In fact, not all the looting was done by criminals. The quake gave many of the looters the chance to obtain goods that they did not and would not own in the near future.⁶⁰ In this sense, the conclusions by authors such as Gonzalo Vial⁶¹ and Patricio Navia,⁶² in the sense that the social rift between the poor and the rich would eventually trigger a social explosion, became a worrying reality.⁶³ All the same, if Chile's catastrophe and the way it was handled are compared with similar events that have occurred in other nations, plunder usually occurs, even in wealthy nations. Such was the case of New Orleans after hurricane Katrina⁶⁴ in 2005 and of New Zealand after the 2010 earthquake.⁶⁵ What is more, without ignoring the severe mismanagement and mistakes made after Chile's seism, for the international public the general handling of Chile's post-catastrophe was an

⁵⁵ 'Aftershock Hits Chile as Sebastián Piñera Sworn In', *The Guardian*, 11 March 2010.

⁵⁶ 'Departing Chilean President Defends Governmental Actions After Quake', *New York Times*, 6 March 2010.

⁵⁷ 'Chile Looters Rush to Dump Stolen Goods', *The Guardian*, 8 Monday 2010, *op. cit.*

⁵⁸ 'Pobreza en Chile Crece por Primera Vez desde 1987 y Afecta a 2.5 Millones de Personas', *El Mercurio*, 14 July 2010.

⁵⁹ 'OIT Estima que el Terremoto en Chile Destruyó 67.000 Empleos', *América Economía*, 12 August 2010.

⁶⁰ J. García-Huidobro, H. Herrera and D. Mansuy, *op. cit.*, pp. 107-119.

⁶¹ G. Vial (2009), *op. cit.*, p. 1391.

⁶² P. Navia, 'La Otra Falla Geológica que Amenaza a Chile', *Poder 360°*, March 2010.

⁶³ J. García-Huidobro, H. Herrera and D. Mansuy, *op. cit.*, pp. 107-119.

⁶⁴ D. Kaufmann, (2010a), *op. cit.*

⁶⁵ 'New Zealand Earthquake Opens Door to Looters', *New York Post*, 4 September 2010.

apparently positive visibility window. It also showed a country that had governability and was able to face disaster just like a first world nation would.⁶⁶

Three other issues caught the public attention: how badly communications had responded during the catastrophe, how relatively ill equipped Chile is in order to get fast and accurate information about recent seismic events, and the damaged suffered by several buildings, some of them quite new. In the first case, in the immediate aftermath of the quake almost all communications collapsed —mobile phones, the internet, television and radio— leaving the country off-line for several hours and even days in some areas. This was especially serious in the case of the failed tsunami warning and the evaluation and organization of early assistance. Thus, when one hour after the quake ONEMI's director got to the agency's headquarters, the officials on duty still had not been able to get in touch with the regions of Maule and Bío-Bío.⁶⁷ They had not been able to double-check their information about the quake with North American seismological centres. Worse still, it was the communications and power breakdown that impeded SHOA from double-checking the data arriving from NOAA and ONEMI in order to ratify the tidal wave information coming from the naval services.⁶⁸

As repeatedly indicated by Alberto Maturana, ONEMI's director throughout several of the Concertacion governments, the incompetence and lack of pro-activity of different officials in charge played a part in the tsunami disaster.⁶⁹ Nevertheless, it is quite clear that other factors also contributed. Chile —one of the most seismic nations on earth— is ill-equipped to handle such a catastrophe in a timely manner. In fact, whereas Japan has some five thousand seismographers spread around its islands, Chile has a little over a hundred. Also, whereas the Asian country has an important corps of expert seismologists, Chile does not. It all comes down to money: the South American nation cannot afford to have Japan's personnel or equipment. On the one hand, the communication and seismological failures put on hold Chile's successful modernization process of the past decades: as studied in Chapter 5, Chile shows some signs of fast material and social development, but clearly there is still a long way to go before reaching full development, no matter how often the central authorities may

⁶⁶ D. Kaufman (2010a), *op. cit.*

⁶⁷ 'Los Descargos de Carmen Fernández y su Defensa de la Oficina Nacional de Emergencia', *El Mercurio*, 6 March 2010.

⁶⁸ 'Las Contradicciones Frente a la Catástrofe', *El Mercurio*, *op. cit.* and 'Los Descargos de Carmen Fernández y su Defensa de la Oficina Nacional de Emergencia', *El Mercurio*, *op. cit.*

⁶⁹ 'Las Olas Después del Sismo Magnitud 8.8', *Caras*, *op. cit.*

promise the country that it is almost there. On the other hand, the disastrous aftermath of Japan's 2011 earthquake and tsunami has shown that not even the best equipment or high-technology alarm systems can stop the force of nature.⁷⁰

A final fact that was very much debated was the collapse of buildings that did not stand the strength of the tremors all over the country. Sadly, many of the adobe churches, public buildings and houses that had resisted the 1985 quake, failed to do so this time. This opened a debate on whether it would be better to forbid in the future the construction of any mud and straw houses, which are typical in Chile.⁷¹ This may be a pragmatic approach, but not the best in terms of preserving the national cultural heritage.⁷² A second issue related to the failure of many structures was the fact that recent high-rises, highways and bridges could not stand the trial. These cases are under investigation chances are that their constructors may have failed to comply with Chile's anti-seismic construction laws. On the other hand, the number of structures that broke down was low considering the magnitude of the quake. Also, the number of people who died inside these buildings was relatively low. For example, if compared with the earthquake on 12 May 2008, in Sichuan, China, some ten thousand young died in the collapse of 7 thousand classrooms and dormitories for students.⁷³ Nothing like that happened in Chile. Thus, although the damage in buildings also put a question mark against Chile's material modernization of the last decades, it is my opinion that the real issue at stake is whether the country's traditional mud constructions should be forbidden in the name of further safety, which state of the art construction methods may allow. On the other hand, as will be shown here, Japan's 2011 catastrophe showed that in some cases not even the best housing system can withstand the forces of nature.

As urban planner Pablo Allard asserts, Chile's anti-seismic construction laws prevent many people from dying in a strong earthquake if they are inside a building when it strikes. This was actually the case: although several structures collapsed, they

⁷⁰ 'Flawed Earthquake Predictions Gave Fukushima a False Sense of Security', *The Guardian*, 13 April 2011.

⁷¹ Diego Vergara R., Mayor of Paine, interviewed on 10 June 2011. 90 percent of the adobe buildings in Paine —those that had survived 1985 quake— collapsed in the 2010 quake. Vergara is against reconstructing in adobe. In his view, doing so will force their dwellers —mostly relatively poor peasants— to rebuild in twenty years' time when the next earthquake hits. Vergara is of the opinion that, 'typical adobe houses are for the wealthy. Nowadays you can build them with reinforced anti-seismic systems, but that is far too expensive for the average people living in rural Chile'.

⁷² J. García-Huidobro, H. Herrera and D. Mansuy, *op.cit.*, p. 156.

⁷³ 'Sichuan Earthquake', *The New York Times*, 6 May 2009.

were not many, and few people perished there. Allard explains that although more stringent anti-seismic measures can be adopted, the price of those buildings would be so high that it would make them unaffordable to most Chileans.⁷⁴ Also Rodrigo Mujica, from the Professional College of Engineers of Chile explains that ‘to have a building that might withstand with no problems a 9.0 quake, forget about terraces and windows: people would live in boxes’.⁷⁵ Along the same lines Daniel Kaufmann suggests that Chile’s good governance played a significant role in limiting the death toll resulting from the catastrophe. Although he acknowledges that grave blunders occurred during the earthquake, he is of the opinion that the quake highlighted two dimensions of this country’s governance: government effectiveness and control of corruption resulting in a successful design and adoption of better building codes of practice. In fact, some specific examples of some structures that fell down denote that non-compliance with the building codes and possible corruption are isolated rather than systematic events.⁷⁶ In the same way as the relatively low death toll resulting from the collapsed buildings increased Chile’s international reputation, sections 6.3 and 6.4 will study how both the earthquake and the rescue of the thirty-three miners trapped inside the *San José* mine ended up by being a blessing in disguise in terms of fostering Chile’s good name.

6.3 Taking Advantage of Catastrophe-led International Visibility

In the aftermath of the catastrophe Chileans worried about the images that people around the world were receiving about their country’s handling of the crisis, especially as regards the early mismanagement of emergency situations, the tsunami death toll, which could have been much lower, the looting which could have been prevented and the front-page photographs that went around the world showing caved-in structures. As this section will show, although all these negative issues were reported overseas, world opinion in general was well impressed by Chile’s diligence to start functioning again at a fairly fast pace. This view is in open contrast with Chile’s internal debate on how effective President Sebastián Piñera has been in the task of reconstructing Chile. Indeed, although a few months later most public services were functioning and emergency prefabricated housing had been given to practically everyone in need, Chileans

⁷⁴ ‘La Reconstrucción Según Allard’, *Qué Pasa*, 12 May 2010.

⁷⁵ ‘Los Mejores Rescatistas del Mundo’, *Qué Pasa*, 12 May 2010.

⁷⁶ D. Kaufmann (2010a), *op. cit.*

believed that the reconstruction pace was slow. This view clashes with the generally positive vision of foreigners of the handling of the catastrophe and reconstruction. Thus, comments in the sense that Haiti performed far worse in its reconstruction effort, or that—in spite of the crisis—Chile met most of its international commercial commitments, show that once again there is a rift between the self-perception of Chileans and what outsiders see. In fact, post-quake Chile was seen as organized, efficient and resilient by other countries. It is necessary to highlight the role played by *Fundación Imagen de Chile* which, for the first time in decades, had the upper hand in helping to influence the nation's international image in a positive way, even when the visibility window that opened for Chile after the catastrophe was an unhappy one: *al mal tiempo buena cara* or—as the idiomatic expression goes in English—when life gives you lemon, make lemonade.

After the first days of bewilderment, the response to the immediate needs of the worst hit areas quickened its pace. Thus, some twenty days after the earthquake, water and electricity were restored in most places, the main roads that link the country were made passable, the airport restarted its activities, and thousands of basic shelter homes were built.⁷⁷ Almost two months after the quake the government had installed 20,000 emergency lodgings, 18,000 emergency tents, and had delivered 75,000 blankets, 40,000 mattresses and 450,000 bags of non-perishable food.⁷⁸ Moreover, foreign governments as well as Chilean private citizens, churches, companies and different private conglomerates donated millions in goods and cash. The best example is the Telethon, which raised US\$ 56 million for the rebuilding of the affected areas.⁷⁹ As for public funds, Piñera's administration announced a US\$ 8.4 billion reconstruction plan to be implemented during his tenure,⁸⁰ US\$ 3 billion would come from extra transitory taxes on profits to be paid by major companies, 3 per cent in 2011 and 1.5 per cent in 2012.⁸¹ The mining sector was put on the spot by a 'voluntary' rise in royalties. The mining companies can refuse it, but at the expense of their public image.⁸²

⁷⁷ 'Chile's New Government', *The Economist*, 18 March 2010.

⁷⁸ 'Se ha Gastado un Tiempo Inútil en un Debate Dogmático', *El Mercurio*, 24 April 2010.

⁷⁹ 'Abrazo entre Bachelet y Piñera Marca Teletón para Ayudar a Damnificados', *El Mostrador*, 7 March 2010.

⁸⁰ 'A Balanced Reconstruction Plan', *The Economist*, 22 April 2010.

⁸¹ 'Piñera Busca Cerrar Críticas de la Alianza y Encabezará Lobby con la Concertación', *El Mercurio*, 20 April 2010.

⁸² 'A Balanced Reconstruction Plan', *The Economist*, *op. cit.*

In the same way as Bachelet's administration had to confront criticism for the way her government faced the quake and tsunami, Piñera's also had to deal with criticism of what the new opposition considered to be a slow recovery plan. Thus an Adimark opinion poll carried out after the rescue of the trapped miners showed that Piñera's approval rate had risen to 63 per cent although 59 per cent of respondents thought that the reconstruction after the catastrophe was too slow.⁸³ Since then, both the government and the opposition have engaged in mutual accusations as to how fast the reconstruction has been, compared to the 2007 earthquake which shook Chile's northern regions during Bachelet's tenure.⁸⁴ It is my opinion that the 27-F initial emergency stage was quite speedily handled. As for the proper reconstruction phase, I think it has been reasonably quick given 27-F's magnitude. Thus, already by June 2010, 94 per cent of the public infrastructure was working.⁸⁵ In August, 93 per cent of hospital beds were active again⁸⁶ and by November, 70, 342 subsidized homes had been distributed out of a total 100,000 promised for 2010.⁸⁷ Mining Minister Laurence Golborne's opinion interpreted well the views of the recently installed government. He was asked why the miners' rescue was so efficient compared to the alleged slow rhythm of post 27-F reconstruction. He explained that the case of the trapped pitmen was one of life or death: the government had to act as quickly as possible in order to rescue them alive. As for the rebuilding of post-catastrophe Chile, the magnitude of the event was far larger and the expenses greater: it is impossible to make the nation get back on its feet in a few months.⁸⁸

Interestingly, international opinion has been much more benign than Chileans themselves about the way in which Chile has dealt with the catastrophe and the reconstruction efforts. Kaufmann suggests that —although it may be of little consolation to those in the country— when a natural disaster of the magnitude of 27-F hits, the number of casualties would have been much higher in practically any other nation.⁸⁹ As for the images of looting and plundering, the fact that people gave back what they

⁸³ Evaluación del Gobierno Octubre 2010 in <http://www.adimark.cl/es/estudios/index.asp?id=77>

⁸⁴ 'Vecinos de Tocopilla Aseguran Estar Abandonados Tras Terremoto que los Afectó Hace 3 Años', *Radio Bío-Bío*, 22 July 2010.

⁸⁵ '94% de la Infraestructura Pública Dañada Está Operativa a 100 Días del Terremoto', *El Mercurio*, 7 Junio 2010.

⁸⁶ 'Reconstrucción: Más Luces que Sombras', *El Mercurio*, 27 August 2010.

⁸⁷ 'Reconstrucción: Valparaíso Lidera Entrega de Subsidios y Maule Muestra el Mayor Retraso', *El Mercurio*, 8 November 2010.

⁸⁸ 'Entrevista al Ministro de Minería', *El Mercurio*, 9 October 2010.

⁸⁹ D. Kaufmann (2010a) *op. cit.*

had stolen was widely covered and made a positive impact on world opinion.⁹⁰ *The Economist* pointed out that Chile has shown it is in far better shape to rebuild itself than it was after the previous big quake in 1985, not to mention the one in 1960, which was stronger.⁹¹ Several businessmen around the globe have been impressed with Chile's capacity to meet most of its business obligations in spite of the catastrophe. This is the case of wineries which, although they lost 12 per cent of their production were still able to deliver the wine they had promised. This sort of attitude conveyed the message that Chile had reacted quickly to the disaster and was an organized country.⁹² In this sense, the publication *América Economía* said that not an insignificant number of foreign investors were pleasantly surprised at the way Chile had reacted to the mega-quake, thus contributing to improve its image in the financial world.⁹³

Another issue that has helped Chile's image in terms of its handling of the crisis is comparisons with Haiti. Its capital, Port-au-Prince, suffered a 7.0 quake on the 7th of January 2009, little more than a month before Chile. The death toll was very high—more than 200,000 dead—and the city was severely hit. Although Chile's quake was 31 times stronger and released 178 times more energy, it was deeper into the earth, which absorbed part of the impact before it reached the foundations of the buildings'.⁹⁴ Also, in Haiti the epicentre was very close to its densely populated capital whilst in Chile it was farther away from Concepción, the biggest city in the zone. Finally, Chile is a seismic nation whilst Haiti is subject to infrequent tremors, although they may be violent when they occur. Thus Haiti is even less prepared than the Chile to face telluric disasters. Although there may be several mitigating factors in the case of Haiti, these do not properly account for how badly it has faced the catastrophe, especially when contrasted with Chile. Thus, six months after the respective quakes, Haiti was still on the ground⁹⁵ and on the eve of a cholera epidemic,⁹⁶ whilst 77 per cent of Chile's infrastructure (highways, bridges, airports) were functioning⁹⁷ and the country had successfully bypassed any disease outbreaks. Also, while Haiti is

⁹⁰ 'La Nueva Imagen de Chile', *América Economía*, 15 April 2010.

⁹¹ 'Chile's New Government', *The Economist*, *op. cit.*

⁹² 'La Nueva Imagen de Chile', *op. cit.*

⁹³ *Ibid.*

⁹⁴ 'Terremoto en Chile: Más Fuerte que el de Haití pero Menos Mortífero', *BBC Mundo*, 1 March 2010.

⁹⁵ 'Six Months On, Haiti Remains Covered in Rubble', *Der Spiegel*, 4 August 2010.

⁹⁶ 'La Epidemia de Cólera en Haití Continúa Diezmando la Población', *El País*, 19 November 2010.

⁹⁷ '77% de Obras Públicas del País ya Está en Pleno Funcionamiento', *El Mercurio*, 27 August 2010.

in need of a massive international aid effort,⁹⁸ Chile required international help only for specific needs.⁹⁹ Some of the reasons why Chile has been able to handle a worse catastrophe in a better way are that this country is richer and better prepared to face emergencies,¹⁰⁰ has stronger institutions and government, governability and public probity.¹⁰¹ What is more, although the Chilean emergency rescue teams which had been working in Haiti went back to their country after 27-F, the Chilean troops and other professionals working for MINUSTAH did not. This fact sent a message to the world community: Chile is trustworthy and abides by its international commitments.¹⁰²

The magazine *América Economía* polled 1,300 of its Latin American readers and found out that 48 per cent considered that Chile's international reputation had become stronger after the earthquake; 26 per cent said that there had been no change and the remaining 26 per cent thought that it had affected its image negatively.¹⁰³ Thus, the conclusion is that the resulting image of the post-quake country was that Chile is a resilient nation that stands up after a tragedy and keeps walking. Even further, the earthquake may have reinforced the reputation of Chile as a model country.¹⁰⁴ In my opinion, what can be considered the positive outcome of a negative scenario did not happen out of sheer luck or in a totally spontaneous way but was partly directed by *Fundación Imagen de Chile*, referred to in Chapter 4. In fact, as the earthquake made the breaking news of the mass media around the globe, its officials understood that the basic need in terms of image was to convey the message that Chile was getting back on its feet. They soon realized that people in general and the business community in particular had to get the fact that the quake and its damage had been severe but circumscribed: the tragedy was not going to impede the normal running of the country.¹⁰⁵

Taking advantage of world exposure —even if it was for tragic reasons— Chile's communicational efforts tended to convey the idea that the country functioned: through several campaigns and with little money —the foundation's budget for 2010 was US\$

⁹⁸ 'Frustration Sets In', *The Economist*, 29 July 2010.

⁹⁹ 'Canciller Reporta Ayuda Internacional Recibida por Terremoto', *La Tercera*, 2 March 2010.

¹⁰⁰ 'More on What Haiti and Chile (Don't) Have in Common', *Newsweek*, 28 February 2010.

¹⁰¹ D. Kaufmann (2010a), *op. cit.*

¹⁰² 'Rescatistas que Fueron a Haití Viajan a Concepción para Ayudar en Medio de la Catástrofe', *La Tercera*, 28 February 2010.

¹⁰³ 'La Nueva Imagen de Chile', *op. cit.*

¹⁰⁴ Alberto Padilla in 'La Nueva Imagen de Chile', *op. cit.*

¹⁰⁵ 'Jennyfer Salvo: Este Terremoto es una Oportunidad para Mostrar Chile', *El Mercurio*, 8 April 2010.

10 million, compared to Sweden's US\$ 100 million for the same purpose—¹⁰⁶ Chile kept informing the rest of the world that ships loaded with fruit, copper or wine were heading towards their commercial destinations. The campaigns also reported that basic services —water, roads, communications— were getting back to normal and that tourism was as good as ever in places not affected by the quake.¹⁰⁷ A second angle of the foundation's communicational strategy was to thank through publicity advertisements those countries which had sent their aid in the aftermath of the earthquake. The idea behind this campaign was to show emotion, and thus contribute to tone down Chile's image of coldness¹⁰⁸ which, as seen in Chapter 4, had been built on purpose throughout the 1980s

In my view, the first Chilean institution that deals exclusively with this country's international reputation, faced a hard task and succeeded. Although the earthquake was a sad event, the foundation was able to take advantage of a "window of visibility"¹⁰⁹ to transmit positive contents resulting in a helpful outcome in terms of image: *Fundación Imagen de Chile* was able to convey a positive message, something that had not been properly developed in past decades. Having said this, there is one aspect that the foundation was not able to tackle, that is, spreading Chile's good name among non-elite people around the planet. In fact, and understandably given their limited budget, the organization targeted the community that mattered most in immediate economic terms, i.e. the world financial and business elite which, as shown throughout this study, already knows about the country. Nevertheless, a second event that took place in 2010 —the cave-in of the *San José* mine and the thirty-three miners trapped underground— was to prove providential in that sense. What started as a tragedy, developed into one of the most powerful human-interest stories of hope and courage conveyed by the world media in the last decades, and gave Chile a unique chance to overcome the one image widely associated with the country: that of Pinochet.¹¹⁰

¹⁰⁶ Juan Gabriel Valdés S., speech delivered on 9 September 2010.

¹⁰⁷ J. G. Valdés. 'Imagen País: Chile Sigue en Pie', *La Tercera*, 27 March 2010.

¹⁰⁸ 'Jennyfer Salvo: Este Terremoto es una Oportunidad para Mostrar Chile', *op. cit.*

¹⁰⁹ *Ibid.*

¹¹⁰ 'Chile Será Recordado No por Pinochet, sino como Ejemplo de Unidad', *El Mercurio*, 16 October 2010.

6.4 The Rescue of the 33 Miners: the Miracle Which Was Not

The San José mine is located close to the city of Copiapó, in Chile's northern Atacama region. Although it had been previously closed for safety reasons, at the moment of the accident it was operating with due permission from the central government.¹¹¹ On the 5th of August, 2010 the collapse of one of the mine's corridors left thirty-three men 700 meters underground inside the pit. A few hours later a rescue team as well as Mining Minister Laurence Golborne arrived in the site.¹¹² For two days the team tried to reach the place where they thought the pitmen would be through a ventilation shaft, but a second cave-in thwarted their efforts.¹¹³ By then Piñera's government had decided to get fully involved in the rescue as there was no guarantee that the owners of the mine would have the will, economic means and technical capacity to attempt it on their own. As Golborne explained, it was a matter of life or death and the government just could not step aside and leave the miners to their.¹¹⁴ In my view, this was a political gamble:¹¹⁵ no one knew if the men were dead or alive and if the rescue attempts failed, Chileans might blame the government even if the accident was not entirely their responsibility: the permits to operate the mine had been granted by the previous government but had not been cancelled during Piñera's administration. It also gave the government a chance to divert public attention from the earthquake and reconstruction and it definitely allowed them to show efficiency.¹¹⁶

The next paragraphs describe and analyse one of the biggest international visibility windows Chile has ever had. In fact, the cave-in of the *San José* mine, the efforts to find the pitmen —dead or alive— and release them from the bowels of the earth, became a saga of heroism and humanity followed worldwide. After explaining briefly how the accident came about and the way in which the workers were searched for and found alive, I will go on to give several details as regards the organization of the rescue.

¹¹¹ San José mine was closed in 2007 after relatives of a miner who had died in an accident sued the company. Nevertheless, it was reopened in 2008 despite having failed to comply with all the safety regulations.

¹¹² President Sebastián Piñera was in Colombia on an official visit, which he suspended to go back to the mine and supervise the beginning of the search for the trapped men. See 'Piñera Vuela a Chile y Viajará a Zona del Accidente en la Mina San José', *La Tercera*, 7 August 2010.

¹¹³ 'Cómo Fueron los 17 Días de los Mineros', *El Mercurio*, 29 August 2010.

¹¹⁴ 'Entrevista al Ministro de Minería', *El Mercurio*, *op. cit.*

¹¹⁵ 'El Mundo Mira a Chile', *El Mercurio*, 16 October 2010.

¹¹⁶ 'La Moneda Apuesta a Reimpulso del Gobierno tras Superar Primera Fase de Rescate', *El Mercurio*, 23 August 2010.

In fact, the meticulous planning of their life underground as well as their liberation triggered almost unanimous world approval. I shall also refer to the live broadcasting of the rescue and its impact on Chile's international reputation. Four attributes were associated with the country by the international media mostly: efficiency, organizational capacity, solidarity and strong spirit/resilience. The rescue operation gave Chile a unique chance of positive world exposure. It also helped to give the average Chilean a 'face'. Indeed, although known by world elite sectors, Chile and its citizens had no personification: for the first time, billions of people around the globe had a picture of what they look like. Also for the first time in decades the country was given an opportunity to appear under a label other than Pinochet's. Definitely, the country had to take advantage of the opportunity it was given, and make an effort to reinforce the positive connotations attached to its reputation and avoid situations that could well reverse this stroke of good luck.

Soon after the cave-in, the members of the families of the thirty-three men started camping in the area next to the pit, in what was to be known as *Campamento Esperanza*, 'Camp Hope' in English. Also a considerable number of local and world media were covering the story, which appeared to be rather bleak. In fact, sixteen days had gone by since the initial accident and although several boreholes had been made, none of them had reached the place where it was hoped the miners might have taken shelter.¹¹⁷ On 22nd August —some seventeen days later— the probe finally hit the 700 meter mark, breaking through one of the cavities of the mine. The rescuers heard some noise but it was not until they lifted the probe that they found a note which read '*estamos bien en el refugio los 33*'.¹¹⁸ This was the definitive proof that the trapped men were alive. As soon as Piñera announced the news through the media, the information went around the world sparking off all sorts of expressions of joy: hundreds of Chileans went out in the streets waving Chilean flags and honking car horns and the churches rang their bells announcing the good news to one and all.¹¹⁹ As I shall suggest here, it was increasingly evident that the story had struck an emotional chord worldwide and was stirring strong nationalistic sentiments among Chileans.

In the coming days and weeks information kept coming up to the surface and this increased the media interest in the story. After hours of despair and bitter controversy

¹¹⁷ 'Las Impactantes Revelaciones del 'Cerebro' del Rescate, Sougarret', *El Mercurio*, 17 October 2010.

¹¹⁸ 'We are alright in the shelter, the thirty-three (of us)'.

¹¹⁹ 'Chile Escape Mine Shaft Lining Completed, *BBC News*, 11 October 2010.

among the trapped miners, finally good sense had prevailed and they started getting organized so as to survive as long as possible.¹²⁰ Led by the shift supervisor Luis Urzúa and backed by Florencio Avalos, the miners assigned themselves different tasks, dug for underground water sources, rationed their food, divided the different cavities as bed rooms, bathrooms and common room and organized shifts in order to look for ways of getting out of the mine.¹²¹ One of the aspects that made their discovery more outstanding was that, apart from the fact that they were all of them in reasonably healthy to withstand extreme conditions, they had had the spirit to impose on themselves a living arrangement based on order, discipline and hierarchy: serenity prevailed and saved them from perishing. Minister Golborne summarized those characteristics in one statement: ‘when I first spoke to them down in the mine I thought some would be dead and the rest in absolute despair or hysterical. Instead, I heard a voice saying ‘please wait, I will put you through to the boss!’”¹²² Then Urzúa took the communication line and told the Minister that they were fine, just waiting to be taken to the surface.¹²³

According to the initial rescue plan estimates, the miners would be out by Christmas, i.e. almost four months later. Nevertheless, as three simultaneous types of drilling plans were put into practice, the date for the probable evacuation started getting closer. The idea was to drill three shafts,¹²⁴ through one of which the miners would be lifted to the surface inside a steel capsule —called Phoenix— as if it was an elevator.¹²⁵ At the same time as the digging took place, the trapped pitmen were taken care of through diverse

¹²⁰ ‘Los Días en que la Desesperación y la Anarquía Reinaron en el Fondo de la Mina’, *El Mercurio*, 17 October 2010.

¹²¹ ‘Atrapados se las Ingeniaron Para Sobrevivir con Agua y Luz Obtenida de las Máquinas’, *El Mercurio*, 23 August 2010 and ‘La Nueva Carrera Contra el Tiempo que Inicia La Moneda’, *El Mercurio*, 29 August 2010.

¹²² ‘Entrevista al Ministro de Minería’, *El Mercurio*, *op. cit.*

¹²³ ‘Chile Miners: Rescued Foreman Luis Urzúa’s First Interview’, *The Guardian*, 14 October 2010.

¹²⁴ The three separate rescue plans were respectively called plan A, B and C. Plan A used an Australian built drilling rig, provided by a South African mining company. Plan B operated an air core drill owned by a Chilean-American joint venture and plan C a Canadian oil drilling rig.

¹²⁵ Three steel capsules were made by Chile’s Navy, with design help from NASA and inspired in the Dahlbusch Bomb, a torpedo-shaped cylinder developed in 1955 to rescue three miners trapped in a coal mine in Germany. The model had been used on other occasions, but never to lift so many people and from such depth down the earth. Also, Phoenix was geared with oxygen supply, video, voice communications, light, a strong roof to protect against rock falls, and a scuttle or trap with a mechanism to allow each miner to pull out of the capsule and clime down to the mine in case the device got stuck. For further information see ‘Uma Vitória Triunfal do Povo Chileno’, *Veja*, 14 October 2010.

and ingenious methods and high-technology gadgets, thus ensuring that they were well fed, entertained and able to communicate with their families.¹²⁶ Their health was closely monitored from above, outside the pit. In order to ensure their mental stability during the long weeks to come, they received psychological assistance and the whole crew was organized to work in shifts to assist in their own rescue.¹²⁷ The meticulous organization of their lives, the internal discipline with which the miners accepted the living arrangements, the considerable economic resources allocated to their rescue as well as the country's technical capacity were quite astonishing to those following the saga worldwide.¹²⁸ Indeed, if most people around the planet has associated *mestizo* faces —such as the miners'— with a poverty-stricken Latin America,¹²⁹ in this case the situation was different. For example, foreigners of elite business groups tended to think that Chile's relative successful political and economic story was partly due to the existence of a European enclave at the end of South America and they were surprised to observe that Chileans were as *mestizo* as the rest of the continent.¹³⁰ What was being informed and shown from down the mine also impressed Chileans. Firstly, the fact of having worldwide exposure by international media under a positive light made many of them feel proud of their nation.¹³¹ Then, images of the miners, of their rescuers and the dwellers of Camp Hope waving Chilean flags, singing the national anthem, eating typically Chilean food, highlighted the existence of a Chilean identity and fostered intense patriotic feelings around the country.¹³² Further still, as the broadcasts included working class people and individuals from upper social segments —such as government ministers and the President of the Republic— gave a sense of national unity and purpose.¹³³

¹²⁶ 'La Tecnología y el Ingenio Criollo se Unen para Facilitar el Rescate de los Mineros', *El Mercurio*, 7 October 2010.

¹²⁷ 'Surviving the Darkness', *Newsweek*, 14 September 2010.

¹²⁸ 'Chile's Mine Rescue. Plucked from the Bowels of the Earth', *The Economist*, 14 October 2010.

¹²⁹ 'La Verdad Incómoda de Guy Sorman', *El Mercurio*, 13 November 2010.

¹³⁰ Patricio Prieto S., (President TLC Consulting, company which provides legal and economic advice for the establishment of free trade agreements) interviewed on 8 July 2010.

¹³¹ J. Franklin (2011) *The 33: The Ultimate Account of the Chilean Miners' Dramatic Rescue*. New York: Bantam and 'El Histórico Rescate de los 33 Mineros', *Terra*, 13 October 2010.

¹³² 'Chile: A Lesson in Courage, Faith and Patriotism for the Entire World', Canada Free Press, 16 October 2010 in <http://www.canadafreepress.com/index.php/article/28827>

¹³³ 'Medios Extranjeros Reflejan el Cambio de Imagen de Chile tras Exitosa Operación de Salvataje', *La Tercera*, 15 October 2010 and 'Chile: A Lesson in Courage, Faith and Patriotism for the Entire World', *op. cit.*

As the three drills advanced it was becoming evident that the time for the liberation was getting closer and mid-October was mentioned as a possible date. Sure enough, plan B was making quick progress and the final date for the release of the trapped men was 12th October. Just before the extraction stage began, Golborne announced that it would take approximately an hour to bring each miner to the surface. Thus, the whole operation would last some 48 hours.¹³⁴ The recovery operation was dubbed *Operación San Lorenzo* after the miners' patron saint. Before lifting any of the workers a rescuer was lowered while the people at the top sang Chile's national anthem. Then the first miner started to be lifted out: Florencio Ávalos was chosen because he was physically and mentally strong, so that—if anything should go wrong during the ascent—he would be able to deal with the difficulties. As for the last miners that were to be released, they also were the toughest, who would not despair having to wait until the end. Foreman Urzúa would be the last miner to be lifted out.

Ávalos' ascent—a little after midnight on 13 October—was broadcast live from inside the mine and the surface whilst some 2 billion people¹³⁵ watched his release on the internet, television and mobile phones: only some football games during the 2010 World Cup and Barack Obama's ascension to the presidency had been followed by a similar number of people on the web.¹³⁶ 'The sheer emotion of watching the first miner, Florencio Avalos, emerge from the dark depths of the San José mine, and embrace his wife and crying boy, is difficult to translate into words'.¹³⁷ As dramatic as the Apollo 13 return journey,¹³⁸ the rescue triggered deep positive emotions in literally billions of people, as the worldwide media started reporting. 'When just recovering from the wounds of an earthquake, the Chilean people went in the rescue of human values'¹³⁹ or 'many across the globe are watching the Chile miners' rescue operation. As we watch the miners emerging out of FENIX, yes, humanity survives'.¹⁴⁰ As will be analyzed below, Chile's 'good deed' and its effort to alleviate the anguish and sufferings of the miners and their families, helped to revamp the country's reputation:

¹³⁴ 'Chile Escape Mine Shaft Lining Completed', *op. cit.*

¹³⁵ 'La Emotiva Jornada en que se Comenzó a Cerrar la Epopeya del Norte', *El Mercurio*, 18 October 2010.

¹³⁶ 'Chile es Reconocido por la Opinión Pública Mundial, No Sólo por las Elites', 25 October 2010 in <http://www.fundacionimagedechile.cl/News.aspx?id=703&sec=1&xt=>

¹³⁷ D. Kaufman (2010b) 'The Rescue of the Miners in Chile is no Miracle' in <http://thekaufmannpost.net/the-rescue-of-the-miners-in-chile-is-no-miracle/>

¹³⁸ 'Chile es Reconocido por la Opinión Pública Mundial, No Sólo por las Elites', *op. cit.*

¹³⁹ 'Ricardo Trotti: el Rescate de lo Humano', *El Nuevo Herald*, 16 October 2010.

¹⁴⁰ 'Chile Miners Rescue: Your Reaction', *BBC News*, 13 October 2010.

For now, Chile is the fortunate country that has made its presence felt globally by virtue of the softest of soft powers: through the warmth and solidarity it radiated during the emergency and the way it coped at once with the rescue and the intensity of the world's gaze (...) Chile's rescue that riveted the world will make for an infinitely more attractive brand than bullying or force of arms'.¹⁴¹

Two thousand journalists representing some 300 media teams from 39 countries were present during the rescue of each of the miners,¹⁴² ensuring an extensive media coverage of this drama that might well have ended in tragedy and instead evolved into a saga.¹⁴³ If Chile had paid for the information that appeared on television, radio, the internet and press, the bill would have added up to between US\$ 2,000,000,000¹⁴⁴ and US\$ 2,383,000,000.¹⁴⁵ A study carried out by *Fundación Imagen de Chile* reports that from July 22nd to October 20th, some 64,348 of press articles were published featuring Chilean miners. On the rescue day the articles topped 10,036 and dropped slightly the coming day to 7,137.¹⁴⁶ The countries that led in number of articles were the United States, China, Spain, Germany, Brazil, France, Australia, the United Kingdom, Canada and Mexico.¹⁴⁷ As for the internet, the same report states that more than 4 million websites were visited at the beginning of the rescue operation. Ustream —a live interactive broadcast platform— totalled some 5.3 million viewings of the rescue on October 12th and 13th. Twitter reported more than 2 million tweets related to it on October 13th alone, and 1,240 Facebook messages per minute were posted.¹⁴⁸

It will be impossible to get an absolutely accurate figure of how many people saw, watched, read and commented on the rescue of the thirty-three Chilean miners. Nevertheless, there is no doubt that Chile had a unique chance of making itself known around the world and giving its international reputation a facelift As Juan Gabriel

¹⁴¹ 'Mary Dejevsky: Chile's New Global Brand for Success', *The Independent*, 15 October 2010.

¹⁴² 'El Histórico Rescate de los 33 Mineros', *Terra*, 13 October 2010.

¹⁴³ D. Kaufmann (2010b), *op. cit.* and 'Chile es Reconocido por la Opinión Pública Mundial, No Sólo por las Elites', *op. cit.*

¹⁴⁴ 'Cobertura del Rescate Minero Equivale a Una Campaña de Imagen País de Hasta US\$ 2,000,000,000', *El Mercurio*, 17 October 2010.

¹⁴⁵ 'Cobertura del Rescate de los 33 fue Valorada en US\$ 2,383,000,000' 25 October 2010 in <http://www.fundacionimagedechile.cl/News.aspx?id=702&sec=1&t=>

¹⁴⁶ 'Oportunidades y Alertas a Propósito del Rescate de los 33', 25 October 2010 in <http://www.fundacionimagedechile.cl/News.aspx?id=704&sec=1&t=>

¹⁴⁷ *Ibid.*

¹⁴⁸ *Ibid.*

Valdés had pointed out some months before, countries are known not for what they say about themselves but for what they do.¹⁴⁹ *Operación San Lorenzo* was the action that Valdés —as head of *Fundación Imagen de Chile*— was looking for: ‘Chile won the lottery in terms of promotion’.¹⁵⁰ The operation in itself had high levels of international approval and left several positive attributes associated with the name of Chile. An analysis of some 10 thousand publications in English containing concepts such as ‘Chile’, ‘Chile live’, ‘Chilean Miners’ or ‘Chilean’, shows that 92 per cent of the references were positive, and only 8 per cent negative.¹⁵¹ Even this small percentage did not have an unenthusiastic connotation to the rescue itself, but to other aspects, such as the way the media had dealt with the information.¹⁵²

Diverse studies and articles state that efficiency, organizational capacity, strong spirit and solidarity were some of the attributes linked to Chile after the rescue.¹⁵³ Interestingly, all of them have been mentioned in one way or another along each chapter of this thesis. In my view, they are psychological traits present in Chile’s identity, formed through the country’s history. It is not as if Chile is the most effective, organized, resilient or cohesive country in Latin America, let alone in the world, but I believe that its citizens have more or less developed those traits and it is normally in times of catastrophe that they come to the fore and are perceived by others. In this sense Michael Moore —an American filmmaker— commented that next time that his country had to tackle an oil spill in the Gulf of Mexico¹⁵⁴ the United States government should call Chile: they would know what to do.¹⁵⁵ In fact, the way the Chilean government handled the miners’ rescue left the idea of professional and organizational efficiency as well as political leadership by the authorities.¹⁵⁶ Thus, the media in general highlighted Chile’s expertise —mainly its engineers— professionalism

¹⁴⁹ Juan Gabriel Valdés S. (Minister of Foreign Affairs, June 1999 to March 2000. Executive Director *Fundación Imagen de Chile*), interviewed on 10 December 2008.

¹⁵⁰ S. Anholt in ‘Oportunidades y Alertas a Propósito del Rescate de los 33’, 25 October 2010 in [http://www.fundacionimagedechile.cl/News.aspx?id=704&sec=1&xt=](http://www.fundacionimagedechile.cl/News.aspx?id=704&sec=1&xt=,), *op. cit.*

¹⁵¹ ‘Oportunidades y Alertas a Propósito del Rescate de los 33’, *op. cit.*

¹⁵² ‘The Media Circus at Chile’s San José Mine’, *op. cit.*

¹⁵³ ‘Oportunidades y Alertas a Propósito del Rescate de los 33’, *op. cit.*

¹⁵⁴ It refers to the most serious accidental oil spill in the history of the oil industry. It followed an explosion on a British Petroleum oil drilling platform located in the Gulf of Mexico. The accident caused the death of 11 workers. The spill lasted for three months and discharged some 4.9 million barrels into the ocean.

¹⁵⁵ ‘Oportunidades y Alertas a Propósito del Rescate de los 33’, *op. cit.*

¹⁵⁶ *Ibid.*

and competence,¹⁵⁷ the careful and meticulous preparation of the rescue¹⁵⁸ as well as the thoroughness with which the miners' health was monitored whilst still trapped.¹⁵⁹ The media were also struck by the availability of high-tech equipment such as special mobile phones from Korea, flexible optic fibre from Germany, drilling devices from Australia and Canada and advice from NASA.¹⁶⁰ As President Piñera put it to the French press, 'what appeared to be an impossible mission has been converted into a victory of faith and hope over anguish and pessimism. It has also been the triumph of excellence and commitment'.¹⁶¹

Resources were not spared and neither was state of the art technology: some US\$ 20,000,000 was the total cost of the operation.¹⁶² In sharp contrast with what happened in Atacama, other mining accidents with unfortunate results started coming to the fore: 2006 Mexico Pasta de Conchos methane explosion,¹⁶³ diverse accidents in China and Russia¹⁶⁴ as well as in New Zealand¹⁶⁵ have been compared to San José's cave-in and its happy ending.¹⁶⁶ Competence and ingenuity¹⁶⁷ were also mentioned in connection with *Operación San Lorenzo*. There were also references to the good sense in accepting international help, and to the cooperation and resources from companies and individuals from around the world,¹⁶⁸ although it was clear that it was the Chilean professionals that grabbed the bull by its horns.¹⁶⁹ As President Piñera pointed out,

¹⁵⁷ 'Medios Extranjeros Reflejan el Cambio de Imagen de Chile tras Exitosa Operación de Salvataje', *op. cit.*

¹⁵⁸ 'Miners' Rescue in Chile: an Unprecedented Rescue Begins', *The Santiago Times*, 10 September 2010.

¹⁵⁹ 'Trapped Chile Miners get Supplies', *BBC News*, 24 August 2010 and 'Chile Miners Face Four-Month Wait for Rescue', *AP-MSNBC*, 23 August 2010.

¹⁶⁰ 'El Mundo Mira a Chile', *El Mercurio*, 16 October 2010.

¹⁶¹ 'Sebastián Piñera: Le Chili n'est plus le Mème', *Le Monde*, 19 October 2010.

¹⁶² 'Rescatar a los Mineros Chilenos Costó 20 Millones de Dólares', *El Comercio*, 26 November 2010.

¹⁶³ 'Chile Miners Rescue: Mexico Rues Lack of 2006 Disaster Rescue', *The Guardian*, 14 October 2010.

¹⁶⁴ 'La Emotiva Jornada en que se Comenzó a Cerrar la Epopeya del Norte', *op. cit.*

¹⁶⁵ 'Tragedy in New Zealand. No Miracle Left', *The Economist*, 25 November 2010.

¹⁶⁶ Months later, Colombia and Bolivia asked Chilean rescue teams to go and help save people who had been trapped in a mine in the former and in a building in the latter. See 'Prosiguen Tareas de Rescate en Santa Cruz. "Topos" Mexicanos y Chilenos Inician Búsqueda de Sobrevivientes de Derrumbe en Edificio', *Los Tiempos*, 28 January 2011. 'Brigada de Rescatistas Chilenos Parte a Colombia a Labores de Salvataje por Tragedia en Mina', *La Tercera*, 26 January 2011.

¹⁶⁷ 'Mary Dejevsky: Chile's New Global Brand for Success', *op. cit.*

¹⁶⁸ 'Miners' Rescue in Chile: An Unprecedented Rescue Begins', *op. cit.*

¹⁶⁹ *Ibid.*

‘Chilean engineers, rescuers and workers have shown what they are capable of’.¹⁷⁰ In few words, the national image coming out of the rescue operation was that of a serious, well prepared and capable country, exactly the same message that Chile had tried to convey when featuring an iceberg in Expo Seville almost twenty years before.¹⁷¹

The last time that Chile had got such worldwide attention was earlier in the year when a monster earthquake, coupled by a tsunami, struck the south of the country. While the outcome of the current episode is uplifting, contrasting with the tragic loss of hundreds of lives due to the tsunami and earthquake, both episodes have highlighted the strength of governance in Chile.¹⁷²

In fact, the political leadership of the Chilean authorities is one of the angles that was highlighted internationally¹⁷³ both during the earthquake¹⁷⁴ and the rescue operation.¹⁷⁵ Although both the Concertación and Alianza have been criticized in some aspects for the way in which they handled these disasters, the opinion of other Latin Americans has acted as a counterpoint: unfortunately, citizens from other nations of the continent seem to consider that if any of the two events had occurred in their respective countries, the outcome would have been less efficient, thus resulting in more deaths.¹⁷⁶ Moreover, some non-Latin American media have catalogued Chile as an efficient and modern country incidentally inserted in a badly organized neighbourhood.¹⁷⁷ This fact has increased Chile’s sense of exceptionality, a deep-felt sentiment held true by Chileans from the eve of their history, as seen in all the previous chapters.

Chapters 3 and 4 referred to a national and international Chilean identity trait developed in the past decades with the adoption of market-oriented policies. In my view, efficiency and organizational capacity and image —both connected to a neo-liberal ethos— have a far older root in the country. At the same time, it is undeniable that the evolution of a market economy in Chile and its integration into the world markets have reinforced the local culture of order and endeavour and the consequent

¹⁷⁰ ‘Chile’s Mine Rescue. Plucked from the Bowels of the Earth’, *The Economist*, 14 October 2010.

¹⁷¹ B. Subercaseaux S. (1996) *op. cit.*, p. 61.

¹⁷² D. Kaufmann (2010b), *op. cit.*

¹⁷³ Oportunidades y Alertas a Propósito del Rescate de los 33’, *op. cit.*

¹⁷⁴ D. Kaufmann (2010a), *op. cit.*

¹⁷⁵ ‘El Mundo Mira a Chile’, *El Mercurio*, *op. cit.*

¹⁷⁶ ‘Luis Noé Ochoa. Aquí Pelamos el Cobre’, *El Tiempo de Colombia*, 16 October 2010 and ‘La Nueva Imagen de Chile’, *op. cit.*

¹⁷⁷ ‘Oportunidades y Alertas a Propósito del Rescate de los 33’, *op. cit.*

external and internal image of seriousness and efficiency. Thus, it was little wonder that President Barak Obama's phrase 'do things the Chilean way' meaning doing things properly, surprised the Chileans themselves. In fact, for years that expression had been used in Chile meaning quite the opposite: doing things in a sloppy manner.¹⁷⁸ Interestingly, in my view, the newly inaugurated Aliancista government tried to identify neo-liberal efficiency with their administration, as if the past administrations had been neither neo-liberal nor efficient, and as if the real and only heirs of the Chicago Boys' technical efficacy were they.

Chile has long been a mining country. Miners working the harsh terrain of the Atacama are part of the national self-image in a country that thinks of itself as having snatched prosperity from adversity, weather, earthquakes or mining accidents. But the rescue of the thirty-three miners has also struck another chord among Chileans —that their country 'does things well' (...) Mr Piñera has promised to set Chile on the path to becoming a developed country by 2018, the Bicentennial of the decisive battle in its struggle for independence from Spain. Over the past three months it has certainly behaved like one.¹⁷⁹

Having analyzed the way in which foreigners and nationals perceive Chile as efficient and organized, on its way to full socio-economic development, I shall now focus on the Chileans' perception of being strong and supportive of those who are suffering. As mentioned in previous chapters, Chile seems to be a resilient nation as it has historically been doomed to deal with disasters,¹⁸⁰ seizing success from hardship.¹⁸¹ On the occasion of the miners' rescue, this alleged Chilean fortitude was associated with the toughness of the pitmen, as if all Chileans shared the mentality and physical strength of these workers: for some weeks to be Chilean was a synonym of being one of the 33 miners. In fact, that particular group of people is normally disciplined¹⁸² and 'hard as granite',¹⁸³ those being necessary conditions to carry out their job. Nevertheless, although there is evidence to show that the thirty-three miners gave visibility to Chileans —before the rescue very few people on the planet were able to describe

¹⁷⁸ 'La Emotiva Jornada en que se Comenzó a Cerrar la Epopeya del Norte', *El Mercurio*, 18 October 2010, *op. cit.*

¹⁷⁹ 'Chile's Mine Rescue. Plucked from the Bowels of the Earth', *op. cit.*

¹⁸⁰ 'Eugenio Tironi. Nueva Etapa', *El Mercurio*, 26 October 2010.

¹⁸¹ 'Chile's Mine Rescue. Plucked from the Bowels of the Earth', *op. cit.*

¹⁸² 'Chile Miners Must Move Tons of Rocks in own Rescue', *Associated Press*, 29 August 2010.

¹⁸³ 'Ben MacIntre. Los 33 y la Veta Minera de Chile y Gran Bretaña', *El Mercurio*, 17 October 2010.

or even imagine what a Chilean looked like—¹⁸⁴ in my opinion this does not mean that the rest of their fellow countrymen share their psychological and physical traits. On the other hand, it is true that Chile has always developed mining activities which may have helped to transmit the pitmen spirit to other sectors of society in the shape of entrepreneurial spirit and as the capacity to cope during cycles of prosperity and poverty.¹⁸⁵ Regardless of whether people around the globe started perceiving Chileans as miner-like, I believe that Chileans are a resilient people, although more in the sense of capable of getting back on their feet after a catastrophe than as self-sacrificing or physically and psychologically strong.

Yet another attribute that was worldwide associated with Chileans during the rescue from the *San José* mine was solidarity¹⁸⁶, in the sense of the capacity of working together to overcome adversity.¹⁸⁷ In my opinion, the same that happened with the attribute of strength, world opinion transferred what they saw in the trapped miners—how they worked together to save one another with so much nobility—¹⁸⁸ to the rest of the citizenry. Although I think that this solidarity was more visible in the aftermath of the earthquake, when those less affected by the catastrophe helped the afflicted with money, work and emotional support, it is also true that the rescue of the thirty-three showed the significant capacity of Chileans to unite in sympathy. Material support came mostly from the central authority, which expressed its commitment to rescuing the workers and private companies, which helped with money to carry out the operation.¹⁸⁹ This mix of efficiency and care, high-technology rescue operations and concern for human life, became a reputational windfall for Chile: this was given the chance to join countries such as Canada or Finland that make a benevolent impression on visitors while showing competence in the way their nations are run.¹⁹⁰

Another aspect common to Chileans, which was perceived overseas, was that of patriotism, union and love for their country. The following comment by a Spanish writer, is a good summary of that perception: ‘That admirable union, above tendencies

¹⁸⁴ ‘La Verdad Incómoda de Guy Sorman’, *op. cit.*

¹⁸⁵ ‘Alegría Nacional, Prioridad del Rescate. Reconocimientos y Responsabilidades’, *El Mercurio*, 23 August 2010.

¹⁸⁶ F. Pujol, ‘Los Beneficios del Rescate de los 33 Mineros Irán a la Marca Chile’, *op. cit.*

¹⁸⁷ ‘Oportunidades y Alertas a Propósito del Rescate de los 33’, *op. cit.*

¹⁸⁸ ‘Medios Extranjeros Reflejan el Cambio de Imagen de Chile tras Exitosa Operación de Salvataje’, *op. cit.*

¹⁸⁹ ‘Alegría Nacional, Prioridad del Rescate. Reconocimientos y Responsabilidades’, *El Mercurio*, *op. cit.*

¹⁹⁰ ‘Mary Dejevsky: Chile’s New Global Brand for Success’, *op. cit.*

and ideologies, their national anthem sung with emotion by the miners and their President outside the mine, once duty had been fulfilled, has made us Spaniards see that a nation with only two hundred years of history can be more deep-rooted than ours, which is millenary'.¹⁹¹ It appears that foreign journalists were positively impressed to see political opponents —such as President Piñera and Senator Isabel Allende, one of Salvador Allende's daughters— making their best efforts to contribute to the workers' rescue.¹⁹² Moreover, the political gain of rightwing sectors was important as in Chile miners have been traditionally linked to leftwing sectors. This time it was a rightist government that came to their aid. A final idea that the international media transmitted was that of solidarity through religion. In fact, although the liberation of the miners was no miracle,¹⁹³ nevertheless many Chileans believe that God helped. For example, André Sougarrett, the engineer in charge of the rescue team, declared that 'strange' things had happened that had helped them find the miners at the beginning of the saga.¹⁹⁴ Thus, the belief that the hand of God was present during the operation is something many Chileans believe to be true. Thus, it is not strange that an important current of solidarity should have found its niche in prayer,¹⁹⁵ a fact that was perceived as surprising and unexpected in some countries.¹⁹⁶

As media studies expert Frances Pujol had predicted, the biggest winner of the saga in terms of reputation was the Chile brand.¹⁹⁷ In fact, although some of the miners had more media exposure than others, in the end, their value in communicational terms is related to the group of thirty-three and their rescue rather than in one individual. At the same time, their story is associated with Chile, thus transferring to the country its positive connotations. Interestingly, the Chilean flag started to be widely recognized¹⁹⁸ and sales of Chilean wine overseas rose by 25 per cent after the rescue,¹⁹⁹ showing that the impact on Chile's brand had been positive. To confirm these facts, Future Brand 2010 Country Brand Index ranked Chile in the fortieth place, which is important

¹⁹¹ 'Alfonso Usía: Disculpas Urgentes', *ABC de España*, 15 October 2010.

¹⁹² 'Medios Extranjeros Reflejan el Cambio de Imagen de Chile tras Exitosa Operación de Salvataje', *op. cit.*

¹⁹³ D. Kaufmann (2010b) *op. cit.*

¹⁹⁴ 'Las Impactantes Revelaciones del 'Cerebro' del Rescate, Sougarret', *op. cit.*

¹⁹⁵ 'Il Ritorno Alla Vita dei Minatori E' il 'Miracolo delle Ande', *La Repubblica*, 13 October 2010.

¹⁹⁶ F. Pujol, 'Los Beneficios del Rescate de los 33 Mineros Irán a la Marca', *op. cit.*

¹⁹⁷ *Ibid.*

¹⁹⁸ 'Chile es Reconocido por la Opinión Pública Mundial, No Sólo por las Elites', *op. cit.*

¹⁹⁹ 'Ventas de Vino Chileno Aumenta tras el Rescate de los Mineros', *Vinos Revista Digital*, 18 October 2010.

progress after 2009's fifty-ninth place.²⁰⁰ This nineteen-place leap is mainly explained by *Operación San Lorenzo*. This report says, 'the *San José* miners' rescue became a global news event generating extraordinary goodwill for President Piñera and branding Chile. This, coupled with growing economic stability, makes Chile a brand to watch in the region'.²⁰¹ Nevertheless, although the word 'success' has been attached to 'Chile' in recent months,²⁰² Chile's good reputation should be handled with care. In fact, an over-exploitation of the miners' saga in communicational terms may end up by being tedious. Also, the fact that a visibility window opened makes Chile more visible in other areas. Thus, internal problems —such as the ongoing Mapuche conflict— can harm Chile's image more than before the rescue.²⁰³ Also, the fact of having gained world attention in a limited space in time —mainly on 13th, 14th and 15th October 2010— triggers the configuration of almost indelible images and perceptions attached to the country and its people.²⁰⁴ So, if future actions or events in Chile oppose those concepts, the damage to Chile's brand could be considerable.²⁰⁵

Concluding Remarks

The last chapter of this study concentrates on two events that marked Chile's Bicentennial celebration: 27-F and the miners' rescue operation. Both made an impact on Chile's path towards socio-economic development, highlighted and reinforced some of the nation's identity traits and helped to change the country's international reputation, making it known to all sorts of people, not only to a world business elite. Section 6.1 describes February's quake and tsunami, presents a brief historical review of the main similar phenomena throughout Chile's history. Then section 6.2 studies the deficiencies of Chile's technical capacity to face a mega-quake, the post-catastrophe response and the tsunami warning fiasco. Also the disorganization with which initial assistance was delivered and the tardiness to send military personnel into the areas affected are studied. On a more positive note, section 6.2 addresses facts such as the solidarity shown by Chileans during

²⁰⁰ 'Rescate de Mineros Destaca en Ascenso de 19 puestos de Chile en Ranking Marca País', *El Mercurio*, 16 November 2010.

²⁰¹ 'Rising Stars for 2010', Future Brand in <http://www.futurebrand.com/news/press-releases/launch-country-brand-index-2010/>

²⁰² F. Pujol, 'Los Beneficios del Rescate de los 33 Mineros Irán a la Marca', *op. cit.*

²⁰³ Oportunidades y Alertas a Propósito del Rescate de los 33', *op. cit.*

²⁰⁴ F. Pujol, 'Los Beneficios del Rescate de los 33 Mineros Irán a la Marca Chile', *op. cit.*

²⁰⁵ Oportunidades y Alertas a Propósito del Rescate de los 33', *op. cit.* and F. Pujol, 'Los Beneficios del Rescate de los 33 Mineros Irán a la Marca Chile', *op. cit.*

the catastrophe. Section 6.3 deals with Chile's international image during the post-quake period, and concludes that the world opinion was very much impressed by Chile's fast recovery when it attempted to return to normal life. The nation was perceived as being organized, efficient and resilient. Chapter 6 also highlights the role played by *Fundación Imagen de Chile* in order to help to improve the nation's global reputation. Mainly aimed at studying the way Chile's world image behaved, section 6.4 describes the accident in *San José* mine, the search for the miners and their final rescue. *Operación San Lorenzo's* live transmission had an impact on Chile's global image. Curiously, the four qualities that were attached to the country during the rescue —i.e. efficiency, organizational capacity, solidarity and strong spirit/resilience—were practically the same as those ascribed to Chile in the aftermath of the earthquake.

The chapter concludes that —although the country was better prepared to confront the 2010 earthquake compared to 1960 and 1985— Chile is still under-equipped, has an inadequate emergency protocol, communications and power systems. Although the response to the emergency was slow on the part of the central authorities, the chapter also concludes that overseas Chile's response to the disaster was perceived as adequate. It is necessary to highlight the role played by *Fundación Imagen de Chile* which, for the first time in decades, had the upper hand in helping to positively influence the nation's international image even though the visibility window that opened for Chile after the catastrophe was a sorry one. The same can be said of the miners' rescue which gave the country an exceptional opportunity for positive world exposure. Moreover, for the first time, billions of people around the world are now able to recognize the Chilean flag and have an idea of what a Chilean might look like. Also, the country was given the chance to divorce itself from Pinochet's figure.

Chapter 1 started the exploration of the three strands studied in this thesis: national identity, international reputation and social change. The first chapter attempted to establish some of Chile's identity patterns and Chapter 2 intended to connect them to historical events that might have helped their evolution. Thus, the chapter points to some historical particularities which triggered the idea of being an isolated piece of land as well as the notion of being an exceptional and democratic nation with a distinctive culture of order and endeavour. Chapter 3 studied the introduction of neo-liberalism during the military dictatorship, the change in the country's international reputation, its socio-economic transformation and other changes in the Chileans' self-image and identity features. Then Chapter 4 focused on the twenty-year period of Concertacionista governments, analysing the nation's social, identity and national image shifts. Chapter 5 describes further how Chile changed in terms of upward social mobility, its shift in

values and self-image. Finally, Chapter 6 studied 2010, which happened to be a key year in terms of global exposure and the improvement of Chile's international brand. One of the chapter's conclusions is that some of the traces of Chileanness have not disappeared. For example, its citizens' resilient endurance in adversity —instilled into their memories through centuries of war, poverty, isolation and earthquakes— is a psychological feature that modernity has not washed away. This and other aspects will be further referred to in the coming conclusions.

Conclusions

The year 2010, during which Chileans celebrated two centuries since the beginning of their nation's quest for independence from the Spanish empire, gave me the chance to analyze several of the aspects that my research touched upon within a fixed period of time. In fact, the February earthquake and tidal wave, the presidential transfer of power, the mine cave-in and release of 33 miners as well as Chile's Bicentennial celebrations attested to the continuity and change of social and cultural ethos of this country, its identity traits and international image. Indeed, throughout this study I have tried to understand further how and why its character, its society and culture, its self-image and reputation overseas —forged along the centuries— partly shifted and partly remained unchanged during the hatching of a modern liberal consumer society. What mainly drove my research was the desire to grasp what has become of Chile in social, cultural, political and economic terms on the inauguration of its third century of existence as a sovereign republic. The country's modernization process under the sign of neo-liberalism has not been uneventful. In fact, although the revolutionary economic, social and cultural changes that Chile has experienced since the mid-1970s have found approval in some sectors of society, it has also generated ill feeling and antagonism in others. Moreover, the fact that these changes followed a failed socialist political experiment and were introduced during a rightwing dictatorship, contributed to exacerbate the political environment which had already become highly conflictive during the *Unidad Popular*. Even further, some academics consider that Chilean politics still revolves around the yes/no hinge established during the 1988 referendum, meaning that citizens at large still fall within the categories of pro or anti-Pinochet and pro or anti-Salvador Allende as the basis for dialectic political discussion.

Nevertheless, the raising of the national flag on the 17th of September, 2010, during the inauguration of 2010's Bicentennial celebrations, showed a different scenario. As mentioned in the introduction, former Concertación Presidents as well as the then recently elected Aliancista head-of-state were present at the inauguration, showing

that Chile's old political style of pragmatism and compromise had returned. In my view, the ceremony was a symbol of the Chilean rejection of polarized politics, which sadly came to characterize the nation's affairs through the 1960s up to the 1980s. Moreover, one of the conclusions of this dissertation is that Chile's long journey of the last forty years has not only taken the country back to its pre-1965 consensus-seeking style, which included all moderate political actors, but has made politics in general shift towards the centre, leaving an extremist Right and Left on the fringes of the public forum. In the first place, the espousal of liberal market policies not only gave the country a way of achieving a Bicentennial desire —progress or socioeconomic development— but has forced both Left and Right to moderate their political stance otherwise incompatible with neo-liberal economic and social ideas.

Throughout the period addressed in this study, most Chilean left-wingers abandoned their belief in a state-centred economic administration as well as their like for popular-power mobilization. The fall of the Soviet Union and the Eastern European communist regimes, in addition to China's adoption of a more market-oriented economic system, ended by convincing them that their socioeconomic ideology did not work. As for right-wingers, although capitalistic, they also learned to appreciate the market economy approach and regained their faith in democracy: despite having supported a military dictatorship, after a few years of democratic exercise they began to keep their distance, either out of conviction or opportunism. As regards human rights, both sectors learned to value them. In fact, even if safeguarding human rights was not part of their political culture, the fact of having been persecuted helped left-wingers to appreciate their defence. As for right-wingers, increased information on the abuses committed during the dictatorship made them acknowledge and regret —albeit late— the darkest side of Pinochet's regime.

One of the conclusions of this thesis is that neo-liberalism together with a transformed Left and renewed Right are probably the most important factors that triggered Chilean social, political and economic renovation during the forty-odd pre-Bicentennial years. After referring to what I consider the main agents of change operating during that time, the following conclusions will deal with the three strands addressed throughout this thesis in an effort to understand, firstly, what it means to be Chilean today, how and when Chile's identity traits have both been formed, evolved and gained in new features; secondly, how Chile has been perceived by foreign countries along key periods of its history and how the country started to handle its international reputation by trying to brand the nation; and finally, how Chile's social, cultural and political stances have evolved towards the dawning of its Tercentennial. My studies have led me

to conclude that Chile has been able to position itself internationally with a positive country image—that of a modern, efficient and reliable state— thanks to two factors. Firstly, its political and social history, which has developed through the centuries and has allowed for the growth of a fairly stable, orderly and law-abiding country; and secondly, the adoption of a market economy system which put Chile on the road to socio-economic development and to a cultural evolution like some modern European and North American nations. An important aspect to take into account is that Chile's transformation has been so fast that not everyone in the country has been able to keep up with it. Nevertheless, it is to be hoped that in the short run all sectors of the population will catch up, as has mostly happened in the currently developed nations.

Chapter 1 described and defined the state of the art in relation to the triple axis around which the thesis revolves and also addressed other key terms. Besides, it narrowed down the conceptual framework within which the study addressed its main lines of research. Thus, in the first chapter I referred to what is a nation, its identity and culture, social and cultural change as well as nation-branding and international image. In the coming paragraphs I shall first give an account of my conclusions on these issues. After that, I shall refer to my inferences from each of the three main topics addressed throughout my study, i.e. Chile's identity, socio-cultural change and international image, rather than draw conclusions from every chapter in numerical order. As for the way these factors operate, I have concluded they do not do so in a linear way but in an interconnected manner. In my opinion, it is almost impossible to assert clearly which of them started 'shifting' first and causing a domino-effect alteration of the others. Thus, it is not that the first aspect to begin shifting was Chile's identity, which activated a nation-branding process or a cultural change: all the pieces of the game started interacting more or less at the same time. On the one hand I believe that this happened given the fact that the cause of Chile's shift is external to its identity, its international image or its social building. On the other hand, the causal role played by neo-liberalism as well as diverse political factors would have had a different effect if Chile had had another idiosyncrasy, global reputation or socio-cultural system. Indeed, although I believe that the whole process of transformation of these three strands started more or less in a concomitant way pushed by external causes, I also think that the final result would have been different if the elements had been different, if Chile had been different from what it is.

To go on with Chapter 1, I conclude that the best definition of nation, national identity and culture—for the purposes of this dissertation— includes their connection with historical facts as opposed to their characterization as intellectual entelechies

only. Although connecting them to a reality that exists outside the protagonists of history, I conclude that these key concepts should not be considered as immovable metaphysical essences but evolving realities. Thus, 'Chileanness' has been formed in the course of history and, precisely because of that, it has undergone transformations with the passing of time and will continue to do so.

In the case of the formation of a country image, the thesis concludes that nation-branding is connected to what I call classical nation-branding. This refers to the efforts of modern states, from the very start, to foster the establishment of a national identity through nation-building: as mentioned above, identity formation partly obeys to certain levels of manipulation, as opposed to spontaneous development. A second aspect of nation-branding refers to its commercial angle as well as to governmental international policy aims. The fact that nation-branding has a commercial aspect is rejected by some academics as several do not accept that a nation -with all the weight the notion has- might be launched into the global market as a product. Nevertheless, it is also true that nation-branding is related to nation-building and foreign policy in a historical period in which global trade permeates several aspects of many countries' existence. Furthermore, I conclude that in a global world, nation-branding helps them to re-think their identities to avoid disappearing into a fairly homogeneous world market. Chapter 1 also considers that nation-branding should be understood as an effect of globalization both by acceptance and rejection. Taking Chile as an example, global trade has pushed it to deepen its contacts around the globe and has forced it to protect its national features.

Finally, Chapter 1 concludes that modernity as it evolved in Chile is mainly an economic fact —although underpinned by political particularities— which brought about social and political transformations. Thus, the arrival of neo-liberalism triggered a socio-cultural change and helped the evolution of the country towards material development as happened in wealthy North European, American and Asian nations. Chapter 1 also considers that the debate about modernity in Chile has mostly been policy-oriented and pragmatic, and highlights the idea that modernity is understood as achievable socio-economic development. Finally, Chapter 1 concludes that the modernising inspiration in Chile has mostly come from other countries, although Chileans have modified it to adapt foreign ideas to their national reality.

The invasion and conquest by the Spaniards as well as the installation of a colonial system in the southernmost end of Spanish America initiated the embryonic formation of what would become Chile in centuries to come. Both different from the land's

indigenous inhabitants and from its European invaders, Chile developed as a *mestizo* nation with fairly well-defined characteristics. In fact, compared to other nations of the region, its identity traits —often ethereal and of difficult assessment— are rather well-defined given several particular characteristics that have set Chile apart from its continent. Thus, a distinct conquest and colonial setting partly conditioned a singular republican life and fairly strong democratic twentieth century. Even Pinochet's dictatorship and the Concertación era were quite 'Chilean' in the sense of being different from what other neighbouring nations went through at roughly the same time. I also believe that the fact of Chile's isolation helped to develop these rather distinct identity particularities.

Chile developed very early on an awareness of being quite unimportant and cut-off from its regional neighbours, let alone from the rest of the world. The remoteness syndrome and a certain inferiority complex increased with the acknowledgement of being a poor colony, relevant only as a protection barrier against the enemies of Spain for the wealthy and prominent Viceroyalty of Peru. Although the nineteenth century saw Chile's significance increase slightly in the region and the world —it gained fame for political stability, developed a fairly important wheat trade and experienced unseen levels of wealth during the nitrate era— it was nevertheless evident that it was of little concern at a global level. The same happened during the first decades of the twentieth century until several social, political and economic experiments started to take place. In fact, the modernization attempts by Presidents Eduardo Frei Montalva, Salvador Allende and General Augusto Pinochet furthered the intellectual and business world elites' interest in Chile. Nevertheless, what strongly pushed the country out of isolation was neo-liberalism and concomitant globalization which impelled it towards world trade. Moreover, improved means of communication and transport have diminished Chile's isolation. Yet, although Chile has partly overcome its remoteness syndrome and inferiority complex, it is quite evident it is not a pivotal nation at a global level and has integration problems with its immediate neighbours.

In spite of the tremendous communication barriers that have historically affected Chile, it has always been in contact with the external world. Thus, the colonization itself obeyed to a global trend, as well as Chile's independence movements, triggered by the Napoleonic wars. Also due to its geographic position —its waters being the forced sea route from the Atlantic to the Pacific Ocean— Chile was constantly visited by almost all vessels coming from European sea-bound nations. Consequently, the increase of world commerce in the nineteenth century improved Chile's connection to the rest of the globe. Moreover, its further participation in world commerce combined with a

wave of liberalism and globalization, as well as with the political upheaval of the 1920s, all tendencies that were very much in tune with European events. Also imports substitution industrialization, political progressive and Marxist experiments, followed the world trends of the 1950s, 1960s and 1970s. Perhaps the Chilean experiment that has made more of an impact on the world has been the implementation of neo-liberalism. Thus, although not Chilean in origin and certainly fostered by Americans, Chile was the first nation in the world to adhere to the new liberal wave, acting as a laboratory for world powers such as the United States and the United Kingdom. Paradoxically, neo-liberalism led Chile to a second period of isolation. Thus, during Pinochet's regime the country was quite isolated for political reasons; a military dictatorship and human rights violations made it a pariah nation. It is worth noting that although these political factors were overcome during the twenty years of Concertación governments, their market-oriented policies, democratic and non-populist administrations kept Chile fairly isolated from its fellow Latin American countries.

Other identity particularities that were implanted in Chile's embryonic national mentality, which have evolved and lasted up to the Bicentennial era, have been the drive towards order and the development of a law abiding attitude, the need for effort to overcome natural disasters, war and poverty, and the idea of being an exceptional country. In the first place, Chile's conquest was hard because of the fierce opposition of the *Mapuche* people, which caused a three hundred year war; the attack of Dutch and British pirates, and the frequent and destructive earthquakes. Also, as it was lacking in precious minerals and wealthy native cultures, it did not offer quick compensations for a tough conquest. These facts, among others, prompted the development of a military mentality, an inclination towards order, the settlement of pacifying *haciendas*, a legalistic attitude and the acknowledgement of effort and resilience as character traits required to live in this part of the world. These traits continued to evolve during the first century of republican life as Chile fought and won five wars and developed fairly stable public institutions and democracy. Although in the following century Chile did not have to endure wars, it nevertheless suffered its worst two quakes and tsunamis. Thus, during its two centuries of independent life Chile continued to resort to the psychological resources that had historically helped its people to endure hardship and geological chaos. What is more, I would like to suggest that attachment to social order and law plus a regard for stable governments were present in the collapse of Allende's regime as well as in Pinochet's rise and fall. In fact, Allende's administration led to economic chaos, social upheaval and the abuse of the Constitution, all of them factors strongly opposed by most Chileans. Thus the military coup was initially backed by considerable portions of the country, its middle class, the political Right and the Centre-Left

Christian Democrats, all of them wanting peace and stability. Years later, Pinochet's fall was also marked by law abidance as he lost a plebiscite and respected the results. Even if he had not wanted to do so, his supporters and the military would not have allowed a different outcome. In the same line, the first Concertación governments were almost obsessed with governability matters, fearing popular power and economic slowdown, both of which would have triggered an unwanted social unrest. Finally, order and its related organizational capacity, as well as resilience and effort were also observable features during February 2010 earthquake and the rescue of 33 miners trapped in a pit in October that same year.

Chileans have long believed that their country is exceptional and I suggest that this self-perception and reality is strongly present throughout its history. A first strong period of exceptionality took shape during its pre-republican, an epoch that made this long strip of land differentiate itself from the other Spanish colonies. A second aspect of Chile's exceptionality refers to its institutional stability. Indeed, at the same time as most post-independence Latin American new-born nations took a long time to achieve political stability and many of them had *caudillista* governments for decades, Chile underwent a relatively short period of political try-outs and quickly achieved a fairly steady republican —albeit authoritarian—system. Thus, nineteenth century Chile was regarded as exceptionally democratic by both continental and world standards. Although the twentieth century brought two interruptions in its democratic path —the most important one being Pinochet's regime, whose coup took the world by surprise as Chile had historically been able to avoid military dictatorships— Chile managed to regain its traditional style, celebrating the Bicentennial as a democracy.

I would also suggest that a third period of exceptionality started towards 1965 and was still underway in 2010. In fact, Chile went through exceptional political, economic and social experiments from the mid-1960s onwards. Thus Frei Montalva's progressive government and Allende's leftwing coalition government —unique cases as they were the result of elections— made Chile exceptional by world and regional standards. Pinochet's regime brought in a new period of exceptionality, stronger than Frei Montalva's and Allende's, given that the military brought neo-liberalism along. In fact, while nineteenth century Chile was acknowledged because of its democratic exceptionality, it was also regarded as a rather poor nation. The military dictatorship brought about a new facet of national exceptionality, but destroyed Chile's good reputation as a stable democracy. Being the first country in the world to apply neo-liberal economic policies, after several years of hard trial and error Chile started to move decisively towards full development, and can be said to be the first Latin American nation to be so near that

goal. After the Concertación gained power, Chile's exceptionality was operated at two levels, as democracy was added to fast economic growth and social development. At the same time, several Latin American nations experienced some kind of instability or tried to apply neo-liberal economic policies to no avail.

This last period of exceptionality gave way to the formation of new identity traits found in modern liberal consumer societies in Europe, North America or some East Asian nations. Thus, as an important segment of the population has become part of the middle class and more people want to get there, economic performance —the necessary condition for being governability and political legitimacy— became critical. Although the general improvement in the population's standards of living is a positive aspect, the new modern and liberal identity has also involved less beneficial ones. On the one hand consumption appears to be a trait that defines today's Chileans. In my view this is positive in as far as it allows people to access goods —such as food, education, medical attention, entertainment, etc.— which allow for improving the quality of life. However, quite often these goods are achieved thanks to credit, which means that a large proportion of Chileans have considerable levels of indebtedness. Thus, the advent of a liberal society has also triggered unease at the level of social mood: the periodical set in of economic crisis, overworked women, family breakdowns, less public protection, more individualism, bitter disputes over traditional values —which in some cases help to achieve happiness— and the like, have contributed to develop a feeling of disenchantment or malaise which cuts across social classes.

Finally, if Chileans have historically been proud of their small but fairly organized and stable nation which, as Simon Collier says, more than once led the lot of Latin American nations through example, it had never been able to boast about being wealthy. The nitrate years brought in affluence, but nitrate was nevertheless unable to transform the nation into a developed one. By contrast, the last decades of economic reform brought in a remarkable rise in living standards for a considerable proportion of Chileans. While Chileans have not traditionally felt wholly Latin American and have often perceived their nation as morally superior to other countries in the continent, the newly acquired economic growth and relative wealth has boosted their self-perception of advantage in relation to the other countries. The idea of being the jaguars of Latin America, a country mistakenly located in bad neighbourhood, has taken shape in the minds of many nationals and foreigners that have fostered the idea of Chile as a model to be imitated. This newly acquired arrogance is a novel angle of Chile's centuries-long self-perception of being exceptional.

It is risky to assert that the image of a country is spontaneously generated given that it is easy to find that someone in its history has done something intentionally in order to foster its good or bad reputation. Thus, even before the Spanish conquest of Chile, this country—which would later become a Captaincy-General—already had a negative name because of the lack of wealth of the land and the disastrous conditions in which the first European explorers returned to Peru after crossing the Atacama Desert. By contrast, Chile's chief conqueror, Pedro de Valdivia, wrote beautifully about the same land, as well as Alonso de Ercilla, who exalted Araucanian bravery, and Alonso de Ovalle, who was determined to spread the word about the advantages of the new colony regretting that it was so little known in the rest of the world. Nevertheless, although all these examples show that a country's image seldom originates totally at random, the difference between a nation's repute derived mainly from historical events and a closely monitored nation brand is considerable. In my view, Chile has walked all avenues of local reputation construction.

I have put forth that through the centuries of conquest, colonization, and early republic up to the first half of the twentieth century, Chile's image was closely connected to the process of nation and identity building. Thus, the Arauco war, which contributed to the formation of a culture of order in the colony, also determined its external image as a place at war, the Flanders of the American continent. This issue plus the frequency of earthquakes and lack of material wealth contributed to build the negative reputation of the Captaincy-General. In fact, it was a burden for the Spanish Crown, borne only because it helped to control who was sailing across Cape Horn. Nevertheless this bad reputation was to change during the early republic as Chile achieved democratic stability fairly quickly. The '*república modelo*', as Simón Bolívar called it, was still poor but it had the moral superiority of relying on fairly strong political institutions and laws which allowed for governability. The same reputation of democratic stability accompanied early twentieth century Chile. It was in the 1960s that it started to be perceived as a place of interesting political experiments within a democratic framework. Thus Frei Montalva's 'Revolution in Liberty' and Allende's 'Chilean Road to Socialism' were seen as examples to be followed at a time when progressiveness and Marxism were well regarded by influential world intellectuals: Chile had become emblematic and, by the same token, Allende's death and the breakdown of democracy were like the sad awakening from a dream. This helps to explain why Pinochet's regime was so severely resisted by the world, given that in the 1970s Latin America witnessed a series of military administrations, some of them far gruesome than Chile's in terms of human rights violation.

Pinochet's dictatorship marked the appearance of a very negative country image, this time accompanied by world exposure. In fact, while until that point in time Chile had been widely unknown, Pinochet introduced the country to a wider global consciousness. Although negative visibility windows can be reversed and a nation's reputation restored or improved—as happened with the February 2010 earthquake in Chile—the military dictatorship proved to be resistant in its negative connotations. Nevertheless, there was one aspect of that authoritarian regime that was the object of approval: its good economic performance. In fact, just before the 1982 crisis the country seemed to be taking off in economic terms and full development appeared close at hand. Although that dream proved wrong, post 1985 re-loaded economic expansion appeared to be sustainable. Knowing that the country's dictatorial administration was defied almost everywhere, the Chilean government decided to create ProChile, an entity that depended on the Ministry of Foreign Affairs. Both by promoting Chilean exports overseas and fostering economic diplomacy to open foreign doors to the country, the organization contributed to Chile's participation in an increasingly globalized world, even if it achieved very little in terms of white-washing the country's political credentials. Interestingly, I think that ProChile's creation coincided with the efforts of several states around the globe, which started promoting their 'good character' in a regular way. Mainly seeking commercial gain, they jumped on the bandwagon of a brand attached to their names so as to be more successful in a progressively more competitive global market. I also conclude that it was broadly from the 1970s onwards, when liberalism regains importance, that nation-branding became more prominent. In fact, I suggest that in a less liberal ideological environment nation-branding would not have grown much as a discipline, let alone as an academic area of research.

The ambiguity of the Chilean reputation overseas was to prove long lasting. Actually, despite having returned to a democratic form of government and being welcomed back to the club of 'well behaved' nations, most people who remembered Chile because of Pinochet, the coup and human right violations, kept associating the country with those events. Thus, even if the nation was perceived as fast-developing, its political status was frozen, a fact that took its toll for years. Although Chile was presented by the world political and financial elites as a model to imitate, and Chileans thought of themselves as the continental jaguars with a brand-new democracy, Pinochet's imprisonment in London and its bad relations with its neighbours showed that Chile's shady reputation had not disappeared and that economic success did not necessarily bring about a positive regional diplomacy.

A final conclusion related to the setting up of ProChile is that it marked a leap forward in terms of systematic promotion of the country image. Indeed, if up until then most events associated with the development of Chile's international image had to do with nation-building, from then on they increasingly evolved as what would be understood—from the mid-1990s onwards—as nation-branding. In fact, Chile began to monitor its international reputation more closely mainly to foster foreign trade and open up new markets for the new export-led economy. Once the Concertación coalition got in, Chile's nation-branding efforts continued along the same lines. In the course of time more studies were conducted to find out what people in different countries knew about Chile, which systematically revealed that very few had heard of it and if they had it was in relation to the former dictatorship. Events that aimed at promoting Chile's good reputation—such as Seville 92, APEC 2004, ProChile's 'Chile, All Ways Surprising' campaign, etc.—have tried to apply strategic marketing to Chile's promotion in order to encourage trade, direct foreign investment and tourism. Nevertheless, although economic aims may have been pivotal to these nation-branding projects, they have not been the only ones, as they have also aimed at backing up the nation's foreign policy and some initiatives that Chile has undertaken. Good examples of the latter have been the two major events of 2010: February's earthquake and October's rescue of the 33 miners. In both cases the country—closely monitored by its newly created country image administrator, *Fundación Imagen de Chile*—was able to convey messages that went beyond the field of economy. In fact, efficiency, organizational capacity, strong spirit and solidarity were some of the attributes linked to Chile after both events.

The Spanish colony hatched what was to become an independent nation called Chile. As seen in this dissertation, wars, *mestizaje*, the stable *hacienda* system and several other factors contributed to the conversion of the Captaincy-General into a nation-state, the pursuit of political stability and socio-economic and cultural development being at the heart of the young republic. Although Chile gained fame in the political field, it did not evolve so positively at the economic level. In spite of ever increasing international trade and the export of nitrate, the country remained relatively poor whilst political culture kept making progress in terms of enhancing its democratic institutions. Thus, Chile was able to soften the authoritarianism of its initial democracy and ended up by developing an important capacity for reaching agreements between political opponents, which has been observable since the late 1930s. Nevertheless, towards the 1960s this pragmatic spirit started to show cracks and few years later Chile's admired institutions broke down. In fact, the ideologically led exclusion of political adversaries

was sadly followed by extreme confrontation during Allende's tenure and ended in the collapse of democracy.

Interestingly, if nineteenth and twentieth century Chile saw a positive evolution of its republican system, nevertheless it was during a dictatorship that the so much desired economic development started incubating. Indeed, even if Chile's democratic institutions had worked, there was a generalised feeling that the country needed a revolution to get out of underdevelopment. In fact, most of the country's twentieth century history is a quest for development. In fact, neo-liberal policies, pragmatically applied by Finance Minister Hernán Büchi, installed in the country more than a decade of fast economic growth. In my view, this is the one of the key answers to why Chile started moving away from being a traditional and poor society into a modern liberal one, not wealthy but certainly economically on the rise. This is why I have suggested that Chile's transformation of the past decades has been economically driven given that neo-liberalism is an economic theory and the influx of wealth has enabled people to move forward in social terms. Nevertheless it is known that the liberal economic theory has far-reaching socio-cultural consequences and those responsible for its introduction in Chile knew it would spearhead a social-engineering process: Chile's case shows how neo-liberalism's drive towards world commerce apparently aims only at—for example—fostering commerce and yet ends up transforming a nation, both economically and culturally. Therefore, this thesis also concludes that adherence of Chile's political elite to the advantages of neo-liberalism was also pivotal for its success. In fact, both the Right and the Left had an intellectual turnabout as regards liberalism, although the Left's conversion implied a wider change given that the Right was already capitalistic, albeit protectionist. A final consideration about the agents of change is that both the technocrats and politicians that administered the system during the dictatorship and in democracy had the ability to adapt it to Chile's needs and mentality, thus helping Chileans to consider it as something of their own, not as imposed.

Thus, towards its Bicentennial celebration, Chile is home to a modern liberal society, consumption being one of its most prominent features. Although it certainly has negative aspects, consumption implies the social development of the poorer groups, a fact that is undoubtedly positive. Other characteristics of modern Chile are the decline in mass mobilizations attached to collective utopias and the increased autonomy of the people from the authorities, be they religious, political or cultural. This can be observed in the fact that political studies may conclude that Chileans think in a certain way, yet grassroots opinion surveys show just the opposite. It also

appears quite patent when church leaders say that the faithful should act in a certain way, and the latter simply disagree or do not act as told. Even political groupings, such as the Concertación, characterised in the past by their discipline, seem to be affected by this centrifugal force.

The controversy over how positive or negative Chile's transformation into liberal modernity has been is far from over. In my view, the causes of the feeling of malaise about the system are twofold: firstly, economic frustration given the financial slowdown that has affected Chile since the Asian crisis in 1998 and, secondly, the alteration of traditional ideals. As for the first reason, it appears that the country is regaining economic vigour which, should it continue, might win back people's faith in the system. As for the discussion over values, I believe that this aspect is on the rise mainly in what pertains to Chile's traditional identity, family issues and the persistence of poverty. In the first two cases, the loss of ideals such as austerity or the loosening of community and family bonds as well as the invasion of consumption and market criteria into all walks of life, keep generating bitterness within Chile's society, making many nationals ask themselves what it is to be Chilean today. As regards socio-economic progress, I conclude that—for all the development liberalism has brought in— growth has been only partly successful as poverty has proven quite difficult to eradicate. In fact, while many Chileans have seen their socio-economic standards improve, an important minority has not been able to leave poverty behind. This issue has generated bitterness: although a significant segment of the population has moved into the middle classes, there is a fairly sharp perception of social inequality associated with the effects of neo-liberalism.

Finally, opposed feelings are also present as regards Chile's international standing and country image. Indeed, this nation is often congratulated by international organizations and even presented as a model to be imitated in political and economic terms. Its successful recovery of democracy, together with rather fast material modernization and international recognition has fostered among Chileans a sense of pride and increased their centenary self-perception of being exceptional within Latin America. A portion of Chileans believe that it is necessary to foster a winning mentality and highlight the idea of being an accomplished country in an incompetent neighbourhood. On the contrary, others are in favour of establishing bonds with the other countries rather than stressing the differences with the region: Chile may be admired in the continent but not loved, and this has proved to be quite dangerous in economic, political and diplomatic terms.

Some of the events of 2010 helped me to understand what has become of Chile in social, cultural, political and economic terms, now that the country has crossed the threshold of its Tercentennial. In fact, the commemoration of its second and beginning its third century of existence as a sovereign republic, February's earthquake, March's presidential change-over, the lengthy rescue operation of the miners and showed that Chile remains unchanged in many aspects and has changed dramatically in others. My final conclusion as regards what first inspired my research —working out how and why Chile's identity, its society and culture, its self and international image were formed along the centuries and partly remained, partly changed from 1973 onwards— is that Chile is a country in the making. Although I believe there is practically no chance that the drive towards a modern liberal consumer society will be reversed, there is still much room for change.

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Samenvatting

Het 'Merk' Chili op de Kaart Gezet: Sociaal-Culturele Verandering, Nationale Identiteit en Internationaal Imago

Op 18 september 2010 vierde Chili twee eeuwen onafhankelijkheid van de Spaanse Kroon. Ook in andere Latijns-Amerikaanse landen werd de onafhankelijkheid gevierd. Aangezien het (sub)continent sinds eind 2009 voornamelijk economische groei kent, werd de sfeer in de regio tijdens de feestelijkheden gekenmerkt door optimisme. Maar in Chili had de feestvreugde een bitterzoete bijmaak, daar 2010 een jaar vol tegenstrijdigheden was. Terwijl op 11 januari Chili als eerste Zuid-Amerikaanse land toetrad tot de OECD, werd het land een maand later, op 27 februari, opgeschrikt door een aardbeving van 8.8 op de schaal van Richter, gevolgd door een tsunami.

Deze eerste 'koude douche' had tot gevolg dat een historische gebeurtenis op 11 maart een sobere en – letterlijk – bewogen ceremonie werd. Op deze dag werd, nadat zij twintig jaar aan de macht was geweest, de centrum-linkse coalitie Concertación de Partidos por la Democracia opgevolgd door een centrum-rechtse coalitie: de Alianza por Chile. De overdracht van de macht door de aftredende President aan zijn opvolger was om meerdere redenen memorabel. Niet alleen lieten hevige naschokken de stad Valparaíso, waar de inauguratie plaatsvond, op haar grondvesten schudden, maar ook symboliseerde de machtsoverdracht het aftreden van diegenen die Generaal Augusto Pinochet in 1990 hadden verslagen en het aantreden van de aanhangers van het toenmalige regime. Behalve de eerder genoemde naschokken vonden er geen noemenswaardige gebeurtenissen plaats tijdens de ceremonie, wat aantoonde dat de Chileense democratie stabiel is, ongeacht de politieke kleur van de regering.

Een derde van Chili's grondgebied was getroffen door de aardbeving van februari. Met de feestelijkheden van september in het vooruitzicht legde het land zich toe op de wederopbouw, gesteund door optimistische economische analyses die aantoonde dat Chili, ondanks de gevolgen van de aardbeving, langzaam uit de economische crisis geraakte.

Maar de viering van het tweehonderdjarig bestaan (Bicentenario) werd nog verder verstoord toen 33 mijnwerkers vast kwamen te zitten in een ingestorte mijnschacht. Deze nieuwe gebeurtenis maakte dat velen zich afvroegen waarom het land de ene na de andere tragedie te verwerken kreeg. Tegen de verwachting in had de ramp echter

een positieve afloop daar na een weken durende reddingsoperatie alle 33 mijnwerkers konden worden gered. Bovendien kreeg het land internationale media-aandacht tijdens de 18 september viering, niet alleen vanwege het tweehonderjarig bestaan maar ook omdat de redding van de mijnwerkers wereldwijd één van de meest indrukwekkende gebeurtenissen van het jaar bleek te zijn.

In het licht van deze gebeurtenissen kan 2010 worden bestempeld als een historisch bepalend jaar, geschikt om in een kort tijds kader een aantal kenmerken van de Chileense cultuur en geschiedenis te analyseren. Wat betreft de laatste vier decennia Chileense geschiedenis – van 1973 tot 2010 – is het jaar van het tweehonderdjarige bestaan een afspiegeling van de veranderingen die het land heeft ondergaan sinds de invoering van de markteconomie halverwege de jaren '70. In tegenstelling tot 1910, het jaar waarin Chili een eeuw onafhankelijkheid van Spanje vierde, stonden in 2010 de materiële en culturele veranderingen die het land doormaakte sinds de invoering van het neoliberalisme voorop. Deze gebeurtenis maakte, zoals sommige auteurs beargumenteren, de weg vrij voor één van de meest vergaande hervormingen in de Chileense geschiedenis ooit. Dit verklaart dat in 2010 de verbeterde welvaart van het land werd genoemd als de voornaamste drijfveer voor nationale trots, terwijl in 1910 nog institutionele stabiliteit en gehoozaamheid aan de wet werden geroemd als kenmerken van de Chileense identiteit.

Hoewel de aardbeving van februari grote schade had aangebracht aan de infrastructuur, was honderd dagen later 94 procent van de ingestorte wegen en publieke gebouwen herbouwd. Deze snelle wederopbouw werd gezien als bewijs van de efficiëntie, de bestuurlijke capaciteit en de verbeterde economische middelen van het land. De eerdergenoemde redding van de 33 mijnwerkers had een soortgelijk effect. Tijdens de wekenlange reddingsoperatie waren de Chilenen getuige van goed bestuur, van betrokkenheid en doorzettingsvermogen, en van een onontputtelijke bron aan economische middelen en technisch materieel. Als de mijnramp een paar decennia geleden had plaatsgevonden, was Chili hoogstwaarschijnlijk niet in staat geweest om de kompels te bevrijden.

Bij het bestuderen van Chili's neo-liberale evolutie wordt in het bijzonder aandacht besteed aan de volgende drie onderwerpen: nationale identiteit, sociaal-culturele veranderingen – ten gevolge van politieke en economische gebeurtenissen – en het proces van *nation-branding*. Het onderzoek baseert zich op een diepgaande analyse van het huidige Chili waarbij in elk hoofdstuk een specifieke periode aan bod komt die als bepalend wordt gezien voor de ontwikkeling van het land. De inspiratiebron

voor het onderzoek was de wens om inzicht te verkrijgen in de wijze waarop Chili's identiteit, maatschappij, cultuur, zelfbeeld en ook internationale reputatie zich hebben ontwikkeld door de eeuwen heen en zich uiteindelijk hebben aangepast aan de komst van een moderne consumentenmaatschappij. Hierbij werd een nieuwe invalshoek gekozen, waarbij de nadruk ligt op de wijze waarop het 'merk' Chili tot stand wordt gebracht, oftewel hoe Chili zich presenteert als land.

Hoewel staten altijd hebben geprobeerd een positieve internationale reputatie op te bouwen, is het pas vanaf de jaren '70 van de vorige eeuw – toen een nieuwe golf van liberalisme wereldwijde euforie voortbracht – dat landen op grotere schaal investeren in een imago van 'goed bestuur'. Deze landen leggen zich vanwege commerciële doeleinden toe op de ontwikkeling van een merknaam om zo een sterkere concurrentiepositie te creëren in een steeds competitiever wordende internationale markt. Vanaf begin jaren '90 wordt ook in academische kring op grotere schaal aandacht besteed aan dit verschijnsel. Sinds de eeuwwisseling is het aantal publicaties over *nation-branding* aanzienlijk toegenomen.

Hoewel het concept onmiskenbaar gerelateerd is aan marketing, heeft het ook politieke – en dan voornamelijk diplomatieke – doeleinden zoals staatsvorming, internationale betrekkingen en het gebruik van *soft power* als pressiemiddel. Als onderzoeksveld biedt *nation-branding* waardevolle inzichten in de identiteit van een land, in dit geval Chili. Aan de hand ervan kan worden geanalyseerd hoe Chilenen zichzelf zien en hoe het land door de jaren heen, en met name sinds de invoering van het neoliberalisme, zich naar buiten toe heeft gepresenteerd. Hoewel deze dissertatie niet per definitie gewijd is aan een analyse van *nation-branding*, was het concept wel een leidraad, een waardevol hulpmiddel om de reeds genoemde inspiratiebron van dit onderzoek te interpreteren, namelijk: hoe Chili zich in sociaal, cultureel, politiek en economisch opzicht heeft ontwikkeld in de twee eeuwen van zijn bestaan als soevereine republiek.

Zoals al eerder aangegeven, richt het onderzoek zich op drie thema's: 1) de veranderende identiteit van het land naarmate traditionele elementen plaatsmaken voor nieuwe fenomenen; 2) sociaal-culturele ontwikkelingen, waaronder een mentaliteitsverandering en toenemende sociale mobiliteit; en 3) Chili's inspanningen op het gebied van *nation-branding*. De keuze voor deze drie thema's als de pijlers van het onderzoek laat zich verklaren door een aantal motieven.

In de eerste plaats kunnen deze thema's worden benaderd vanuit een multidisciplinair perspectief, waarbij de nadruk ligt op geschiedenis, sociologie, politieke wetenschap en journalistiek. Aangezien de betreffende periode – vanaf de militaire coup van 1973 tot 2010, het jaar van het tweehonderdjarig bestaan – zo veelbewogen en uitermate bepalend was voor Chili's transformatie, is een combinatie van academische disciplines nodig om deze periode zo volledig mogelijk te analyseren en een beter inzicht te krijgen in de gebeurtenissen van de afgelopen vier decennia.

Ten tweede maakte het onderzoek naar deze specifieke combinatie van thema's het mogelijk voor de auteur – een universitair opgeleide journaliste – om de huidige gebeurtenissen in Chili te analyseren met behulp van journalistieke data en tegelijkertijd diepgang te creëren door het gebruik van historische, sociologische en politieke bronnen. Ten derde zijn de eerder genoemde concepten onderling zo sterk verbonden dat het vrijwel onmogelijk is om een duidelijk onderscheid te maken tussen identiteit, nationaal (zelf)beeld en sociaal-culturele verandering. Hoewel in het onderzoek geprobeerd wordt dit onderscheid wel te maken zodat de concepten ook afzonderlijk kunnen worden bestudeerd, is het niet de bedoeling een beeld te scheppen van op zichzelf staande werkelijkheden. In tegendeel, het feit dat deze concepten zo nauw met elkaar verbonden zijn en op elkaar inspelen, toont aan dat het gaat om een in beweging zijnde maatschappij waarin verschillende realiteiten samenkomen. Daarnaast is het verschil tussen zelfbeeld en identiteit of tussen identiteit en culturele verandering zo subtiel dat deze concepten niet zonder meer van elkaar kunnen worden onderscheiden.

Ten slotte kunnen dankzij de driepijlerbenadering zowel permanente factoren van de Chileense cultuur en geschiedenis worden bestudeerd als meer recentere fenomenen. Hoewel Chili een soort van revolutie heeft ondergaan, heeft het land namelijk veel van zijn oorspronkelijke kenmerken behouden. Zo kunnen in de Chileense maatschappij nog altijd elementen uit de beginperiode van het staatsvormingsproces worden teruggevonden: aspecten die door de eeuwen heen in stand zijn gehouden en tot op de dag van vandaag deel uitmaken van de Chileense identiteit.

Nation-branding is een polemisch concept. Sommige auteurs beargumenteren dat het creëren van een merknaam voor een land niet meer is dan marketing en daarom afdoet aan de waardigheid van naties. Niettemin is het door meerdere landen succesvol toegepast. Hoewel onmiskenbaar gerelateerd aan commercie en marketing, houdt de discipline ook verband met enkele onderzoeksvelden binnen de sociale wetenschappen. Bovendien wordt *nation-branding* als politieke strategie gebruikt, bijvoorbeeld in het proces van staatsvorming en bij het vormgeven van een nationale identiteit.

Het creëren van een merknaam voor een land heeft daarnaast ook te maken met internationale betrekkingen en nationale ontwikkeling. Het bevorderen en uitdragen van de goede reputatie van een land – wat *nation-branding* in grote lijnen is – houdt niet slechts verband met verkoop-georiënteerde publiciteit. Zoals het onderzoek naar Chili's *nation-branding* laat zien, is dit proces ook gerelateerd aan niet-commerciële aspecten zoals het versterken van de nationale identiteit en de studie naar sociaal-culturele veranderingen.

Met het oog op de inspanningen die het land levert om zijn internationale reputatie te verbeteren, kan worden vastgesteld dat het gebruik van Chili als nationale 'merknaam' ook invloed heeft op het zelfbeeld van zijn burgers. Zoals eerder aangegeven, houdt de reputatie van een land doorgaans gelijke tred met de identiteit en sociaal-culturele kenmerken ervan. Zelfbeeld en identiteit kunnen dan ook worden versterkt door *nation-branding* daar voor het construeren van een nationaal imago historische gebeurtenissen, sociaal-psychologische eigenschappen en nationale normen en waarden worden uitgelicht. Bovendien heeft alleen al het benadrukken van aspecten van de nationaliteit, om deze vervolgens te 'exporteren', een positief effect op de vorming van een nationale identiteit.

Aan de hand van de hier gepresenteerde analyse kan worden vastgesteld dat Chili in staat is geweest om een positief imago – dat van een moderne, efficiënte en betrouwbare staat – te creëren dankzij twee factoren. Ten eerste de politieke en sociale geschiedenis van het land die door de eeuwen heen de ontwikkeling van een stabiele, orderlijke rechtsstaat mogelijk heeft gemaakt. En ten tweede de invoering van een markteconomie die Chili op de weg naar sociaal-economische ontwikkeling en culturele evolutie heeft gezet in navolging van economische grootmachten als Europa, Noord-Amerika en enkele Aziatische naties.

De komst van het neoliberalisme heeft echter ook tot verdeeldheid geleid met betrekking tot het soort samenleving dat Chili vertegenwoordigt. Hoewel een meerderheid van de Chilenen baat heeft gehad bij de economische ontwikkeling van het land, leeft nog altijd een belangrijk deel van de bevolking in armoede. Dit veroorzaakt bittere tegenstellingen. Enerzijds een aanzienlijk segment van de samenleving dat zich heeft ontwikkeld tot middenklasse, anderzijds een aanhoudende sociale ongelijkheid die direct wordt geassocieerd met de invoering van het neoliberalisme. Toegejuicht door sommigen en veroordeeld door anderen die het als inhumain beschouwen dat het consumisme en het marktdenken doordringen tot in alle aspecten van het leven, heeft het neoliberalisme hoe dan ook zijn invloed doen gelden op de Chileense identiteit.

In plaats van het land te verenigen, heeft het proces van *nation-branding* – gericht op het promoten van een liberaal Chili – duidelijk gemaakt dat er twee visies op Chili bestaan. Terwijl een deel van de bevolking meent dat Chili een voorbeeld is van sociaal-economisch succes, voelt een ander deel zich eerder beschaamd over het neoliberale karakter van de ontwikkeling van het land.

Deze tegenstrijdige gevoelens als gevolg van Chili's *nation-branding* proces doen zich ook voor met betrekking tot de internationale positie en het imago van het land. De geschiedenis van Chili wordt door internationale organisaties vaak genoemd als een succesverhaal, een rolmodel in politieke en economische zin. De soepel verlopen terugkeer naar democratie, in combinatie met de snelle modernisering van het land en internationale erkenning, heeft bij veel Chilenen een gevoel van nationale trots opgeroepen en verder bijgedragen aan het historische zelfbeeld een uitzondering te zijn binnen de regio. Een deel van de Chilenen meent dat men deze winnaarsmentaliteit hoog dient te houden en dat het beeld van Chili als een goed land binnen een slechte regio moet worden gekoesterd. Anderen daarentegen zijn van mening dat het land zijn banden met de rest van Latijns-Amerika moet versterken in plaats van de verschillen met de regio te benadrukken. Chili mag dan internationaal bewonderd worden, het land is niet erg geliefd bij zijn buurlanden. Dit beïnvloedt op negatieve wijze de handels- en bovenal de diplomatieke betrekkingen binnen de regio.

Vier decennia van radicale hervormingen, afgewisseld met enkele ingrijpende terugvallen, hebben ertoe geleid dat Chili van één van de meest traditionele Latijns-Amerikaanse landen is veranderd in een moderne consumentenmaatschappij met stabiele en goed functionerende democratische instituties. De hervormingen ingevoerd onder het militaire regime zijn voortgezet door de opvolgende Concertación regeringen, alhoewel met enkele fundamentele aanpassingen. De belangrijkste hiervan zijn waarschijnlijk de herinvoering van de democratie en het creëren van een 'sociale markteconomie'. Het proefschrift richt zich op het bestuderen van deze hervormingen uitgaande van het standpunt dat het neoliberalisme één van de belangrijkste factoren voor verandering is geweest. Een tweede factor, of *agent of change*, zijn Chili's linkse politieke partijen die – met de val van het socialisme en na enkele jaren in ballingschap te hebben geleefd – hun sociaal-economische standpunten hebben veranderd, onder andere door democratie en economische vrijheid op te nemen in hun basisprincipes. Ten slotte heeft een hervormd politiek rechts haar dogmatische kijk op economisch en politiek bestuur ingeruild voor een hernieuwd vertrouwen in democratie.

De gebeurtenissen uit 2010 illustreren hoe Chili zich heeft ontwikkeld in sociaal, cultureel, politiek en economisch opzicht nu dat het land zijn tweehonderdjarig bestaan heeft gevierd en een derde eeuw van onafhankelijkheid is ingegaan. De aardbeving van februari, de beëdiging van een centrum-rechtse President in maart, de indrukwekkende reddingsoperatie van de mijnwerkers en de viering van het *Bicentenario*, laten zien dat Chili in veel opzichten hetzelfde is gebleven maar tegelijkertijd ook dramatisch is veranderd. De eindconclusie van het proefschrift met betrekking tot de vraag hoe Chili's identiteit, maatschappij, cultuur, zelfbeeld en internationale imago zich door de eeuwen heen hebben gevormd en hoe zij deels veranderden, deels hetzelfde bleven na de gebeurtenissen van 1973, is dat Chili een land in wording is. Hoewel een totale terugkeer naar het moment van vóór de invoering van de moderne consumentenmaatschappij onwaarschijnlijk is, bestaat er nog voldoende ruimte voor verandering.

Curriculum Vitae

María Cristina Prieto Larraín was born on 25 September 1970 at Santiago de Chile. She studied Journalism at the Pontificia Universidad Católica de Chile where she graduated in 1994. That same year she earned a scholarship to study philosophy in Rome at Centro di Studi Villa Balestra-Università della Santa Croce. In 2001, she finished a BA in Contemporary History and Political Systems in Asia at University of New South Wales, Sydney, Australia. The following year she finished a MA in International Relations at the same university. At the same time that she studied, she worked as the Principal of one of the university colleges. Once back in Chile she worked at the Communication Faculty of Universidad de Los Andes teaching international politics to young journalism students and heading the latter's Media and Society Research Centre.

