Contesting modernities : projects of modernisation in Chile, 1964-2006

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Oil on a Chilean flag, 3.00 x 4.00m.
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Projects of Modernisation in Chile, 1964-2006

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Introduction

Since the mid-nineteenth century, the achievement of modernity has been a permanent goal that has been pursued by many Latin American elites. The desire to be modern, that is, to achieve levels of economic, social, and technological development like those of Europe or the United States, has been a driving force in many Latin American countries. Especially those countries of the region that have experienced the highest development rates tend to demonstrate the strongest affiliation with modernisation. The advances in development seem to reinforce the thirst for modernity rather than to quench it.

Chilean history provides a case in point. For the last 150 years, Chilean intellectuals, writers, and politicians have expressed a profound desire to make Chile a modern country, as well as a perception of sometimes being close to this objective. In the same period, the pace of development of the country has been one of the highest of the region. Its levels of education, health care, political stability, and industrialisation have given Chile the reputation of being one of the most developed countries of Latin America. This reputation became particularly strong in the 1990s, when booming economic activity, combined with a strong inflow of consumer goods like cars, computers, and cell-phones, gave the nation the appearance of a highly modern nation. Nevertheless, the call for further modernisation has not diminished; on the contrary, it has intensified over the last decade. During the last years, politicians and intellectuals have pressed for intensified efforts by the business sector as well as the government to increase the country's economic growth, in order to reach 'full development' by the *Bicentenario*, the celebration of the country's two-hundred year independence in 2010. Apparently the wish to be modern has only intensified with the growing sense of being close to that goal.

The purpose of this study is to explore the ways in which Chilean political and economic elites have attempted to modernise the country according to their own interpretation of modernity, and how patterns of modernity have arisen as a result of these attempts. It aims to show that despite ideological differences between elites, a strong line of continuity can be discerned in the different attempts to modernise the country by means of national projects. This continuity can be found at several levels: the use of ideological doctrines that are strongly oriented towards modernity; the influence of developmental intellectual currents, which have been adapted to the local context; the dominant role of the state, technocracy and planning in the implementation of the project; and the responses from civil society as well as from competing elites, which have had a crucial influence on the further development of each project. In short, this study intends to show that modernisation has been a paradigm that has been broadly carried by different sectors of society. While the

Chilean trajectory towards modernity has been particularly winding and has taken many different forms, modernisation has been an element of continuity in contemporary Chile.

The case of Chile is especially relevant to the academic discussion on modernity and modernisation in Latin America for several reasons. To begin with, Chilean elites have shown great enthusiasm for modernity and modernisation, being also been key actors in Chilean modernisation processes. Second, they have tended to embrace ideological doctrines in a radical manner, leaving little doubt over their influences and sources. Thirdly, during the past 40 years a series of political projects have been implemented by different governments, with the intention of structurally reorganising social, economic and political relations in the country. These projects have been called the Revolution in Liberty (1964-1970), the Chilean Road to Socialism (1970-1973), the Silent Revolution (1973-1990) and Growth with Equity (1990-2006). They were ideologically conflicting and politically antagonistic, yet at the same time, as will be shown, all four projects were highly modernising.

Even though these projects were set in motion by governments, they went well beyond regular political programmes. They were all based, in one way or another, on developmental theories and political ideologies that had become en vogue in intellectual circles even before the government in question had come to power. Neither were they executed by the political elites exclusively. As will be shown in this investigation, political elites have cooperated strongly with certain social actors in order to provide the legitimacy and support necessary for the implementation of their programmes. Because of this multi-actor cooperation, these programmes were able to achieve a scope and impact that went beyond 'regular' government-led modernisations. They have become true 'projects of modernisation', oriented to closing the gap between the country's realities and the 'modern world', based on a specific understanding of modernity.

Obviously, these projects of modernisation are not exclusively based on ideas. They also reflect the political realities of the moment as well as the socio-economic interests of their main actors. Even though these elements will also be addressed in this study, the main focus will lie on the dominant role doctrines and ideologies have played in recent Chilean history, which in some cases have even led certain social actors to act against their direct interest. In this sense, this book will combine a political science approach with the perspective of the history of ideas.

One should be cautious in viewing these projects as static, homogenous, or one-dimensional. They were dynamic constellations of ideas and actions with different connotations and meanings for the actors involved. They could also be presented in different forms and from specific points of view by the various participating elites. Nor were they constant in time. They have changed shape, focus and priority as a consequence of internal developments such as political conflicts between participating actors, or external factors, varying from earthquakes to international economic crises.

It has been argued that modernisation has taken such intense forms in Chile because the country forms a *sui generis* case in Latin America. The country's stable institutional order, strong party system, powerful state, and propensity towards political doctrines have given the country a particular drive towards modernity. However, many of those elements can be found in other countries as well. Nevertheless, the scope and intensity of this study has not allowed for a comparative perspective. Hopefully this study will be a contribution to other studies in that direction.

Conceptual framework

The traditional conceptualisation of modernity has offered little space for the idea of a locally constructed modernity. Viewed as fundamentally a set of European patterns in which rationalisation, secularisation, the state, mass education, capitalism, democratisation, and other processes and institutions have reinforced each other, it has long been thought that in order to become modern, Chile (and Latin America in general) would have to reproduce these patterns faithfully. In failing to do so, the prospect for modernity in the Latin American context became grim. However, in recent decades, authors such as Habermas (1987), Giddens (1991), Wagner (1994), and Larraín (2001) have opened the door for more locally constructed forms of modernity, which consist of specific blends of elements of modernity and tradition. For the analysis of the four above-mentioned projects in question, though, I will make use of a more recent approach, the so-called 'multiple modernities' approach. According to this conceptualisation of modernity, which has only recently gained influence, there is not one single pattern of modernity, but there exist various 'modernities' (Eisenstadt 2002; Whitehead 2002). Furthermore, it argues that modernity is not a fundamentally European phenomenon which has spread on a global scale, but rather that modernity is constructed locally, albeit in interaction with external influences and points of reference such as Europe. As a result, each region, and even each country, may create its own structures of social, economic and political relations, which form different patterns of modernity.

The existence of 'multiple modernities' is controversial and not uncontested. Nevertheless, this approach is in my view highly useful for the aims of this study, as it explains the processes that underlie the local construction of patterns of modernity. In this interpretation, these patterns are created through the interaction of competing elite projects. In Latin America, elites are characterised by a strong propensity towards modernisation. Different groups of elites seek to install their own project, each of which is characterised by its particular interpretation of what modernity is or should be. These different elites compete for power and the opportunity to implement their project. When they are able to do so, though, they generally only succeed in completing part of their modernising agenda. Subsequently, they are replaced by other elites which undo part of their achievements (Whitehead 2002). As a result, complex patterns of modernity are created, based on the successive waves of modernisation that have taken place. In the end, modernisation is not the result of the accumulation of different

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projects of modernisation, but of their interaction, which is often conflictual and may create very complex patterns of modernity.

I will apply the concept of 'multiple modernities' using the metaphor of waves.[1] Each project of modernisation may be seen as a wave that leaves certain marks in society. However, when two or more waves interact, they form patterns of interference which are very different from each original wave. In this way, patterns of modernity are created through the interaction between the different projects of modernisation. Moreover, each project moves through the three stages that waves go through: their construction; their implementation, and decline.[2] In all of these phases the 'waves of modernisation' interact in specific ways which will be analysed in this study.

Up to now, the 'multiple modernities' argument has been used relatively superficially in the case of Latin America, mostly in the form of comparative studies that cover the region as a whole. In this investigation, however, it will be applied to an in-depth country study. This will provide insights into how this relatively new approach can be applied to single-case studies on modernisation. As a consequence, this study aims to contribute to the debates on modernity and modernisation, and explore the explanatory power of the 'multiple modernities' approach in particular.

The analysis of the four projects of modernisation under consideration will also be based on this metaphor of 'waves'. First of all, their 'rise', or construction, is analysed by looking at the ideological, developmental, and political background of the projects. At the ideological level, the focus will lie on the use of doctrines, which often have been adapted from their original (often foreign) sources to fit the local context. In addition, the projects have been based on the selective use of existing examples of modernity, such as the North-West European welfare model, the U.S. liberal model, or the Socialist world. These examples have been combined with a varying focus on three dimensions of modernity: social, economic, and political modernity. At the developmental level, I will show that each project has been based on a new and vanguard theory of development, which often combines foreign theoretical approaches with a local contextualisation. The use of economic theory has been essential for all four projects, as it creates legitimacy, consistency, and produces clear policy guidelines. At the political level, I look at the ways in which the ideological background and the developmental theory are amalgamated into one 'project of modernisation'. Often the figure of the President is a crucial factor in determining how these two elements are related to each other, and which elements are prioritised over others.

Second, I will investigate the 'peak' of the wave, or the phase of its implementation. I will first focus on the role of the state, technocracy, and planning in the project. All projects have in common a state-oriented and top-down approach towards

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[1] As will be seen in Chapter 1.3.2, I will make use of, and elaborate on, Whitehead's (2002) notion of 'successive waves of modernisation'.

[2] Throughout this study, I will refer to the 'decline' of the projects under investigation with a strong emphasis on its relative character. It refers to the 'ebbing away' of a wave, rather than to its complete downfall. Therefore, when a project declines, it does not simply vanish, but maintains a certain level of influence. This legacy of a project may influence the construction and implementation of future projects.

modernisation, with a large role for relatively autonomous technocrats charged with the conception and implementation of the project. In order to do so, these technocrats make extensive use of state planning in order to achieve their objectives. Subsequently, I will focus on the element of political and ideological competition during each project. The interaction between the projects of the different political elites has had a defining influence on the development of each project. Finally, I will deal with the adaptation of each project. All four projects of modernisation have encountered moments of severe tensions, in which the implementation of the project generated high levels of public unrest and disorder. This has forced the governments to make a fundamental choice: either to push forward with the project, with the risk of disturbing public order, or to adapt the project in order to maintain social order. The ability of each government to adapt its course has been a crucial factor in explaining the outcome of its project of modernisation.

Third, I will look into the decline of each project, and analyse its legacy. This will be done in two ways. First, by looking at the level of the modernisations that it had effectively established and which remained present after the project ended. Second, by focusing on the 'unforeseen' consequences of the project, such as the political animosity it engendered during its implementation. This will be analysed at the social, economic, and political level.

The setup of the book

Following this introduction, the main debates on modernisation and modernity in Chile will be analysed in Chapter 1. Additionally, a conceptual framework will be presented, making use of a range of theoretic approaches to modernity including the 'multiple modernities' argument.

Chapter 2 focuses on the Chilean trajectory towards modernity until 1964. In contrast to the sociologist Jorge Larraín (2002), who has claimed that this trajectory was characterised by the alternation of periods of expansion and periods of crisis of modernity, I will argue that the drive towards modernity and the processes of modernisation have represented elements of continuity in Chilean history. However, modernisation shifted in form and content, as the path towards modernity has been a continuous, but winding one. Focusing on different interpretations and dimensions of modernity, Chilean elites have created successive projects of modernisation that have sought to modernise the country in very different ways.

The trajectory of modernity in Chilean history can be traced back to even before the establishment of this country as an independent nation in the early nineteenth century. Instead of a complete 'denied modernity' (in Larraín's phrase), the colonial times did allow some space for modernisation. Especially under the 'Bourbonic reforms', in the eighteenth century, the first stirrings of modernity became visible. These were important because they came to influence the form modernisation would take place since then. First, Chilean elites came to accept modernisation even if it hurt their direct interest, because they were able to exchange it for a share in power. This

would remain a characteristic for Chile's elites in the nineteenth and twentieth century. Second, from the first stirrings of modernisation, it was centred on the state and state institutions. This orientation on the state as the motor for modernisation has remained a constant since then.

After independence, modernisation acquired a strong top-down and authoritarian character. This can clearly be seen by the introduction of a stable institutional framework in Chile: its founder, Diego Portales, used formal democracy in order to install a highly authoritarian model of governance. In this way, elements of modernity were used, in an instrumental fashion, to confirm the maintenance of the traditional order. In addition, modernisation became oriented towards reason, science, and a technical outlook. The emergence of liberalism was crucial in this respect, as influential liberals developed the first explicit doctrines on modernisation and progress, and were responsible for the foundation of several key educational institutions. In the late nineteenth century, August Comte's positivism rapidly gained influence among Chilean intellectuals, strengthening the rationalistic and scientific approach towards modernisation.

Between 1880 and 1920 modernity acquired a different face, and this was reason for Jorge Larraín to denominate it a period of 'crisis of modernity'. True enough, political power eroded because of a parliamentary system which proved ungovernable, while much of the wealth that was generated by the booming nitrate business was wasted and was not used to alleviate the increasingly pressing 'social question' of the country's poor. However, in this period, crucial steps were made on the country's path towards modernity. The nitrate bonanza also allowed for the state apparatus to be rapidly expanded and be modernised into an relatively efficient bureaucracy, which introduced many 'tangible' expressions of modernity in Chilean society in the country's infrastructure, architecture, and so forth. Education expanded rapidly and was viewed as a key element in the country's progress, especially under the visionary leadership of positivist intellectual Valentín Letelier. Most importantly, though, a small but rapidly growing middle class, pressured by the growing 'social question', increasingly challenged the hegemony of the oligarchy.

After 1920, a new phase of Chile's trajectory towards modernity began when the middle classes for the first time gained access to governmental power. This was reinforced by a short dictatorial experience, between 1927 and 1931, in which a 'modern state' was installed, based on authoritarian governance but simultaneously very open to the modernisation of the country's infrastructure, giving the state a pivotal role in the promotion of industrialisation, and allowing the middle classes a large role in the policy-making process. From the 1930s onwards, this 'modern state' slowly moved in the direction of a 'productive' or 'entrepreneurial' state. This eventually took the form of the Chilean Development Corporation (*Corporación de Fomento de la Producción*, CORFO), which was set up in 1939 by the state to stimulate and guide the process of industrialisation. Simultaneously, the Chilean state increasingly began to play the role of a 'providing state', by creating basic welfare structures for important sections of

society. In the 1950s, this modernisation process was accompanied by a widening of suffrage and deepening of the democratic process. This was, however, not enough to accommodate the demands of the lower classes. Towards the 1960s the social question, instead of having been resolved by the modernising drive of the Chilean state, had become more pressing then ever. Meanwhile, the success of the Cuban revolution made clear that the danger of a revolution had become more present then ever. It is in this context that the three main actors of the Chilean political system came, the Centre, Left, and Right, entered into an intense competition, and developed radical proposals for the 'true' modernisation of the country, at the political, social, and economic level.

Chapter 3 focuses on the first project that is to be analysed: the 'Revolution in Liberty' (1964-1970) of the Christian Democratic Party (PDC). This was an all-round project of modernisation which was based on two main intellectual currents. On the one hand, it drew on social-Christian doctrine which were adapted to the local context. Criticising both 'materialist capitalism' and 'secular Marxism', the Christian Democrats created an ideological doctrine that sought to modernise Chilean society while maintaining its moral basis. Drawing from the example of North-Western Europe, and emphasising the 'social dimension' of modernity, the PDC sought to improve the general living conditions of the population and include the marginal masses in the state's structures. Additionally, the project of the PDC was also based on structuralism, a developmental theory which stressed the need to intensify the attempts towards economic expansion through industrialisation, as well as agrarian reform, development, and modernisation. These two currents were combined in the project of the Christian Democrats, the 'Revolution in Liberty', which emphasised agrarian reform, industrialisation, partial nationalisation of the copper mines in the north of the country, and the inclusion of the marginal masses through a governmental self-help programme (the so-called 'popular promotion').

The project was characterised by its top-down approach. Even though Frei repudiated the idea of an all-encompassing state, all aspects of the project were implemented through the state apparatus, which was greatly expanded for the purpose. Furthermore, the project was marked by the ascendance of a large group of relatively autonomous professionals or technocrats, who were responsible for the elaboration and implementation of the project. They did so through state planning, which they considered to be the most modern way to address the complex social and economic challenges that had to be addressed. To this end, a Planning Office was set up, as a semi-independent institution which only reported to the President himself.

The implementation of the 'Revolution in Liberty' took place in the context of intense competition between the political Centre, the Right, and the Left, which had been intensified by the Christian Democrats' choice to govern without a coalition partner. For the Right, the 'Revolution in Liberty' provoked a deep crisis, as it strongly influenced its traditional power base on the countryside. After this crisis, though, it fuelled an ideological radicalisation within the Right, which made the competition between the Christian Democrats and the Right particularly fierce, to the detriment of

the 'Revolution in Liberty'. For the Left, the Christian Democrats were serious competitors in the mobilisation of the masses in order to achieve political change. In the context of a rapidly widening suffrage (which had been opened up to women and marginal sections of the population in 1949), the PDC and the Left ended up in an intense fight for the new electorate through awareness-raising activities, political agitation, and the provision of material assistance for the excluded masses. This process of ideological outbidding soon started to show negative results: the meagre performance of the economy after 1966 was insufficient to satisfy the mushrooming expectations of large sections of the population, which started to express its demands through strikes and political violence.

In view of this conflict the Christian Democrats had two choices: first, to push the programme of modernisation forward with the risk of breaking the social order, or to adapt the project in order to maintain it. Frei Montalva's choice was both clear and decisive: the 'Revolution in Liberty' was slowed down in order to prevent a further escalation of social disorder. As it turned out, though, this was not enough, as political conflict and social unrest came to characterise the last years of the PDC's rule.

The clearest economic legacies of the 'Revolution in Liberty' consisted of the agrarian reform, still well underway by 1970, and the 'Chilenisation' of the copper mines. On the social level, the project had generated a broad consensus on the need to include the marginal masses on the countryside and in the cities. Politically, the 'Revolution in Liberty' had created a strong call for more radical reforms, which came to be carried among both the Centre and the Left.

Chapter 4 deals with the 'Chilean Road to Socialism', which was set in motion by the Popular Unity (*Unidad Popular*, UP) government of Salvador Allende (1970-1973). This project, too, was based on an ambiguous position with regard to modernity. It particularly focused on the political dimensions of modernity, mixing elements of the 'really existing Socialisms' of the Eastern European countries with the Social-Democrat European tradition. The UP focused on the creation of an egalitarian society which would extend political power directly to the working class through the nationalisation of large sections of the economy. In contrast with the 'really existing Socialisms', however, the UP maintained the element of liberal democracy in the political realm, creating a particularly 'Chilean' mix. The project was once again sustained by a vanguard theory of development, the so-called 'dependency theory', which argued that true development would only be attainable by abandoning the paradigm of international capitalism. These elements were mixed into a project of modernisation which sought to reform the social, economic, and political foundations of Chilean society. Its main targets were the intensification of agrarian reform, the full nationalisation of the copper mines and other important sectors of the economy, and redistribution of power by allowing the workers control over industry, through 'people's power'.

The implementation of the project was extremely state-oriented and top-down in nature. While ideologically ambivalent to the state (by many members of the UP

considered a bulwark of bourgeois interest), it used all attributes of the state, often in a very instrumental way, in order to achieve the objectives of the 'Chilean Road'. Once again, planning was considered a key element of the project, and an elaborate five-year plan was set up for all sectors of the economy. However, due to limited political independence of the Planning Office, as well as the severity of the political and economic conflict in the country, the plan was never put into practice. Technocrats, who suffered from a poor image because of their bourgeois background and non-political orientation, suffered from less autonomy than under the Frei government, with the notable exceptions of Minister of Agriculture Jacques Chonchol and the Minister of Economy Pedro Vuskovic.

The 'Chilean Road to Socialism' suffered from intense competition from both the Centre and the Right. For the latter, the UP-government was a near-death experience, as the intensified agrarian reform and the nationalisation of large sections of the economy fundamentally signified the abolishment of the Right as a socio-economic class. As a result, the Right dropped what was left of its democratic disposition and moved towards a confrontation, both by means of prolonged economic lock-outs and through political violence. As a result (but also because of mismanagement by the UP itself) the economy collapsed, and social disorder came to characterise the daily course of affairs, increasingly legitimising a military way out. The Christian Democrats, who had moved to the Left in the late 1960s, had initially shown some cautious sympathy for the project of the UP, and followed a line of moderate opposition. The instrumental use of power by the UP, however, which often bypassed parliament, infuriated the Christian Democrats, who soon moved to a more confrontational position. In the end, the final break was provoked by a technicality: the last serious attempt to compromise between the PDC and the UP stranded in a 'grey area' of the parliamentary statutes and ended up blocking the legalistic exit from the political conflict. As a result, the Christian Democrats distanced themselves from the 'Chilean Road', creating, in the process, the necessary middle-class support for a military intervention.

Similar to Frei, Allende came to be confronted with the dilemma of either pushing forward his project of modernisation in the hope of regaining momentum, or adapting it in an attempt to quench the social and political conflict it had generated. His position was, however, complicated by the internal conflicts within the UP. Large sectors of the UP were not only calling for an intensification of the project, but even for a move away from the democratic path and towards a violent and revolutionary confrontation with the opposition. Torn between the need to reach a compromise with the Christian Democrats in order to ensure a parliamentary majority for the Chilean road and the need to keep the dissident groups within his coalition, Allende proved unable to make a choice, leaving the initiative to the most radical forces of the opposition.

The 'Chilean Road to Socialism' of the UP-government, as well as its overthrow in 1973, left deep and visible marks in Chilean society. At the economic level, it confirmed the legitimacy of the agrarian reforms and the nationalisation of the copper

mines: both were never fully reversed by the military regime and are still in place. In turn, the economic crisis that took place under the UP had created large-scale resistance among the population to populism and state intervention in the economy. Similarly, at the political level, the experiences of civil disorder and political confrontation delegitimised popular mobilisation as political tools.

In Chapter 5, the project of the Right under the military regime is analysed. This project, which has been dubbed by some the 'Silent Revolution' (1973-1990), consisted of a mix between Latin American conservatism and North American neo-liberal economic thinking. At the political level, it was based on an authoritarian and conservative order. However, it was considered that such an order could only be sustained within the context of formal democracy. As a result, it proposed a 'protected democracy' which, much like the *Portalian* state in the nineteenth century, would allow for formal (but limited) elections, while guaranteeing stability and a considerable influence for the Right.

The neo-liberal development model which supported the project of the Right was inspired by the economic theories put forward by Milton Friedman, but which were adapted to the realities of the Chilean situation. Compared to the 'Friedmanian' orthodoxy, the regime's economists, the so-called 'Chicago Boys', allowed a relatively large role for the state, a key position for economic planning, and a significant, although insufficient, redistribution of wealth through taxation. Together with the conservative ideology of the Right, the neo-liberal model turned out to be a project of modernisation with a large scale and impact, envisioning a modern market-oriented society (resembling the North American example) in the context of authoritarian (even though eventually formally democratic) rule and conservative ethics.

In the implementation of the project, the state once again played a key role, despite the anti-state ideology of the neo-liberal policy-makers. The logic of withdrawing the state from society required a strong and active state in the process. Similarly, the 'invisible hand' of the free market came to be accompanied by an elaborate and sophisticated system of state planning. Although this no longer concerned productive planning but rather the coordination of all state investment programmes, the Planning Office reached its peak in terms of influence during the military regime. The scientific, modern, and politically 'neutral' approach of the project, as well as its revolutionary nature, led to an important rise of technocracy in Chile, up to the point that the former political class had almost been replaced by technocrats. Where traditionally politicians and advocates had been the bearers of the image of progress and modernity in Chile, now this image was taken over by economists and businessmen.

Formal political competition was almost nonexistent under the authoritarian regime. However, in the attempts to create a viable alternative to the military regime, the Christian Democrats and the Left underwent important changes, which would be crucial in the construction of the next project. For the Christian Democrats, a growing awareness that a successful government cannot be based on the exclusion of the majority of the political spectrum reoriented the party towards cooperation with the

moderate sections of the Left. Meanwhile, the Left underwent a long and slow process of ideological reorientation, the so-called 'renovation process', which led it to renounce violence and revolution, and to define its objectives more in terms of the European welfare system than in that of the really existing Socialisms.

Like its predecessors, the project of modernisation of the military regime faced strong civil society responses. When in 1983 massive protests took place against the regime after an economic crisis had broken out the year before, the Pinochet government had to choose between the adaptation of the project or its maintenance, at the risk of a popular rebellion. In this case, though, adaptation of the project turned out to be successful. The government proved to have the political manoeuvring room it needed to slow down the project as long as the protests continued. Subsequently, it was reoriented towards a more pragmatic line, which turned out to be highly successful in the second half of the 1980s.

Even though the regime was voted out in a referendum in 1988, and democracy returned a year later, important elements of the project of the Right were continued following the democratic restoration. First of all, the success of the economic model had made the prioritisation of economic growth a *condition sine qua non* for the future governments of the Concertación. As a result, the American-style consumer society which had arisen in Chile during the late 1980s proved to be irreversible. Second, the constitution that had been installed by Pinochet in 1980 limited the democratic system that would emerge in 1990 in several important ways, favouring the Right forces in Congress, and limiting the future governments in their ability to change things. Together with the growing orientation towards consensus-politics of the Centre and the moderate Left, these restraints guaranteed a moderate course of action of future governments.

Chapter 6 deals with the project of the Concertación coalition (1990-), called 'Growth with Equity'. This project will be approached from two perspectives. On the one hand, it can be seen as a fourth project of modernisation, sharing many characteristics with its predecessors. On the other hand, it may be interpreted as a synthesis between the three former projects and, as such, a final stage, producing a kind of 'end of history' in the country.

Starting with the first interpretation, 'Growth with Equity' was ideologically based on a 're-encounter' with the modernity that had characterised Chile before the coup, that is, the liberal democratic model. Simultaneously, it selectively drew from the examples of the North-West European welfare model as well as the American liberal model. In this way, it attempted to create an 'alternative model' in the form of a 'third way' between neo-liberal capitalism and social welfare.

This approach was supported by a new approach in development thinking, called 'neo-structuralism'. Like the structuralism that had been used in Frei's 'Revolution in Liberty', neo-structuralism stressed social inclusion, redistribution of income, and a stronger role for the state. However, it no longer attempted to guide the course of economic activities in a planned way. Rather, it stressed the continuous maintenance of

macroeconomic equilibriums in a heterodox and pragmatic manner. Neo-structuralism and the ideology of the Concertación were blended together in a modernising project called 'Growth with Equity'. The fundamental argument of this project was that neo-liberal growth and social inclusion are not opposites, but that they mutually reinforce each other. The only path towards true development and modernity, it is argued, is to emphasise economic growth and investing its proceeds in social policies.

During the four governments of the Concertación, shifts in approach and ideology took place. During the Aylwin government (1990-1994), the emphasis lay on the re-inclusion of Chile in the world economy, the strengthening of civil society, and a smooth and successful termination of the process of the transition. The government of Eduardo Frei Ruiz-Tagle (1994-2000) prioritised modernisation, especially in the field of high-tech developments and a more rationalisation of the state apparatus. During the Lagos government (2000-2006) the emphasis on technology and communication remained, but was slowly eclipsed by a modest move towards the establishment of a welfare system. The government of Bachelet (2006-) seems to be following this line, seeking to create a full-blown European-style welfare system for the majority of the Chilean people.

In the implementation of the project the state has played a crucial, if conflicting role. On the one hand, state intervention was viewed as essential for the success of the model, and on the other the state should never hinder economic growth. As a result, under the Concertación, the state was reduced in size as a result of several important privatisations, while it gained in strength due to an efficiency-raising operation called the 'modernisation of the state'. By shedding all functions that it deemed outside its core activities, the state could devote all of its attention to social policies and the 'regulation' of the markets. Initially, planning was conceived as a key factor in these activities: the Planning Office was even upgraded to a true ministry in 1990. However, the new ministry has never been able to achieve a central position such as the ODEPLAN had under the military regime, and has limited its activities to the formulation and implementation of poverty reduction policies. The growing influence of technocracy, however, has been continued under the Concertación. Under the military regime, most of the opposition of the Centre and Left had been organised in academic think-tanks. This 'refuge' turned out to be a blessing in disguise: it led to a 'technocratisation' of the leadership of the Concertación, emphasising pragmatism and objective-oriented action above principles and political intransigency, and giving it an 'academic language' that allowed for the smooth settlement of internal political conflicts.

The element of political competition changed under the project of the Concertación. While during the first half of the 1990s the conservative opposition was fierce, especially concerning issues that had to do with human rights violations by the military regime, towards the end of the decade a growing consensus could be discerned between the government coalition and the opposition. Even though the electoral competition remained intense, especially in the 1999-2000 elections, both blocks

fundamentally proved to agree on many fundamental themes, such as democratic values, economic policy making, and socio-economic strategies. The only true differences that sets the opposition apart from the Concertación are 'ethical issues' like abortion and institutional heritages from the military regime, such as the binomial electoral system. Other than that, the differences between the Right and the Centre-Left remain limited to nuances and small differences in approach. In this sense, an 'end of history' seems to have occurred, as all main political actors agree on the general strategy for development and modernisation for the country.

Also with respect to the adaptation of the project, 'Growth with Equity' differed from its predecessors. During its installation until the elections of Michelle Bachelet as President in 2006, no significant mass protests have broken out. It therefore would seem that the success of economic policy-making, combined with the consensual-style of governance of the Concertación, has removed the dilemma between state-led modernisation and the maintenance of social order from the agenda. This is, however, not the case: the Concertación actually did adapt its project under pressure of public opinion, even without popular unrest and social disorder expressing the discontent among the population. The 'academisation' of the Concertación made the coalition particularly sensitive to social unrest as it was reflected in academic social studies. When such dissent was encountered, around 1998, an intense debate within the Concertación on the nature of the project arose, and this eventually created the space for its adaptation towards a more welfare model. In this sense, the Concertación has been able to avoid the difficult dilemma between modernisation and social order.

In the other interpretation of the 'Growth with Equity' project, it is seen as a historical synthesis of the previous projects of modernisation. This synthesis consisted of a model that was based on elements of all three preceding projects of modernisation which have remained influential in different ways. From the 'Revolution in Liberty', the notion of social inclusion has remained prominent, in the sense that all sectors of the population have access to state benefits and are not excluded from social and economic citizenship. The notion of 'popular power' of the UP, however, has become almost completely de-legitimised, being associated with the chaos and political conflict of the early 1970s. Instead, the leadership of the Left has been able to fill key positions in government, and have two elected Presidents. For the Right, the picture is the reverse: most of its agenda is still being implemented by the Concertación, but it has been unable, during the last sixteen years, to win the presidency. The result of this mix is a model which is carried by all three actors, and which consequently has become particularly stable; it is not possible to take away one of the three pillars of the model without it collapsing.

Much like the way in which past projects of modernisation have created a historical synthesis in the form of a particular, unequal balance between them, so the previous attempts to modernise the country have created particular patterns of modernity in Chile. Apart from institutional modernisations, such as the agrarian reform and the nationalisation of the copper mines, these patterns of modernity have become

characterised by four paradoxes. First of all, Chilean modernity is defined by the mix between democracy and low levels of civil society participation. Second, it combines social policies and poverty reduction without achieving a more egalitarian society: despite the impressive drop in poverty, inequality in Chile remains one of the highest in Latin America. The third paradox is that it consists of a market economy which is administrated by the Centre-Left. And finally, the fourth paradox of Chilean modernity is that despite its clear success in the social, economic, and political fields, the model seems to generate a profound dissatisfaction among the population.

In the final chapter, the general conclusions of this study will be presented. These show how modernisation has been a driving force for Chile's elites, and especially during the last decades. They will also stress the lines of continuity between the projects of modernisation in their construction and implementation. Finally, they will underline their mutual interaction and the ways in which they have formed patterns of modernity which are typical for the Chilean case.

Chapter 1

Modernity and Modernisation in Chile

This chapter focuses on three theoretical aspects of modernisation in Chile. First, it will explore the Chilean debate on modernity as it has emerged since the 1970s, and in which different positions relating to modernity can be discerned. Second, it will attempt to conceptualise a 'Chilean' form of modernity, and construct a general framework for the interpretation of how this modernity has been constructed. Finally, it will 'operationalise' the theoretical framework by explaining the approach towards modernisation that will be used in this study, and by addressing several themes that are relevant to the analysis of modernity in Chile.

1.1 The Debate on Modernity in Chile: A Theoretical Assessment

The debate on modernity in Chile has been a particular one. It has not been a debate in the strictest sense, in the form of a discussion between intellectuals, but has rather taken the form of a stream of publications which rarely refer to one another. In addition, rather than being purely theoretical or philosophical, the debate has been marked by a distinctively practical and even political style. Publications on modernisation in Chile tend to focus on concrete aspirations and experiences of modernity, and to present solutions or policy guidelines for the achievement of a desired form of modernity (Brunner 1990: 43).[1] This is by no means accidental, but indicative of two specific characteristics of Chilean intellectuals. First, they view modernity – whatever they perceive that to be – as something that is proximate and attainable. As a result, they tend to discuss it in practical ways rather than in a highly theoretical form. Second, Chilean intellectuals maintain little distance from the political classes and the political processes in general. The political arena and the academic world are not, as in some other Latin American countries, separate spheres, and the political elites in Chile have been recruited from within the academia since the early twentieth century (Silva 1993a: 200). Intellectuals regularly participate actively in politics or actively support political parties, and their work is often policy-oriented. Some of the country's most notable intellectuals, such as the economist Sergio Molina, the historian Gonzalo Vial, and the sociologist José Joaquín Brunner, have fulfilled high governmental positions.[2] As a

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[1] This political nature of publications that deal with modernity and modernisation (or the corresponding terminology used in each different period) can be seen as early as the nineteenth century, in the writings of intellectuals such as Francisco Bilbao and Victorino Lastarria, and in twentieth century classics such as *La Raza Chilena* of Nicolas Palacios (1904), *La Fronda Aristocrática* of Alberto Edwards (1928), and Jorge Ahumada's *En Vez de la Miseria* (1958).

[2] As will be seen in the course of this study, the thin line between the intellectual and the political realms has given political projects in Chile a particular intellectual and academic dimension. In contrast to other Latin American countries, in Chile political projects are usually founded on academic doctrines and theoretical underpinning, rather than on political slogans only.

result, the works that have been published on modernity and modernisation are not as much intellectual contributions to a purely academic debate, but rather practical and even policy-oriented works geared to creating support, both among the population and political circles, for political projects of modernisation. The result is a 'debate' that consists of a stream of individual contributions, rather than a true exchange of ideas and views.

The discussion on modernity in Chile started in the nineteenth century, after Chile's independence, focusing on the path of modernisation (or, in the nineteenth-century parlance, 'progress') that the country should follow, and, more profoundly, the sort of modernity it should aspire to.[3] These discussions were fuelled, in the late 1950s and 1960s, by the so-called 'theories of modernisation' that, coming from the United States, argued that the 'developing world' would be able, given certain circumstances, to follow the North American path of modernisation and development (Rostow 1961, Apter 1965). As the following chapters show, the Latin American (and particularly Chilean) reaction to these theories led to the construction of new paradigms, such as structuralism and dependency theory, that would become dominant in the debates on modernisation in the 1960s and the early 1970s.

In the late 1970s and early 1980s, the debate on modernity in Chile assumed an unprecedented intensity. This was largely the result of the nature of the military regime that had come to power in 1973 and which, besides installing a harsh and extremely repressive dictatorship, implemented an ambitious project of economic modernisation.[4] As a result, the concept of modernity (usually understood as being connected with notions such as democracy, social welfare, and individual freedom) came into tension with the idea of modernisation. Furthermore, during the 1980s, the concept of 'post-modernism', which was in vogue in the United States and Europe, raised the question of whether Latin America could also partake in this post-modern culture, and, more profoundly, if Latin America could be called modern at all.[5]

In the case of Chile, the debate on modernity and modernisation has taken place largely in the political arena. This can be attributed to several factors. First, as has been mentioned above, in Chile the line between the political and the academic realms is very thin. Second, and as will be shown in the next chapter, the notion of modernisation and the quest for modernity have been an driving force among Chile's

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[3] The trajectory towards modernity and the debates surrounding modernisation of the nineteenth century and the first half of the twentieth century will be discussed in Chapter 2.

[4] The military regime sought to explicitly legitimise its project by appropriating the language and discourse on modernisation. For instance, a series of structural reforms that were announced in 1977 were dubbed the 'seven modernisations' by the regime. As a result, the word 'modernisation' came to be closely identified with the neo-liberal policies and the authoritarian nature of Pinochet's rule.

[5] Contrary to what happened in the field of literature, post-modernity has not become an important paradigm in the Latin American social sciences. It will therefore not be dealt with in this investigation. In the literary field, the most important contribution to the debate on postmodernism in Chile has been the publication of series of short stories, edited by Alberto Fuguet and Sergio Gómez, with the title 'McOndo'; referring both to García Márquez' Macondo and to a consumerist modernity. See Fuguet and Gómez (1996).

elites at least since independence.[6] Third, the military government of Pinochet started, from the mid-1970s on, a discourse of modernisation that would become emblematic and would prove to be one of the regime's cornerstones of legitimacy. This triggered criticisms from the opposition, which argued that the economic modernisation of the military regime hardly amounted to a true path towards modernity, as it excluded and repressed large sections of society. However, the modernising discourse of the military regime proved so successful that it was adopted (with adaptations) by the governments of the Concertación coalition. As a result, the debate on modernity became a key element within the debates on the course of the project of the Concertación.

The most notable characteristic of the debate on modernity as it emerged in the late 1970s is that almost all contributors, even the most conservative ones, fundamentally support the notion of modernity - albeit with strongly varying interpretations of what modernity should look like (Pinedo 1997: 38). This is significant, as it indicates the intensity that the drive towards modernity has gained in Chile: even the sectors of the country's elites that resist modernisation the most adhere to some form of modernity. Another notable characteristic of this debate is that it generally does not focus on the shape and content of modernity itself, but rather on the processes of modernisation that construct modernity. The criticisms and defences are directed to the processes of modernisation that have been taking place in Chilean society. Usually, critiques of modernisation are based on two general arguments: either they claim that a certain path of modernisation does not lead to the construction of modernity, or they claim that modernisation creates an undesirable form of modernity.[7] Generally, these critiques focus on the incompatibility between Chilean identity and modernisation, or the speed of modernisation, which gives Chilean society insufficient time to adapt to the changes it undergoes (Larraín 2001: 7-9).[8] The defence of modernisation is usually based on the argument that although modernisation may have high social and human costs, it will eventually construct modernity. According to this view, it is necessary to move forward while simultaneously mitigating the harmful effects of modernisation.

The Chilean debate on modernity revolves around four different perspectives that are used for the creation of different proposals and counter-proposals for projects of modernisation. The first perspective of modernity has been be labelled 'baroque modernity' (Larraín 2001: 191-192). It is based on a specific Latin American interpretation of modernity, in which Hispanic and Catholic influences play a

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[6] Throughout the history of Chile, influential publications have dealt with modernity and modernisation, but mostly without open and clear reference to the term itself. These publications focused on themes like 'progress' (in the nineteenth century) and 'development' (in the 1950s and 1960s). However, only in the 1970s did a true debate emerge surrounding the theme. Therefore, this section will focus on the post-Allende period exclusively, while earlier contributions will be discussed in Chapter 2.

[7] As Pinedo (1997: 38-39) argues, the critics of modernisation in Chile are often ambivalent in nature, considering it to be: 'disruptive, breaking the moulds of identity, and excessively promoting to leave behind the proper elements and to imitate the realities of the developed countries: modernity and identity as counterparts. A country that celebrates Pablo Neruda or Claudio Arrau as the most 'universal' Chileans, but at the same time fears that universality itself'. See also: Larraín (2001).

[8] The same has been argued outside of Chile as well. See: Paz (1979), Quijano (1989) and Fuentes (1990).

significant role. Generally conservative in outlook, it rejects Illustrated modernity and its 'one-sided' focus on rationality, and pleads for a more intuitive, human, and ethical form of modernity. It is critical of capitalism and also suspicious of the modern state. In its most conservative expressions it will reject democracy and plead for a semi-monarchical system, although usually it will approve of democracy and the state from an instrumental perspective.

The other three perspectives refer to what have been called the 'actually existing modernities' of the twentieth century, which can be found in North-Western Europe, the United States, and in the former Socialist world (Wagner 1994: 13). The first one, which can be called 'Social-Democratic welfare modernity', is based on the role of the state in the construction of general welfare and strong collective rights for the working class. It is democratic and capitalistic; however, it is able to mitigate the negative side-effects of capitalism through a redistribution of wealth, both on the initiative of the state and through collective bargaining. The second is 'liberal modernity', which is oriented towards an US-style society and the individualisation of risks and opportunities. In this model, the social and economic roles of the state are greatly reduced, and the market is expected to organise most processes in society. Thirdly, the 'Socialist alternative' is oriented towards an egalitarian society, in which the role of the market is minimised and the state becomes the dominant actor. In this model, the democratic model is sacrificed in the pursuit of collective well-being and the eradication of socio-economic inequality by the state.

The Baroque Perspective

The first perspective in the Chilean debate is that of 'baroque modernity'. This position is defended by a range of religious authors, from both the Left and Right, among whom are intellectuals such as Pedro Morandé, Cristián Parker, Carlos Cousiño, and Bernardino Bravo Lira. They argue that Latin American identity has a strong undercurrent of Catholicism, which is incompatible with the notion of instrumental reason that has been put forward in the modernity of the Enlightenment. Latin American identity is not necessarily anti-modern, but comes from a 'baroque modernity', that is, a form of modernity that was constructed before the Western-European rational modernity took shape. This 'baroque modernity' is modern because it has left behind the medieval structures of thought, but has simultaneously been able, in contrast to enlightened modernity, to maintain Catholicism as its foundation. It is therefore a form of 'Catholic modernity', which tends to emphasise the spoken word over written text, and sentiments and intuition over rationality. This Latin American form of modernity has not been recognised by the continent's elites, who have sought to copy enlightened modernity from Europe, estranging themselves from their cultural foundations in the process. However, in popular religion the roots of 'baroque modernity' can still be seen (Larraín 2002: 188-200).[9] Morandé in particular emphasises

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[9] Larraín sharply criticises the notion of a 'baroque modernity', because of fundamental conceptual problems: how can a modernity be modern when it does not incorporate essential aspects of modernity

the ways in which modernity has been forced upon Chile and Latin America. Enlightened modernity never penetrated the Latin American culture profoundly, he argues, because of the existence of a Latin American cultural synthesis (a 'baroque modernity') which emerged in the sixteenth century and which was based on *mestizaje* (the mix between Indian and Spanish cultures). However, the *criollo*-elites (born in Latin America but descended from Spanish immigrants), who identified with European modernity, since the nineteenth century enforced modernity on Latin America in different waves of modernisation. As a result, they destroyed much of the moral Latin American 'ethos', which had been based on the 'sacred' and voluntary sacrifice (Morandé 1984).

Many of the defenders of the notion of a 'baroque modernity' not only criticise enlightened modernity for being incompatible with Latin American identity and culture, but also predict its downfall. Much in line with the 'socialist alternative' argument, they argue that modernity is unsustainable because of its internal contradictions, and will eventually collapse. As a result, 'baroque modernity' will eventually be victorious in Latin America. As Morandé puts it:

> Spanish America (…) is greatly favoured with the fall of the Enlightenment. When illustrated modernity collapses, baroque modernity will reappear, buried under a more or less thick layer of rationalist varnish, but still alive, especially among the popular sectors (quoted in Larraín 2001: 200).

From a different perspective, José Bengoa also seeks to reconcile modernity with Latin American identity, and, more specifically, with the concept of community. In his book *La Comunidad Perdida*, he analyses how modernisation (or, as he argues for the case of Chile, 'obsessive modernisation') breaks the traditional ties of community and identity without replacing it with an alternative culture:

> The culture of 'obsessive modernisation' is opposed to that of the 'culture of identity'. The growth of the economy, without respect for persons and the environment, and without basic solidarity of society, is opposed to the concept of human and sustainable development. (…) Often it seems that today, the last ties are being broken that bind people together, that bind men and women with the land and with the nature they are living in. Many view this process of modernisation with apprehension and, at times, with pessimism (Bengoa 1996: 16).

According to Bengoa, modernity in Chile has created a modern state that has enforced a repressive morale on its citizens, especially women. Modernity has also stimulated racism, intolerance, exclusion and poverty. As a result, Chilean society has become characterised by sentiments of insecurity and nostalgia, a cultural void that is unsuccessfully being filled with technology and gadgets, and high levels of drug abuse

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such as reason, rationality, political democracy, science, and so on? Instead, he argues that baroque modernity is mainly conservative, connected to a hierarchic and agrarian model of society, and based on order and stability and the affirmation of faith - all characteristics that are clearly anti-modern. However, as will be seen in the next section, there is no fundamental reason to discard a model of modernity because it contains elements that are anti-modern or does not involve certain elements that are modern.

and delinquency. Bengoa does not argue against modernity as such, but against the path of modernisation that Chile has taken. Although Bengoa does not explicitly endorse the notion of a true 'Latin American baroque modernity', he implicitly follows the same line of argument, by claiming that fundamentally Latin American identity and community are not irreconcilable with modernity. The question is rather what kind of modernity can truly take root in Latin America? For Bengoa, modernity may well be successful in Latin America, but only under certain circumstances:

> The desire for change and for modernisation can well have a enormous constructive sense; it can create a modern society, with self-consciousness, which is at peace with its past, and which has a shared project of constructing a friendly future (*ibid.*, p. 12).[10]

So, while 'compulsive modernisation' destroys Chile's ties of community, Bengoa, like Morandé, sees no fundamental contradiction between modernity and Latin American identity.

Related to 'Baroque modernity', but even more critical of modernisation, is the perspective of those authors who have stressed the 'Hispanist' roots of Latin America. This current was strongly influenced by the figure of conservative historian Jaime Eyzaguirre, who, in the 1940s and 1950 constructed an elaborate ideology of Hispanic traditionalism, rejecting most aspects of enlightened modernity, modern capitalism, and liberal democracy. According to Eyzaguirre, the processes of modernisation the country passed through in the nineteenth and twentieth centuries were incompatible with Chilean identity, and as a consequence led to social conflict. The rise of the middle classes, for instance, never took root as it did in Europe, but only provoked the weakening in patterns of identity:

> While the European bourgeoisie developed a truly different identity and was able to give form and content to its class, the Chilean middle class rather exhibited a hybrid and insecure physiognomy in contrast to the clear and authentic ones of the 'nobleman' and the 'peasant'. Its fear of deserving the pejorative epitaph of 'affected' by which it was characterised from below, often made the middle class live in a perpetual flight from its ambience, in a continuous negation of itself (Eyzaguirre 1973: 171).

Historian Mario Góngora has been one of Eyzaguirre's most famous followers. According to Góngora, Chile was born 'without Renaissance or Reformation', and even without 'a true baroque monarchy', in other words, outside modernity (Góngora 1980: 129). Góngora strongly resisted the rationalism which characterises modernity, and which lies at the root of Marxism, liberalism, and developmentalism:

> I become more and more adverse towards developmentalism, technocracy and economicism, to which regrettably most governments of the Western world

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[10] Bengoa's analysis is supported, but from a completely different perspective, by the sociologist Eugenio Tironi. Both agree that modernity clashes with community. However, their conclusions are different: Bengoa seeks to construct an 'alternative modernity' that can be reconciled with Latin American identity, while Tironi (2005) argues that community can be restored within the context of enlightened and liberal modernity.

succumb. The rationalism that is the basis of this complex ideology, its deprecation of the local and national traditions, its neglect of all humanism and of all spiritual or vital motivation, all these tear away all the profound resistances that form exactly the obstacles for Marxism (Góngora 1987: 38).

However, Góngora is not critical of all things considered modern. He specifically supports the idea of the 'modern state', which, in his view, is the precursor and creator of the Chilean nation. For Góngora, the Chilean state, which was given its original shape and form in the 1830s, is the first modern 'Chilean' institution, and has, so to speak, given the Chilean nation its shape and form. Consequently, for Góngora Chilean modernity is intrinsically tied to the state. As a result, the state should reflect Chilean national identity and not impose external developmental models (or, in Góngora's words, 'utopias') through state planning, as happened in the 1960s and 1970s. Góngora is particularly critical of the neo-liberal policies of the military regime, precisely because they were targeted against the Chilean state. For him, the down-sizing of the state under the neo-liberal model was an act that violates the soul of the nation. Neo-liberal modernity, he argues, is fundamentally incompatible with Chilean identity:

> In fact, neo-liberalism is not a proper fruit of our society, as in England, Holland, or the United States, but a 'revolution from above', paradoxically anti-state, in a society which has been formed by the state (Góngora 1986: 301).

Osvaldo Lira also stressed the Hispanic nature of the Latin American peoples, emphasising that in the mix between Spanish and Indigenous blood, the former has proved superior to the latter. He sharply criticises the adoption of modern and liberal views by Latin American elites, stressing that the true values of Latin America are fundamentally medieval, and, as a consequence, incompatible with modernity (Lira 1985: 6).

An intriguing mix between ultra-conservatism and neo-liberal modernity was elaborated by a younger and less theoretical exponent of conservative ideology, who gained much influence under the military regime. This was Jaime Guzmán, the intellectual father of the constitutional order that was set up under Pinochet and which is still partially in place today. Originally following the examples of Eyzaguirre and Lira, by the late 1970s Guzmán came to make a shift in the traditional rejection of all liberal elements of modernity. Mixing the essentialist conception of a Chilean identity (both Hispanic and Catholic) with neo-liberal views, Guzmán created a hybrid ideology that rejected key elements of modernity while accepting others. Liberal individualism, for instance was considered alien to Chilean society as it would disrupt its 'natural order'. Modern democracy, in contrast, was accepted, but only in a restricted manner, as Chilean society had not yet reached the level of maturity to support this element of modernity:

> The democratic system, based on the creation of authority through truly free suffrage, constitutes an ideal that only functions adequately in countries with a high level of economic, social, and cultural development (Guzmán 1979a: 43).

The neo-liberal economic model, however, eventually gained the full support of Guzmán, who came to accept the idea of compatibility between Chilean identity and a radical market economy. Calling it a 'modern social market economy', he attributed to it a capacity for the progress that the country needed and an efficient allocation of resources.[11]

The Social-Democratic welfare perspective
From the 1950s on, North-Western Europe came to be viewed by progressive and reformist Chilean intellectuals as a key example of how the state could initiate development and create a modern industrial society in which the state's safety-nets protected the collectivised workers from exploitation.[12] This perspective became particularly important in criticising the modernisations that had been set in motion under the military regime of Pinochet. Contrasting the inequalities that had been produced by project of modernisation of the military regime with the North-Western European model of modernity, academic Norbert Lechner asked himself, 'are modernity and modernisation compatible?' (Lechner 1990). In a similar way, the sociologist Malva Espinoza concluded that under the military regime modernity and modernisation were completely contradictory, and that modernisation had become 'perverse' (Espinoza 1989). A more elaborate critique of modernisation was produced by the sociologist Eugenio Tironi, who attacks the extreme free market policies of the regime, while stressing the role the state should play in providing general basic welfare for the population. During the military regime, modernisation showed its 'hidden face', as Tironi called it: it had created economic growth and affluence for some, but it excluded and repressed large sections of the population (1989: 53). Finally, following a more moderate line of argument, José Joaquín Brunner argued that the military regime has created a 'modern culture' that was oriented towards the market and the private sectors. However, this modernisation of culture had been two-sided: on one hand, modernisation increased heterogeneity and differentiation on the cultural level, which is proper of modern societies. On the other, the authoritarian nature of the regime, and the subsequent limited nature of modernisation, had converted this differentiation into cultural exclusion and social division, incompatible and even contradictory to the experience of modernity (1989: 204-209).

After the democratic restoration, 'Social-Democratic welfare modernity' has remained a strong point of reference for many academics, politicians, and observers. Especially during the discussions on the socio-economic model of the Concertación that arose in 1998, this model of modernity became highly visible. One of the publications that triggered that discussion, the Human Development Report by the UNDP in Chile, showed that Chileans experienced high levels of insecurity and anxiety

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[11] For a more extensive analysis of Guzmán's views on modernity, see Chapter 5.1.1.
[12] The word 'social-democrat' does not necessarily indicate that this model is only supported by the moderate Left. It merely points to the organisation of society that emerged in the twentieth century in North-Western Europe and which was based on a large role of the state in society, a strong tendency to the collectivisation of social actors, and the creation of social safety-nets by the state.

because of the path of market-oriented modernisation that the country had followed since the return to democracy. This path, the report argued, individualised risks and opportunity to such an extent that the population experienced an increasing and problematic dislocation between their subjectivity and the processes of modernisation. However, the model of modernity that the country was moving to could be adapted, the report claimed:

> The country is inserted in a global process of modernisation from which it cannot distance itself without falling into a possible stagnation. This does not imply, though, that the objective and rhythm of modernisation have been determined beforehand (PNUD 1998: 224).

A similar position can be observed in the discussion that arose at the heart of the Concertación following the publication of the report. Critical sectors of the Concertación have argued in favour of a different path of modernisation, which would not consist of economic growth exclusively, but in which the state would offer more protection for the population.[13]

Finally, sociologist Jorge Larraín also takes the perspective of 'North-West European welfare modernity' when analysing the path of modernisation in Chile. In his *Identidad chilena*, he avoids taking a clear position on what exactly modernity should be like. However, in his analysis of modernity and modernisation if Chile, Larraín paints an image of modernity that is closely tied to democracy, social inclusion, certain levels of equality, and a state that takes responsibility for the common good, all characteristics of the North-Western European welfare model. Furthermore, he suggests that the liberal model that is currently dominant in Chile is unbalanced:

> [W]hile the progress of modernisation in the period after the Second World War was combined with an increasingly radical social critique, geared towards the change of the system, the advances of modernity in the 1990s coexist with a domination - almost without counterbalance - of the liberal ideology and the acceptance that poverty can only be overcome with more development within the system (Larraín 2002: 135).

A more radical critique on Chilean modernity from the perspective of Social-Democratic welfare modernity comes from former Socialist Party leader Carlos Altamirano. According to Altamirano (2000: 48-50), in Chile modernity almost exclusively takes the form of economic modernisation and the consumption of technological artefacts such as cellular phones and microwave ovens. However, he argues, it is not sufficient to buy and use products that are in vogue to be truly modern. Chilean society is still largely defined by non-modern structures and practices. At the political level, the democratisation is still far from complete. At the level of science and education, the country lacks adequate institutions and structures of scientific research. At the economic level, the country is unable to produce industrial goods, which create

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[13] Like the authors of the PNUD-report, these critical sectors argued in favour of the construction of a model of modernity in which the state would provide more protection for its citizens: '[o]ur values determine the type of modernity we aspire to. The road to modernisation does not exclusively exist of economic growth' (Concertación 1998b). For an extensive analysis of this discussion, see Chapter 6.2.3.

added value. And culturally, Chilean society has never experienced a true process of secularisation. Some modernisation has occurred, but only recently and in very limited form, Altamirano argues:

> The last years Chile has experienced very important advances in terms of structures, of roads, and other modern structures, especially in the cities. However, this is a process, and has started only in the last ten, fifteen years. Before that, we weren't modern. We lived in a dictatorship, led by a figure like Pinochet, who is a completely pre-modern person. This is why I speak of our 'frustrated modernity' (interview with Carlos Altamirano on 5 May 2004).

In short, the Social-Democratic welfare perspective has specifically been used to criticise the strong liberal orientation that Chilean modernity has acquired since the 1990s.

The Liberal Perspective
The image of an 'American-liberal modernity' also has some ancestry, as in the nineteenth century some intellectuals like José Victorino Lastarria already called for the incorporation of particular elements of North American civilisation, science, and industry in the Chilean educational system, despite the dominant European outlook of the era (Larraín 2002: 87). However, the orientation towards the United States as a model for modernity only really took shape in the mid-1970s, with the implementation of the neo-liberal economic model under the military regime. It is therefore not surprising that the most outspoken proponent of 'American-liberal' modernity was a fervent supporter of the regime, the economist Joaquín Lavín. In his bestseller *La Revolución Silenciosa*, and without entering into the theoretical aspects of modernity and modernisation, Lavín celebrates an image of Chilean modernity that is based on the modernisation of the economy along neo-liberal lines and patterns of consumption. Modernity, according to Lavín, is based on economic expansion and integration with the developed world through the markets, with minimal state intervention. As a result, he argues, Chileans have become better informed, work more efficiently, and have access to a wide variety of consumer goods. This business-oriented and consumerist modernity will allow all Chileans freedom of choice and access to modern technology that until then were unattainable (Lavín 1987).[14]

After the return to democracy, the 'American-Liberal' view of modernity did not remain confined to the Right. Claudio Véliz, for instance, has argued that Latin American culture, and Chilean in particular, has been able to withstand the modernising influences of the Anglo-Saxon world for centuries. Using Isaiah Berlin's metaphor of the hedgehog and the fox, Véliz claims that the Latin American 'baroque hedgehog'-culture, resisting change and progress, finally succumbed, under the influence of the bombardment of consumption, to the innovative forces of the Anglo-

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[14] Obviously, Lavín's view of modernity at the time included a defence of the military regime, which clearly did not match the United States model and was also not very liberal. This is an example of the mixing of two images of modernity. Lavín's support for the military regime was largely based on the Catholic conservative ideology that sustained the notion of a 'Latin American baroque modernity', while he combined with liberal economic thinking.

Saxon 'Gothic fox'. As a result, the paradigms of the past, such as the welfare-state and state provision of social justice, have been replaced by the drive towards individual success, mass consumption, and market orientation. This will allow Chile, Véliz argues, to become a something of a 'Gothic fox' itself, and replicate at least partially the patterns of modernity that are characteristic of the Anglo-Saxon world. Whether the other Latin American countries will follow suit remains to be seen, however. It might also be that Chile constitutes the modern exception in Latin America:

> With the exception of Chile, the country that led the exodus to the promised prosperities of the free market (…) the early experience of those countries that have already embraced economic liberalism has not proved an immediate and undiluted success. This leaves open the possibility that the explanation for Chilean economic abilities, and much else, may have more to do with the country's sui generis insularity with respect to the mainland of Latin America, a feature that is immediately comparable with Britain's insularity with respect to Europe or Japan's with respect to Asia, than with the application of this or that fashionable economic prescription (Véliz 1994: 228).

As has been shown above, Eugenio Tironi was critical of the way in which 'liberal modernity' took shape under the military regime. However, he was also one of the first prominent members of the opposition who openly acknowledged the scope and lasting influence of modernisation under Pinochet:

> Under Pinochet - and in particular after the crisis of 1983-85 - Chile has experimented with an impulse of modernisation that has been very different from the one that had developed before 1973, and that comes very close to the tendencies that modernisation has taken on the international level: reduction of the role of the state, flexibilisation, (…) and minimal and discretional state assistance (in contrast to the universality of the welfare state) (…) This has been the meaning of Pinochet's revolution in Chile; and with different modalities and intensities in each case, this has also been the meaning of the processes of modernisation in all of the contemporary world, from the developed countries to the undeveloped ones (Tironi 1990: 34).

Following the democratic restoration, Tironi has consistently defended the path of modernisation that was set in motion under the Concertación, considering that it is present, fundamental, and irreversible and that the only question that remains is how to mitigate its negative consequences. He argues that the sentiments of anxiety and frustration among the Chilean population, as they were laid bare by the Human Development Report of the United Nations, reflect the insecurity of a society that is moving forward rapidly. He specifically points to the elites in Chilean society, reproaching them that while they verbally support the modernisation of the country and the improvement of the socio-economic position of the poor, they in fact hinder those processes, because of their unease towards the 'invasion of the masses'. Chile, Tironi argues, has always been a paradise for its elites, both from the Left and Right. Enjoying both access to the modern world and the exclusiveness of their second home in the countryside or on the beach, the elites were: 'being citizens of modernity and small aristocrats at the same time, making use of the privileges that are offered by a

profoundly unequal society' (Tironi 1999: 45). However, in the 1990s, the lower classes gained access to some of the benefits that originally were reserved for the upper classes, such as cars, holidays, travel, and consumer durables. This process of modernisation, Tironi argues, has provoked sentiments of dissent among the elites, who find themselves deprived of their exclusive position. He attacks in particular the elites of the Left, who in their attacks on the 'materialist' and 'consumerist' model of modernity that emerged in Chile in the 1990s, seem to forget the tremendous progress that the excluded and the poor experience within that model (*ibid.*, p. 40).

Tironi specifically deals with the relation between the family, community, and modernity. The path of modernisation that Chile is following, he argues, corresponds to liberal modernity as it exists in countries such as the United States, with a small role for the state, promotion of market solutions, individualisation of risks, and a strong focus on social mobility (Tironi 2005: 20). As a result, the ties within communities and families erode, creating an atomised society, in which mistrust, insecurity, and a general cooling down of human relations are not mitigated by social networks. In his view, this is not a reason to attempt to change the model of modernity. On the contrary, the only possible option for Chile is to intensify the path of modernisation that was embarked on in the 1990s, while effectively governing the changes, uncertainties and fears it generates (Tironi 2002). In addition, a strategy should be conceived to strengthen community, and particularly family, in the context of liberal modernity. This can be achieved through what he labels 'conservative progressiveness', which advocates a society in which modern values such as liberty and equality are combined with human warmth and a strengthening of the social ties within society (Tironi 2005: 26-27).[15]

The sociologist José Joaquín Brunner, who has written extensively on the topic of modernity, presents more or less the same line of argument as Tironi. In the 1980s Brunner followed the image of 'Social-Democratic welfare modernity', arguing that a key characteristic of modernity is the shift of the focal point of culture (in a broad sense) from the private to the public sphere, with the state as the main actor in the organisation, regulation, and stimulation of cultural activities (Brunner *et al.* 1989: 28-30). In this period, Brunner argues that Chile is experiencing a 'peripheral' or 'fragmented' modernity, in which the elements that constitute its modernity are not endogenous, but are 'received' from the industrialised countries (Brunner 1986: 57). In the 1990s, though, Brunner heartily defended the more 'American-Liberal' path of modernisation that the country took. For Brunner, contemporary Chile lives a paradox:

> Chile today is culturally submerged in the problems that are typical of late modernity, independent of the degree of modernisation of its economic and social structures (Brunner 1998: 28).

According to Brunner, the sentiments of anxiety, insecurity, and detachment that were signalled by the report of the PNUD are precisely the result of the modernisation of

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[15] The agenda of 'conservative progressiveness' resembled in many ways the electoral agenda of the Christian Democratic presidential pre-candidate Soledad Alvear, who was indeed actively supported by Tironi during the 2005 presidential campaign.

culture: old values are left behind and replaced by much more dynamic patterns of threats and opportunities, which are experienced on a personal level. As Brunner puts it: 'to live in modernity is necessarily to live in tension' (*ibid.*, p. 30). As a result, Brunner argues, those who claim that the *malestar* (disenchantment) is a sign that the country is on the wrong path of modernisation, are mistaken: there exists no modernisation without sentiments of anxiety and insecurity (Brunner 1998b). Like Tironi, Brunner blames the country's elites (and the 'intelligentsia' in particular) for failing to take a leading role. While at first they rightly complained about the limitations of 'peripheral modernity' in Chile, they now no longer have cause for such complaints. For the first time in history, Chile is thoroughly experiencing the culture and patterns of modernity; at last the masses are incorporated, in an inexorable and conflicting way, into modernity; and meanwhile the 'intelligentsia' are shocked with apprehension, resisting the further progress of modernity (Brunner 2001: 259). The fact that this incorporation into modernity takes place on the basis of consumption and consumptive credit does not bother Brunner:

> The people of the popular sectors, who enter into the formal labour market, and make a thousand peso above the minimum wage, their only desire is to get access to a credit card of *Ripley*, go to the store and buy something for their children (interview with José Joaquín Brunner on 21 March 2002).

As will be shown in Chapter 6, Brunner, Tironi, and other exponents of the Liberal perspective became important cornerstones in the construction of the 'Chilean model' in the 1990s, and, as such, of Chilean modernity today.

The Socialist Perspective

The fourth perspective of modernity, the 'Socialist perspective', no longer represents a very strong current in the debates in Chile. It possesses a long history, though, as Chilean Socialist and Communist movements were among the first and strongest in Latin America. From the early twentieth century on, the Chilean Left, especially the Communist Party, has attempted to construct alternatives to capitalism. In practice, however, it was largely oriented towards a North-West European welfare model. Only in the 1960s and early 1970s did the 'Socialist perspective' achieve a momentum as a result of the rise of revolutionary movements following the example of the Cuban Revolution in particular. On a more theoretic level, this perspective was fuelled by the so-called 'dependency theory' which was elaborated in Latin America in order to explain the problematic path of development that the continent had experienced. According to this theory, Latin America was fundamentally blocked from modernity, because of its subordinate position towards the industrialised world in the global market. Capitalism, it was argued, divided the world into an industrialised 'centre' and an underdeveloped 'periphery', where the first could only maintain and develop its modernity at the cost of the latter. As a result, capitalist modernity was not a valid option for a country like Chile. Instead, the capitalist paradigm had to be abandoned in favour of a model of modernity that would be free from inequality and exploitation

(Frank 1967). This 'Socialist perspective' took as examples the Soviet Union, Cuba, China, or, for more moderate socialists, countries like Yugoslavia. However, since the mid-1980s, and especially after the fall of the Berlin Wall, the 'Socialist perspective' has lost most of its examples, rendering the construction of a functioning 'socialist modernity' a difficult, if not impossible, endeavour.[16]

Despite the demise of the socialist examples, the image of modernity of the 'Socialist perspective' did not wither. The notion that an egalitarian alternative should be constructed for capitalism remains present in, for instance, the anti-globalisation movement. However, in the debates surrounding modernity in Chile, only very few serious contributions have come from this current, with one notable exception. With the publication of his best-seller *Chile Actual: Anatomía de un Mito*, the sociologist Tomás Moulian instantly became the most important intellectual exponent of the Chilean extra-parliamentary Left. Although never actually promoting the construction of a socialist state, Moulian's work clearly has the 'Socialist perspective' as the underlying *idée-force*. Strongly criticising the socio-economic model that was installed by the Concertación, Moulian argues that the Chilean model of the 1990s is in fact a continuation, albeit under the guise of democracy, of Pinochet's authoritarian and neo-liberal model. As a result, the modernity that was so much celebrated in Chile in the 1990s is in fact nothing other than the one-sided process of modernisation that had been set in motion by the military regime:

> What is the form of today's Chile? What are its ancestries, the pedigree of this society that is obsessed with a modernisation that it happily mistakes for modernity? (Moulian 1997: 17).

Moulian claims that Chile's modernity is a farce: the new democratic structures only exist because of the ongoing presence, in the shadows, of the same forces that supported the military regime, and which guarantee the continuation of a socio-economic model that maintains extreme levels of inequality and exclusion:

> How is it possible, in this Chile that is conceived to be a champion of modernity and of democracy, that political structures survive which do not even create equal power conditions for all sectors? The state presents itself, spontaneously (…) as an instrumental institution, as a tool, for the reproduction of the socio-economic system (*ibid.*, p. 53).

Moulian specifically criticises the market-orientation and consumption of Chilean modernity. He argues that obsessive consumption, as is stimulated by the neo-liberal model, not only leads to hedonism and waste, but also underlines the disciplining and repressive nature of the free market. People are not only driven by the constant need to consume; they have also fallen into the power of financial institutions that control their behaviour. On a more fundamental level, a consumerist society leads to a 'fetishisation' of objects, and a structural disregard of spiritual and intellectual activities, as well as the erosion of public space as the result of the 'privatisation of life' As a result, Chilean

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[16] For a further analysis of the dependency theory, see Chapter 4.1.2.

modernity, which is often portrayed as a model of political and economic freedom, is in fact the opposite: politically, the old powers of the dictatorship are still in place, and economically, the freedom to consume becomes a disciplining force. Weber's metaphor of modernity as an 'iron cage' becomes true on all levels (1997: 47; 1998).

Moulian's point of view became especially visible in a debate with his former colleague José Joaquín Brunner. While both position themselves on the Left of the political spectrum, their differences of opinion clarify the point of view of the 'Socialist perspective'. While Brunner stresses the material improvements for the large (and poorest) majority of the population, Moulian emphasises that inequality had risen during the 1990s. Brunner responds by arguing that the failures of the model are the result of poor governance, but Moulian argues that they are intrinsic shortcomings of the capitalist system itself. While Brunner claims that the people are happy with their new possibilities for consumption, Moulian calls for a 'radical democratisation of society, politics, economy, and culture', which will have to:

> co-exist with capitalism, but not because it believes that capitalism is the best system to create wealth in order to satisfy human needs. It co-exists with capitalism, because it conceives its struggle to be a long march, like a march without end to improve the existing world (Brunner and Moulian 2002: 103)

However, while the 'Socialist perspective' of modernity consists of a clear and elaborate neo-Marxist critique of 'Capitalist modernity', it no longer provides a clear answer to the question: 'what then?' This is probably the most important reason why this image has found little support among the country's political and intellectual elites.

A similar critique of modernity and modernisation is presented by the historian Alfredo Jocelyn-Holt. While Jocelyn-Holt can surely not be considered to share the Socialist perspective (he is a political outsider, even though a self-proclaimed conservative), he shares much of Moulian's criticism of Chilean modernity. He, too, views it as a farce, because the transition to democracy has produced a 'civil-military' regime in which the true power remains with the forces of the dictatorship. Moreover, he argues that with the demise of what he calls the 'ancient regime' in the 1960s (based on large landownership and a patriarchal social model), Chilean society completely lost its orientation. Running from one exclusive political project to another, all in the name of modernisation, Chile still remains excluded from true modernity. Cut off from tradition, and a world 'in which things actually had meaning', a fake-modernity had to be constructed, and in the end this only leaves a bitter taste:

> Therefore, the forging of a 'happy' modernity, to which we are invited time and again, is compelling; but happiness may not come, and may cause a profound dissatisfaction (Jocelyn-Holt 1998: 308).

Finally, and on a more philosophical level, the sociologist Fernando Robles analyses how modernity leads to 'molestations, irritations, and bitter fruits' in peripheral countries like Chile. He argues that modernity (and globalisation in particular) transforms societies into what Ulrich Beck has labelled 'risk societies', in which security mechanisms increasingly are unable to protect individual lives, and in which 'dangers

are converted into the stowaways of the normal course of the world' (2001: 28). Robles claims that the industrialised countries have been able to shield off most of the risks and dangers for their citizens, and have in fact become 'residual risk societies'. Countries like Chile, he argues, are not able to mitigate the effects of modernity, and therefore suffer the consequences of modernity in a much more direct way. Even though modernity in Chile may look like modernity in for instance Europe, it is fundamentally different, as peripheral countries like Chile cannot protect themselves against the 'bitter fruits' of modernity (*ibid.*, p. 26).

In short, four general positions may be discerned in the Chilean debate on modernity. First of all, the 'baroque' perspective is critical of modernisation, as it considers it to be in conflict with Chilean identity. This does not mean, however, that it rejects modernity as such: it argues for a 'Chilean' (or, more generally, Latin American) modernity, which is not based on the Enlightenment but has Catholicism and Hispanism as its main foundation. It supports modern institutions such as the state, but is critical of the liberal and individualistic aspects of modernity, which it considers to be damaging the patterns of community, identity, and morals in Chilean society. As such, it is a conservative perspective, which is open to modernisation, but only if this takes place endogenously and stays in keeping with Chilean identity.

The 'Social-Democratic perspective' emphasises the importance of social justice in modernity, taking the example of the North-European welfare societies. It focuses on the state for the achievement of this social justice, while it also leaves room for the market. This perspective has been critical of modernisation, arguing that certain forms of modernisation do not lead to modernity: there exist 'perverse' forms of modernisation that enforce traditionalist structures of power and inequality instead of resolving them.

The 'Liberal perspective' takes a much more positive position towards modernisation in general, and is oriented towards a USA-style market society, with high levels of individualisation of risks and opportunities. It downplays the negative side-effects that have been reported by several social-science studies, by pointing to the fact that processes of modernisation always increase sentiments of insecurity and discontent, but that they simultaneously provide more opportunities for everyone. In general, it does accept that modernisation has its costs; however, it claims that the benefits will eventually be higher.

Finally, the 'Socialist perspective' is fundamentally negative about both modernisation and contemporary Chilean modernity. Taking as a point of reference the image of 'equal societies', it criticises the unequal distribution of wealth that the market produces. Furthermore, it attacks the Chilean model as a whole, considering it to be a continuation of the military dictatorship under the banner of civil rule. In short, it argues that any modernity that is based on the market and the support of the dominant economic sectors is incompatible with social justice, and should be replaced with an egalitarian model.

1.2 Constructing 'Local Modernity'

As has been set out in the introduction, one of the main contentions of this study is that modernity in Chile has been constructed through political projects of modernisation. There are three implicit theoretical assumptions that underlie this statement. The first is that modernity can be *local* and that it takes different shapes and forms in different locations. The second is that modernity is a *construct*, a process that can be mounted and adapted in time. And third, that this construction can take place through elite projects. In this section, these assumptions will be analysed in the light of the leading theories of modernity and modernisation.

The Locality of Modernity

The 'locality' of modernity has been a widely discussed theme. Traditionally, modernity has often been understood in universal terms, as simply a period in time: the 'modern era'. This conceptualisation made the question of the locality of modernity redundant, as it assumed that everything in the era of modernity is modern, as everything in the Middle Ages was medieval (Larraín 2001: 13). The main question was therefore not the nature or functioning of modernity, but rather its starting point (the Enlightenment, the Reformation, or the discovery of Latin America) and possible end (the late twentieth century, with the dawn of so-called post-modernity). As a result, this conceptualisation did not shed much light on the locality of modernity or on its nature (Wittrock 2000: 31-32).

Another traditional approach was 'institutional' in nature. It sought to identify a series of historical processes and social institutions that were defined as modern. Only a society that contained a certain number of 'modern institutions' could be labelled as modern. The fundamental assumption here was that modernity is the result of a series of historical processes that took place in Western Europe. These processes (like the Industrial Revolution and the rise of liberalism) created institutions that were considered key elements of modernity: mass education, capitalism, democracy, bureaucracy, and so on. For instance, Feher and Heller (1989) argue that modernity is defined by both the period and the region in which capitalism, industrialisation and democracy ascend and reinforce, complement and limit each other mutually.

This 'institutional approach' falls short in explaining the progress of modernity in non-European countries, however. In his study on the local construction of modernity in Iran, Ali Mirsepassi (2000) shows that this approach, which he labels the 'liberal vision of modernity', and which has been dominant since the writings of Hegel, Weber, and Durkheim, is problematic in three ways. First, it holds a homogeneous view of the Western world, assuming that all Western countries have followed the same historical trajectory. That is, of course, a crude simplification. Even on issues that are considered fundamental for the development of modernity, like the role of the state in society, the consolidation of democracy, and the expansion of a liberal free market economy, substantial differences between Western countries can easily be found in the course of the nineteenth and twentieth centuries (Wittrock 2000: 33-35). The second, and related,

problem of the liberal view is its homogenising approach to the different Western societies themselves. By defining Western societies as modern, the internal contradictions of modern societies were neglected or ignored. Throughout the nineteenth and at least a major part of the twentieth century, large sections of the European population were excluded from the benefits and/or curses of modernity. As the German sociologist Peter Wagner points out, even European modernity has had a very uneven socio-historical development:

> Modernity, so to speak, had very few citizens by 1800, not many by 1900, and still today it is hardly the right word to characterise many current practices (Wagner 1994: 24).

The third, and more important, problem of the liberal vision of modernity lies in its Eurocentrism. By defining European social, political and economic constellations as 'modern', the non-European world is converted into modernity's 'other'. This 'other' can be defined in terms of what it lacks in Western qualities, or can even be viewed as 'fundamentally hostile to modernity and incompatible with modernisation' (Mirsepassi 2000: 2, 8). The only way in which modernity can spread outside Europe is by adopting European patterns of behaviour, defining modernisation as a process of catching up. This discourse of modernisation has been dominant throughout the nineteenth and twentieth centuries, and has been academically supported by the 'modernisation theories' that have strongly influenced the development debates since the 1950s. However, the developments in the industrialising countries showed that no simple reproduction of European-style patterns of modernity has taken place.

For Latin America, the situation is somewhat more complicated. While the many distinctions between Europe and Latin America are obvious, the latter still constitutes an integral part of the Western world, as it was the product of Spanish and Portuguese colonisation, and a substantial 'transplantation' of population from the old continent took place (Ribeiro 1968).[17] Scholars such as Wiarda (1992; 2003) have therefore emphasised that Latin America has followed a special trajectory *within* the Western tradition. As a result, Latin America represents elements of both worlds: on the one hand, it shares the foundations, structures, and expectations of the Western world, and on the other the outcome of development and modernisation in Latin America has always been a different one from the rest of the Western world. For example, the rise of dictatorships in the 1960s and 1970s, and the lack of success of the project of industrialisation which was set in motion in the post-war period, led to a general sense of pessimism regarding the viability of the modern project in the continent. How could the trajectory of modernity in Europe be reproduced at increased speed, if Latin America had wandered along such a different historical path for so long? 'We, the Latin American peoples', Octavio Paz lamented, 'have never really become modern, since unlike the rest of the Western world, we never had a critical era'. Carlos Fuentes added: 'We are children of the Spanish counter-reformation, a bulwark that was raised against

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[17] It is for this reason that Alain Rouquié (1987) has labelled the region the *l'extrême-occident*.

the expansion of modernity. How then can we be modern?' (quoted in Brunner 1994: 16). In the end, rather than localising the notion of modernity by explaining its local construction, the institutional approach serves to sentence modernity in Latin America to being a 'mask', or a 'simulacrum', which has been, in García Canclini's words:

> conjured up by the elites and the state apparatuses, above all those concerned with art and culture, but which for that very reason makes them unrepresentative and unrealistic (García Canclini 1995: 7).

The failure of the 'institutional approach' in explaining the trajectory of modernity (and its disqualification of local variants of modernity) outside the industrialised world, has led to the formulation of new, more complex approaches. Even though they maintain many elements of the liberal interpretation, Habermas (1987), Berman (1988) and Giddens (1991) have proposed interpretations of modernity that include the possibility of an authentic experience of modernity outside the Western world. Habermas speaks of modernity as an 'incomplete project'; it has been built on a one-sided form of rationality, namely instrumental (or purposive) rationality. Habermas emphasises that the crisis of modernity does not lie in modernity itself, but in

> the failure to develop and institutionalise all the different dimensions of reason in a balanced way (quoted in Mirsepassi 2000: 3).

By opening up modernity to different forms of rationality, Habermas suggests that there may be more than one historical trajectory to modernity. However, he maintains that modernity is founded in the Enlightenment and cannot be seen separately from European history.

Marshall Berman opens the door even wider, by presenting modernity as a vital experience that is shared worldwide. It is not restricted to a single geographical area, or to one culture:

> Modern environments and experiences cut across all boundaries of geography and ethnicity, of class and nationality, of religion and ideology: in this sense, modernity can be said to unite all mankind. But it is a paradoxical unity, a unity of disunity: it pours us all into a maelstrom of perpetual disintegration and renewal, of struggle and contradiction, of ambiguity and anguish (Berman 1988: 15).

Modernity springs from processes that originate in the West, like the expansion of the physical sciences, industrialisation, the rise of the nation-state, the bureaucracy, capitalism, and so on. However, this 'maelstrom', as Berman calls it, of modernisations creates a daily experience of modernity that is universal:

> To be modern is to be part of a universe in which, as Marx said, 'all that is solid melts into air' (Berman 1988: 15).[18]

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[18] Zygmunt Bauman (2000) elaborates on Marx's metaphor of evaporation by introducing the notion of 'liquid modernity'. According to him, the volatile nature of modernity is restricted to its subsystems, but these subsystems themselves are tied together in a highly rigid fashion. The term 'liquid modernity' is used to explain the increasing flexibility and fluidity of this new order that modernity itself has created.

Anthony Giddens also argues that modernity is a global experience. Based on institutions (like the nation-state, capitalism, and industrialism), it creates an extreme dynamism in which social practices and behaviour are changed at an unprecedented pace, and with unprecedented scope and profoundness. This extreme dynamism of modernity is a consequence of three fundamental elements that constitute modernity, namely the 'separation of time and place', the 'disembedding of social relations', and 'institutional reflexivity'. The first allows for the coordination of actions over distance and time, while the 'disembedding of social relations' allows for the use of symbolic tokens, such as money, and expert systems, both of which work on trust. Third, modernity is based on 'institutional reflexivity', through which all knowledge is constantly revised and reinterpreted. As a result, certainty of knowledge is replaced by radical doubt, which is, in Giddens' words, 'not only disturbing to philosophers, but is *existentially troubling* for ordinary individuals' (Giddens 1991: 21, italics in the original).

Even though Giddens opens the door for locally mediated experiences of modernity, he retains the liberal argument that modernity is fundamentally a Western project, which started in post-feudal Europe, but spread on a global scale during the twentieth century. Modernity, he states, 'can be understood as roughly equivalent to 'the industrialised world', so long as it is recognised that industrialism is not its only institutional dimension' (1991: 15; 1990: 174-178). Like Habermas, he maintains the notion that modernity is one universal process, even though it may be experienced differently in different locations.

A more radical line of 'localising' modernity (in the sense of conceiving it to be a locally constructed phenomenon, not a global one) is followed by sociologists such as Peter Wagner and Göran Therborn, who argue that there exist different historical trajectories towards modernity in different parts of the world. Wagner contends that in the twentieth century, the United States, Western Europe and the Soviet Union constitute the three 'actually existing modernities' (Wagner 1994: 13). Therborn argues that there are four trajectories: a European one, in which modernity was endogenous, one of the 'new world' (spanning both North and South America), where the trajectory of modernity mirrored the examples of Britain and the Iberian peninsula respectively, a colonial one (consisting of North-Africa and the South Pacific), where local resistance to modernity was crushed by the European colonial forces, and that of countries that have known an 'externally induced modernisation', which modernised under the pressure of subjugation by European powers. Jorge Larraín discerns five trajectories, separating the North American path towards modernity from the Latin American one (2000: 19-24). The question of the existence of three, four, or five trajectories, however, is indicative of the weakness of this approach: to attempt to create clusters of countries with disparate histories and experiences easily leads to a homogenising approach. Additionally, the focus on the period of the first encounter with modernity, the confrontation with the European colonial powers, runs the risk of leading to predetermination. This is not to say that in general there exist no shared trajectories between countries, but only to the degree that the substantial differences between

societies, for instance between neighbouring countries like Chile and Bolivia, are taken into account. Furthermore, these authors still maintain the notion of one fundamental model of modernity, and even though the trajectories around the world may be different, they will eventually unite in one global modernity. Larraín, for instance, argues that the various existing trajectories towards modernity will eventually converge into one global modernity:

> No doubt, modernity was born in Europe and Europe became a necessary point of reference for the processes of modernisation in the rest of the world, but modernity has followed different routes in Japan and South East Asia, in North America and Australia, in Africa, and in Latin America. Thus, at least five routes to modernity can be distinguished which diverge, especially at the beginning, but which, as globalisation expands, start to converge (Larraín 2000: 19).

Even though this approach allows for authentic non-European forms of modernity, the element of convergence still echoes a classical view of modernity, assuming that Western patterns of modernity will eventually become globally dominant. Furthermore, they pay relatively little attention to the underlying processes that mediate the construction of a localised trajectory towards modernity.

Another approach focuses on the nature of modernity outside the industrialised world. Brunner (1994a), for instance, emphasises the different modalities that it can take in the context of developing countries like Chile. He stresses the mixed and complex ways in which models of modernity can create options and possibilities of action in societies. Democratic modernity offers series of 'contexts of choice', through which individuals can exercise their liberties. Instead, the main alternative, socialist modernity (in the sense of the 'Socialist alternative' of the real existing socialisms), offers 'contexts of hierarchy', based on the Communist party, the state and bureaucracy. The model that was introduced by Pinochet in Chile is a mix of the two models, limiting the context of choice strictly to the economic realm and emphasising hierarchy in all others (1994: 19-22). Brunner also argues that modernity creates different 'cultural modalities' in which complex patterns of cultural activities can be exercised. Using two axes of 'individual' to 'group' and 'autonomy' to 'hierarchy', he creates maps of modernity in which the manifold forms and experiences of modernity are charted. As a result, Brunner is able to show that while ideally modernity may have a democratic and liberal face, mixtures of modern modalities may come into existence in which other more authoritarian and collective elements are dominant. As a result, modernity in Latin America may well take shapes different from those in other parts of the world, and still be modern (1994b: 30).

Others have stressed the 'fragmented' and 'hybrid' nature of modernity in Latin America. Nestor García Canclini, for instance, speaks of 'hybrid cultures', which are characterised by the blending of tradition and modernity. Modernity and tradition, which are usually viewed as being antagonistic and non-compatible, often cohabit rather than mutually excluding each other. As García Canclini puts it:

> Today we conceive of Latin America as a more complex articulation of traditions and modernities (diverse and unequal), a heterogeneous continent

consisting of countries in each of which coexist multiple logics of development (García Canclini 1995: 9).

Indigenous artisans, for example, continue to produce traditional artefacts in modernity, actually making folklore one of Latin America's prominent areas of production. On the one hand, this branch of economic activity is geared to the population itself, particularly to the groups which are least integrated into modernity, and on the other it serves the highly modern phenomenon of mass tourism (*ibid.*, pp. 152-170).

In a similar vein, Vivian Schelling describes Latin America as a kaleidoscope, a 'particularly heterogeneous society and culture', in which 'the modern and pre-modern modes of production and ways of life' are combined (Schelling 2000: 7-8). According to these authors, modernity does not mean the simple destruction of tradition, but the creation of new mixes of both into a particular local blend, which creates particular patterns of 'being in modernity'. As a result, the possible contradictions existing between 'European modernity' and Latin America can no longer be perceived in black-and-white terms:

> There are many more opportunities in our future than to choose between McDonalds and Macondo (Canclini 1999: 52).

This approach, which is generally applied to continents as a whole, is also relevant for specific societies. Jorge Larraín, for instance, labels the nature of modernity for the Chilean case as particularly hybrid:

> [Modernity] is actively, not passively, incorporated, adapted, and re-contextualised in Chile (…). Chile has a specific way of being in modernity. This is why our modernity is not exactly the same as European modernity: it is a mix, a hybrid, the fruit of a process of mediation which has its proper trajectory; it is neither purely endogenous nor entirely imposed; some have called it subordinated or peripheral (Larraín 2001: 79)

An important contribution of Larraín in explaining the local construction of modernity is his analysis of the specific trajectory which Chile has followed towards modernity. He argues that it has taken place in six different phases, in which an alternation between expansion and crisis of modernity can be identified. During the colonial period, Chile was 'denied' modernity by the Spanish crown. After independence, a period of stabilisation was followed by rapid economic expansion and a strong orientation towards Europe. In this period, European theories such as liberalism and positivism were imported and adapted to the local context by Chilean intellectuals. However, the experience of modernity was still confined to a tiny oligarchy. After 1900, modernity entered into crisis, first through the effects of the First World War, and later because of the economic crisis of the 1930s. In this period, the 'oligarchic modernity' of the nineteenth century reached its end, leading to the consolidation of the power, in the 1930s, of the middle classes. In response to the economic crisis, a new developmental strategy was set up, in the form of state-led industrialisation. This strategy led, in the 1950s, to a new phase of expansion of modernity, strongly focused on the deepening

and widening of democratic structures, the redistribution of wealth, and the achievement of economic development. After 1970, though, Larraín claims that the expansion of modernity once again was in crisis under the dictatorship, only to resurface after 1990 in the form of neo-liberal modernity. This conceptualisation of a national 'trajectory towards modernity' is useful for this study, as it describes the local construction of modernity in a particular society (*ibid.*, pp. 77-137). It also shows, like the other 'hybrid' approaches, that modernity is constructed locally through the interaction of elements of tradition and modernity. However, they still fall short in identifying the processes within society that construct modernity; or in other words, they still do not explain how modernity is actually constructed locally.

A more radical, and for this study particularly useful, approach can be found in the 'multiple modernities' approach. This perspective argues that the developments in modernising societies have not sustained the theories of global conversion and Europeanisation. Charles Taylor, who initially coined the idea of 'multiple modernities' (even though he used the phrase 'alternative modernities') has claimed that different, but authentic, modernities have emerged in different societies worldwide (Taylor 1998: 205). For a true understanding of modernity, Taylor argues, Europe should no longer be seen as the one true point of reference, but should be 'provincialised':

> This means that we finally get over seeing modernity as a single process of
> which Europe is the paradigm, and that we understand the European model as
> the first, certainly, as the object of some creative imitation, naturally, but as, at
> the end of the day, one model among many, a province of the multiform world
> (Taylor 2004: 196).

The 'multiple modernities' argument, which has been further developed by social scientists such as Shmuel Eisenstadt, Carlos Waisman, Luis Roninger, Björn Wittrock, and Laurence Whitehead,[19] claims that modernisation is a local process, even while it is influenced or even initiated from the outside. In modernising, societies have generated ideological and institutional patterns that were not 'modern' continuations of their traditional ones, and also not simple carbon copies of European patterns. They were 'distinctively modern, though indeed greatly influenced by specific cultural premises, traditions, and historical experiences of the respective societies in which they crystallised' (Eisenstadt 2000: 2). European patterns served as a central but often contested point of reference; even many movements that were explicitly anti-European or anti-modern, were thoroughly modern themselves, from nationalist movements in the early twentieth century to the fundamentalist movements of today. The crystallisation of these manifold patterns is what Eisenstadt labels 'multiple modernities':

> The idea of multiple modernities presumes that the best way to understand the
> contemporary world – indeed to explain the history of modernity - is to see it as
> a story of continual constitution and reconstitution of a multiplicity of cultural

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[19] Apart from their separate contributions to the 'multiple modernities' approach, these authors have all put forward their arguments in Roninger and Waisman (2002).

programs. These ongoing reconstructions of multiple institutional and ideological patterns are carried forward by specific social actors (…) holding very different views of what makes societies modern. Through the engagement of these actors with broader sectors of their respective societies, they crystallise distinct patterns of modernity (Eisenstadt 2002: 8).

While general trajectories may be identified, all societies form their particular patterns of modernity, within the framework of their own institutional, political and social orders and identities, and in interaction with different outside models and counter-models of modernity. Latin American societies in this way are not just:

fragments of Europe (…) or mere replicas of one another in the era of globalisation (Roninger and Waisman 2002: 2).

Instead, the colonisation of Latin America has produced societies that are fundamentally different from those in Europe, and from each other. This difference flows from two sources: the way in which visions of social and political order were institutionalised from a peripheral perspective, and the creation of new identities as a result of the encounter between Europeans and the indigenous population. Because of these differences, the introduction of European ideas and institutions created tensions which crystallised in deviating patterns of institutional and social order, and of identity (Roninger and Waisman 2002: 2).

The Construction of Modernity

The particular value of this approach is that it sheds light not only on the trajectory towards modernity that societies in Latin America have followed, but also on the way in which this trajectory has been constructed historically. It starts out by arguing that modernity, rather than being limited to a set of institutional constellations, has to be understood in terms of 'aspirations' or what Björn Wittrock has labelled 'promissory notes'. These promissory notes are not just vague demands or desiderata, but are aspirations that can be expressed in explicit terms, and which refer to the community as a whole. They are also not just open or casual demands, but may be legitimately expected, based on existing conceptualisations of man, values, and community. Promissory notes are not strange elements in society. They are always embodied and expressed in a country's political and social institutions. As a result, these institutions affirm the reasonability (and therefore legitimise) the aspirations of members of society that may partly reaffirm, but also reject or transcend the promissory notes that are embedded in the existing institutions. Finally, promissory notes are not just expressed in principle, but are set out in public forums, with the explicit objective of gaining influence among policy-makers.

These promissory notes serve as generalised reference points for modernity. As a result, they become the point of departure for various projects and proposals that would lead to their realisation, as well as to counter-proposals that seek to maintain older promissory notes. In this way, the perspective of promissory notes allows us to view

modernity as being mediated through proposals and projects, which are constituted culturally, but entrenched institutionally (Wittrock 2000: 37-38).

A similar perspective has been applied by Laurence Whitehead in analysing the Latin American relation with modernity. In Latin America, Whitehead argues, elites have been the key mediators of modernity. The *conquista* in Latin America was characterised by the all but total destruction of the existing Indigenous empires, as well as by a demographic disaster among the indigenous populations. As a result, a return to a pre-European past soon became a completely unfeasible alternative for colonialism. This produced an orientation among the successive elites in Latin America towards Europe, without the counterbalance of a truly local alternative. Subsequently, the United States' independence and the French Revolution gave Latin American Creole elites two clear alternative models to Iberian rule.[20] These two revolutions cast the image of backwardness over the Spanish and Portuguese empires, and awakened an orientation among the new Latin American elites towards the modern, enlightened world, to which they were now forced to relate themselves (even when rejecting elements of it). As a result, post-independent Latin American elites developed a 'bias towards modernity', and produced an endless series of influences, proposals, projects, counter-proposals, and counter-projects, all of which were intended to introduce (or deflect) certain aspects of modernity.

The elite-orientation of these proposals and projects of modernisation, Whitehead argues, resulted in processes of modernisation that were 'from above and without'. They were met with local processes of resistance by the population at large, who did not share the elites' 'bias towards modernity'. This resistance usually did not take the form of outright protest, but rather that of distortion and defensive absorption, while at times it initiated a search for alternative versions of modernity to replace the current one. So while different versions of modernity were implemented in Latin America in a top-down fashion (and were not directly enforced from the outside, as in colonial regimes), there remained ample room for local adaptation, bargaining, and negotiation. The elites themselves have also been forced to adapt their ideal-type projects under pressure of the logic of coalition building and other political realities. As a result, projects of modernisation are only stabilised and institutionalised after having gone through substantial adaptations. When they subsequently did not deliver on their original promises, new proposals were created that were intended to overcome the flaws of the previous ones, or to contradict them altogether by referring to completely different elements of modernity. This created an on-going sequence of 'successive waves' of modernisation, leaving behind remnants of the incomplete results of each wave. As a

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[20] Luis Roninger, another proponent of the 'multiple modernities' interpretation, has analysed in some depth how Spain, France and the United States have served both as models and as counter-models to Latin American elites. As a result, he argues, different rival groups have created different images of the modern which they presented as universal, and which they attempted to implement at the cost of other groups. The failure to do so often reinforced the outward-oriented drive of Latin American elites toward modernisation, setting in motion a new round in the conflictual path towards modernity (Roninger 2002: 79-100).

consequence, Whitehead concludes, Latin America has come to display the characteristics of a 'littered landscape' of 'no longer fashionable monuments to once desired futures'. In this sense, it has become a 'mausoleum of modernities' (Whitehead 2002: 29-61).

The 'multiple modernities' approach also has its detractors. It has gained some influence in the study of societies that have been historically marked by the encounter of East and West,[21] and has been supported by several theorists on modernity,[22] but has also been received with a shrug among academics working on the theme of modernity. A truly fundamental contestation of the 'multiple modernities' argument has been elaborated by the sociologist Volker Schmidt, who has claimed that its fundamental assumptions are conceptually flawed and empirically dubious. According to Schmidt, the notion that there exists more than one modernity cannot be stand up to serious academic scrutiny. His criticism focuses on three points. First, he argues that the quality of modernity remains largely undefined. When arguing, for instance, that Japanese modernity is different from European modernity, the proponents of 'multiple modernities' do not provide the necessary information in order to determine whether it is really necessary to award Japan (or whatever region or country) a truly different brand of modernity, or that it was also possible to explain the existing differences within the perimeters of one global modernity which shows local variations and different stages in realisation. Putting it this way, the 'multiple modernities' argument seems to overrate the differences that exist between societies (whereas the modernisation theories of the 1950s seemed to underestimate them).

Second, the 'multiple modernities' argument does not indicate how many modernities there actually are. It speaks of regional modernities (such as a Latin American one), but regularly suggests that modernity is constructed on the national level first, which implies that there exist as many modernities as there are societies. Does this not amount to saying that culture equals modernity? And even if this is not the case, how does it explain the heterogeneity within societies? In some cases differences within one society far exceed the differences from other countries. Will we have to speak of a Quebecois modernity, which is different from the modernity that is experienced in the rest of Canada? Putnam has pointed to significant differences between the North and the South of Italy - do these regions constitute distinct modernities? Or, for the case of Chile, would we need to think of a Santiago-modernity, and a peripheral one? And what about Southern Chile, where most of the Indigenous population live?

Third, Schmidt attacks the orientation of the 'multiple modernities' argument to political institutions and national culture. In other fields, modernity may not differ quite as much as might be expected on the basis of a 'multiple modernities' approach. Is science in Belgium, for instance, fundamentally different from science in Egypt? At the organisational level, it probably is; but at the level of benchmarking and scientific

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[21] See Masoud (2005), Kwok Wah Lau (2002).
[22] See, for instance, Beriain (2004) and Taylor (2004).

methodology, the divergence will probably be very small. Or, to put the question differently, if in a developing country medicine is practised quite differently from Western standards, does that necessarily imply a multitude of modernities? Or could it be that some societies have not yet internalised modernisation in the ways others have? Could it be that some countries are less modern than others?

For Volker Schmidt, the 'multiple modernities' argument seeks to integrate cultural relativism in the debates on modernity in order to downplay or even neglect the possibility that some societies are more modern than others. This 'politically correct' position is maintained by referring to the existence of a multitude of modernities, which not only have not been identified properly, but have also not been sufficiently conceptually defined. As a consequence, Schmidt advocates a yet-to-be developed concept of 'variations of modernity', which are all part of one, originally European but now global modernity, but may show differences due to the particular pace of modernisation that their institutions have experienced (Schmidt 2006).

The questions that have been posed by Schmidt are both legitimate and significant, as they touch the core of the 'multiple modernities' argument. The theoretical supporters of this approach will have to deal with them. For the purpose of this investigation, though, the choice between 'multiple modernities' or 'varieties of modernity' is not essential - at least not at the level of identifying 'Chilean modernity' as a *sui generis* modernity or as a branch on a larger family tree of modernity. The same goes for the question of the conversion of all variations into one global modernity. Both Volker Schmidt and the proponents of 'multiple modernities' may be right in respectively advocating and contesting this process of global conversion: for this investigation the essential point is that such conversion has only partly taken place until now, and that a heterodox and hybrid form of modernity has been constructed in Chile during recent centuries. Whether this Chilean modernity will eventually converge with the European original is not a matter of importance for this study.[23]

Notwithstanding the criticisms of the 'multiple modernities' argument, I therefore propose to make use of elements of it as far as this serves the purpose of the investigation. This refers in particular to its conceptualisation of the way modernity is locally constructed, that is, through the interaction of competing elites, who, based on different interpretations of what the modern is, seek to implement their project of modernisation, producing successive waves of modernisation.

1.3 Operationalisation: Projects of Modernisation in Chile

In order to make use of the 'multiple modernities' approach in the case of Chile, some differentiations should be made, especially regarding the conception of modernity held by elite groups. It should be emphasised that the formulation of doctrines and projects of modernisation is not something that takes place in the heads of modernising elites

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[23] I will use the phrase 'Chilean modernity' in a twofold way, referring to both the possibilities of its being a *sui generis* modernity or just a variation of modernity.

exclusively. To a large extent, it is determined by the 'window of opportunity' that is created by the path of modernisation the country is following at a given moment. Projects of modernisation are feasible and appealing to the public only if certain prerequisites are met. As a result, the way in which elites orient themselves and construct doctrines and projects of modernisation should be placed in the context of the patterns of modernity that characterise society at that given moment. For example, the popularity of fascism in Chile in the late 1920s and 1930s was clearly influenced by the fascination of sectors of the Right with Italian fascism. However, it only became an option available to Chileans through the rise of the middle classes in the previous decades, which provided the support base for the semi-fascist dictatorship of Ibáñez (1927-1931). Conversely, while the creation of ambitious technological projects (such as a space programme) may be theoretically attractive to some, they remain completely unattainable because of the financial means that they would require. So while the Chilean elites may have a 'bias towards modernity' (Whitehead 2002: 33) and create 'promissory notes' (Wittrock 2000: 38) that serve as points of reference for modernisation, they are bound by the existence of certain prerequisites that are essential for the introduction of elements of modernity. In this sense, the drive towards modernisation is limited by the realities within society, showing possible paths and trajectories that may be followed, but simultaneously excluding and obscuring others.

It should also be stressed that not all processes, structures, and institutions are the direct or indirect result of the importation of ideas from abroad. Developments may take place simultaneously or even earlier in Chile than for instance in Europe. The pragmatic approach of the European Communist Parties towards democracy after the Second World War, for instance, was preceded by a similar approach adopted by the Chilean Communist Party decades earlier, joining in government between 1938 and 1948. So while the orientation of Chile's elites towards outside points of reference for modernity is crucial for the understanding of processes of modernisation in the country, some hesitation is called for in identifying local processes of modernisation as being simply 'imported' or 'copied'.

1.3.1 Examples of Modernity

With those nuances in mind, the 'multiple modernities' approach provides us with a useful framework of analysis for the theoretical framework of this investigation. It shows that modernisation has taken place on the initiative of different elite groups, which construct 'promissory notes' that serve to orient their projects and counter-projects of modernisation. In the process of the interaction of the successive projects of modernisation, specific patterns of modernity emerge. Before dealing with the implementation and interaction of projects of modernisation, however, some attention should be paid to their conception and construction. Whitehead, as well as many other authors, emphasises the importance of existing examples of modernity for Latin American elites (Whitehead 2002: 33). For the case of Chile, I propose that the construction of projects of modernisation has roughly been based on four of such

examples. These examples have been used in a highly selective way, though. Even while Chilean political elites have shown a strong orientation towards external models of modernity, they have been very specific in the ways they have applied them to the case of Chile, using certain elements and ignoring others. Also, several examples have served as points of orientation at the same time. As a result, it is difficult to pin-point Chilean projects of modernisation to one specific example of modernity. Nevertheless, they have been of importance as they have provided Chilean elites with images of modernity, from which could serve as the basis for proposals of modernity.

The examples of modernity that have been most important among Chilean elites more or less coincide with the perspectives that have been used to categorise the debate on modernity in Chile. They are the North-West European welfare model, the American-liberal model, the Socialist model, and the Latin American model of modernity.

The North-Western European welfare model is based on the patterns of modernisation that were followed by the North-Western European countries such as England, France and Germany. It was based on what Peter Wagner has labelled 'restricted liberal modernity'. On the one hand this was based on liberalism and democratic values, and on the other it was based on the central position of the nation-state as a container of these modern ideas. As a result, Wagner argues, already in the nineteenth century liberal modernity was blended with an emphasis on collectiveness. In the twentieth century, this model developed into 'welfare modernity', or, as Wagner labels it, 'organised modernity'. In this model, the liberal autonomy of individuals was restricted by the state, which sought to include social certainties in the interest of the common good. Especially after the Second World War, the 'European Social-Democrat welfare modernity' expanded rapidly into an institutional network which provided care 'from the cradle to the grave'. Apart from creating standardised levels of welfare, it maintained a strong focus on the state as both the provider and container of modernity, and on collectivisation of identity and social structures (*ibid.*, pp. 69, 98).

The liberal example of modernity can mainly be found in the United States. Rather than being a simple 'fragment of Europe', North America has produced a fundamentally different model of modernity, with a strong emphasis on individualism and the primacy of civil society over the state (Beriain 2005: 47-50). This does not reflect a different disposition or cultural identity of the original settlers, but rather the way in which modernity has evolved in North America. After independence from England, the American people had to create a completely new order after their break with the English colonial system. Without the existence of substantive rules that served as a foundation for the new order, individual freedom and pluralism were the logical alternative. Thus, as Wagner argues, modernisation in the United States was determined by the absence of a previous model, and provoked fundamentally different patterns of modernity from the European ones. This 'American liberal modernity' came to be characterised by a highly articulated civil society that allowed for little intervention by the state. This civil society, in turn, showed a little emphasis on large collectives and a

focus on individual rights and liberties. As a result, no 'welfare state' emerged in the US, and the market was allowed a much larger role in the allocation and distribution of material as well as cultural goods than in Europe (*ibid.*, p. 54).

The Socialist example originally emerged as an alternative model of modernity (Brunner 1994b: 19). Rather than constituting a true opposite to the European model, though, it was based on many of the same elements of the European model, such as a strong focus on the state in the organisation of modernity, and an emphasis on class (but without the European idea of the nation). As Peter Wagner put it:

> [f]ar from presenting a derailment of the modern project or the emergence of some kind of anti-modernity, Soviet socialism emphasizes certain features of modernity, though obviously at the expense of others. Just as American exceptionalism can be regarded as the epitome of one kind of modernity, so should socialism be seen as the epitome of another kind (1994: 13).

> In all respects, we can see socialism as precisely the epitome of *organised* modernity, rather than as a non-, pre-, or even anti-modern social configuration (*ibid.*, p. 101; italics in the original)

Ideologically, it drew on an egalitarian reading of liberal theory, in which the state legitimately may intervene by destroying existing structures of privilege for the higher good of social equality. In this sense, important elements of the modern were used in order to create a highly organised model for modernity, while others (such as the liberal idea of the limitation of the influence of the state for the benefit of the individual) were rejected completely (*ibid.*, pp. 100-102).

It should be noted, though, that the Socialist alternative was particularly heterodox in its manifestations. Apart from the Soviet model, several other models emerged, such as the Maoist one, and, particularly influentially for the Latin American case, the Cuban one. Furthermore, the Socialist alternative not only existed in its 'really existing' form, but also as an ideology that guided many Socialist and Communist parties. Rather than constituting a full converse to the 'Social Democratic welfare modernity', it should be interpreted as its more radical expression, with an extremely high valuation of equality, collectivisation, and the role of the state, combined with a deep mistrust of liberal concepts such as the market and democracy.

The fourth example of modernity consists of the Latin American 'baroque' notion of modernity. It has been based on the conservative patterns of culture and identity that were inherited from the colonial era. Nevertheless, like the Socialist alternative, it is an 'alternative modernity' rather than an 'alternative to modernity'. Instead of resisting modernity in all its forms, Latin American conservative modernity selectively differed from European modernity by rejecting specific elements such as Rationalism, Enlightenment, and secularisation. In fact, Morandé argues, foreshadowing the multiple modernities argument, in Latin America a *different model* of modernity emerged:

> If modernity and Enlightenment are equal, then Latin American Catholicism is archaic and secularisation an inevitable process which will eventually demolish this archaism. If, instead, Enlightenment and secularism constitute only one of the historical variations that have been followed by modernity, the discovery of

the 'baroque' and the Latin American cultural ethos, which are, apart form an essential virtue of our particular identity, in itself a possibility of discovering the bases of a non-secular modernity (Morandé 1984: 142).

Thus, Latin American conservative modernity can be viewed as a mix between the Catholic and traditional patterns of culture and identity in Latin America with certain elements of modernity. It may be authoritarian, resistant to change, and focused on ritual rather than on written text; but it is simultaneously modern - albeit in a form different from European modernity. This may seem to be a contradiction in terms. However, as Wiarda (2001 95-96) has shown, patterns and institutions that have become cornerstones of European modernity, such as the *trias politica* and the liberal notion of checks and balances, can be found in the Latin American baroque modernity as well, albeit in less explicit and powerful forms. Even though the outcome of such institutions and practices may deviate from the European model of modernity, they are certainly not anti-modern in essence, and may well be labelled modern themselves.

Some of the most striking elements of Latin American conservative modernity are its authoritarian and top-down orientation (which is checked by means of corporatist institutions), centralism, dominance of the state over civil society (but by no means a disarticulated civil society), and a strong emphasis on order (but also on elements of progress), to name but a few (Wiarda 1978).

Together with these examples modernity, I suggest to add another dimension to the analysis of how projects of modernity are conceptualised and constructed. This dimension consists of three dimensions that can be identified in modernity. Loosely paraphrasing T.H. Marshall's notions of citizenship, I propose that modernity can be viewed from the a social, a political and a economic perspective.[24]

The social dimension of modernity fundamentally reflects the notion of the expansion of civil rights in modern societies. This implies that all citizens receive equal access to the benefits of the state, and that no groups remain excluded. As such, social modernity refers to the role of the state in society, both on the level of bestowing citizenship on the members of the population, but also in providing basic care for all citizens. The political dimension of modernity emphasises the expansion of political rights, and includes the notion of power-sharing and a deepening of democratic structures. It is based on the idea that modernity implies the political emancipation of the people and the creation of a society in which the power of the executive is checked by representative and liberal institutions. Finally, the economic dimension of modernity reflects the idea of the expansion of economic rights for the population at large. These three dimensions bring to the light the focus that each project of modernisation has. Often, one or two of the three dimensions are emphasised strongly, while the other(s) are ignored of at least given less importance.

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[24] In his famous *Citizenship and Social Class* (1950), Marshall underlines three levels of citizenship: civil citizenship, in which basic civil rights are attributed to the members of a society, political citizenship, in which individuals are bestowed with civil rights, and social citizenship, which allows for certain levels of socio-economic equality within a society.

1.3.2 Elites and Modernisation in Chile

As the theoretical framework indicates, modernisation in Latin America takes place through elite-projects of modernisation, which interact with each other. First of all, some attention must be given to the use of the term 'elites'. While during nineteenth-century Chile a clear social, economic and political 'elite' can be identified in the oligarchy, from the early twentieth century onwards the term becomes problematic. The middle classes as well as organised groups representing the proletariat became increasingly powerful groups that competed politically with the traditionally dominant conservative sectors. As a result, political power pluralised, while in the social and economic realms a cohesive and identifiable elite remained in existence.[25] Only in the 1980s did middle class groups gain access to the economic elite, and did the social and economic cohesion of the oligarchy make way for pluralism and differentiation (Salazar and Pinto 1999b: 38-46). For the sake of this investigation, elites will be approached from a political perspective in particular. This implies that while some groups have never had economic stature or social 'standing', they may be called 'elite' in political terms. This applies especially for the middle classes and the socialist and communist movements which emerged in the early twentieth century, and turned into clearly identifiable social groups which became central actors in the political arena. In contrast to other Latin American countries, for instance, the Communist and Socialist parties were able to become significant political powers and even to control the government as soon as the late 1930s. Furthermore, the different classes came to organise themselves into three political movements, which represented their particular interests. The Right represented the old oligarchy and the social and economic elites, the Centre the middle classes, and the Left the popular classes. These three political sectors were relatively clearly outlined and cohesive, and more or less in balance: from the 1930s on, the Right, Centre, and Left each gained about one-third of the electoral vote (Oppenheimer 1993: 14). Therefore, in this study the concept 'elite', when applied to the post-1920s period, will be used in the sense of 'political elite,' rather than in its social and economic sense. However, it should be noted that political elites do not work within a vacuum. They need to gain power among their constituencies in order to be able to impose their project. Often, these constituencies include other sectors of elites. In the case of the Right and, up to certain degree, the Centre, the influence of the economic elites has been significant. The Left, in turn, counted with the support of the much less politically influential but still not negligible cultural and intellectual elites.

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[25] De Ramón (2000: 66-69) shows that in contrary to popular belief, the Chilean oligarchy does not consist of a few families which have perpetuated their influence during the course of the last two centuries. Instead, it changes its face every couple of decades, when new families come to gain importance and others lose their prominence. As a result, the Chilean oligarchy shows a relatively high degree of dynamism, which has allowed it to survive in the face of social conflict and confrontation with other classes.

Elite Competition in Chile

Some attention also needs to be given to the question of why modernisation as a project has taken such a radical and intensive course in post-1964 Chile. Several reasons which have contributed to this process can be identified. First of all, in contrast to most of the other Latin American countries, Chile's elites have possessed a particularly high level of cohesion.[26] This cohesion was visible from the first half of the nineteenth century onwards, in the creation of the 'Portalian state' and the subsequent relatively stable path of institutional development that the country has followed. This is not to say that there have been no severe intra-elite clashes; the civil war of 1891 was a clear example of such a confrontation. However, no fragmentation or dispersion of the elites has taken place in Chile as it has in other cases, such as Argentina and Peru. This has resulted in a social structure in which elites are capable of setting in motion relatively radical and far-reaching political projects. This can be seen, for instance, in the establishment of a successful state-led programme of industrialisation in the late 1930s, which assumed a pioneering role in the region. This has allowed the bourgeoisie to become a key actor in processes of modernisation.[27]

Second, the role of the middle and popular classes has been essential in the country's drive towards modernity. From the outset, Chilean middle classes have been highly attracted to and fascinated by modernity and modernisation, especially those elements that would represent its interests best. Traditionally oriented towards the state, the middle classes promoted state-oriented projects of modernisation, which linked their professionalism with their largest employer. The popular classes, meanwhile, have been particularly well organised in Chile, and this gave them a strong influence in the improvement of the social question and the position of the lower classes in Chile.

Third, the relative wealth of Chile since the second half of the nineteenth century, especially in the period 1880-1920, but also in the 1940s and 1950s, has fed the elites' expectations and anticipations of becoming part of the 'modern world'. Even while large sections of the population lived in poverty, a feeling existed among the country's elites that the gap with the 'developed world' could be closed relatively easily. This can be seen in the many trips to Europe that were made by members of the Chilean higher and upper middle class, which can be seen as 'scouting trips' that were meant to catch up with the newest ideas and most modern innovations and institutions.[28] In examining the 'modern world', different elites have taken different examples (usually countries like England or France) for the construction of their own image of modernity. The

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[26] In Latin America, elites have generally had very little cohesion and autonomy from the state, compared to Europe. Often they were organised in guild-like occupational groups that defended their limited interests exclusively, with very strong ties to their local surroundings. As a result, they competed keenly with the other groups, however similar, and maintained a local rather than a national outlook (Eisenstadt 2002a: 53).

[27] See Barrington Moore (1966) on the modernising role that national bourgeoisies can play in agricultural societies.

[28] A good example is later Christian Democrat leader Eduardo Frei Montalva's trip to Europe in the 1930s, which was organised by the Conservative party, in order to examine the new developments in Southern Europe (for instance Mussolini's fascism). See Chapter 3.1.1.

sensation of proximity to modernity has also created a high degree of legitimacy for modernising doctrines and for the notion of modernisation in general. Even among the country's most conservative elites, modernisation was not simply rejected, but selectively integrated and instrumentalised (Jocelyn-Holt 1997: 146).

The fourth element explaining the intensity of Chilean projects of modernisation is the susceptibility of Chilean political elites to doctrines. Compared to other Latin American countries, doctrinal influences, mostly from the outside but also local ones, have been of great importance in the conception and implementation of projects of modernisation (Angell 1988: 95). French positivism, for instance, played a key role in the creation and organisation of a mass education system by Valentín Letelier in the early 1900s. Some decades later, fascism, and even Nazism, gained high levels of influence in Chilean politics, while the ideas of John Maynard Keynes laid the basis for the project of state-led industrialisation (Correa *et al.* 2001: 136). Finally, Chile's political elites (from the Left to the Right) experienced, towards the late 1950s, a profound sensation of pending changes. All sides of the political arena expressed pessimism about the viability of continuing the state-led model of development, as it proved to produce insufficient growth in order to satisfy the rapidly growing social demands. Furthermore, the success of the Cuban revolution indicated that without serious reforms an outbreak of revolution might well be a real prospect. As a result, a broad consensus developed among all sectors of Chile's political elites that substantial and structural change, even if undesirable (for instance for the Right), was necessary. This consensus created legitimacy for projects of modernisation that went further than partial reform or innovation. Simultaneously, though, the consensus on change went hand in hand with a process of ideological conflict regarding the nature of that change. As a result, the political competition between the three main political blocks in Chile (the Right, the Centre, and the Left) reached unprecedented heights in the late 1960s (Valenzuela 2003: 35). Together with the cohesion and the doctrinaire outlook of Chile's elites, and the sensation of proximity to modernity, this consensus on the necessity for change, built the support base for the projects of modernisation as they have been set in motion since 1964.

Political Projects in Chile

The primary role that this investigation assigns to political projects in the construction of modernity also warrants some attention. Unlike in Europe, where modernity was disseminated first by philosophers and other intellectuals, and was only institutionalised at a later stage, in Latin America the philosophical basis of modernisation has been much thinner. The role of philosophy and other purely theoretical intellectual activities has therefore been of much less importance in the process of modernisation than the role of the applied doctrines and the institutions they created. As Brunner puts it:

> Modernity has originated in Latin America not in the heads of modernisers and through the dissemination of their ideas to their contemporaries, but through the cultural apparatuses that produce it, often behind the backs of the intellectuals (Brunner 1990: 43).

This is not to say that intellectuals play no or no significant role in the construction of modernity in Latin America. Their role, however, lies not so much in the elaboration of philosophical discourses on modernity, but more in the area of the translation of existing doctrines into political programmes and doctrines, often in the context of think-tanks and other advisory bodies, but also in religious organisations, trade unions, the media, and technology (Vial 2000: 99). This is why it has been stressed above that Wittrock's 'promissory notes' are 'applied' in kind, and are not merely theoretical: they are not vague desiderata, but concrete aspirations that are put forward in public areas with the explicit purpose of influencing decision-making processes. As a result, the gap between the cultural constitution of modernity and its institutional entrenchment is very small, making political projects viable agents for modernisation (Wittrock 2000: 38).

For the Chilean case this is particularly true, as the state traditionally constitutes the prime actor in most processes of change in society, be it at the level of culture, economics, or institutional order. Many observers have pointed to the importance in Chile of state institutions in processes of modernisation (and change in general).[29] As a result, the use of the state, and in particular political projects, in processes of modernisation, has become a 'natural orientation' for political actors in Chile, and possesses a high level of legitimacy among the population. The use of the state is also reinforced by the doctrinal outlook of the Chilean elites and their internal cohesion, through which the complex process of the construction of political projects is facilitated (Silva 1993c: 198).[30]

The centrality of the state in the projects of modernisation has led to attempts to create mechanisms that would allow for their rational and efficient implementation. To this end, a relatively new and modern technique was introduced in Chile that would allow for efficient state control over its project, namely state planning. This technique had been introduced in the 'Socialist alternative' in the Soviet Union, and gained influence in Latin America in the early 1960s. It was considered to serve several purposes, for example to improve the government's ability to mediate between the present and the future, to deal with the insecurities of future developments, to improve the policy-making process, to safeguard a global perspective in the face of the sectoral pressures coming from civil society, and, more generally, to strengthen the

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[29] For instance, the historian Jocelyn-Holt argues that the influence of the state is so dominant in Chile that 'Chile has no other history than that of its state' (1997: 129). Mario Góngora (1986) claims that in contrast to Europe, where nation-building preceded the construction of the state, in Chile the state precedes the nation: only through the creation of a state apparatus did the first signs of a Chilean nation become visible.

[30] The role of the state in modernity and processes of modernity has recently been put in the shadow somewhat because of the increased emphasis on other, and less elaborate, agents for modernisation (such as globalisation, culture, etc). However, it should be noted that the founders of the theory of modernisation, such as Marx and Weber, closely connected the state and the form it took to the modern. More recently, Wagner (1994: 7) emphasises the state's role of 'container of modernity', because of its ability to guide and discipline human behaviour and to contain the expanding aspirations of autonomy that modernity creates.

government's capacity to implement its project (Matus 1989: 32-41). The growing influence of modern planning techniques was also indicative of a larger process of technocratisation that was taking place in Chile. Having roots as early as the late nineteenth century, technocrats, usually engineers economists from the middle class, have come to play essential roles in the political arena since the early 1960s. Their scientific and rational outlook and their 'independent' spirit made them particularly fitting actors in the state planning process, and their presence was generally (but not always) considered to be modern, compared to the traditional political elites which were recruited from the upper classes and among lawyers and medics (Silva 1991a, 2007)

Obviously, modernisation cannot take place in a top-down fashion only. Civil society responses are crucial for the way in which projects of modernisation are implemented and 'internalised' in society. Arguing that the elite 'bias towards modernity' is not shared by the population at large, Whitehead claims that the civil society response to top-down modernisation mainly consists of deflection, distortion, and defensive absorption (Whitehead 2002: 39). However, in the case of twentieth-century Chile, the picture is somewhat more complicated. The ascendance of a relatively large middle class, and the high degree of organisation of the working class, have allowed these sectors to increasingly orient themselves towards modernity. From different perspectives, both sectors called for different forms of modernisation, such as democratisation, social welfare, and industrialisation (de Ramón 2001: 119-121). As a result, civil society has not simply functioned as a deflector of modernisation, but also as a positive force, which was able to internalise and promote elements of modernisation projects from above. Simultaneously, its high degree of organisation has also allowed it to articulate its discontent with projects of modernisation explicitly and to pressure the government to adapt its policies. This has given Chile's civil society a strong influence on the implementation of projects of modernisation, whether it be in promoting them or rejecting them. The influence of civil society on projects of modernisation in Chile is therefore a double one. On the one hand, Chilean elites have traditionally been willing to set in motion modernisation processes, even if these hurt their own interests, for the sake of appeasing the masses and maintaining social order (Jocelyn-Holt 1997: 131-132). On the other, as Huntington (1968) has shown, processes of modernisation have the side-effect of mobilising civil society. They loosen the traditional ties within society while implementing newer modalities in the socio-economic relations that have not yet been internalised. Furthermore, they generate expectations that they will not always be able to satisfy. As a result, even the most top-down and planned project of modernisation will have to deal with negative responses from below, usually in the form of social disorder. It is therefore essential for projects of modernisation to handle the tensions that exist between the further modernisation of sectors of society and the resistance that it generates in the process.

In short, the groundwork for the sequence of projects of modernisation in Chile, which are the focus of this study, had been laid by several specific local circumstances and developments. First of all, the country's elites were exceptionally cohesive and

prone to modernisation, due to their perception of being able to 'bridge the gap' with the industrialised world in a relatively short period of time. Second, they were exceptionally susceptible to doctrinal influences that were of a practical, hands-on nature, and which could easily be transformed into political programmes. Third, they were oriented towards the state and the political arena for the realisation of their modernising aspirations. And finally, they shared a broad consensus that profound changes were coming inevitably and could better be anticipated and implemented from above. In addition, the relatively positive attitude of the middle and lower classes towards modernity and modernisation, as well as their high level of organisation, intensified the interaction of projects of modernisation 'from above and without.' As a result of these factors, a sequence of modernisation was initiated in which all three main sectors of the country's elites (the Right, the Centre, and the Left) took turns in constructing and implementing their specific project. These projects were not constructed simultaneously, but through the process of competition and interaction between them. They were ideologically antagonistic, but they shared a modernising outlook, as well as a revolutionary spirit that sought to build a modern society, so to speak, from zero.

It should be noted that the projects in question are not all the same in shape. Some have been constructed in the course of decades, while others took only a few years to set up. Some, like the project of the Right under the military regime, were in place for a long period, while for instance the project of the Left only survived for three years. And some have fallen rapidly, while others have maintained much influence after their fall. These differences must be taken into account in analysing these projects.

The Lay-out of the Analysis
Based on the theoretical framework outlined in the previous section, and Whitehead's notion of 'successive waves of modernisation' in particular, I propose to elaborate on the metaphor of waves in the analysis of these projects.[31] Like waves, they go through three phases: their rise, which can be equated with their ideological and political construction, their peak, in which they are being implemented, and their fall. Based on this conceptualisation, I argue that modernity in Chile is not constructed as much through each individual wave of modernisation, but through their interaction. Making use of particular interpretations of what modernity is, each project has attempted to create a 'modern society'. In some elements it may have succeeded in this purpose, and in others only partially, or not at all. In its implementation, is has influenced other projects, which now seek to undo its achievements and take its place. Some of its achievements may survive, though, and remain as lasting contributions to the construction of modernity. It is through this game of continuous competition and interaction between projects of modernisation that patterns arise which give shape and

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[31] The metaphor of waves in relation to modernity has originally been put forwards by Taylor (1998), who considers it to progress in a wave-like fashion. Phillips (1998) also uses the metaphor, but in different way, referring to Huntington's 'three waver of democratisation'.

content to modernity in a particular society. Or, to stay close to the metaphor: a stone, thrown into a pond, produces waves, and these move through the water. However, they can interfere, and form new, complex patterns that may be much more stable than the original waves themselves. Similarly, I argue that the interaction between projects of modernisation (rather than the waves themselves) produces distinct patterns of modernity, in which elements of each wave may still be recognisable, but which are fundamentally different from the original waves themselves.

In the case of this investigation, the four waves that are analysed have been very different. They can reach back in time for decades, such as the project of the Left, and extend for decades in the future, such as the project of the Right. Also, they can end abruptly, as was the case of the Left (figure 1).

Figure 1: Waves of Modernisation in Chile
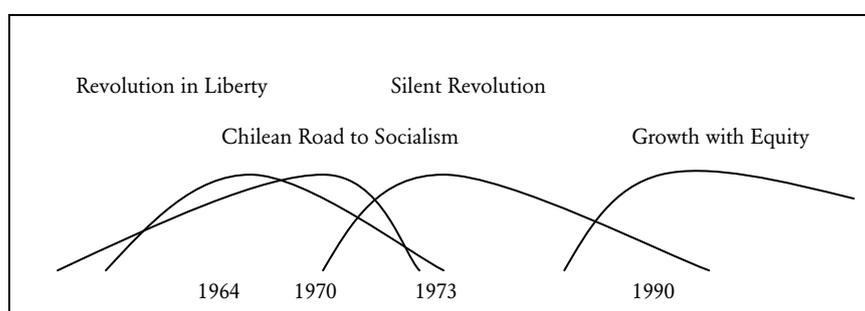
In this study I will approach all four projects in a similar way (with the partial exception of the era of the Concertación, which I will treat as a fourth project of modernisation but also as a historical synthesis of the previous projects). All four of them will be analysed in the stages of their construction, implementation, and decline. At the stage of construction, I will first focus on the construction of the modernising ideology that lies at the foundation of each project, based on doctrines of modernisation and examples of modernity, and with different emphasis on the three dimensions of modernity. As will be seen, these modernising ideologies exist of mixes between certain elements of modernity while they neglect others. In fact, they are as much critiques of modernity as well as they are proposals of it. Subsequently, I will focus on the use of developmental theories that have been used in the construction of the projects. In these theories, the doctrinal outlook of Chile's elites has become clear. All projects have made use of local or foreign, but always new, theories on development, which have served as scientific underpinnings for the modernising ideologies, and have enriched them with proposals for economic policy-making. These theories, too, have been selectively adapted and applied to the local circumstances. I end each section on the construction of a project with an analysis of how these modernising ideologies and development theories have been amalgamated into a single political project.

The implementation of the projects will also be analysed in three ways. First, I will focus on the role of the state, technocracy, and planning. As has been argued above, the state has been the preferred agent for modernisation in Chile. In the case of the four

projects in question, it has been essential: they were implemented in a highly top-down fashion (even if this was counter to the tenets of the modernising ideology that it was based upon), making use of the resources of the state. The use of technocrats in the construction and implementation of the projects will also been analysed here. It will be shown that middle-class professionals have played crucial roles in the subsequent projects and were broadly considered (although not without contestation) as key actors for modernisation. The same goes for state planning, which was viewed as a highly adequate way of organising the modernisation of society.

Another element that will be highlighted in this section will be the role of political competition between the projects in question. As has been argued, modernity is constructed through the interaction between projects of modernisation. It is in this section that I will address exactly how the three projects have interacted, and how they have developed as a consequence. Finally, I will look into the ways the projects have been adapted under pressure of civil society. Each project, I argue, has had to deal with the dilemma of pushing its agenda forward and risking social disruption, or adapting (or even terminating) the project in an effort to maintain order. It will be shown that factors such as the relative autonomy of the state have been crucial in explaining the success or failure of the strategies that each individual project followed.

The fall of each project is analysed from the perspective of its achievements (in terms of its original objectives) in modernising Chilean society at the social, economic, and political level. Attention will also be devoted to the long-term influences each project has produced in relation with the other projects.

In using this operationalisation, I intend to show strong elements of continuity in the recent history in Chile. In the first place, it allows us to interpret Chilean history as a long line of 'successive waves of modernisation', in which modernisation changes shape and content dependent on the images of modernity that were followed. This will also enable to show how the four projects of modernisation in question coincide in the way they have been constructed and implemented, as well as in the way they have had a long-term influence on Chilean modernity after their 'fall'. It will show the strong state-orientation and the focus on technocratic solutions and planning that modernisation has acquired in Chile, as well as the ways in which elites have had to adapt to civil society responses to their projects. It will also clearly demonstrate the crucial role that political competition has played on each project, but also on the construction of modernity in Chile in general. Finally, and at a more theoretical level, it will serve as a testing-ground by applying the 'multiple modernities' argument to a country case study.

Chapter 2

The Chilean Construction of Modernity

This chapter deals with the construction of modernity in Chile from the colonial era until the early 1960s. It intends to show that modernity has taken shape in Chile through the interaction of different 'waves of modernisation'. These waves consisted of projects of modernisation which were set in motion by different political elites, each with a particular point of reference and oriented toward one or more dimensions of modernity. Their implementation was characterised by a rational and technical approach, as well as a strong focus on the state as the main agent of modernisation. The succession of these projects has made modernisation one of the great continuities in Chile's history, albeit with a changing face.

2.1 Waves of Modernisation: Continuity or Change?

The idea that in the historical trajectory of Chile modernisation forms a line of continuity is not uncontested. As has been mentioned in the previous chapter, the leading study on modernisation and modernity in Chile, Larraín's *Identidad Chilena*, argues that the Chilean trajectory towards modernity has been characterised by a succession of periods of expansion and crises of modernity.[1] After each period in which the country's elites focused on modernity and modernisation, a period of crisis followed, in which doubts rose regarding the feasibility of modernisation in the Chilean context. After some decades of crisis, a new project of modernisation arose, creating a new optimism about the prospects for making of Chile a modern country. In this way, six different phases in the Chilean trajectory can be discerned: the colonial era (in which the country was shielded from modernity), the nineteenth century, in which economic expansion and democratic consolidation took place (oligarchic modernity), the first half of the twentieth century, in which oligarchic modernity entered into crisis, the period 1950-1970, characterised by rapid democratic expansion, another period of crisis under the dictatorship, and finally, since 1990, a period of neo-liberal expansion (Larraín 2001: 77-137).

For several reasons, though, this approach towards modernisation in Chile proves unsatisfactory. First of all, it fails to account for the processes of modernisation which take place in the periods it has called 'crises of modernity'. This is, for instance, the case with the rise of the middle classes in the early twentieth century, and the 'popular front' governments of the 1940s and their successful project of import-substitution industrialisation. To postdate the modernising effects of this project until after 1950 seems to be arbitrary. Similarly, to label the military dictatorship a 'crisis of modernity'

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[1] Larraín loosely uses Peter Wagner's notion of 'crisis of modernity' as the basis of his analysis (Wagner 1994).

is to negate the clear and obvious modernisation that the country went through in this period. Second, and connected to the first, it uses very limited - as well as tacit - categories for the definition of modernity, focusing almost exclusively on the extension of democratic rights and economic growth as its main constituents. In this approach, authoritarianism is intrinsically anti-modern, and democratisation is modern, while the complexities and hybridities of modernisation processes are ignored. The same goes for the close connection that is suggested between economic expansion and modernity. Although processes of modernisation are generally more easily financed in times of economic boom, the absence of such a boom does not automatically imply that no modernisation takes place. Thirdly, the periodisation seems to be based on unclear, if not arbitrary, criteria. The choice to declare the end of 'oligarchic modernity' in 1900 does not seem to be inspired by any particular event in the country's history, but rather by a desire to use round numbers. Similarly, the break between crisis and expansion of modernity in 1950 does not match any noteworthy event. The three years of the UP-government are actually even completely omitted by Larraín from the periodisation, as if the 'Chilean Road' falls outside categories such as 'modernisation' or 'crisis of modernity'. Finally, Larraín's approach is characterised by some internal inconsistencies. If economic expansion and political democratisation are as important for modernity as he suggests, why then is the 'parliamentary period' (1891-1920) largely called a 'crisis of modernity'? Even though it has a bad name for being a period of political inefficiency and even corruption, it shows much higher levels of democratic representation than the previous period, because of the increased influence the parliament obtained in relation to the executive. It is also a period of great economic boom (due to the nitrate industry) and of expansion in areas such as education. Similarly, the 1950s may be seen as a period in which democratic rights were extended to new sectors of society, but they could also be seen as the decade in which the Communist Party was outlawed.

In contrast to Larraín's interpretation of the Chilean trajectory towards modernity as a series of periods of expansion and crises of modernity, I argue that it is characterised by continuity. This is not to say that no breaks took place; on the contrary, there have been clear moments of change in the way modernity took shape in Chile. However, these changes did not constitute crises of modernity itself: they were crises of the existing projects of modernisation. These projects were subsequently followed up by other projects, based on other reference points and dimensions of modernity. As a result, modernity changed shape and form after each break, rather than entering into crisis or expansion each decade or so. In this way, successive waves of modernisation have been a constant in the Chilean trajectory towards modernity. Following this interpretation, I propose the following periodisation in the trajectory of modernity in Chile up to 1964:

- The colonial era until 1717: modernity denied. In this period, the orientation to the Spanish counter-reformation is dominant.
- 1717-1810: early stirrings of modernisation. Growing emphasis on the building of institutions, as well as the formation of a 'proto-nationalist' elite; in this sense, expansion of the political dimension of modernity - however, only at an embryonic level. In this period, the groundwork for further modernisation would be laid, with a strong focus on pragmatism and the state.
- 1810-1890: independence and conservative modernisation. In this period the political dimension of modernity becomes dominant, in the sense of the creation of a modern state which functions in the context of formal democracy.
- 1890-1920: the liberal project. A strong emphasis on the economic dimension of modernity is visible in the rapid expansion of the country's economy and the infrastructural modernisations. The political dimension of modernity takes the form of the dominance of parliament over the executive. The main example is liberal modernity, but with a particular Chilean flavour.
- 1920-1964: mesocratic modernisation. In this period, the 'Social-Democratic welfare state' comes to constitute the main example, with a growing focus on the political and social dimension in the form of the extension of democratic suffrage to all sectors of society, the creation of a basic welfare state, and state-led industrialisation.

2.2 Colonial Chile: Modernity Denied or Early Modernisation?

It is not very common to include the colonial era in studies that deal with the development or modernisation of Latin American countries like Chile. Having been a remote and poor province of one of the colonial viceroyalties, Chile did not acquire much status or importance during the colonial era. Consequently, no 'great past' could be mourned after independence. Neither had important institutions been erected that would become fundamental contributions to the later modernisation of the country. Chile did not have, for instance, a powerful Consulate Tribunal (which controlled all trade) like Peru, which became the focus of the Peruvian oligarchy and would define its structures in the nineteenth century (de Ramón 2001: 67). As a result, modernity in Chile is usually depicted as a by-product of independence. Authors like Jorge Larraín and José Joaquín Brunner stress the anti-modern disposition of colonial rule, which they consider to completely isolate Chile from new intellectual currents which were to constitute the foundations of European modernity, namely the Reformation, the Enlightenment, and early liberalism (Brunner 1992). This 'denial of modernity', as Larraín has labelled it, held the continent in a tight traditional order and did not accept or hardly accepted changes to this structure (Larraín 2000). This is why the break with Spain, at the beginning of the nineteenth century, was a necessary step for the entry of modernity into Latin America:

> The Chilean trajectory towards modernity starts later than in Europe, with its independence in the early nineteenth century, because Spain succeeded in

preventing the expansion of modernity in Chile for three centuries (Larraín 2001: 83).

However, one should be careful with negating all forms of modernisation under colonial rule, and viewing Chile around independence as a *tabula rasa*. In the colonial era, and especially after 1717, the foundations for future modernisations were laid. In fact, as has been argued by Howard Wiarda for Latin America in general, the experience of Spanish colonialism created the parameters that defined how modernisation would be internalised and integrated after independence (Wiarda 2001).[2] Economically and politically, the province of Chile experienced significant growth, which enabled it to escape its marginal position in Latin America after independence. Furthermore, the creation of a state apparatus, together with the ascendance and emancipation of a Chilean aristocratic elite, brought about a self-consciousness and openness that laid the groundwork for the development of the country in the nineteenth century. In many ways, these developments created a framework for the political, economic and social relations of the country, and I will argue that they not only represent early forms of modernisation, but that they were actually decisive in defining the nature and shape of Chilean modernity.

The early colonial period: modernity denied (1536-1717)

During the first two centuries of colonial rule, the province of Chile was a relatively backward part of the Spanish Empire, and, like the rest of Latin America, culturally, politically, and intellectually locked out of European modernity. The Spanish rulers effectively prevented or restricted developments that might bring about change in the colonial order. This 'denial of modernity' took place by means of several mechanisms that functioned at intellectual, economic, political and social levels. Throughout Latin America, intellectual activities were limited, and were subject to censorship and religious tutelage. Even though universities were founded all over the continent (with the exception of Brazil), their intellectual level was very low. Literacy was extremely limited and the intellectual community of the continent never exceeded a few thousand members (Burkholder 2001: 236). Furthermore, most publications were religious in nature, and it was extremely difficult, not to say impossible, to publish works of a critical or reformist nature.

At an economic level, modernity was limited by what Brian Loveman has labelled 'Hispanic Capitalism'. There was trade, and the province of Chile produced surpluses for export. However, the system of production and exchange had 'more in common with a bastardized Iberian feudalism than with nineteenth-century capitalism' (Loveman

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[2] The surviving legacy of the colonial era is very difficult to assess, two hundred years after independence. While in general it can well be stated, as Wiarda does, that in colonial times patterns of social, political, and economic behaviour were created that left traces in modern Latin American societies, extreme care should be taken in reversing the argument and explaining contemporary phenomena by referring to colonial times. See for instance, Peppelenbos (2005), who argues that present-day neo-liberal practices in the Chilean tomato industry are strongly and directly influenced by the patrimonial heritage of the colonial era.

2001: 75). Production processes relied on forced labour, while trade was restricted by the royal authorities through fixed price-rates and monopolisation. This left little room for free competition or allocation of resources through a capitalist market system. Moreover, it created a system of interdependency between political elites, who governed the market through regulation and law-making, and the entrepreneurial sector, which made use of those limitations and financially supported their political counterpart (*ibid.*, p. 79).

Politically, the province of Chile was organised in a highly hierarchical and rigid manner. The Crown appointed the governor and the highest ranking officials, who were usually of direct Spanish descent (*peninsulares*), while the Latin-American born white *criollos* were only represented in the municipal councils. The relative weakness of the population in relation to the colonial rulers was enforced by a royal subsidy for its military expenses. Furthermore, the Crown was fearful that a European-like aristocracy would emerge in the New World, and that this would threaten the imperial structures. In order to avoid this, measures were taken to guarantee the Crown's political hegemony in the area. Concessions of *encomiendas* (the forced labour of Indians granted to selected Spaniards as a reward for military services rendered) and noble titles were given very sparingly, while social status was strongly dependent on royal approval (Jocelyn-Holt 1992: 34). Status and influence were more dependent on economic and political activities than on the possession of an *encomienda* or a *hacienda* (large estate) (*ibid.*, p. 39).

Besides from these 'colonial restrictions', there were also several endogenous factors that hindered the entry of elements of modernity into Chile. First of all, its remote location, locked between the Pacific Ocean and the Andean mountains, made communications and trade with other regions relatively difficult. Furthermore, Chile's main ports were an easy prey for Dutch and British corsairs, who frequently attacked and pillaged Spanish vessels and attacked coastal towns. Violent earthquakes also repeatedly levelled towns, sometimes more than three or four times over. In the coastal regions they were usually followed by tidal waves that destroyed the buildings and lands that had survived the tremor. During the seventeenth century, the town of Concepción had to be rebuilt three times, while Santiago and Valparaiso were badly damaged several times.

The most important factor shaping Chilean history during colonial times was the presence of a large unconquered indigenous population. Chile remained a war-torn frontier zone between the colonial forces and the Arauco Indians south of the Bío-Bío River until the late nineteenth century. Although on several occasions truces were negotiated, the conflict re-emerged frequently and military conflict became a regular feature of Chilean society. Towns were attacked and sometimes destroyed by Indian uprisings, and trade as well as travel in the frontier zone was precarious. Moreover, the continuous military presence and activity had serious repercussions on the social and political structure of the province. The *situado* (royal military subsidy) that Chile received after 1600 to combat the Araucos proved to be a cause for corruption and self-

enrichment by the political elites, while the soldiers themselves remained underpaid (Loveman 2001: 72; Encina 1950: 226). Governors and other political leaders regularly abused their powers, and the encomenderos largely refused to implement official regulations and to pay taxes. In the words of the historian Brian Loveman:

> the authoritarian politics of conquest had […] created in Chile the foundations of a highly stratified class society […] The politics of conquest also institutionalized political corruption, arbitrary use of government authority, disrespect for and evasion of law - in short, impunity for the powerful (Loveman 2001: 73).

As a result of all these factors, colonial Chile remained a remote, poor and precarious region, highly traditional and stratified and largely focused on survival rather than on expecting high levels of development. By 1700 the population did not exceed 150,000 people, and the countryside was scarcely cultivated:

> [a]ll testimonies of the era accord in saying that at the beginning of the 18th century, the country, with the exception of the few cities, was a wasteland that extended from the desert in the north to the frontier [of the river Bío-Bío] (Mellafe 1986: 95).

The nineteenth century historian Diego Barros Arana leaves us with an even more desolate image of Chile at the end of the eighteenth century, with its 'most lamentable state of backwardness, its extraordinary depopulation, its poverty, its scarcity of industry, the lack of roads, the misery and dirtiness of its civilians' (Barros Arana 2001a: 43). In short, modernity, be it in the shape of cultural, political of economic processes, was hardly identifiable in early eighteenth century Chile (Jocelyn-Holt 1992: 50).

Despite this dismal outlook, some basic attempts at modernisation can be discerned in this period. In the late seventeenth century, for instance, attempts were made to 'de-ruralise' society by erecting cities and villages, in an attempt to fortify colonial rule and stimulate the Christianisation of the Indian population. This strategy was generally fruitless, though, because of the extreme poverty of the region and the one-sided way it was implemented, involving only moving the poor workers to the city, and not the landowners themselves. Even though the creation of new cities remained a priority of the Crown, it would only show results in the eighteenth century (de Ramón 2001: 51-52).

Early Stirrings of Modernity: 1717-1810
In the eighteenth century, the first moves towards modernity appeared. These took the form of physical modernisations, the creation of an embryonic state apparatus, which was based on criteria such as effectiveness and rational rule, and the formation of a local self-conscious elite, which developed a 'proto-nationalist' ideology *vis-à-vis* the Spanish Crown. Furthermore, these 'early stirrings of modernisation' would define the forms that modernisation would acquire in Chile during the nineteenth and twentieth century.

The installation in 1717 of Governor Gabriel Cano y Aponte marked the beginning of 'an almost uninterrupted series of intelligent, active and liberal governors, who [were to] incubate political and administrative maturity' (Encina 1950: 273). Cano y Aponte was one of the first to introduce the notion of progress into Chile - albeit in an embryonic and tentative form. He had spent several years in Belgium and Holland and had seen the relative prosperity and economic advances of these societies. Being aware that a country like Chile, with a favourable climate and good soil, could have a great potential for growth, he showed a great fondness for progress, and introduced a range of material and economic modernisations in the country. These included sanitary reforms, a cemetery for the poor of Santiago, and the first fire brigade in the country. Cano Y Aponte also strongly advocated the creation of a 'Chilean' university. Furthermore he tried to stimulate economic growth and industrial development by stimulating the settlement of Non-Spanish Europeans, especially French, who, although small in number, introduced several new technologies and industrial techniques to the country (Encina 1950: 275-278, Barros Arana 2001: 43-45).[3]

Meanwhile, the Spanish Crown, now taken over by the Bourbons, started implementing a series of modernisations that have become known as the 'Bourbonic Reforms'. These reforms were mostly directed to limiting fraud, rationalising the administration, and stimulating trade, industry and culture. Above all, they were intended to re-establish Spain as the central and absolute centre of power of the empire. Although modest in scope, these reforms represent the first entry of the Enlightenment in Spain and Spanish America; this is why this phase is usually labelled the *Bourbon Enlightenment* or, in the case of Chile, the *Enlightenment in Chile* (Encina 1950: 273). Despite their absolutist and repressive character, these reforms had several positive and modernising effects on the development of Chile (Jocelyn-Holt 1992: 50). First of all, they encouraged trade and production, at first hesitantly, but later on more enthusiastically, although real free trade was never allowed under colonial rule. The first step consisted of the Royal permission for individual merchants and traders to sail to Latin American ports. This concession reduced the prices of transport markedly, since ships could now sail straight to their port of destination. Despite its limited scope, due to many administrative restrictions, the measure had a considerable impact on the Chilean economy. The population had grown and demand for European products increased notably; and the greater and cheaper availability of these products led to the growth and spread of trading houses in Santiago and the major ports. These trading houses were eventually able to pressure the Peruvian viceroy into giving several trade concessions which further improved the economic position of the province (Barros Arana 2001a: 18-82). Overall, the Chilean economy grew steadily, despite setbacks like the 1730 earthquake, and in 1743 'Chile saw an establishment which was considered an expression of its progress and development' - a mint (*ibid.*, p. 131). This privately

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[3] Unfortunately, a violent earthquake shook the country in 1730 and reversed its progress back several years. Cano y Aponte himself died later that year in a riding accident during the festivities celebrating the recovery of Santiago after the earthquake.

financed institution, which was incorporated by the Crown in 1770, was a major step in stopping the outflow of currency towards Lima, and helped in consolidating the trustworthiness of Chile's financial institutions.

In 1778 Carlos III of Spain decreed the 'free trade of Spain and the Indies'. This should not be understood as an attempt to introduce full-scale modern capitalism into the Empire. In essence it was a mercantilist measure meant to revive the sluggish Spanish economy. Several measures were taken to favour the Spanish economy over those in the colonies: free trade was only allowed between ports of Spain and the new world, only with ships built in Spain, which should belong to Spaniards, and several products were officially reserved for Spanish industry. The import of products that were not produced in Spain was strictly forbidden, while Spanish produce was taxed lower than Latin American. It is therefore not surprising that the 'free trade' hurt the colonies badly in the first few years. However, after the initial shock, Chile fared well with the new trade system, and by the end of the century yearly trade revenues were over three million pesos, a considerable amount in those days (Barros Arana 2001a: 277-278).

The second modernising consequence of the Bourbonic Reforms was the creation of a state apparatus which could achieve relative autonomy from the viceroyalty of Peru. This process took place on two levels simultaneously. On the local level, during the eighteenth century several institutions were created that, towards the turn of the century, were able to 'introduce and implement new policies and simultaneously maintain a sustained dynamic of change' (Jocelyn-Holt 1992: 58). These were the Commercial Council (1736), the Mint already mentioned (1743) and University (1758), the *Contaduría Mayor* (1768), the Consulate Tribunal (1795) and the Mining Tribunal (1802). These achieved an importance that went beyond their individual functions: their decisions were considered so important that at times they even had repercussions in Spain, and they functioned as channels of communication with the Crown. They produced reports on a variety of subjects that were of relevance to the country, and promoted economic growth. Their importance was a direct consequence of the absolutist *esprit* that characterised the Bourbon administration: they had to be powerful in order to be efficient tools of intervention and control. However, these institutions also served to strengthen Chile's position within the empire, as well as to bring a 'new *ethos* of progress' to the country (Jocelyn-Holt 1992: 58, italics in the original).

At a regional level, the Bourbonic reforms reinforced the geo-political position of Chile within the continent. This was mainly due to the emergence of the Río de la Plata region as an alternative commercial and political centre to Lima. In the course of the century, La Plata slowly undermined the Peruvian capital's hegemony over the Southern Cone. This process was formalised with the creation of the new viceroyalty of La Plata in 1776, a part of the Spanish reform programme. One of the unintended side-effects of this administrative realignment was the growth of Chile's relative importance in the region. The strong bonds with dominant Peru were loosened, but without being broken, and Chile was able to look to the Atlantic for trade because of its new connections with Buenos Aires. Furthermore, Chile was able to profit from the

intermediary position it fulfilled between the two viceroyalties. This new position made it possible for Chile to free itself from its marginal and remote position in Latin America, and to develop a proper identity (Jocelyn-Holt 1992: 53; Loveman 2001: 90).

Finally, the most important element of modernisation to be found in Chile during the colonial era was partly a consequence of the above mentioned processes, namely the increasing autonomy and emancipation of the Chilean *criollo* elites, as well as their prudent embrace of liberal-republican thought. This was an essential step towards the creation of a proper state, which was to become a central element of Chilean modernity in the nineteenth and twentieth centuries. As in the rest of Latin America, the Chilean elites were largely traditional, if not feudal, and politically weak compared to the *Peninsulares*. The economic and demographic growth of Chile during the eighteenth century, however, substantially reinforced their position *vis-à-vis* the colonial rulers. Because of this, the success of the Bourbonic Reforms, especially towards the nineteenth century, was strongly dependent on their co-operation. This was not self-evident: in many cases, the reforms reinforced the political position of the Spanish Crown; economically, they initially hurt the *criollo* elite's interests; and finally, they included the transfer of a considerable portion of the province of Chile to the new viceroyalty of Río de la Plata. However, after some resistance, the Chilean elites did eventually accept and support them, for two reasons. On the one hand, they became convinced that the reforms, rational and modernising as they were, would bring progress to Chile (Loveman 2001: 99). On the other they understood that their cooperation could be exchanged for a share in the exercise of power:

> In the 18th century, the Creole elite, although founded on a traditional social and economic basis, accepted high degrees of modernisation in order to be able to exercise power; basically, it accepted political institutional modernisation by a state that could manage change (Jocelyn-Holt 1997: 131)

> The most effective eighteenth-century governors were those that worked with, rather than against, the Creole elite (Collier and Sater 1996: 20)

Because of this cooperation, the elites were able to play a major role in the creation and expansion of the new institutions that were already forming a Chilean state bureaucracy, the only political actor of the age (Jocelyn-Holt 1992: 59). Chilean elites not only profited from this new position, but also developed a strong self-consciousness that was highly emancipating. This 'protonationalism' did not seek independence from Spain but pursued the highest degree of autonomy possible (*ibid.*, p. 123; Jocelyn-Holt 1997: 75; Collier *et al.* 1996: 24-27). They adhered to the King, but wanted to keep the Spanish administration, as well as Spanish immigrants, whom they saw as fortune-seekers, at bay (Barros Arana 2001b: 313).

The relations between the *criollo* elites and the colonial state of the eighteenth century laid the groundwork for the central project of modernisation of the nineteenth century, the creation of a Chilean state. The *criollo* ambivalence towards modernisation under colonial rule would become a defining feature of the Chilean elites since the nineteenth century. They did accept the erection of a colonial state apparatus, but only

if it did not threaten the existing political and social order. Furthermore, they did so in order to avoid the ascendance of a separate, administrative elite. In this sense, they showed a deep ambivalence with regard to modernity. By embracing the state in order to limit its influence, they adhered to modernisation in order to maintain the traditional order. It is in this light, Jocelyn-Holt states, that the political developments of nineteenth century have to be interpreted:

> From the 18th century onward (…) the ruling elites accepted the state as a concession, although without detriment to the fact that this acceptance was sceptical, the same way it would be during the nineteenth century (Jocelyn-Holt 1997: 138)

Ideologically, the country's elites gradually opened up to elements of European liberal thought in the course of the eighteenth century. Notions of progress, social improvements, and economic growth became popular, especially towards the end of the century. The best example of this new thinking is probably Ambrosio O'Higgins. O'Higgins' rule as governor of Chile (1787-1796) was characterised by indefatigable attempts to bring economic progress and improvement to the province. He wanted to 'create in the country the industrial spirit, to change the customs, to promote culture and to produce general prosperity' (Barros Arana 2001b: 23). O'Higgins was responsible for numerous public works, such as a road between Santiago and Valparaíso, the construction of a new mint (nowadays known as La Moneda, the Presidential Palace), covering the channels for drinking water in the centre of Santiago, and the paving of footpaths along the main roads. He also created several cities, among them Constitución. However, it was in the economic and industrial fields that he developed the most original and modernising, albeit unsuccessful, strategies. In order to resolve the problem of Chile's negative trade balance, he did not limit the import of consumer goods, as would be the traditional solution, but rather tried to improve exports. Moreover, he promoted the local production of products like cotton, rice and sugar which otherwise would be imported (Barros Arana 2001b: 23-24). This import-substitution programme *avant la lettre* failed miserably, however, because the crops could not prosper in the cold and dry Chilean climate. O'Higgins also stimulated the fishing industry by setting up a boat factory, and intended to improve the mining in the north of Chile by inviting foreign specialists who would develop scientific mining techniques. However, most of his industrial and economic modernisations failed, not because they were not viable, but because, as Barros Arana puts it, he:

> did not understand that these conquests could not be obtained except after a slow and laborious evolution that should start with the demolition of the foundations on which the whole colonial building rested (*ibid.*).

In this period, the importance of North-Western Europe as an intellectual and cultural example became stronger, and this led to a slow introduction of the European philosophy of enlightenment into Chilean elite circles. People like Don Manuel de Salas, who was an advisor to most governments between 1790 and the mid-nineteenth

century, had large estates in Europe, and read 'forbidden' works like those of Rousseau and Montesquieu.[4]

In conclusion, rather than to 'deny' modernity, the late colonial era introduced 'modernity cautiously into a traditional society' (Jocelyn-Holt 1992: 105). Furthermore, it laid the foundations of what would become key elements of Chilean modernity after independence: a relatively cohesive and confident elite, conservative in nature but simultaneously willing to trade off modernisations in return for power and the maintenance of social order; a strong focus on institutions in the construction of modernity; and an orientation towards North-Western Europe as a model for modernity.

2.3 Conservative Modernisation: The Portalian State

As in the late colonial period, modernity and tradition do not constitute opposites in nineteenth century Chile, but were in many ways complementary. The political and social elites accepted different aspects of modernity and modernisation, in order to be able to sustain the traditional social order. Furthermore, modernity became increasingly articulated as a project, in the form of the creation of a modern state which was able to combine order with progress. In the course of the century, Chile's 'conservative modernity' becomes increasingly contested by the rise of liberalism. However, similar to the way in which the conservatives had incorporated elements of modernity in order to be able to maintain elements of tradition, now the liberals internalised many aspects of the conservative project, in order to implement at least part of their project of modernisation.

Conservative Modernity: the 'Portalian State'
Around 1810, the year of Chile's independence, the country's oligarchy was still relatively small and weak. However, in the two decades that followed, it would rapidly gain strength and become focused on its main project of modernisation: the creation of a modern state, which would be able to guarantee order and progress. This project was fundamentally ambivalent and consisted of a blend between the 'bias towards modernity', which had been developed by the Chilean political elites, and their ideologically conservative outlook. In this way, democracy was combined with the restoration of the 'absolute authority' of the colonial era. The ability of Chile's elites to create a mix between elements of modernity and tradition proved to be a key to the success of the Chilean state and of Chile's path of modernisation.

Pragmatic and instrumental in their approach towards modernity, the oligarchy embraced 'modern inventions' like constitutional democracy because it saw

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[4] Manuel de Salas became well-known for his dedication to the charitative *beneficiencia*-programme, which was targeted to help the poorest sectors of society. Rather than being a simple charitative fund, though, *beneficiencia* was based on the notion that society could not function properly if large sections of society are excluded and neglected. This same perspective would be used, some two centuries later, by the Christian Democrats in their *promoción popular* programme.

opportunities to mould them and use them as a means of power. Because of its limited scope, political modernisation did not threaten the social order; and therefore the Chilean conservative elites were happy to introduce it themselves, even though it clashed with their conservative ideology. They were not 'reactionary' in the traditional sense: they struck a pragmatic deal between tradition and modernity in order to maintain their position in the social order (Jocelyn-Holt 1997: 131-132).

The pragmatic approach of the oligarchy towards modernity allowed for a slow but relatively stable path of modernisation, albeit at the cost of a strong authoritarian culture.[5] The quintessential representation of this model is the figure of Diego Portales, a conservative trader, who came to *de facto* power in 1830 when he took up two of the four ministerial posts in the government. It was under his supervision that the 1833 constitution was implemented, which proved to be the core of a state model that some historians have labelled the 'Portalian state', or the 'state in good shape' (*Estado en forma*) (Góngora 1986, Edwards 1928). Essential in this model is the maintenance of social order by means of authoritarian rule within the framework of a democratic republic. In order to reconcile these opposites, Portales installed a powerful executive, a weak and submissive congress, and an extremely limited electoral system that would ensure political victories for the ruling party. Moreover, electoral 'interventions' became a regular feature of the political process, because of the numerous loopholes that the system offered (Collier and Sater 1996: 57). This authoritarian model of democracy, formalised in the 1833 constitution, remained effective until 1891, when congress succeeded in reasserting its position in relation to the executive.[6]

As Góngora emphasises, Portales and his followers were not ideologists and did not follow a transcendental idea or belief. They fulfilled a 'duty' to restore order and make Chile a great country, the 'England of the Pacific', as Portales put it (Góngora 1986: 81). In order to accomplish this, they made use of traditional social structures, like the abstract notion of authority of the Spanish monarchy in colonial times, without intending to revert to colonialism or monarchy. They used elements of modernity and tradition wherever they saw fit; they were highly pragmatic. For instance, Portales once commented to Egaña, the main author of the 1833 constitution: 'You believe in God; I believe in priests' (quoted in Collier and Sater 1996: 59). This scepticism constitutes a strong break with the colonial or the Hispanic order. In this sense the Portalian state,

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[5] The 1833 constitution was the fourth constitution to be installed in Chile in a period of twenty years. The previous ones, all of which were approved by democratically elected 'constituent assemblies', did not survive the political turbulence of the era. Interestingly, the 1833 constitution was the first one that was implemented without the approval of an elected body or 'constitutive assembly;' it was approved by a group of advisors that consisted of deputies and citizens of 'recognised loyalty and enlightenment' (de Ramón 2001: 70). The key role of authoritarianism in Chile's constitutional history can be appreciated when considering that all of the country's lasting constitutions (1833, 1925, and 1980) were implemented under authoritarian circumstances - even though they produced formally democratic regimes.

[6] Portales considered the authoritarian nature of his model to be a temporary feature, necessary to discipline the Chilean people. Once it has reached certain moral standards, he argued, 'a completely liberal government may come, free and full of ideals, in which all citizens have a share' (quoted in Eyzaguirre 2004: 121).

however conservative, may be called a 'modern creation' (Góngora 1986: 47). It should be noted, though, that Portales' project was not exclusively based on doctrines and ideas: it was also a pragmatic reply to the turmoil that had characterised Chilean politics after independence, and was still very present in some places in the continent, where *caudillos* (warlords) fragmented and eroded the power of the national states. The result was a highly original and stable mix between modernity and tradition that would come to characterise Chile's path towards modernity.

The concept of a 'Portalian state' is not uncontroversial. Portales' work has been interpreted from different points of view and has been debated thoroughly. Two different standpoints seem to have consolidated in the discussion: on the one hand the view of Portales as a great historical figure, either positive or negative, and on the other the view of Portales as the initiator of an impersonal political system. The defenders of the first position usually stress Portales' authoritarianism, his lack of political ambition (he never seems to have aspired to the presidency and preferred to exercise power rather than to fill important political positions), and the absence of a structural political philosophy in his work. In this view, he was either a 'despot' (in the words of his liberal contemporary Lastarria), or an 'imperfect genius' whose work was 'exclusively personal' (according to the nineteenth century historian Vicuña Mackenna). However, these views fall short in explaining the relative stability and continuity of the political system he installed. This has led authors like Alberto Edwards Vives to stress the work rather than the man. In his famous *La Fronda Aristocrática*, Edwards describes Portales' work as the restoration of the colonial order, and the 'Spirit of Portales' as the creator the 'state in good shape' (*Estado en forma*). This strong and centralised state is characterised by its impersonal and abstract form of government:

> The work of Portales was the restoration of a 'fact' and of a 'sentiment', that have served as the basis of public order during the Octavian peace of the three centuries of the colony. the 'fact' was the existence of a strong and enduring power, superior to the prestige of a *caudillo* or the strength of a faction; the 'sentiment' was the traditional respect for the *abstract* notion of authority, for power which is legitimately established independently of those who wield it (Edwards 1966: 47, italics in the original).

Mario Góngora follows this analysis in part, but questions the impersonal and abstract aspect of the Portalian State. According to Góngora, there was no restoration of an 'impersonal and abstract' type of government, but only the practical solution of the problem of power:

> The government needed the support of an aristocracy - surely an American aristocracy of landowners, not of feudal lords - but this class needed to be obediently subject to the government because of its own interest in public order (Góngora 1986: 45).

This view is supported, finally, by Alfredo Jocelyn-Holt, who states that there is no Portalian *system*; and the stability of the Chilean political system is a result of his solution of the question of authority, but this was a conjunctural, pragmatic, solution, not a historical project. Portales was a dictator in the political sense, but he did not

intend to create a new system. If he had, he would have created a stronger institutional framework for it (Jocelyn-Holt 1997: 131-132). However, even if there was no 'Portalian state' in the sense of a projected state configuration, Portales' solution of the problem of authority did last for over sixty years, and in this sense it may be legitimate to speak of a 'Portalian state' or 'Portalian system'.

The 'Portalian state' was essential to Chilean modernity in three ways. First, it laid the foundations for material progress and economic growth. Portales as well as his successors (he was killed in 1837), slowly opened up the country's economy, although they never went so far as to introduce true free trade. Again, the conflict between importing wholesale foreign doctrines like free trade and maintaining local balances was resolved in a pragmatic fashion. New economic principles were introduced, but only after they had been adapted to local circumstances. For instance, when in 1852 export duties on minerals were discussed in congress, Interior Minister Antonio Varas was attacked for such 'unmodern' and 'uneconomic' taxation. His reply was typical for the regime:

> I wish that the products of national industry could be freed from all imposts;
> but (…) it is one thing to write a book, and quite another to apply its doctrines
> to the government of a state (quoted in Collier and Sater 1996: 74-75).

Apart from this cautious economic modernisation, the Portalian state continued the fostering of material progress that had been initiated during the late colonial period. It built railways, ports and highways, and expanded the educational system. These efforts were not impressive, but also not negligible. They betray a practical sense of progress that may not stem from a high abstract ideal but that is still tangible and real.

Second, the Portalian state was important for nineteenth century Chilean modernity because it influenced the country's self-image in a particular way. The stability of the model, combined with the early institutionalisation of democracy in the country, gave rise to a discourse of 'Chilean exceptionalism'. According to this discourse, Chile stands out in the Latin American context because of its institutional stability, sobriety and democracy. Here there was no anarchy, there were no *caudillos*, no cruel dictatorships or slavery; Chile had reached a higher level of civilisation (and, in this sense, progress) than its Latin American neighbours. Usually this discourse stressed the links between Chile and Europe, especially the United Kingdom (Portales not only spoke of 'making Chile the England of the Pacific', but also joked that he would lend the country to England in order to improve it) and France (Collier and Sater 1996: 64). Additionally, the country's military victories, especially in the War of the Pacific (1879-1883), gave cause to label Chile the 'Prussia of South America' (Fermandois 2005: 38). The factuality of this discourse of exceptionality, democratic stability, and progress is only partial: throughout the nineteenth century Chile lived through several civil wars, some of them extremely bloody. The democratic system was very limited and regularly corrupted. Despite these shortcomings, however, the myth of Chilean exceptionalism has remained popular since then, together with the habit of looking for new models and doctrines outside Latin America.

Third, the highly authoritarian and exclusive nature of the Portalian state has marked patterns of modernity in Chile. During the nineteenth and twentieth centuries, Chilean democracy was characterised by its highly top-down nature, especially in the authority and privileges of the President. The success of the Portalian state was also used to legitimise two dictatorial but modernising governments, those of Ibáñez (1927-1931) and Pinochet (1973-1990). The work of Portales, with its emphasis on social order, authority and the state, has deeply influenced Chilean history:

> The country, in the deepest sense of its being, is authoritarian. Chilean history *is* the history of its institutional authoritarianism. Chile has no other history than that of its state, be it 'Portalian' or 'anti-Portalian' (Jocelyn-Holt 1997: 129, italics in the original).

In conclusion, the Portalian state, which is the ultimate expression of the elite compromise between tradition and modernity, set the parameters for modernity in Chile: democratic, but simultaneously authoritarian; open to modernisation, but only if the social order and the authority of the state are not jeopardised. As will be seen in this study, these parameters are still tangible in the twenty-first century.

The Ascendance of Liberalism
The project of Conservative modernisation was by no means uncontested. From the early nineteenth century, sectors of the elites sought to construct an 'alternative modernity', based on European liberalism. The competition between the two camps was fierce. Portales and his followers vehemently tried to exclude the liberals (called *pipiolos*, novices) from political power and were initially successful in this: between the 1830s and 1850s, the liberal opposition to the conservative (called *pelucón*, bigwig) government was marginal and weak. However, liberalism became highly popular within the educational system and within institutions that were set up by leading intellectuals, and slowly began to become the main ideology to be connected with 'progress'. From the 1860s on, liberalism (and its Comtian equivalent, positivism), became the main paradigm for intellectuals in Chile, and it profoundly influenced the way modernity developed in the country.

Already in the 1820s liberalism was circulating within intellectual circles, not only in the form of general ideas, but already as a doctrine. The *pipiolos* argued for a constitutional separation of powers, for religious tolerance and against the enormous political influence of the church, for education, and for free trade and the rationalisation of taxation. They referred to Voltaire, Montesquieu, Rousseau and Bentham. In particular Bentham's utilitarianism (laws should be directed to bring about as much happiness for as many as possible, while simultaneously diminishing suffering for as many as possible) became popular. However, the import of liberal doctrines from Europe remained largely disconnected from reality in Chile. As a result, liberalism in Chile remained largely theoretic and somewhat utopian, for instance in its glorification

of individual freedom.[7] On the one hand, this led to a weakening of the political power of the liberals, and contributed to the rise of the conservative regime of Portales. On the other, however, the disparity between theory and reality gave way to a whole generation of intellectuals who sought apply liberalism as a doctrine that would contribute to the progress of the country:

> This imbalance (…) also explains the point of view with which the Chilean youths received liberal thinking, and the characteristics which it came to acquire, especially what could be called liberal voluntarism: the belief that the ideas - and in this case the liberal ideas - are the motor of progress, and that it is sufficient to educate the majority of the people in them so that not only the reality of the conscience, but also the society and the political life of the country would change (Subercaseaux 1997a: 23-24)

The rise of liberalism was facilitated by the creation of several educational institutions, which would become bulwarks of liberal thought. In this sense, Venezuelan intellectual Andrés Bellos, who came to live in Chile in 1829, has been important. Bello, who was a conservative himself, became a leading figure in the main educational institutions of the era, the National Institute (*Instituto Nacional*) and the University of Chile, which he co-founded in 1842 and which he led during the rest of his life. For Bello, the emphasis was on the usefulness of institutions for the progress of the nation, rather than on creating possibilities for 'knowledge for the sake of knowledge', and it is in Bello that we see the first clear example of a 'projected modernity' (Ramos 2001: 24). Despite many ideological conflicts, these institutions came to educate generations of liberal thinkers in the course of the nineteenth century (Subercaseaux 1997a: 30). Especially the creation of the University of Chile is important in this context. It was not just an educational institution, but rather the combination of a Ministry of Education, a national think-tank and a university. It was partly fashioned after the French Imperial University and was placed under tutelage of the state, but not without maintaining its academic independence. This made possible the structural organisation of intellectual efforts for the sake of a national project:

> Only in 1842, with the creation of the University of Chile, did a truly articulated, well thought out, state-supported project become possible, which could permit a cultural transformation corresponding to a modern nation-state (Jocelyn-Holt 1997: 30).

One of the major themes that Chilean liberals dealt with was the liberation of the mind, or the 'emancipation of the spirit'. This referred to the cleansing of the Chilean conscience of the legacies of Hispanic colonialism, and the shedding of the dark past in

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[7] In fact, the Portalian state was a pragmatic response to the lack of realism that Chilean liberals displayed in the first decades of the nineteenth century. The conservative historian Eyzaguirre argues that Portales was well aware of the gap between reality and the liberal discourse: 'The fever of democracy, the excessive love for liberty, which has maddened so many, did not convince him. He knew that in the United States those ideals could work out well, because there they were the natural fruit of an evolutionary process. However, they did not possess an intrinsic virtuosity through which they would, just by being transplanted to Hispanic America, produce an immediate and miraculous transformation' (Eyzaguirre 2004: 120).

order to reach a brighter future. In order to progress, Chile had to divest itself of its Spanish past and Catholic domination in order to be able to become civilised; political emancipation was not enough. José Victorino Lastarria, one of Bello's most radical liberal pupils, in a famous lecture given at the University of Chile in 1842, labels the Chilean people:

> a disgraceful people, that seems to have been carried from its first moments to the carriage of a proud conquistador. It has been protected in its existence by ignorance and slavery for three centuries (…). Nature, however, does not support the taunts of men for a long time. It eventually recovers its empire, it will have its dishonoured dignity triumph and will give way to an era of glory and prosperity. The people, humiliated by slavery and ignorance, avenges its deepest degradation and presents itself today on the road to a brilliant future (Lastarria 1844: 18).

Contemporary Francisco Bilbao took a similar position. Unlike Lastarria, though, Bilbao did not distinguish between the Hispanic legacy and Catholicism. If Lastarria attacked the Church and retained Christianity, Bilbao rejected both. He called for the creation of a 'new religion', based on social equality, liberty of worship, and political equality. Not surprisingly, Chilean society in the 1840s was hardly receptive to things like new religions, and Bilbao was condemned for blasphemy soon after. Both he and Lastarria were sent into exile for several years. Their 'generation of 1842' remained popular, though, and became a movement which vehemently fought the conservative regime.

Even though not all liberal thinkers of the mid-nineteenth century concurred with Lastarria and Bilbao in their radical approach, most of them agreed in defining the position of Chile as being between tradition and modernity, or, in the terminology of the century, between ignorance and progress. The evils of the past, that is, colonialism, were easily identifiable; the path ahead, however, was less clearly discernible. An 'absolute faith in indefinite progress' dominated the thinking of the century - the question was which road to take. The conservatives preferred the more cautious path of physical modernisation and slow change, while the liberals supported faster, more profound change (Edwards 1966: 121). The most common liberal proposal was to embrace the civilisations of Northern Europe, especially England and France. These countries were viewed as carriers of progress and modernity, and it was generally accepted that their examples should be followed in a more active way. The 'emancipation of the spirit' usually consisted of liberating the country from Spanish influences, and replacing them uncritically with British or French ones (Larraín 2001: 88). Important radical liberals like Bilbao openly labelled non-Iberian Europe as the model for Chile and claimed that 'the new age has dawned in France' (quoted in Bradford Burns 1980: 37). There were, however, some exceptions to this rule. Andrés Bello resisted the transfer of European cultures and civilisations to Chile:

> A machine can be moved from Europe to Chile and produce the same effects as in Europe. But the philosophy of the history of France, for example, (…) lacks

meaning when applied to the successive particulars of the existence of the Chilean people (quoted in Subercaseaux 1997a: 76).

One other exception, Lastarria, turned away from Europe altogether after the failure of the 1848 revolutions. For him, the United States became the new paradigm for progress and should be the guide for Chile, if only to stop U.S. hegemony in the region: 'It is necessary to become like the North American in order not to become a prisoner of the North American' (quoted in Subercaseaux 1997a: 183).

If Chilean liberals generally looked uncritically to Europe as a model for modernity, this does not mean that they imported European modernity integrally. Usually they favoured theory over reality and formal arrangements over practice. Collier and Sater stress that already soon after independence, 'all Chileans in public life now proclaimed their belief in the rights of man (…), in representative government, in the division of powers, in equality before the law, and in republican virtue' (Collier and Sater 1996: 40). In practice, however, these principles proved to be open to adaptation. In the context of Conservative modernity and the Portalian model, liberals came to mix European liberalism with an increased orientation towards order, authority and the state. Thus, by means of restriction, European liberal modernity was adapted to fit the Chilean traditional social structure. As a result, the intense competition between *pelucones* and *pipiolos* could end with an amalgamation of both sectors. In the 1860s, moderate liberal thought became accepted within conservative circles, while the liberals agreed in maintaining the authoritarian and limited form of democracy. By the 1870s, almost all Chilean politicians would call themselves 'liberal' (Collier and Sater 1996: 123). Whereas at first the conservatives had accepted a certain level of modernisation, now the progressives had internalised conservative doctrines by restricting the scope and intensity of their project of modernisation. As a result, 'oligarchic modernity', as Larraín labels it, which had been set up by the conservatives in the 1830s, came to be confirmed by most sectors in the country:

> Chile lived the paradox of having a dominant aristocratic class of rural origin that assumed a liberal ideology and constructed a republican and democratic state, but that restricted economic and political participation to the members of the dominant alliance (Larraín 2001: 91).[8]

In conclusion, the oligarchic modernity of the early nineteenth century, based on Latin American conservative modernity with a strong focus on its political dimension, proved able to incorporate elements of liberalism and progress, but in a limited and restricted manner.

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[8] This was not unique for the Chilean case. The highly restrictive pattern of liberation and participation was closer to the European example than some liberal ideologues would like to think - moreover, the combination of increasing liberties and high restrictions is, according to German sociologist Peter Wagner, proper to modernity itself: 'In fact, the idea of *containing the liberal utopia* within certain limits, of creating boundaries against the consequences of its own claims, is crucial to any understanding of modernity' (Wagner 1994: 6, italics in the original; Collier and Sater 1996: 41-42).

2.4 The Liberal Project: Positivism and the Decay of the Oligarchy

From the 1870s onwards, the liberal project became increasingly articulated. Even though it took place within the context of the restrictions of the Portalian state, it was able to put forward much of its agenda, based on the example liberal modernity and with a strong emphasis on the economic dimension of modernity. Once again, this was not just an ideological triumph, but followed Portales' logic of paternalism: the Portalian model had proved to provide authority and social order, and now, the possibility existed for more modernisation without jeopardising social order.

Economically, the country gained a strong stimulus after the War of the Pacific (1879-1883), in which Chile gained control over Bolivia's nitrate industry. The other political elements of the liberal project of modernisation, the separation of the Church and the state and a stronger position of parliament vis-à-vis the executive, would be resolved in the following decade, albeit at a high political and social cost. Ideologically, positivism rapidly gained influence among the intellectual elites, calling for a scientific form of government. The sudden end of the Portalian state in 1891, however, and the subsequent 'parliamentary period', thwarted the scientific-authoritarian aspirations of the Positivists. Their influence remained influential, though, in the expansion and modernisation of the system of education and other state institutions. As a result, the embryonic middle class that existed in the late nineteenth century was able to develop as a serious social actor, pressuring the oligarchy for a share in power. At the same time, the oligarchy's blindness to the social dimension of modernity put the so-called 'social question' prominently on the middle-class agenda. However, it was not until 1920 that the oligarchy finally lost its dominance and the middle classes were able to come to power with their own project of modernisation.

Economic Expansion: the Nitrate Era
In this period, Chilean society was strongly oriented towards 'liberal modernity', with a strong focus on the economic aspects of modernity. It was a period of *laissez-faire* policies, in which the state took few or no steps to intervene in the economic arena, even if social unrest was the result.

In the War of the Pacific, Chile had expanded its territory northwards and had gained the regions of Antofagasta, Tarapacá and Arica from Bolivia and Peru. The extensive nitrate fields in these regions, combined with the presence of large amounts of copper, provided Chile with a formidable mining capacity. From the 1880s on, nitrate mining would provide Chile with its main source of income. Its growth was impressive: between 1886 and 1890 the output more than doubled, amounting to 1,000,000 metric tons (Loveman 2001: 154). However, this nitrate bonanza did little to improve Chile's economy structurally, for several reasons. First of all, the nitrate industry was almost exclusively in the hands of foreign businessmen. These were usually interested in short-term profits only, and did little to develop the region. Although there was some discussion about the possibility of nationalisation of the nitrate industry, economic liberal ideology was usually dominant. For instance, when Minister of the Interior and

leading liberal Lastarria was approached by a Chilean businessman who suggested that the state should take over the nitrate industry, he answered:

> This government believes that the state is the worst industrialist, and that fiscal business does nothing but corrupt public administration. In contrast, it believes that handing these riches over to private initiative, to free industry, will realise a public benefit much more effectively (quoted in Pinto 1962: 57).

Secondly, the nitrate producers responded to short-term changes in the demand for nitrate. This led to a highly fluctuating level of production, to cyclical unemployment, and to rapidly changing levels of income for the Chilean state. Third, nitrate exports increasingly became the state's main source of income. The lack of diversification of revenues made the state extremely vulnerable for fluctuations in the volatile nitrate market. This was made worse by inflation, which became a regular feature of Chile's economy in this period, and would remain so until the late 20th century. Finally, the miserable conditions of the workers in the nitrate sector led to the beginning of social conflict, which would only increase in the decades to come (Loveman 2001: 150-155).

The results of the nitrate industry were, however, not all negative. From the mid-1880s on, an increased state investment in physical modernisation was financed with the revenues of the nitrate exports. In particular President Balmaceda (1886-1890) invested heavily in railways, education, infrastructure and such like. In 1887 he created the Ministry of Public Works, which already consumed a third of the national budget three years later. It invested in railways, bridges and other physical manifestations of modernity. Simultaneously, urban architecture was conspicuous and carefully designed in European styles, usually French. Cities like Santiago had electric lighting as early as 1886, and an electrified tram system in 1900. Outwardly, Santiago never looked better than at the turn of the century. This was, however, contrasted with a notable lack of primary services. Up to the 1920s, for instance, Santiago did not have sufficient drinking water. A sewerage system was not built until 1903, and housing conditions were deplorable (Collier and Sater 1996: 174-175).

The nitrate bonanza also produced institutions which foreshadowed the state-oriented project of industrialisation of the late 1930s. Growing demand for industrial goods such as railways, stimulated by a growing foreign trade, boosted the infant industrial sector. This sector consisted of little more than the 'screwing together or weaving and dyeing of a semi-finished item', with or without the use of imported machinery (Kirsch 1977: 17; Muñoz Gomá 1986: 49). In order to encourage development, the National Manufacturer's Society (*Sociedad de Fomento Fabril*, SOFOFA) was founded in 1883 to attend to the interests of the sector. It supported technical and industrial education, and the immigration of specialised technicians. It also advocated better housing for workers and legal protection for women and children (SOFOFA 1983: 81-94). Above all, though, it contested the liberal *laissez-faire* economic views which were popular in political circles. These views had been dominant in academic circles since the French professor Courcelle Seneuil had been invited by the Chilean government to fill a Chair in political economics in 1855. Courcelle Seneuil,

who had advocated Smithsonian and Ricardian theories of free trade and comparative advantage, soon gathered a group of devoted followers, who elaborated on his views after his departure in 1862. According to Encina these followers possessed 'an invincible tendency to simplify, an absolute absence of observational spirit and a fragile scientific judgement', and had changed Coucelle's theories into simple 'doctrinaire free trade'. According to this doctrine, Encina grumbles, modernisation would simply take place by imitation:

> The ambition of the backward countries to pass towards the manufacturing age, which the modern sociologists and economists acknowledge to be a biological necessity, (…) is nothing but the result of a childish form of imitation (Encina 1912: 217-219).

This doctrine did not allow for protection of Chile's fragile industry as the SOFOFA advocated. Only in 1897 was the SOFOFA successful in its efforts when some measures were taken to protect the industrial sector by imposing taxes on the imports of industrial goods (Collier and Sater 1996: 159). Industry in Chile, although relatively modest in its extent and importance, continued to grow until the outbreak of the First World War, and, subsequently, the end of the nitrate era in the 1920s. However, it never reached a level where it could be seen as an alternative for nitrate. Lack of attention from investors and politicians, who, especially in the first decades of the twentieth century, had a propensity to 'live off the interest' rather than to seriously develop the country's industry, left the sector weak and vulnerable (Pinto 1962: 55; Collier and Sater 1996). The SOFOFA's call to create a 'general policy of economic development' (foreshadowing the policies that were to be implemented in the 1930s), had little effect. According to Francisco Encina, who supported the cause of the SOFOFA, one of the main problems of Chile's industry was:

> the indifference of the public authorities and the enlightened opinions towards the national industries and their marked preference for foreign manufactures, which goes so far that in order to invest in their products, the national industry is forced to disguise them with labels that suggest a foreign origin (Encina 1912: 23).

The attention of Chile's elites remained focused almost exclusively on the export of agrarian products, until, with the outbreak of the First World War, this sector collapsed.

Civil War and the Parliamentary Model
On the political level, the settlement between the *pipiolos* and *pelucones* in the 1860s had left two points on the liberal agenda of modernisation unanswered: the influence of the Church and the tension between authoritarianism and liberalism. The first was resolved under the presidency of Santa María (1881-86), who ended a decade of religious conflict between the Church and the liberals in favour of the latter. Under his presidency, Church and state were irreversibly separated, and secular cemeteries, civil marriage and civil registry of births were established. Liberalism's victory was decisive, and the

conservatives were left as a political minority. The influence of the Church remained significant, but no longer on a formal level (Loveman 2001: 155).

The position of the executive was resolved by means of a civil war in 1891, in which the congressional sections fought the supporters of the President. The liberal victory of the 1880s had not led to a less authoritarian presidency - on the contrary; the executive had only gained in importance. For instance, liberal champion Santa María had duly extended suffrage to all literate men, only to openly intervene in congressional elections if he saw fit. His successor, Balmaceda, equally used his presidential prerogatives to bypass congress (and even his own ministers) in order to defend his programme of national development and modernisation. According to some historians, he equalled Portales (his ideological archenemy) in his attempts to restore the authority of the executive (Góngora 1986: 70-71). By now, however, Chile's elites were no longer undivided. The Portalian system, in which the oligarchy supported the state's power in return for social order, started to collapse. It had drawn its legitimacy from the restoration of authority, but only on the condition of its impersonal nature. Balmaceda broke the rule by enforcing a personal project (national development) and by his personalistic style of government. In the words of the presidents of the chambers of congress, Balmaceda had renounced: 'the legitimate authority in which he had been installed, in order to assume a personal and arbitrary power, which does not have any other origin than his own will' (quoted in Edwards 1966: 172). The tacit agreement between the executive and the aristocracy was broken, and in 1891 they entered into open, and violent, conflict (*ibid.*, pp. 157, 166-173).

It is through this conflict that politically 'society started to become really modern, not just discursively modern' (Jocelyn-Holt 1997: 49). For the first time in Chile's history,

> the forces behind modernity start to reach the level of *momentum*, independent from the elites instruments that permit them to canalise and restrict it (*ibid.*, italics in the original).

Furthermore, the state got its first opportunity to present itself as a viable alternative to the traditional elites. It could do so because of its new, independent source of income (nitrate), strong investments in the military, and a new, self-conscious style of governance by the executive. This new, independent state, capable of executing a national project of development and expanding its bureaucracy, opened up new opportunities for the middle classes, which were already on the rise (Góngora 1986: 64, 68). However, it seems incorrect to interpret the civil war of 1891 as a class conflict, as some have done. The traditional order was still firmly in place and not in question: 'it was a civil war, not a social revolution' (Correa *et al.* 2001: 19).

The conflict, which ended in a bloody civil war, was followed by a period which is known as the *parliamentary period*. The forces of the landed elites, represented by the congress, prevailed over the executive and took over control of the political system. The oligarchy now controlled the country without the counter-weight of a strong President, as in the Portalian system. This was 'parliamentarism' (Salazar and Pinto), an

'aristocratic republic' (Góngora), or a 'parliamentary oligarchy' (Edwards). From 1891 until 1920, congress dominated the executive. This did not, however, constitute a process of democratisation, nor did it bring an end to the power of the oligarchy - on the contrary, 'the aristocratic and oligarchic element of the old Chile reached the golden age of its predominance: for thirty years it dominated without control' (Edwards 1966: 174). This 'parliamentary oligarchy', as Edwards has labelled it, did eventually bring about its own downfall. With the executive out of the way, the policy process became increasingly characterised by party intrigues and bickering, and finally by political inertia:

> each time less of the grand rhetorical style; in exchange a more insistent parliamentary choreography: party machinations and an infinity of small agreements and manoeuvres in smoke-filled salons. (…) Each time less the sensation of dealing with a public forum of debate and controversy; in contrast, the feeling now spreads that politics is an exclusive art, mannerist, for the exclusive few invited to the club (Jocelyn-Holt 1997: 51).

Chile's 'oligarchic modernity' slowly eroded from within, leaving a strong sentiment of 'decadence, and of governmental impotence' (Góngora 1986: 81). Independent of the prevailing political culture, though, the expansion of the state bureaucracy and its modernisation continued. The state apparatus was reorganised in order to increase efficiency, to centralise services and to enhance its institutionalisation. Areas of political decision-making, like international relations, were moved to bureaucratic institutions, in order to improve efficiency, specialisation and a technical approach (Subercaseaux 1997b: 98).

The nitrate boom deepened social conflict, which stimulated the emancipation of both the middle and lower classes. As a result, the working classes started to organise themselves, while the middle classes pressed for an opening up of the oligarchic political system. In the end, these pressures would provoke the end of 'oligarchic modernity' and eventually give way to a new project of modernisation, this time set in motion by the middle classes (de Ramón 2001: 115-181).

As in the rest of Latin America, nineteenth century modernisation brought progress, but not for everyone in Chile. In *The Poverty of Progress*, E. Bradford Burns shows that the import of European ideas and the integration of the region into international capitalism, combined with the persistence of traditional social relations, generally led to a deterioration of the living conditions of the lower classes (Bradford Burns 1980). In late nineteenth century Chile, this was not different. Living conditions for most Chileans were terrible, and were deteriorating fast. In the countryside, extreme concentration of land in the hands of the landed elites (in 1917, only 0.46 per cent of the farms covered half the available land) had created enormous *haciendas*, which were usually only partly cultivated. The monopolisation of the land and the stable local market created little incentive to increase production. This created a labour surplus which was forced to seek its fortune elsewhere: the number of *minifudios*, micro-farms that sought to produce family subsidence, boomed: about 60 per cent of all farms occupied less than 1.5 per cent of the land. Simultaneously, urbanisation rose

dramatically: Santiago's population tripled between 1865 and 1907, and Valparaiso's population doubled in this period (Collier and Sater 1996: 171-172). The situation of the urban poor was worse that that of their rural counterparts as disease, poor living conditions, lack of basic services like sewerage and plumbing, and harsh working conditions weakened the cities' population. Child labour was common, especially in manufacturing. Child mortality accounted for more than half of the recorded deaths in 1913 (Loveman 2001: 174).

The situation of the nitrate workers in the north of the country was even worse. The work was dangerous, and the wages usually consisted of tokens (*fiches*), which were only valid in company stores (*pulperías*) that set higher prices than ordinary stores. Furthermore, the volatile character of the nitrate market prompted producers to lay off workers regularly, and this led to periodic waves of unemployment, in which thousands of unemployed workers were forced to seek work in the cities. These horrible conditions inevitably led to protest, and in 1890 government troops were sent out to quell Latin America's first general strike. This was first manifestation of the *social question*, which would grow to become Chile's most pressing national problem. Especially in the first decades of the twentieth century, strikes affected most cities and production centres, and quite a few were suppressed violently, with death tolls rising to several hundred. Meanwhile, socialism spread rapidly among the working class, and labour unions and socialist parties boomed. One of the central figures was Luis Emilio Recabarren, who was involved in the Chilean Workers' Federation (Federación Obrera de Chile, FOCH) and who founded the Communist Party in 1912. Despite initial resistance from the political elites, Recabarren and other 'revolutionaries' were accepted in Congress in the 1910s. Once again, Chile's oligarchy was able to trade off modernisation (this time at the political level) in return for maintaining power.

The demands for better conditions for the country's working class were endorsed by the rising middle classes. These had gained in status and influence thanks to the booming nitrate industry, the growing economy and the expanding bureaucracy. They were employed in trade, education, public office and in higher military positions. However, their ascendance was slow and erratic, and they had, according to a contemporary, not yet 'reached the point of forming an appreciable category' by 1908 (quoted in Collier and Sater 1996: 173). Nevertheless, their ranks grew, and in the decade of the 1910s a small but self-confident middle sector was clearly discernible. They were appalled by the living conditions of the poor, and equally afraid of their revolutionary potential. Repeatedly, the middle classes pressed the parliamentary oligarchy to address the 'social question' seriously. However, Chile's elites remained aloof and refused to alleviate the position of the working classes, using liberal arguments for free trade and self-realisation. (Silva 1993a: 466)

Progress and Positivism: Lastarria and Letelier

With the triumph of liberalism over conservative thought, the notion of 'progress' became a central feature of Chile's intellectual and cultural life. In the course of time, it was replaced with the word *modernisation*, which conveyed more or less the same meaning:

> [b]oth words (…) implied an admiration for the latest ideas, modes, values, inventions and styles of Europe and the United States and a desire to adopt – rarely to adapt – them (Bradford Burns 1980: 8-9).

This did not mean, however, that there were no theoretical notions to underpin the discourse (and project) of modernisation. Bernardo Subercaseaux (1997b) discerns three such suppositions. First, a *teleological supposition* harboured the idea of indefinite progress for mankind. This implied that the future would be a very humane and social one, and that modernisation would be a constant path towards that future. Second, a *technical-scientific* supposition echoed the belief that science and technology present the best ways to achieve full human development. Through reason, it would be possible to rationally redesign society into a rational, homogenous and modernising one. Finally, a supposition of *the most adequate social modernisation* glorified capitalism as the superior form of social and economic organisation, and advocated industry as the nexus between capital and science. Not surprisingly, the most popular philosophy among Chile's intellectuals in this period, positivism, contained elements of all three suppositions.

Positivism became an established ideology in Europe in the first half of the nineteenth century. It had come up as a doctrine that glorified science over philosophy, following the emergence and organisation of natural positive sciences in the eighteenth century. In a sense, it was a by-product of industrialisation, technology and empiricism; the use of scientific methods in daily life was one of positivism's main roots (Subercaseaux 1997a: 203; Ardao 1963: 517). Its first representative was the French philosopher Auguste Comte; among the later interpreters we find Renan, John Stuart Mill, and Spencer. In Chile, however, positivism could not be an endogenous ideology. Industrialisation had been delayed, and there was very little scientific knowledge. Here, positivism brought about science, instead of the reverse. Moreover, it was introduced with an explicit intention of stimulating the natural sciences (Ardao 1963: 517).

Unlike in some other Latin American countries, positivism was not carbon copied from the original sources, nor was it being used to legitimise authoritarian regimes under the flag of 'ordered progress'. In Chile it became associated with 'contestation and social regeneration' (Subercaseaux 1997a: 205). This was almost fully attributable to the Liberal champion Victorino Lastarria, who introduced positivism into Chile in 1868 and became its most vigorous, if heterodox, advocate. Lastarria was especially interested in the element of progress, which is central to the Comtian interpretation of positivism. According to Comte, societies pass through three levels of development: theological, metaphysical and scientific (or 'positivist'). Lastarria adapted this view to the local context: Latin America had lived the theological phase in the colonial era, the metaphysical level had come with independence, and he considered the continent to be

in a transitional period to the positivist level in his days. He freely combined his liberal views with Comtian thought, even if these appeared to be antagonistic. For Lastarria, the state should only guarantee individual freedom, yet simultaneously he endorsed strong reformist policies. Similarly, his belief in individual freedom forced him to reject positivism's authoritarian aspects, and he altered Comte's motto 'order and progress' into 'freedom and progress'. Moreover, he completely rejected Comte's later notion of a 'religion of the humanities'. Despite these adaptations, Lastarria used positivism to define a developmental path for Chile. Unlike other positivists, the example for Lastarria was not continental Europe, but England and the United States:

> In reality, it is the positive spirit which has saved the English countries from the general shipwreck, and which prepared and realised the triumph of semecracy or self-governance in the United States. If the American republics had been able to imitate it, their moral and political progress would have been more effective in the fifty years of independence that have passed (Lastarria 1875).

For Lastarria, democracy, federalism and individual freedom are the positivist future for Chile. Economic and social development, he implies, will follow automatically. In order to reach this future, he suggests *positivist politics*, in which liberalism and Comtian positivism are reconciled (Jaksic 1989: 41-43; Subercaseaux 1997a: 209-213; Hale 1988: 389-391).

Lastarria's 'positivist liberalism' became a popular current in Chilean positivism, but by no means the only one. There were also a handful of orthodox Comtians, who followed Comte in his 'religion of the humanities' and defended these doctrines with a sectarian fervour. More important, though, there was another group of positivists who originated in the 'positivist liberalism' but evolved towards a more consistent, solid form of positivism which was closely tied to the middle classes. This group would set up several institutions that would become crucial for the emancipation of the middle classes, and the subsequent implementation of their project of modernisation (Silva 2007). The undisputed leader of this faction was Valentín Letelier (Subercaseaux 1997a: 213).

From the 1880s onward, Letelier became Chile's main educational figure, creating cornerstone institutions like the Pedagogic Institute (*Instituto Pedagógico*) and receiving broad governmental support for his educational modernisation plans. In the 1880s, he had travelled to Prussia, where he studied the education system, and he hired German professors to become the teachers of the *Instituto Pedagógico*. In his view, pedagogical training on a positivist basis should be a cornerstone for the transformation of education, and of society. Although he copied from the Prussian model, he defended himself against criticisms of germanophilia:

> we did not hire German professors out of any special inclination for the German race, but rather because Germany is the nation that trains the best teachers, and also the nation that is better prepared to respond to our demand for services (quoted in Jaksic 1989: 51).

Letelier had rejected orthodox positivism in the early 1880s, but did adhere to many of Comte's views. He was, like Lastarria, especially interested in the law of the three stages of society, and adapted it to the educational system. For Letelier, Chile's educational system had been 'theological' under conservative rule, in the 1830s and 40s, and had partly remained so because of ongoing conservative attempts to control it. The 'metaphysical stage' was represented by the influence of liberalism on education, which was characterised by chaos, abstract thought and ineffectiveness. Only the 'scientific stage' could render both previous stages obsolete, and bring much needed order and progress to the country (*ibid.*, pp. 53-54).

Letelier's concern about order led him to take a much more authoritarian stance than Lastarria. For him, individual freedom and authority were complementary, not antagonistic: 'Scientifically, freedom is equally indispensable for the development of human faculties as authority is to satisfy social needs' (quoted in Larraín 2001: 93). He advocated strong governmental policies to enforce education, vaccination, social security and savings, to prohibit child labour and to regulate labour rights and prostitution:

> Let us be men of science, and as such keep in mind that the objective of politics is not freedom, is not authority, is not any other abstract principle, but that it is to satisfy the social needs in order to procure the perfection of man and the development of society (quoted in Subercaseaux 1997a: 214).

In the end, positivism, in the versions of both Lastarria and Letelier, was crucial for the creation of state institutions which would become strongholds of the middle classes, such as the *Instituto Nacional* and several sanitary services (Silva 2007).[9] Moreover, it had created both a conscience of and a language for modernisation, which should take place in the context of social order and through rational, if not scientific means. This would become another constant in the Chilean trajectory towards modernity. From now on, Chilean projects of modernisation, from whatever pedigree or political perspective, would all be substantiated by making use of theoretical or doctrinal underpinnings.

2.5 Mesocratic Modernisation: The Welfare State and Industrialisation

In the 1910s and 1920s, a series of external shocks put an end to the liberal project of modernisation, and with it the 'parliamentary system'. Meanwhile, the middle classes were more than ready to take over power. Their emphasis on meritocracy and professionalism brought a new phenomenon into existence in Chile: technocrats, who used rational and scientific methods in order to modernise the country. However, they were not able to take the helm directly. In a typically Chilean way, the clash between social classes was resolved by means of an authoritarian but modernising interlude, in which a new order was given shape. Only in 1938 were the middle classes able to set in

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[9] It should be noted that in this period the middle classes did not consist of entrepreneurs or industrialists, as was the case in Europe. Rather, the Chilean middle classes consisted of university professionals, bureaucrats, and provincial land-owners (Góngora 1986: 166). As a result, they have always been strongly oriented towards the state and higher education.

motion their own project of modernisation, which was based on the creation of a basic welfare state, state-led industrialisation, and a deepening of the democratic structures.

The Interlude: Alessandri and Ibáñez

The internal erosion of 'oligarchic modernity' during the parliamentary period was deemed to bring the political model down. The middle classes, who were yearning for political power, had become a strong, if heterogeneous, pressure group. More importantly, the social question had become acute with the collapse of the nitrate industries and other export sectors, directly after World War I. Even if these sectors did recover in the years to come, the influx of tens of thousands of unemployed into the urban slums underlined the country's dependence on the world market and its economic vulnerability. It also deprived the oligarchy of its legitimisation: economic success. By 1920, it became clear that the *Götterdämmerung* of Chile's elites could only end in the restoration of political legitimacy - the only question being: on what grounds. The restoration of 'monarchic' authority, as had been applied by Portales (and unsuccessfully reinstalled by Balmaceda) had become obsolete. By now, the masses had been bestowed with universal suffrage (that is, for literate men), and legitimacy had to be won at the ballot-box. On the other hand, the landed elites were still very influential (and able to manipulate electoral outcomes by forcing their *inquilinos* to vote for a certain candidate), and the system of 'buying votes' was still very popular, so 'true mass democracy' seemed a highly unlikely enterprise. The solution was brought about by an interregnum of 18 years, in which charismatic *caudillismo* and authoritarian military rule alternated (Góngora 1986: 137).

Arturo Alessandri (nicknamed *the Lion of Tarapacá*) won the 1920 elections with fierce anti-oligarchic rhetoric and a programme which promised constitutional reform and social legislation. He appealed directly to the urban and rural masses in a famous eloquent style that made him extremely popular. Despite his anti-oligarchic rhetoric, though, he was not the man to revolutionise the system: 'He was not a revolutionary. Nor was he (…) a popular leader. All in all, he was a *parliamentary* leader' (Salazar and Pinto 1999a: 44). Moreover, the parliamentary system was still in place, leaving the President little room for the strong leadership he had in mind. The oligarchic opposition was able to obstruct his programme and his own liberal party was divided; even electoral victories in parliament could not alleviate the sense of disillusionment among his followers. In one aspect, though, the Alessandri administration signified a political modernisation. For the first time in Chilean history, the middle classes obtained access to the higher administrative echelons. Alessandri personally appointed urban professionals, union leaders and professors to the highest directive functions, as well as in the cabinet (Góngora 1986: 134). This first step towards mesocratic and democratic rule was, however, not enough to end the parliamentary system. Only the intervention of the military, in 1924-1925, could bring about fundamental changes in the political model, through the installation of a new constitution (which was approved by plebiscite in August 1925). This new constitution shifted the balance of power back

to the executive, but did leave the Congress budgetary influence. By then, Alessandri's position had become untenable, and he had to make way for the next strong man of Chilean politics, Colonel Carlos Ibáñez del Campo.

Ibáñez's rule, which was formalised in 1927, was dictatorial, ruthless, and hardly constitutional. Nevertheless, the idea of a 'strong man' at the helm, combined with his success in economic matters, made him a relatively popular dictator. Contemporary intellectual Alberto Edwards praises him for 'reconstituting authority' (Edwards 1928: 265). Indeed, his authoritarianism and ideology of order echoed much of the spirit of Portales - and foreshadowed that of Pinochet (Loveman 2001: 185). Rather than being exclusively conservative, he combined conservatism with a modernising outlook, mainly oriented towards the economic dimension of modernity (Silva 2007). For him, only authoritarianism could save Chile from the 'soft anarchy of the salons' of the parliamentary period, and bring about modernisation:

> [I will not] hesitate, if the situation requires it, to assume the maximum of responsibilities and attributes I deem necessary to avoid chaos and to assure the welfare and the progress of Chile (quoted in Góngora 1986: 166).

Much like Balmaceda had done some forty years earlier, Ibáñez embarked on a range of public works and innovations that transformed the appearance of the nation. Increasing copper revenues and a temporary resurgence of the nitrate industry enabled him to build roads, sewerage, ports, water systems, prisons, railways and irrigation. Thousands of workers were employed in this mushrooming enterprise. Furthermore, he created many new institutions, like the Chilean air force (*Fuerzas Aérea de Chile,* FACH), which carried out operations for what later became the Chilean Airlines (*Linea Aérea Nacional,* LAN) and the national police (*Carabineros*). Meanwhile, the educational system was expanded to double its capacity in a decade (Loveman 2001: 184).

Ibáñez especially favoured the development of Chile's industry. Moreover, he was the first to give the state a central role in its promotion, foreshadowing what would become known as 'the productive state' (Salazar and Pinto 1999a: 51). He installed tariffs to protect Chile's infant industries and created credit institutions for agriculture, mining, and industry, Moreover, he gave the state several means to intervene in the economic realm by controlling exports and imports, capital markets, and the introduction of new technologies (*ibid.,* p. 49). His incentives and import substitution policies did not miss their target: from the mid-1920s onwards, Chile's industry grew rapidly, even diversifying on some fronts (Loveman 2001: 184; Góngora 1986: 184). For Ibáñez, the state should be the motor of this process:

> The historical parties (…) have not understood that the direction of the Modern State should be preferably and energetically oriented towards the solution of the economic problems, and towards the organisation of the productive forces that constitute the only solid basis for the strengthening of the national economy. (…) [T]hey have not understood that the old political standards must be substituted with a new government which resolves and executes, and does not neglect the solution of national problems (quoted in Ortega *et al.* 1989: 34).

Ibáñez' 'modern state', as he called it, would remain in effect until 1973, albeit in different shapes and forms (Góngora 1986: 187).

One of the main modernisations of the Ibáñez government was the rationalisation and de-politisation of the state bureaucracy. Ibáñez abhorred politics and politicians and intended to create an a-political and technical administration. To this end, he made use of young professionals and technicians: 'I have tried to appoint to the high offices of the administration young, independent men, the majority of whom are fairly unknown in the political realm' (quoted in Góngora 1986: 178). This group of middle-class professionals provided Ibáñez with his own kind of 'technocrats *avant la lettre*', which were strongly guided by values such as professionalism, efficiency, and meritocracy (Silva 1998b: 52-61; Silva 2007). Furthermore he reformed the state apparatus to increase its efficiency, created a 'General Controllership' (*Controlaría General de la República*) to audit its performance, and installed a national treasury. Since congress had been completely subdued, the political game almost came to a complete standstill: 'Between May 1927 and July 1931 Chile lived without interior politics; there was only administration' (Góngora 1986: 170). The same would later be claimed for the dictatorship of Pinochet (Jocelyn-Holt 1997: 183).

Ibáñez' technical 'modern state', his restoration of authority, and his economic success did not last. The 1929 world economic crash once again revealed Chile's economic vulnerability: in 1932 exports had dropped to only 12 per cent of the 1929 level, while imports remained high. Investments from abroad abruptly dried up and the state debt (which had doubled to $62 million since 1920) became an unbearable load (Correa *et al.* 2001: 105-106; Collier and Sater 1996: 220). In the end, Ibáñez was not defeated by his political enemies (who were many), but by the Great Depression. While he brought order and progress to the country, his authoritarian rule was accepted by the population; but when progress ended, his support soon followed (Góngora 1986: 178). In 1931 he was forced to resign, and a year later his archenemy Alessandri took over the rudder once more. By now, however, the parliamentary republic had died for good. No longer could the elite impose its will: the constitution of 1925 left too little room for it. The oligarchy had made way for the middle classes, parliamentarism for mesocracy. From now on until 1964, Chile's state system would become defined by more or less democratic party politics, in what Mario Góngora has labelled the 'presidential regime with party alliances'. No longer was one single party able to dominate congress, and party alliances became a characteristic feature (Góngora 1986: 237).[10] Finally, the middle classes had come to power and were able to set in motion a project of modernisation that was based on the creation of a welfare system, industrialisation and democratisation.

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[10] Changes in the state model in Chile have been brought about by authoritarianism or by social conflict. Portales created an authoritarian state, which Balmaceda lost in civil war. After the 'parliamentary state', Ibáñez created a democratic middle-class state through authoritarian means. As will be seen in the next chapters, the pattern continues: the state model once again went into crisis under Allende, giving rise to large-scale social unrest, only to be given a new shape and form under the authoritarian rule of Pinochet.

The Providing State and the Creation of a Welfare System

In the late 1930s, a new project of modernisation was initiated, this time led by the middle classes, in an alliance with organised labour. Rather than being a premeditated and considered project, it responded to the direct needs of the era: the economic crisis of the 1930s, combined with the exacerbated social question, and the rise of organised popular classes. It was oriented towards the 'Social-Democratic welfare modernity' of North-Western Europe, and encompassed the social, economic and political dimensions of modernity. Central in this project of modernisation was the state, which obtained two new faces: the 'providing state' and the 'entrepreneurial state' (Correa *et al.* 2001: 136; 149). Interestingly, the new central position of the state as the developmental motor of society was a postulation of the Left. However, in many ways it was a vindication of what conservative historians have labelled 'the state in good shape' or the 'Portalian state', that is authoritarian, oriented towards the maintenance of order and strongly normative (Salazar and Pinto 1999b: 47-48). Elements of this 'providing' and 'entrepreneurial' state already became tentatively visible under the government of Alessandri (1920-1924) and Ibáñez (1925-1932) as well as the second Alessandri administration (1932-1938). However, it only developed into a true project of modernisation in the period 1938-1964.

In 1938, the first 'Popular Front' government took office, consisting of a coalition between the political Centre (in the form of the middle-class Radical Party) and the Left (including the Socialist and Communist parties). One of its central elements was its agenda of social justice. The notion of social justice had become a central theme in political discourse since Alessandri's election in 1920. It had evolved from general principles involving justice and equality to a more reduced concept of top-down social and labour legislation, all under state responsibility (Silva 1993a: 468). With the triumph of the centre-left Popular Front coalition in 1938, it became a driving force behind an unprecedented series of social investments and laws. Between 1930 and the 1950s, social expenditure more than tripled. For this purpose, the state apparatus was enlarged with different institutions which supervised the execution of social policies: the percentage of civil servants employed in the social sector boomed from 1.3 per cent in 1925 to 31.7 per cent in 1955. Simultaneously, welfare expenditure tripled, health care was made accessible for all workers and their families, education was expanded rapidly and housing programmes tried to alleviate the living conditions in the urban slums (Correa *et al.* 2001: 150).

Chile's welfare state did do a lot to improve the fate of the country's workers and poor, but it certainly did not reach all. Rather than being generally socialist in orientation, it was highly corporatist. Only the sectors that were well-organised into unions or guilds (*gremios*), or that otherwise were able to strongly articulate their demands, could exert enough influence on the government to be granted social benefits. On the one hand, this encouraged protests and strikes by labour movements and other groups, often directed by socialist and communist parties (Salazar and Pinto 1999b: 117). In the period 1930-1964, mass demonstrations and strikes mushroomed,

making unions like the Chilean Workers Confederation (*Confederación de Trabajadores de Chile,* CTCH) major political players. On the other hand, it excluded the unemployed as well as the sectors which were poorly organised. These sectors could benefit only marginally from the willingness of the 'providing state' to implement social legislation and invest in social expenditure. Moreover, the concept of social justice did not extend to the rural sectors. Social legislation was directed to the urban masses exclusively, while the situation of the rural workers was structurally neglected. Attempts by the peasantry to organise were violently blocked, often with state support. Meanwhile, because of the extreme concentration of land in only very few hands, the lack of incentives for production and the obsolete production techniques, the position of the rural masses deteriorated. This politically dangerous situation was neglected by the state out of pragmatic motivations: the landed elites still held too much power. Therefore, the centre-left governments of the 1930s-1950s chose to ignore the situation of the rural workers, rather than to confront their masters (Loveman 2001: 213; Silva 1993a: 469). As a consequence of this 'state corporatism', then, only organised urban proletariats were able to emancipate themselves, and evolved, in the words of Salazar and Pinto, into a 'modern class':

> [t]hey became the modern class, whose culture adapted to the new times. In contrast, peasants, peons and Indians (the majority of the popular world) remained in the margin of the active participation in the emancipation project (Salazar and Pinto 1999b: 116).

As a consequence, the 'providing state', despite its success, resolved only part of the social question, ignoring the situation of the urban marginal groups and the rural lower classes. In the context of the ideological radicalisation that swept the continent, especially after the Cuban revolution of 1959, these sectors became vast pools of electoral potential which were open to mobilisation. By 1964, they would become one of the main focus points of modernisation.

The Entrepreneurial State: industrialisation
While the 'providing state' focused on the social element of modernisation, the 'entrepreneurial state' emphasised the economic one. This was a direct response to the effects of the economic depression of the 1930s which hit Chile's economy particularly hard: of the 39 countries that provided some ninety per cent of total world trade, Chile was hurt the most in terms of its imports and exports between 1929 and 1932 (Ortega *et al.* 1989: 12). Exports of nitrates, which had recovered somewhat after the crisis of the First World War, dropped with 90 per cent between 1929 and 1932. Meanwhile, in the same period, copper exports fell by two thirds, while prices dropped from US$ 18 per pound to US$ 5.5. The social consequences of the crisis were tremendous: 50,000 nitrate workers lost their jobs in three years, while general unemployment leapt to 129,000 unemployed (SOFOFA 1983: 174). This crisis made amply clear that Chile's economy was not only excessively dependent on exports, but that its lack of industry had made it equally dependent on expensive imports. Moreover, the lack of alternative

export products and the backward agrarian sector painfully exposed the obsolete structure of the economy.

Chile's response to the crisis was to diversify production by substituting imports, and to decrease the country's dependence on exports. Chile's outward-looking, export-driven economy was changed into an inward-looking one, with a strong focus on an accelerated industrialisation. These strategies were implemented by the state, which took upon itself to define and execute a national development programme. In this way, Ibáñez' 'modern state' expanded from fostering and protecting the national economy to actively and dynamically setting out on a completely new course. The state was now being viewed as an agent 'capable of situating itself above particular interests and to embody the general interest of the nation'. For this purpose, it should transform its new functions into a 'systematic development option, compensating the weaknesses and hesitations displayed by private enterprise towards reorganising the economy around a process of substitutive industrialisation' (Salazar and Pinto 1999c: 81).

The strongest expression of this new state role was the establishment, in 1939, of the Chilean Development Corporation (*Corporación de Fomento de la Producción*, CORFO). The creation of this agency, which was charged with planning and executing industrial policies, played a major role in Chile's modernisation in several ways. First, it affirmed the supremacy of developmental thinking in the country's political circles, and consolidated this approach in state institutions and agencies. With CORFO, the creation of a national industry became pivotal. Industrial development was considered 'decisive for the general progress of the country and of the workers in particular, as well as for the possibility of achieving independent national development' (Muñoz Gomá 1986: 76). Industrialisation, it was argued, would favour the growth of income of the working classes over the others, thus creating an increasingly expanding internal market for its products while simultaneously benefiting the poor (Pinto 1962: 186). This line of development, which was based on the theories of John Maynard Keynes, intended to copy from what Peter Wagner has labelled 'organised modernity' in Europe, in which modern institutions (from the nation-state to modern business enterprises), organised labour and mass consumption interacted in the formation of what has been called the 'golden age of capitalism' (Wagner 1994: 73-88). However, the Chilean version of European 'organised modernity' was markedly different in three ways. First of all, state-led industrialisation through the CORFO project left much less room for private industrial enterprise. Second, the participation of foreign capital remained excessively high compared to national investments (which would later lead to the formulation of dependency theories). Finally, the inclusion of the marginal classes was only partial, in contrast to Europe, and did not include the rural and unorganised sectors (Larraín 2001: 110).

The second modernising aspect of the industrialisation project led by CORFO was a shift in economic emphasis, which left the landed oligarchy marginalised, while it simultaneously favoured the new industrial elites. These, organised into groups such as SOFOFA, were integrated into the CORFO project through representation in the many

planning committees as well as the board of directors. In many ways they supported the industrialisation project set in motion by the Popular Front government, even if this meant accepting the state fostering of organised labour. One indication of the level of consensus between the private industrial sectors and the state-led industrialisation bureaucrats is the fact that SOFOFA never filed a serious complaint against CORFO. Chile's new industrialising modernity was characterised by a tacit agreement between industry elites and organised labour (Silva 1996: 35). The landowning elites, however, were less pleased with their end of the bargain. They were not included in the state-led developmental strategies, and often suffered from the consequences of the import substitution programme, because locally produced machinery often proved inferior and more expensive than imported machinery. Above all, they feared the rise of the rural masses, if labour organisations would be allowed to work on the countryside. However, they no longer had sufficient political leverage to block the industrialisation project, and were forced to strike a deal with the Radical party. Thus, their tacit support was traded for the guarantee that the government would not allow any form of peasant organisation and that the existing rural social relations would not be changed. As in the eighteenth and nineteenth century, the landed elites had made a trade-off with the state: in return for recognition and support for modernisation, they were able to maintain the traditional social relations on the countryside. However, this was no longer the nineteenth century, and this deal would soon contribute to the breakdown of the system (*ibid.*, p. 36; Ortega 1989: 55-56; Muñoz Gomá 1986: 81-84).

The third way in which the import industrialisation strategies, and the CORFO project in particular, shaped Chile's trajectory of modernity was through the ascendance of a technocrat elite, which was to direct the different state institutions charged with the implementation of these policies (Silva 2007). These 'new men' (*hombres nuevos*), mostly economists and engineers, had already gained in status and importance under the rule of Ibáñez, with the creation of the 'modern state'. Now they became the central executors of the developmental policies of the 'entrepreneurial state'. They were an answer to the need to address the economic problems of the age and to create, in the words of the Minister of Interior of the time, Roberto Wachholtz, 'a comprehensive, rational and scientifically elaborated plan, methodically applied and developed in the course of years' (quoted in Muñoz Gomá 1986: 77). Indeed, there was a lack of economic statistics and information. According to CORFO vice-president Guillermo de Pedregal:

> We did not have an ordered and complete idea of the richness of our land nor, in general, of our possibilities. Neither did we know, in a more or less certain manner, how to rationally utilise the resources of the country's different regions. The proper statistics are -and still are - deficient (quoted in Correa *et al.* 2001: 146).

The ascendancy of technocrats was a also response to the increasing massification of Chile's society. Mario Góngora argues, referring to the writing of Jaspers, that the rise of the masses required more efficient methods and means of production of capital goods.

This is why, according to Góngora, the economist and the engineer became the two most valued professions in this period (Góngora 1986: 245). Simultaneously, the CORFO technocracy reaffirmed and consolidated the position of those middle classes that were tied to the state apparatus, private enterprise, and academic centres (Salazar and Pinto 1999b: 83). Finally, the technocrats fulfilled the role of a political buffer between the Left and the Right. By leaving the management of the project of industrialisation in the hands of technocrats, the political use of the project was avoided, mitigating the political conflict between the Left and Right (Silva 2004).

The 'entrepreneurial state' would leave strong marks on post-1964 Chile, on two levels. First, it further strengthened the already strongly present Chilean orientation to the state as the motor of modernisation. Whereas before the state did not actively interfere in the economic development of the country, it now had become the single largest investor of the country. As a result, the state came to be seen as the most responsible actor in economic development as well as the prime agent of further modernisation. Second, the increasingly technocratic outlook of Chilean politics and the rationalisation of the economic activities of the state made state planning the next logical step in the economic activities of the state. This would be concretised in 1964, with the beginning of the so-called 'era of planning' (Góngora 1986: 280).

Finally, the project of the middle classes was oriented towards political modernisation. This was achieved mainly through the extension of suffrage and representation to groups that had previously been excluded. Beginning with the parliamentary inclusion of the Communist and Socialist parties (in respectively 1922 and 1933), women were granted suffrage in 1949. The drive towards increased democratisation was temporally set back, though, by the outlawing of the Communist party in 1948, which lasted for ten years. In 1958, finally, the introduction of the *cédula única electoral* (the single voting card) put an end to the large-scale buying of votes in the countryside. These measures led to a large increase in the participation of the population in elections, combined with an increased political awareness (de Ramón 2001: 117-121). It was in the context of this process of democratisation combined with selective social modernisation (excluding the urban masses and the rural poor) that modernisation would acquire a new, radical nature.

Chapter 3

The Third Way: Modernisation and the Revolution in Liberty

The project of modernisation of the PDC was based upon Christian doctrines that were selectively taken from their European sources, and which were as much of a critique of modernity as a proposal for modernity (section 3.1.1). These doctrines were complemented with a new and locally developed developmental theory, structuralism, which strengthened the project's legitimacy and provided it with scientific underpinning and concrete policy proposals (section 3.1.2). These two currents were brought together into an all-encompassing project of modernisation, which sough to fundamentally change the country's social, political, and economic structures (section 3.1.3). Despite an ideological ambivalence towards the state, the project was implemented by means of state institutions, with the strong support of a group of semi-independent technocrats and a new policy tool in Chilean history: state planning (section 3.2.1). The implementation of the project caused the competition between three main political actors to intensify, provoking the ideological radicalisation of the Right and the Left (section 3.2.2). Under pressure of this competition, and especially of the popular unrest that was produced by the ideological 'outbidding' between the PDC and the Left, the project was slowed down and the party made a sharp move to the Right (section 3.2.3). In the end, the project left strong legacies at the economic level, such as the agrarian reform and the 'Chilenisation' of the copper mines, and at the social level, through the emphasis on the inclusion of the marginal masses. At the political level, the legacy of the 'Revolution in Liberty' was unforeseen, and consisted mainly on the polarisation of the political spectre (section 3.3).

3.1 Constructing the Revolution: Communitarianism and the ECLA

The project of the Christian democrats was constructed against the backdrop of a faltering economy, increasing electoral competition, and the Cuban revolution. By the late 1950s, the developmental model that been based upon state-led industrialisation and the creation of a welfare system for organised labour, had become exhausted. It was no longer able to create levels of economic growth that would be necessary to provide goods and services to the working classes, let alone the marginal sectors. As a result, it became unable to appease the working classes, which had been a key factor in the stability of the model. Simultaneously, the extension of suffrage to all adults had opened up groups of society for electoral competition that had been excluded until then: women, the urban marginal sectors, and the rural poor. Combined with the radical revolutionary ethos that was sweeping Latin America since the Cuban

Revolution in 1959, the exhaustion of the developmental model and the availability of new and unsatisfied electoral groups created a potentially explosive situation. It is in this context that the Christian Democrats constructed a project of modernisation that sought to take away the causes of popular discontent as well as reignite the country's economic development.

3.1.1 The Doctrinarian Background of the Project

The middle-class project of industrialisation and welfare became exhausted towards the 1960s. The growth of the economy lagged behind expectations, making it increasingly difficult for the state to provide social care for the working class. Furthermore, the political success of the 'Popular Front' governments, consisting of the middle class Radical Party combined with parties of the Left, had waned. In the 1950s, two conservative governments, one led by former dictator Ibáñez (1952-1958) and one by the son of his archrival Alessandri (1958-1964), sought to modify the project, but to little avail. In addition, the wave of political radicalisation that flowed over Latin America, and especially the Cuban Revolution, produced an awareness among the middle classes that a different path should be chosen. This change came in the form of the Christian Democrat Party (*Partido Demócrata Cristiano*, PDC), which was set up in 1957, as the successor of the *Falange*, a progressive Christian movement which had evolved out of the Conservative Party. Even though it had its electoral base among the same sectors as the Radical Party, it developed a contrasting style of politics: instead of focusing on pragmatic coalition compromises, it drew up an explicit and radical modernising ideology, which clearly distinguished it from its competitors.

The basis of the Christian Democrat ideology was a critique of the trajectory of modernity in Chile. It argued that the still unresolved social question and class struggle had their roots in the capitalist economic system and in the traditional social structures of Chilean society, especially in the countryside. Simultaneously, it strongly rejected Marxism and the Socialist alternative that were becoming increasingly popular. It therefore proposed an alternative modernity, a third way, based on the idea of community, which would replace the capitalist system. Expanding on the reference point of 'Social-Democratic welfare modernity' (the strong role of the state in creating social justice and the emphasis on collective identities), it created a highly original modernising ideology that was translated into a powerful political project.

Maritain and the Creation of a Christian Alternative
The doctrinarian background of the 'Revolution in Liberty' was derived from the papal encyclicals *Rerum Novarum* (1891) and *Quadragesimo Anno* (1931), and from the teachings of French philosopher Jacques Maritain (1882-1973), all of which stressed the need for the Church to address the social needs of the lower classes. Maritain's views in particular received much attention from the young Christian Democrats, as they dealt specifically with the position of the excluded masses in the context of modernity. As has been mentioned in Chapter 1, it was not uncommon or considered

disadvantageous to 'borrow' foreign doctrines and to adapt them to the local context - on the contrary, parties and ideologists were constantly on the lookout for new and avant-garde ideas coming from Europe. As the historian Bernadino Bravo put it:

> The first priority [of political parties] seemed to be not to lag behind, to keep up to date, to be ready for the new times, to move with the foreign currents that they considered to be the most advanced and to assume their representation in Chile (quoted in González 1989: 63).

In the case of the Christian Democrats it was Eduardo Frei, one of the later founders of the PDC, who in 1934 was sent abroad to Europe by the Conservative Party to make contacts and explore the intellectual climate of the era. In France he met Maritain and attended some of his lectures, which impressed him deeply. After his return to Chile, Frei introduced the teachings of the French master to a circle of intimates, who began to study and develop his theories in depth, adapting them to the Chilean case and combining them with the Church's doctrines (Gazmuri 2000: 156).

The attractiveness of the philosophy of Maritain to the *socialcristianos* (as the socially engaged sector of the Church was then called) lay in his approach to the contradictions and problems of modern society. Maritain sought to rejuvenate Christian thought in order to confront the social and moral questions of the twentieth century. To this end, he merged traditional values, the idea of social justice and community and elements of modernity (like the secular state) into a 'New Christianity' (Corvalán 2001: 74). This approach was particularly appealing for the progressive sectors of the middle classes, who were very much aware of the pressing social question and its potential for revolution. It gave the young *socialcristianos* the means to confront the social question without having to resort to socialism. Coming from the Conservative Party, the bulwark of the rural oligarchy, they took up the social question with particular fervour, and reworked Maritain's doctrines to fit the Chilean context. In particular the notion of communitarianism as an alternative to both capitalism and communism was carefully thought out and developed by *socialcristiano* leaders like Eduardo Frei and Bernardo Leighton. In contrast with the Left, which used the notion of social justice as a tool for co-optation and electoral rhetoric, the young dogs of the Conservative Party made it the central feature of their political doctrine (Silva 1993a: 468-474).[1]

Social Transformation through Communitarianism
Communitarianism as it was developed by the *socialcristianos* placed a strong emphasis on the social dimension of modernity. It envisioned a society in which the state and the

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[1] It should be noted that the *socialcristianos* were not simply anti-capitalist, or simply anticommunist. They were critical of both, but acknowledged their values as well. For instance, Julio Silva Solar, one of the most progressive Social Democrat leaders, argued that despite all oppression, exploitation, and imperialism, 'capitalism has worked for the progress of man unlike most other historical projects' (Silva Solar 1954: 21). Conversely, Jaime Castillo Velasco, after criticising Communism for its totalitarianism and its anti-Christian disposition, emphasised that it is also a legitimate 'expression of the global crisis of capitalism' (Castillo Velasco 1954b: 18). Frei Montalva summarised these views during the presidential campaign of 1958 with his famous phrase, that 'if there is one thing worse than Communism, it is anti-Communism'.

citizen were incorporated through 'intermediate levels', like the family, the Church, the municipality and the corporation. All social sectors could be integrated in the functioning of society, by means of a mix between humanism and Christianity which would dissolve the antagonisms between the classes. As Frei summed it up in his *Homenaje a Maritain* (1964):

> [I]t will be thanks to Christianity, and because of the formation of a God-centred humanism, which universal value can reconcile men of all situations (…). This will be realised as a result of the will to obtain social renovation, and man will assume more personal freedom, freedom and personality - not of class, which will absorb him in the conflict with another class, but of someone who communicates to his class his own dignity in which (…) the actual division of classes has disappeared (Frei and Bustos 1964: 32-33).

In contrast to the Conservative interpretation of Christian thought, the *socialcristianos* viewed Christianity as a highly progressive force, and proclaimed it to be the core of their modernising agenda. It was claimed to be the basis for social justice and for the functioning of the modern, secular, state. Because it could avoid class conflict while reforming the country's socio-economic structures, Christianity became the path for modernisation without social conflict. In other words, the Christian component of *socialcristiano* doctrine made it possible to combine profound social change with the maintenance of order.

In particular the notion of communitarianism, originally taken from Maritain, was developed and adapted to the Chilean case over time. When the *socialcristianos* split from the Conservative Party in 1938 and organised themselves in the *Falange Nacional*, they proclaimed communitarianism to be the basis of the 'establishment of a new order' (24 points of the Falange). Fundamentally, the idea was that capital and labour should be joined together in intermediate organisations, which should be in control of the functioning of the processes of production (Corvalán 2001: 74). However, it would not be till the 1950s that the notion of communitarianism was concretised and given new dynamism by adding to it a particularly revolutionary flavour. Young *socialcristianos* such as Jacques Chonchol and Julio Silva Solar proposed profound changes that would adjust:

> the political, economic, and social structures, which have broken down, to the level of development of the consciousness of the people and the liberty of the common man (Chonchol 1952: 12).

This 'revolution' consisted of a profound change in the values that directed society, a strong orientation towards the people and their struggle, and the replacement of the old social structures with communitarian ones. This 'top-down modernisation', with its strong focus on the social dimension of modernity, was the superior alternative for Marxist revolution:

> The communitarian revolution, even if it is not the only possible revolution nowadays, is the only true one, because it is unique in translating the intimate nature of man, creature of spirit and flesh, to concrete historical reality (*ibid.*, p. 16).

In the late 1950s, the social doctrine of the *socialcristianos* became increasingly influenced by the teachings of the Belgian Jesuit Roger Vekemans. Vekemans, who had been sent by the Jesuit General at the request of the Chilean Church to aid its anti-communist programme, had set up a Department of Sociology at the Catholic University of Santiago, where the country's socio-political problems could be studied in depth. He elaborated on the notion of 'marginality'. Marginals, in his view, were those sectors of society that were socially, politically and economically excluded from society.[2] The 'marginal masses', which lived largely excluded from society, should not only be aided out of humanitarian considerations, he argued. Society itself cannot function well while maintaining such enclaves of exclusion[3]. In order to create a healthy and correctly functioning society, the marginal sectors should be incorporated. By connecting social integration with the modernisation of society, Vekemans created a highly appealing doctrine for the *socialcristianos*, which would eventually be incorporated into the PDC programme in the form of *Promoción Popular* (Moulian and Guerra 2000: 105, 179).[4]

Political and Economic Modernisation

The communitarian doctrine of the *socialcristianos* went far beyond the social integration of the marginal and excluded sectors of society. It also focused on the political level of modernity, considering that the exclusion of the masses is not only caused by economic or social structures, but also by the political system. In modernity, it was argued, the state had gained enormous powers vis-à-vis the population, while civil society had become increasingly fragmented and powerless. As a result, the people had lost their ability to exercise their proper role in society. As was summarised in a 1964 party document:

> The enormous powers of the modern state increasingly disconnect it from its basis: the community. On the other hand, the growth of the population and its geographic distribution have disarticulated the community itself: the human concentration in the urban sectors is nowadays so large, that interpersonal relations within the social core itself have been limited to a minimum (…) While this situation exists, true democratic socio-economic development will be impossible, because decisions will be taken by an almost omnipotent state and will be implemented without active participation of the people. (PDC 1964: 1-2)

The *socialcristianos* made a clear distinction between what they saw as 'formal democracy' and 'true democracy'. Within the framework of 'formal democracy', the people would remain passive and powerless against the powers of the state. Instead, 'true democracy', which was, in the words of Frei, 'the profane name of the Christian

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[2] For a more elaborate analysis of the notion of marginality, see Kay (1989).
[3] The idea that social investment should not be based on *caritas* but on the notion that society cannot function properly if large sections of the population are excluded was not new in Chile. It had been the main idea of the so-called *beneficiencia* programme that had been set up in late colonial times under Manuel de Salas (see Chapter 2).
[4] See section 3.1.3 for an analysis of the *promoción popular* programme.

ideal', would go beyond the realms of electoral systems and be an integral model of power-sharing:

> Electoral power is a part of political power, which, in itself, is only part of power in general, which includes the economy and culture. The people should have access to all those forms of power and participate in its exercise in order to create a truly democratic nation (Presidential Message 1965).

This expansion of the democratic system should, in the view of the Christian democrats, take place through intermediate groups, such as labour unions, local organisations and *gremios*. These organisations would have direct access to the government, or even have representatives on the boards of directors of semi-fiscal organisations like CORFO and the Bank of Investment (Declaration of Principles of the PDC 1957). To ensure an equal representation, *socialcristianos* like Bernardo Leighton had even argued for compulsary unionisation, 'in order to incorporate the masses of workers and employees of our country' (Leighton 1946). Only through the active participation of the proletariat, then, could Chile create a 'real democracy', instead of the 'formal democracy' it had known before (Cardemil 1997: 157-166).

On the economic level, even more radical proposals were developed. In 1946 Bernardo Leighton proposed the 'substitution of capitalism' by a 'labourist economy', in which the means of production would be in the hands of intermediate organisations in which representatives of the proletariat would have a place (Leighton 1946). This doctrine was elaborated, in the 1950s, by young radicals of the PDC, especially Chonchol and Silva Solar, who combined it with a Marxist analysis and who advocated a communitarian revolution that was fundamentally Socialist in nature. They proposed the transfer of the means of production to the workers, who, organised in corporations, would have full control of the production process (Fleet 1985: 54). These views did not represent the majority of the PDC, though, and were contested by more conservative leaders like Eduardo Frei.

A compromise was found in the idea of a 'human economy', in which production would be organised with a view to the common good. The economic power should no longer lie with 'individuals who are guided by the desire for unlimited gain, nor by the monopolistic state'. Instead, it envisioned 'labour communities' in which the workers would collectively own the means of production. The state, as the 'ultimate expression of the communitarian life', should:

> promote the expansion of the economy according to a general planning system, democratically managed, which coordinates private and public activities, and in which free enterprise and the spirit of profit will be subordinated to the moral norms and the interests of the collective (Declaration of Principles of the PDC, 1957).[5]

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[5] One should of course be careful to include electoral materials (as well as political speeches) in an evaluation of the construction of a party ideology, as these may well serve political purposes as well. In the case of the PDC's 'human economy', an intention to capture a potentially Left-wing electorate may have played a role. However, it was also an internally debated and developed doctrine, which had been in the making for years.

As a result, the 'human economy' contained a strong critique of private property and free enterprise, and proposed that control over the means of production should be in the hands of labour collectives. As will be seen in the next chapter, this approached, from a communitarian perspective, the proposals that would be put forward by the *Unidad Popular* in 1973.

The radical nature of the project of the Christian Democrat had repercussions on its style. While the *Falange* had been a relatively open political party, willing to compromise with the Left in the modernisation of society, that attitude changed in the 1950s. Jaime Castillo, one of the ideological leaders of the party, even argued that all pacts and compromises should be abandoned. The scope of its project was so large that the party would have to gain power by itself in order to ensure its success (González 1989: 67). As Castillo put it:

> [The Christian Democrats] will have to be - through the men who lead them - the nucleus of a vanguard that will come to power. (…) Our party will have to be the decisive element in the formation of a national vanguard, in which those who understand the urgent needs of the epoch and want to work for Chile are truly united (Castillo 1954a: 16).

As a result, the Christian Democrat project was very much an elite project, full of intellectualism and doctrinal elaboration, which could only be fully appreciated by a small circle of insiders. That is not to say, though, that it did not respond to Chilean reality or the political developments of the era. It followed the general atmosphere of political radicalisation that had characterised the second half of the 1950s. The Cuban Revolution, and the Cold War in general, had created great expectations of revolutionary change in Latin America among the Left, and this pressured the Christian Democrats to create a viable alternative. Simultaneously the meagre economic results of the years before 1964 convinced the *socialcristianos* that a fundamental change in economic regime was necessary. Additionally, the Christian Democrats shared in a broader tendency, which took place on a global scale, towards 'messianistic' or 'utopian' proposals to reshape society (Jocelyn-Holt 1998: 97).[6] Finally, the 'alternativist' line between hard-line capitalism and Communism gained momentum with the Alliance for Progress that had been set up by the Kennedy administration and which supported reformism in order to avoid Communist take-overs in Latin America (Fermandois 2005: 299).

In short, the proposals for social, political and economic modernisation made by the *socialcristianos* focused on specific aspects of modernity, while ignoring or rejecting others. As an example, Social-Democratic welfare modernity was used, with a strong

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[6] In this context, Jocelyn-Holt refers to Frei's famous speech called the *Patria Joven* (the young nation), in which he uses a language and manner of speech which invokes religious associations, as if Frei himself were Moses leading the people through the desert. This 'civil religion', as Bellah (1967) has labelled it, was very influential in this period in Chile, and can be seen in the appearances of Frei, Allende and Pinochet. For an analysis of civil religion under Pinochet, see Cristi (2001) and Lagos (2001).

emphasis on the state, economic redistribution and collective identities.[7] However, it took this point of reference some steps further with proposals for a 'true democracy' and a 'human economy'. Furthermore, it argued that social justice could only be attained in modernity and by overcoming obsolete traditions and institutions. In this sense, the modern was advocated as a process of profound social change that would generate progress for the people at large. As a consequence, the *socialcristianos* took the secular nature of the state as a given and based their political programme on secular humanistic political doctrines that were only Christian in inspiration (González 1989: 44). Moreover, they proposed the use of a modern institution such as the state for the creation of a 'new order', in which 'the economy should be directed', and 'the state is the representative of the nation and the driving force of the Common Good' (24 points of the Falange 1938).

On the other hand, the *socialcristianos* were highly critical of certain aspects of modernity. Their position regarding democracy had always been ambiguous: they had defended democracy as the only acceptable political model, while simultaneously they criticised it because of its fundamental flaws and lack of real participation (Cardemil 1977: 157-166). Modern capitalism was rejected as a whole, as well as its main alternative, communism. Traditional values like the family and Christianity, considered essential for the development of man, were threatened by modern liberalism:

> Sometimes one feels the temptation to compare which would be worse: the social misery that destroys all, or the suicide rates in some superbly organised and nourished countries, and which have, so it seems, lost the value of hope and inner happiness (speech by Eduardo Frei Montalva, 20 October 1963)

Above all, the *socialcristianos* considered Chilean modernity to be not only incomplete, but even inadequate, since it could not provide a solution for the dichotomy between capitalism and Communism. For the PDC, it was precisely this crisis of modernity that created the opportunity as well as the need for an alternative model:

> the Christian Democrat Party fights for the realisation of a true Christianity, which may rise as the result of the crisis of modern civilisation (quoted in González 1989: 70).

In sum, the Christian Democrat ambivalence towards modernity led them to propose an alternative modernity, which combined both modern and non-modern elements. It was an attempt to construct a modern society that did not suffer from the weaknesses of modernity as it had evolved in Chile, and that would be carried by elements of traditionalism that the *socialcristianos* deemed essential. In this way, the dichotomy between Christian identity and modernity, as described by Jorge Larraín in his *Identidad Chilena*, could be overcome. In fact, Christianity and traditional values could become

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[7] As has been shown in Chapter 2, a basic welfare system had already been created under the 'providing state' that was initiated in 1939. However, this system had been limited to organised labour only, excluding the urban marginal masses and the poor in the countryside. The *socialcristianos* envisioned an extension of the welfare system to these groups.

the cornerstone of modernity, rather than be irreconcilable with it (Larraín 2001: 202-203).

3.1.2 Desarrollismo and Modernisation: Frei and the ECLA

The communitarian ideal as it was developed by the *socialcristianos* suffered from two major weaknesses. First, it left largely undefined the implementation of the project, and did not offer the public a coherent set of policies that would eventually create a 'communitarian society'. Second, the radical proposals of the Chonchol-Silva Solar camp in the 1950s caused apprehension within the conservative sectors within the PDC, creating the possibility of a break within the party. These problems were resolved (at least for the time being), by the growing leadership of Eduardo Frei and his ability to act as a broker between the different sections of the PDC (Fleet 1985: 52-56).

Frei's Leadership

Frei, one of the *socialcristianos* of the first hour, and co-founder of both the *Falange* and the Christian Democrat Party, represented the moderate and centrist sector of the party. His political success as a senator and his ability to reconcile different views made him the ideal 'consensus candidate' for the 1958 presidential elections. Even though the PDC did not obtain more than 20 per cent of the votes, the elections consolidated Frei's position as party leader. Frei, whose centrist position and political skills allowed him to downplay the differences within the party, was able to give the PDC a unified and competitive face (González 1989: 92). He was able to avoid open conflict by emphasising the practical implementation of the project, while leaving room for the differences in theoretical and ideological thinking within the party (Fleet 1985: 57). In this way, he added to the party ideology a sense of practicality and policy orientation, as well as a common goal for all sectors. Of course, he did not act on his own - Frei surrounded himself with a group of highly educated technocrats (mostly economists), whose professionalism was highly regarded within the party. Furthermore, the moderate course of Frei facilitated a possible alliance with the Right, which had been alarmed by the radical proposals of the Chonchol-Silva Solar camp. This option turned out to be decisive for the PDC's ascent to power in 1964.

Frei was not a strict follower of party doctrines. Even though he had been a Falange ideologist for decades, and had published numerous books and articles on communitarianism, the thinking of Maritain and the restructuring of Chilean society, he considered that the country's first immediate need was economic development and progress (Moulian and Guerra 2000: 104). Only an expanding economy would be able to accommodate the growing needs of the marginal classes without leading to class conflict. A country, he argued,

> which achieves a high level of economic development needs thousands of skilled workers, more culture and more organisations, all of which almost automatically produce better human conditions, eliminate differences, and

create equality upwards, rather than levelling poverty, misery, and backwardness (quoted in Fleet 1985: 55).

In many ways, Frei took Europe as the example for development and progress, resenting the raw capitalism that he considered characteristic of the United States. However, he eventually considered a mix between the two as the best recipe for Chile's path towards modernity:

> Our America is in many ways a transplant of European culture. All of our intellectual development has been inspired by the ideas, images and creations of Europe. Now, this tradition is combined with the new forms of technology coming from the United States, which are a lifestyle in itself. From this crossroads a young and robust synthesis may flow, and it is our hope that one day we may contribute with it to enrichment of the human heritage (speech by Eduardo Frei Montalva 1956).

Frei's economic and developmental outlook, quite uncommon for a professional politician and a trained lawyer in that era, made him receptive to a new current in developmental thinking that was gaining impetus in Chile, namely structuralism.[8] This school of economic thought was an answer to the so-called 'modernisation theories' which had become fashionable in the 1950s and 1960s in the United States. These theories argued that economic development in so-called 'third-world' countries was a simple process of catching up. Given the right circumstances, such as the presence of a certain amount of capital, developing countries would 'automatically' modernise their socio-economic structures in the same direction as those of the industrialised world (Leys 1996: 9-13).

This optimistic and mechanistic view of modernisation, which gained much influence worldwide and was a central element of the Alliance for Progress, was contested in Chile in the Economic Commission for Latin America (ECLA) of the United Nations. The ECLA, headed by the Argentine economist Raul Prebish, was founded in Santiago in 1948 with the strong support of Frei (Montecinos 1998: 46). This think-tank was founded in order to analyse and rethink the Latin American economies and to articulate new strategies that would stimulate the economic development of the region. It gathered a multitude of leading sociologists and economists who proposed new strategies of development and socio-economic transformation, all 'immersed in a developmental and modernising ethos' (Correa *et al.* 2001: 239).

Structuralism and Chilean Modernisation

The analysis that was made by the ECLA economists argued that in Latin America spontaneous development could not occur (as was suggested by the modernisation theories), because of structural impediments in the trade relations between the 'developed world' (the 'centre') and the 'underdeveloped world' (the 'periphery') (Kay

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[8] Despite the fact that Frei had received no professional training in economics, he was considered a serious economic analyst, whose publications on the subject were considered influential (Montecinos 1998: 45).

1989: 29). In order to overcome these blockages, a series of coordinated programmes should be implemented, with the support of international financial aid. An accelerated process of import-substitution industrialisation, economic and social modernisation and regional integration should 'de-block' the progress of the region and facilitate rapid social and economic development for the continent (ECLA 1969: 13-34). In fact, the 'structuralist' analysis made by the ECLA in this phase shared much of the optimism of the 'modernisation theories' it opposed, in the sense that it predicted continuous and self-sustaining development (although under state tutelage) once a certain threshold had been reached. The main difference between the two theories lay in the definition of that threshold and in the difficulties of reaching it. While for 'modernisers' like Walt Rostow development would 'start off' more or less automatically as traditional structures and institutions were replaced by more modern ones, in the structuralist view the periphery needed to overcome several structural imbalances and barriers before it could embark on the road to development.[9]

Two ECLA economists became particularly influential in the Christian Democrat Party; these were Aníbal Pinto and Jorge Ahumada, who made profound studies of the Chilean case. Pinto's *Chile: Un Caso de Desarrollo Frustrado* showed how the 'underdevelopment' of Chile, despite the country's many favourable conditions, had its roots in its economic, political and social history. According to Pinto, the only possibility for generating real development would be through deepening the democratic system, the integration of the marginalised masses, and balancing the economy through the stimulation of industrialisation and the diversification of exports (Pinto 1959: 11).

In a similar vein, Jorge Ahumada's *En Vez de la Miseria* argued that Chile was experiencing an 'integral crisis' that was a consequence of its particular historical trajectory towards modernity. He distinguished three main fields of crisis: economic, socio-political and cultural. The economy, he argued, suffered from structural problems such as low productivity, unbalanced dependence on certain exports, feudal production relations in the countryside and poor income distribution. In the socio-economic field the exclusion of the population from the national decision-making process had led to an over-concentration of power in the hands of elites and a lack or representation that endangered the development of the common good. Finally, the cultural crisis referred to the inefficiency that characterised the country's institutions. According to Ahumada, self-sustained modernisation, which 'could be observed in all developed countries', did not take place in Chile, because of these three crises. The solution lay in an integral and radical set of reforms of the country's cultural, educational, and political system, but above all in the generation of economic growth. For Ahumada, economic growth was an indispensable aspect of modern society, since it would create the basis for the development of all other sectors of the country (Ahumada 1958: 55-59).

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[9] For more profound contributions on modernisation theory and structuralism, see Leys (1996) and Rist (1997)

The PDC and Structuralism

The adoption of structuralism by Frei and the Christian Democrat Party was no coincidence. With its emphasis on modernisation as an alternative to both capitalism and Communism, and its intellectual approach towards politics, the PDC had become a highly attractive party for middle class professionals such as the ECLA economists. As a result, *Cepalinos* such as Sergio Molina, Aníbal Pinto and Jorge Ahumada became prominent members of the party's so-called *equipos técnicos* (technical teams), which were charged with the formulation of socio-economic policies. Furthermore, Frei had always laid emphasis on the value of economic theory in politics, and had often complained how little economic policy tools were being used in Chilean politics (Montecinos 1998: 45). Additionally, he had learned from the mistakes that were made during the conservative Alessandri government (1958-1964), which structurally ignored or disregarded the economic advice it was offered by its technical teams. As a result, Frei adopted a highly positive approach towards economy as a political tool and its leading expression, the ECLA, in particular (*ibid.*, p. 46).

There were also coincidences between the ECLA and the PDC at the level of content. Structuralism as it was elaborated by Christian Democrat *Cepalinos* like Pinto or Ahumada fitted the *socialcristiano* doctrine in several key aspects. They concurred in the analysis of the Chile being in a state of 'integral crisis', due to its obsolete social, political and economic structures. Chile, traditionally viewed as a stable, tranquil and ordered country, was in the eyes of the ECLA as well as of the PDC a *país-problema*, a country that had to be examined, studied and rebuilt before it could be 'reconstructed' (Jocelyn-Holt 1998: 100; Ahumada 1958: 151). They also shared a critical position regarding both unbridled capitalism and Socialism, arguing that neither would solve the fundamental problems the country was facing.[10] Finally, they both claimed that a relatively short reform programme implemented by the state might be enough to reignite the development of the country, as long as it was meticulously organised and covered all key sectors of society. Such a programme would be able to bring Chilean society up-to-date with the modern world. As Frei put it in his first speech as President:

> I am here to break the rigidities of a social order that no longer responds to the exigencies of the times, and to give the people increasing access to the culture and responsibilities of sharing in the riches and advantages that characterise affluent modern societies (quoted in Pinochet de la Barra: 179).

The structuralist theories also served to provide Frei and his close circle (the so-called *freistas*) with the translation of ideology into policy that the *socialcristianos* so sorely missed. In contrast to many of the Christian Democrat ideologues, as well as many of the Left, the structuralists were highly policy-oriented. They defined Chile's 'integral crisis' as a developmental problem, and development as a guidable process. By

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[10] The conservative historian Mario Góngora later argued that it was exactly this developmentalist ideology and technocracy which, because of their exclusively rationalistic approach, paved the way for the rise of Marxism, as they destroyed the national and local traditions, the humanism and the spiritualism which formed its main obstacles (Góngora 1987: 37)

incorporating their views, Frei could concretise the ambitious and sometimes utopian ideology of the PDC into practical policy points that were validated by their scientific origin. This not only facilitated the implementation of the PDC programme, but also legitimised it: this was no capricious whim or utopian experiment, but a programme of modernisation that originated from the most important and advanced economic think-tank in the region. As will be seen in the remainder of this study, this form of 'technocratic legitimisation', which has its origins in nineteenth-century Positivism, has been used by all projects of modernisation since 1964. As a result, the incorporation of economics became a central feature of the Christian Democrat project of modernisation. As Verónica Montecinos puts it: 'economics guided Frei's version of a modernising revolution' (Montecinos 1998: 45). More importantly, it facilitated what Frei called the creation of a 'political, social and economic model that responds to our most intimate being', a set of policies that answered directly to the Chilean experience and reality (speech by Eduardo Frei Montalva 1965).

Politically, the incorporation of the structuralist views into the *socialcristiano* ideology had two significant effects. First, it gave the PDC political leverage in its dealings with the Conservatives. Frei's developmentalism soothed conservative fears of the 'communitarian' proposals of the more radical Christian Democrats (Fleet 1985: 56). It was clear that he would not lead the party in a Marxist direction, and even though the Right strongly resisted his ideas of agrarian reform, they considered him a possible political partner.[11] In 1964, this tacit understanding proved crucial, as the PDC won the elections thanks to the support of the Right, which was desperately attempting to avoid a victory for Allende.

Second, Frei's developmentalism made Chile an excellent candidate for international financial aid, especially from the Alliance for Progress, which had been set in motion by President Kennedy in 1961. By emphasising that programmes such as agrarian reform were developmental projects rather than anti-oligarchic class struggles, the aid of the Alliance for Progress was guaranteed (Correa *et al.* 2001: 224). Besides being a more than welcome addition to the country's budget, Frei considered international aid crucial for developing the country and deterring communism:

> Only a planned and general investment of resources, that will allow the transfer of great sums of capital to insufficiently developed regions of the world, will allow for the production of a progressive economic development that will facilitate the increment of global production and will prevent the collapse of the most developed countries. (…) if this development is not rapidly set in motion, misery will provoke social disorder that will make the subsistence of the democratic regimes impossible (Frei 1950)

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[11] The Right had already shown that it was prepared to allow for some modernisation in the countryside. In 1962, the conservative Alessandri government, pressured by the Alliance for Progress and the Roman Catholic Church, set in motion a much-debated agrarian reform. Even though the scope of this reform was limited and hardly touched actual landownership but mainly the use of land, it would later become the basis of the Christian Democrat agrarian reform project.

The developmental outlook of the *Freistas* was not fully compatible with the *socialcristiano* doctrines, however. In several aspects compromises were made, usually to the detriment of the latter. On the one hand, for instance, Frei advocated the social integration of the marginalised masses through the creation of intermediate organisations. On the other hand, he largely ignored the political role these organisations were to play in the communitarian ideal. Even though he promoted the notion of democracy as an open form of political participation, he prioritised social integration and economic development over political participation. As he said in 1966, his programme consisted of two 'simple and fundamental ideas':

> highly accelerated economic development, without which there is no solution
> for Chile's problems, and (…) social development, without which the people
> have no destiny (speech by Eduardo Frei Montalva 1966a)

Moreover, the focus on an integral and planned approach to the country's problems left little room for direct participation. Frei's promise not to change 'one comma' of his programme during his presidency was not just an electoral device. As we will see in the next section, the very nature of the Christian Democrat programme, thoroughly thought out and worked into a coherent and full-scale *proyecto-país* (a project that seeks to change the foundations of an entire society), only allowed for a top-down, unconditional implementation, not hindered by the capriciousness of the political process. As Frei put it:

> Democracy requires an efficient and responsible authority for the
> administration of the country (…) A Plan or Programme, once approved in
> accordance with general consensus, should not be paralysed or invalidated in its
> spirit or its basic lines (quoted in Cardemil 1997: 160).

At the economic level, the differences between the *socialcristiano* ideology and Frei's developmentalism became even clearer, bringing into the spotlight his own ambiguity on the matter. In the past, Frei had consequently rejected capitalism as the foundation for a just society:

> The capitalist regime has demonstrated that it is incapable of resolving the
> economic and social problems. (…) humanity looks for another road in which
> human labour reaches its full expression, a more just regime, in which goods
> fundamentally serve man before they are object of gain (Frei 1947).

However, Frei's emphasis on economic development led him to move away from a fundamental restructuring of the economic system. Obviously Frei supported the agrarian reform, the diversification of the country's exports, and a major role for the state through economic planning (all of them ECLA recommendations), but simultaneously he clearly steered away from the *socialcristiano* ideal of a communitarian economy, be it the 'labourist economy' that Leighton had promoted, or the more socialist variant that the Chonchol-Silva camp had set out. Even the 'human economy', as it had been postulated in the Declaration of Principles of the PDC, which suggested that workers be organised in 'working communities, in possession of capital and the means of production', under the tutelage of the state, never became part of the *freista*

repertoire. Frei did not support the 'alternative modernity' of a 'communitarian economy'. As he put it time after time, his first objective was 'accelerated economic development', 'without which 'Chile's problems have no solution' (speech by Eduardo Frei 1966a). Fundamentally, he advocated capitalism, but with an extended role of the state in the planning and organising of production and distribution (Fleet 1985: 55-56). Apart from an ideological change of course, Frei's attitude towards capitalism also reflected political realism and pragmatism: it would be difficult enough to achieve socio-economic modernisation without simultaneously changing the rules of the game. However, as the ideological diversity within the PDC as well as the revolutionary atmosphere of the 1960s did not allow for such realism, nor for an open endorsement of capitalism, Frei remained vague on the subject, interlarding his discourse on economic development with opaque references to communitarian phrases such as the 'transformation of the structures of the economy' (speech by Eduardo Frei 1964).[12]

3.1.3 Forging the Revolution in Liberty

The *Freistas'* developmental and technical adaptation of the *socialcristiano* doctrine allowed for a profound and detailed translation from ideology into political project. Indeed, two years before the 1964 elections, a 108-page programme was presented in a congress for Christian Democrats and independent (but sympathising) *técnicos*. For four days it was discussed and reworked by participants from forty-six professional fields (Montecinos 1998: 21-22). The result was a thoroughly engineered programme that covered practically all aspects of Chilean society. This was no simple government programme, intended to be electorally attractive - this was a '*proyecto país*', a full-scale blueprint for the transformation and development of Chilean society. It was the 'Revolution in Liberty'.[13]

The programme focused on four main targets: economic growth, education and technical training, social justice, and political participation. It advocated the diversification and modernisation of both agrarian and industrial production. This could only be achieved if it was accompanied by a strong investment in mass education, through which not only illiteracy would be eliminated, but also a technically well-trained workforce could be created. Furthermore, social sectors that were largely excluded from the economy should be integrated into the productive process, and the rights of workers should be reinforced. Finally, political rights should be strengthened, suffrage extended to all Chileans above 18 years, and organisations such as mothers' centres and homeless' movements were to be granted political influence. Furthermore, a range of investments in housing and infrastructure as well as profound reforms of the

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[12] As will be seen in section 3.2.2, Frei's deviations from the original *socialcristiano* doctrines would create a conflict within the party, and eventually provoke a split within the PDC.
[13] This name shows the desire of the PDC to be associated with fundamental change, but without dictatorial Socialism as had taken root in Cuba. Also, it shows how discourses based on the 'Chilenisation' of concepts such as 'revolution' were used to attract the electorate.

judiciary and the state apparatus were to create the framework for the modernisation of the country.

The central feature of the project was agrarian reform. The abolition of the *latifundio* and the subsequent creation of a 'hundred thousand new land-owners' was not merely a matter of social justice, it was the cornerstone of the economic development programme. According to the analysis of *Cepalinos* like Ahumada, the anachronistic modes of production on the countryside were the bottleneck for the modernisation of the economy, and agrarian reform was essential for development (Ahumada 1958: 91). The redistribution of land was expected to generate a strong increase in production (Ahumada counted on some 112 per cent), while simultaneously significantly improving the living conditions of the rural worker.

In the urban areas, the marginalised groups, mostly living in the shanty-towns (the so-called *poblaciones*), were to be integrated into Chilean society through a programme called *promoción popular*. This programme responded to the notion of 'marginality' that had been elaborated by Vekemans, and stimulated the creation of 'intermediate organisations' such as mothers' centres, neighbourhood associations and homeless' movements. On the basis of these private initiatives, the state could facilitate the necessary measures by providing the means needed for the improvement of the living standard in the *poblaciones*. Ranging from the creation of neighbourhood kitchens to supplying sewing machines, or the material and technical assistance in the creation of a sewerage system, *promoción popular* was a key element of the project of social modernisation of the Christian Democrats:

> Promoción popular means (…) to recognise and promote institutions, to create and facilitate - if necessary - the services and the resources that the people need in order to organise and to take up the role that they should have in a modern society (Frei 1964: 57).[14]

As has been outlined in the previous section, the *promoción popular* programme also had a political side. It was intended to create a network of 'intermediate organisations', grouped together in regional and national federations, that would have direct access to the government and could function as pressure groups. In this way the citizens of the country, even in the most remote regions or unrepresented by unions, would be able to participate in the political decision-making process (González 1989: 125).

The financial room for these projects was to be created through the *Chilenización* of the copper mines. For Frei, the copper mines in the north of the country constituted the *viga maestra* ('master plank') of Chile's economy: 'There exists no other sector that is

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[14] The *promoción popular* programme, however well-intended, was profoundly paternalistic. Based on the idea that with some support from the state the poor could improve their own positions, later President Patricio Aylwin recalls how Christian Democrat professionals went to the *poblaciones* in order to oversee and direct the 'the development of the capacities of the people'. In the mothers' centres that were set up under *promoción popular* it was the wives of the Christian Democrat party leadership who took on the task of educating the people: 'Sewing machines were given to all mothers' centres. And the ladies (*señoras*) of the party leadership, including my wife, came together and visited those women and taught them how to sew, how to embroider, and how to make things for their own families, and even for commercial use' (interview with Patricio Aylwin, 05 May 2004).

so dramatically and profoundly important for the success of our development as mining exports' (Frei 1964: 5). However, the copper mines were in the hands of North American companies, and much of the profits left the country. Frei considered that a nationalisation of the mines was necessary, but only on the basis of cooperation with the American mining companies. The know-how of the US technicians regarding the running of the mines was viewed as essential for the success of 'Chilenisation', as well as the financial support of the USA, which would be jeopardised by outright nationalisation. By buying a large share in the exploitation of the copper mines, the Chilean state would be able to generate a long-term source of income that could finance the social and economic transformation of the country. In this way, private enterprise would not be endangered and the working of the copper mines could be guaranteed.[15]

Even if the Revolution in Liberty was clearly founded on the communitarian ideal, it fell short of many of the communitarian postulates. The strong emphasis on development and modernisation had softened the focus on the transformation of society in keeping with communitarian prescriptions. It no longer envisioned a non-capitalist economy, and direct grass-roots political participation was reduced to the self-help programmes of the *promoción popular*. Social integration, however, remained a central feature of the programme, as well as the abolition of the *latifundio* through the agrarian reform. *Socialcristianismo* and developmentalism were combined in the areas where they were easily compatible; in the other areas development outweighed communitarian ideology.

In sum, even while the Revolution in Liberty was based on a highly revolutionary discourse, which was based on the idea that non-interference would lead to social conflict. As Frei Montalva put it:

> We have to put the emphasis on the word revolution, because today, in our continent, there is no more time for evolution. Whoever thinks we have twenty or twenty-five years for the fulfilment of a slow evolution, is mistaken. The revolutionary process is not about to begin - it has already begun. The problem is of extreme urgency and consists in anticipating the political explosion, accelerating the speed of economic development, and, simultaneously, realising a social transformation (quoted in Pinochet de la Barra 1982: 250).

However, this emphasis on revolutionary change mainly served to disguise the fact that the project of the Christian Democrats was both modernising and reformist, and sought to implement change within the context of the existing order (Jocelyn-Holt 1998: 97). Whereas the 'communitarian' ideal originally envisioned the fundamental reordering of socio-economic relations as well as the political system, the project that the government set in motion remained much closer to the reference point of Social-Democratic welfare modernity. Moreover, the political dimension of modernity had been reduced to the

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[15] The *Chilenización* was not a purely economic project, however. It appealed to growing sentiments of nationalism in Chile (as well as in the rest of Latin America), and to a growing antipathy among the population towards multinational corporations and the United States.

extension of suffrage to all adult Chileans. The project therefore focused mainly on the social and economic dimensions, in the form of the social inclusion of the marginal masses, the modernisation of the productive relations in the countryside, and the achievement of sustained higher levels of economic growth.

3.2 The Implementation of the Project

The implementation of the 'Revolution in Liberty' was characterised by its top-down nature, with the state as the central actor, a strong emphasis on technical policy-making, and state planning as the main tool for modernisation. However, it took place in the context of intense political competition, which not only influenced the project itself, but also led to the creation and intensification of alternative projects of modernisation. Finally, the 'Revolution in Liberty' encountered a turning-point when civil society began to mobilise under the influence of the process of modernisation and the competition between alternative projects. In the end, Frei chose to halt the project rather than to endanger social order.

3.2.1 Revolution 'from Above': State, Technocracy, and Planning

The Christian Democrats considered the planned and monitored implementation of the Revolution in Liberty as essential for its success. The only institution capable of performing such tasks, in their consideration, was the modern state. Furthermore, the prominent presence of *técnicos* in the PDC, and their close participation in the formulation of the project, gave the 'Revolution in Liberty' a highly technocratic character, even if this was at times concealed from the general public. Finally, for the first time in Chilean history, state planning came to define the relations between the state and the economy.

The State as Director of the Common Good
The 'Revolution in Liberty' signified an extension of the roles that the state had assumed in the decades before. After the creation of CORFO, in 1939, the state had fulfilled the role of 'providing state' (which had created a basic welfare system for organised labour), and that of 'entrepreneurial state' (through the stimulation of industrialisation). Now it added the role of 'programming state', which defined the path of Chile's development in detail and directed public as well as private investment through incentives, taxes and subsidies (Meller 1996: 59). This did not amount to a total break with the past; given the fact that the 'providing' and 'entrepreneurial' roles of the state had started to lose their impetus toward the 1960s, the 'programming state' was the next logical step (Salazar and Pinto 1999a: 67). However, the role of the state as 'programmer of the future' was new in the sense that never in the democratic history of Chile had the state exercised such direct and profound influence on the country's development.

Seeking above all to create an alternative to the Socialist project, Frei held an ambiguous position regarding the role of the state in Chile's society. Repeatedly he warned of the dangers of totalitarianism:

> The state as sole employer will inevitably mean the total loss of personal freedom and from there it will only be a small step to slavery (quoted in Pinochet de la Barra 1982: 94).

Moreover, once in power, Frei repeatedly assured his conservative critics that he did not intend to create a 'tutelage of the state': 'to fall for the temptation of *dirigismo* would be just as grave and pernicious as to leave the aspirations of the population for what they are' (speech by Eduardo Frei 1964).

However, the Revolution in Liberty was clearly implemented and directed from above, and extended the state's powers to parts of society that it had so far been left untouched, such as the rural and mining sectors. Frei was able to reconcile his fear of an all-powerful state with the pivotal role he actually contributed to the state by emphasising its paternalism. To Frei, the state was the 'head of the Chilean family' (speech by Eduardo Frei 1966b) and the 'rector of the common good and responsible for the life of the nation' (speech by Eduardo Frei 1964). As a result of this new role, the state expanded rapidly under the Christian Democrat government. State spending grew from 35.7 per cent of GNP in 1964 to 46.9 per cent in 1970. In 1970, the Chile had become the Latin American country (with the exception of Cuba) with the highest level of state influence in the economy (Bitar 1986: 39).

Apart from these paternalist considerations, though, the Christian Democrats had concrete reasons to focus on the state as the main agent of modernisation. As has been seen in the previous chapter, the state had always been the main point of reference for the middle classes, who saw it as an expression of meritocracy and professionalism. Furthermore, the scope and radical nature of the project of modernisation they wanted to set in motion required a powerful and efficient actor such as the state for its implementation. This was reinforced by the opposition that the project encountered: the Christian Democrats had decided to form a single-party government (with the initial support of the Right), and formed a minority in Congress. Nor could they count on the levels of popular support that the Left was able to mobilise. As a result, they needed to resort to the state as the main motor of modernisation.

The centrality of the state in modernisation required, at the same time, a certain modernisation of the state itself. As finance minister and *Cepalino* Sergio Molina argued, the traditional functions of the state did not allow for enough control or knowledge to be able to implement a project of this scale:

> These state functions were designed for another era in which the intuition of the executives played a dominant role in the analysis, the politics, the programming, and the administration. (…) As a consequence, the reform of public administration should be a central item on the agenda of the 'planners' who prepare and implement programmes of development (Molina 1972: 177-178).

As will be seen in the next chapters, the link between the modernisation through the state and the modernisation of the state itself would remain a constant factor, even though it did not always materialise. Even though under Frei many attempts were made to rationalise the state apparatus and the decision-making process, few fundamental changes were actually achieved.

The Influence of the Technocracy
The government of the Christian Democrats was characterised by an unprecedented technocracy. Technocrats had played important roles in Chilean politics since the 1920s, and had become important actors from the creation of CORFO onwards (Silva 2007). However, under Frei their role was greatly expanded and institutionalised. On the one hand, this was a response to the need to rationalise and streamline the complex matter of economic planning. Frei promoted the ascendancy of economists and other technocrats to the highest echelons of state planning in order to de-politicise the decision-making process and to reduce policy fragmentation (Montecinos 1998: 7-8). Technocrat decision-making was considered by the Christian Democrats to be rational and efficient, and in general more 'modern' than the political process of negotiating collective interests, which reflected the class conflict that the PDC wished to avoid. In a Weberian sense, technocracy was considered to have a similar influence on the political decision-making process as the bureaucracy had had on its execution: rationalising, de-personalising and standardising. Simultaneously, the technocracy served as a bulwark against political as well as ideological conflict. By creating 'technocrat niches' that were untouched by political struggle, continuity and consistency of policy were guaranteed (*ibid.*, p. 131). There also existed similarities between the internal logic of the 'Revolution in Liberty' and that of technocrats. As Centeno and Silva (1998: 4-5) argue, technocrats tend to consider political decision-making to be inferior because it favours the interests of particular groups. They have a tendency to consider the 'whole' before they analyse the individual parts, which corresponds with the PDC's 'integral approach'. Furthermore, they have an optimist belief that an 'optimal solution' can be found for all solutions. These elements were also very characteristic of the Christian Democrats and their 'Revolution in Liberty'.

On the other hand, the emphasis on technocratic governance served to justify the government's projects towards the opposition. The PDC's lack of a majority in Congress, and the fierce opposition it received from both Left and Right, made the implementation of the Revolution in Liberty a particularly difficult political endeavour. One of the ways in which the PDC succeeded in justifying their project in the political arena was by emphasising its rational and technical nature, as well as the professional skills of the policy-makers (*ibid.*, pp. 130-131).

Frei took the technocratic approach of his administration even further by surrounding himself with a group of technical advisors. These advisors, mostly economists, became so prominent in the government's decision-making process, that they formed, in the words of the historian Silva Vargas, a 'parallel administration,

composed of advisors, often technically highly qualified, who were directly and unofficially tied to the Executive' (Villalobos *et al.* 1974: 866). However, as Silva (1998a: 78) argues, the elitist and negative connotations of technocracy caused the government to downplay its influence. In fact, the prominence of his group of advisors created so much resistance that Frei was forced to trivialise their importance in public:

> It is said that if the advisors were discharged, there would be enough money to finance the expenditure for health care. Here in the presidency I have appointed four advisors, because I needed them for the overwhelming job we have imposed upon ourselves, and in the whole of our administration there are no more than 10 persons with such tasks (speech by Eduardo Frei 1966a).

Technocrats played a complex role in the 'Revolution in Liberty'. In her study of technocracy in Chile, Montecinos argues that they were only one of the three main polity actors. They had to work with the politicians, who occupied most of the party structures and the Christian Democrat seats in Congress. These generally did not know much about the technical sides of policy-making and often resisted its logic. They also had to deal with top executive officials, who were both technical and political at the same time. These officials were often caught between the problem of running their department on rational grounds and responding to the pressures from the political sectors. As one of Frei's ministers explained:

> The politicians, pressured by their constituencies, had a phobia of technocracy. Congressmen from Atacama and Coquimbo [two northern regions] wanted higher prices for potatoes arriving early on the market. But we kept potato prices fixed to maintain the consumer index. Ours was a technical, not a political response. They thought we were prisoners of the technocrats (quoted in Montecinos 1998: 48).

The technocrats themselves kept their distance from the world of party politics. They were at times not even members of the PDC themselves, although most were members of the party's Technical Department. This distance from political affiliation was functional in the maintenance of their technical neutrality and independence.

These three groups were held in balance by President Frei Montalva. Frei very actively directed his *técnicos* and was very concerned with economic policy-making. He also protected them from party pressures, creating some tensions with political circles within the party, who feared that the technocrats had gained too much influence. In fact, as some *técnicos* admitted afterwards, Frei's unlimited trust in his technocrat team led him to make serious errors: 'Frei made serious mistakes under the influence of his *técnicos*, because he paid too much attention to them' (quoted in Montecinos 1998: 46, italics in the original).

The dual role of the *técnicos* as both independent professionals and party affiliates was problematic at times. On the one hand, their double affiliation served to coordinate and improve the relations between the government and the party. On the other hand, these 'political technocrats' often had difficulty in separating their roles as independent advisors and party affiliates. This allowed for the radicalisation of a group of *técnicos* in 1967, demanding more rapid and radical reforms under the flag of 'the

non-capitalist route to development', a mix of developmental and economical analysis with Marxist and socialist doctrine. Later, in 1969, this group would leave the party and join Allende's U.P. coalition, adding to the already powerful political technocracy of the left (*ibid.*, pp. 48-51).

State Planning through ODEPLAN

The notion of *planificación global* (global planning) responded to what Brunner, Hopenhayn, Moulian and Paraimo have called the 'positivist paradigm', the idea that development is the natural outcome of the combination of intellectual innovation with well-planned developmental strategies (Brunner *et al.* 1993). State organised planning was not completely new in Chile: with the foundation of CORFO in 1939, some degree of planning had become usual in the organisation of the country's developmental strategies. At first it had consisted of the formation of technical teams that studied the economy and set up industrialisation programmes. In a second phase, the planning consisted of the implementation of sector-oriented programmes of import substitution (Molina 1972: 159). From the 1950s onwards, the social sciences (especially economics) had rapidly grown in importance and popularity, offering exciting and state-of-the-art analyses and solutions for the Chilean case. Combined with the revolutionary élan that possessed Latin America in the early 1960s, they added to the belief that social engineering by the state, if handled carefully and integrally, could create rapid and sustainable development. Furthermore, the studies of the ECLA showed that liberalism and the free market would only sustain the 'underdevelopment' of the country, pointing to the state as the best main actor for economic development. Thus, PDC ideologists and *Cepalinos* like Ahumada, Molina and Pinto expanded the notion of planning as it had existed before, and integrated it into the Revolution in Liberty as the antidote for Chile's 'integral crisis' (González 1989: 136). *Planificación global*, as was implemented by the PDC, consisted of the harmonisation and continuous monitoring by the state of the developmental strategies followed in different sectors of the economy, such as agriculture, industry and international trade. It would, as the original proposal of law stated, make possible 'a true planning of the socio-economic policies, reserving for the executive the initiative in legislating matters that may interfere with the fulfilment of the plans' (quoted in Cardemil 1997: 196).

Economic planning was executed from a new Planning Office, called the *Oficina de Planificación Nacional* (ODEPLAN), which was established formally in 1967 but had been active since 1964. It enjoyed more or less the same status as a ministry, and worked in close collaboration with the ministries of Home Affairs and the Budget. Working from the CORFO offices, ODEPLAN took over and widely expanded the planning that had been carried out there (CORFO 1989: 181). Its tasks included the study, calculation and planning of new state investments, as well as the close monitoring and guidance of the country's socio-economic development. By meticulously and continuously comparing the results of the socio-economic programme with real developments, the *técnicos* of ODEPLAN were able to create a

highly efficient system of socio-economic guidance, which was considered to be one of the most advanced planning systems in the world (Hofmeister 1995: 69). However, it was not successful in all respects. In the field of monetary stabilisation, it achieved early and convincing successes, while in industry, agriculture and employment the results came later and were less satisfactory. The unofficial status of ODEPLAN in the first years, due to opposition in Congress as well as difficulties in its organisation, hindered a structural and integral approach. Only towards the end of Frei's presidency did *planificación* become efficient in those areas (Molina 1972: 162-163).

State planning not only expanded under Frei, but it also changed in nature. While it had been relatively autonomous from the executive before, now *planificación* became an integral and key element of the government strategy. Directly after the elections of 1964, a so-called *Comité Económico* was created at the highest government level. Its permanent members included the President, the Ministers of Interior and Economy, the presidents of the Central Bank and the *Banco de Estado de Chile*, and the directors of CORFO and ODEPLAN. The *Comité Económico* directed and coordinated the socio-economic policies that were implemented by the institutions involved, creating a kind of 'executive board' for state planning. In this way, Frei transformed the a-personal and bureaucratic planning of the CORFO into a presidential and political tool for the implementation of the Revolution in Liberty.

The success of state planning (and the technocracy in general) under the Christian Democrat government can largely be attributed to the close links it had to the presidency. This created a 'relative autonomy' *vis-à-vis* other actors in the state process (such as the political parties, constituencies and the bureaucracy) which allowed it to function more or less independently.[16] This coincided with Frei's authoritarian style of governance and the relatively great distance he maintained from his own party. As a result, the *técnicos* had direct access to the presidency, while other actors needed to work through formal government structures (Montecinos 1998: 50). As will be seen in the next chapters, this 'relative autonomy' explains to a large extend the ability of technocrats to successfully use state planning as a tool for the implementation of the project of modernisation.

3.2.2 Political Competition and the Development of the Project

The 'Revolution in Liberty' was constructed and implemented in the context of an intensive competition between different projects of modernisation.[17] The competition between the Left, Centre and Right, each with its own project (albeit in different stages of construction) not only lay at the base of the 'Revolution in Liberty' (conceived as an

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[16] O'Donnell (1973) has developed the notion of relative autonomy for the Bureaucratic-Authoritarian regimes, arguing that it was a key factor in explaining their ability to implement far-reaching political projects more or less independently from civil actors, whether they were opposition or supporters of the regimes.

[17] Different terms have been used to describe the projects of the Centre, Left, and Right. Mario Góngora (1986: 280) speaks of '*planificaciones*' (projects based on planning), while the historian Luis Corvalán uses the phrase 'global projects' (Corvalán 2001: 18)

alternative to both the Left and the Right), but also strongly influenced its implementation and development over time. This started with the presidential campaign, which was labelled the *campaña de terror* because of the images of terror that were used by the PDC and the Right to discredit the candidate of the Left, Salvador Allende. After the elections, the PDC decided to take a *camino propio* ('own road') that not only blocked collaboration with the other two sectors, but also intended to marginalise them as much as possible. Initially, this was successful: the Right plunged into a deep crisis, while the Left saw much of its agenda being implemented by the Christian Democrats. However, as the results of the project proved to be less than expected, and popular radicalisation pushed the project leftwards, internal divisions within the PDC led to a polarisation within the party. Meanwhile, the Right regrouped and dropped its pragmatic line of action, while the Left radicalised in order to outbid the 'Revolution in Liberty'. In the end, the competition between the three sectors led to a political polarisation that would become the framework for the next project of modernisation, that of the Left.

The competition between the projects of modernisation of the Left, Centre and Right did not originate in the 1960s. During the twentieth century, three projects had more or less coexisted peacefully: the project of the landed oligarchy, the nationalist-developmental project, embodied by CORFO, and the socialist-Marxist project (Salazar and Pinto 1999b: 19). In the early 1960s, however, the revolutionary ethos that took over the continent, fuelled by the Cuban Revolution, and combined with the broad perception of an 'integral crisis', led to the radicalisation of the different projects, as well as of their interaction. In this conjuncture, the traditional role of the centre as broker between the left and right eroded, as the centre itself, now embodied by the PDC rather than by the Radical Party, experienced a fundamental change in character. While traditionally the centre had contributed to the political stability of the party system by taking a 'positional' attitude, prioritising access to political power over ideology, now it had become highly 'programmatic', refusing to compromise in matters of doctrine (Scully 1992: 11). As a consequence, the competition between the Left, Centre and Right not only radicalised on a programmatic level, but also in terms of the rules of the game (Valenzuela 2003: 35). One of the clearest expressions of this radicalisation was the *camino propio* that the PDC chose for the implementation of the Revolution in Liberty

Even though the PDC had developed its programme as an alternative to both left and right, the party had collaborated with both on more than one occasion. Only two years before the 1964 elections, the PDC had even attempted to join the left-wing coalition FRAP, on the condition that Frei became the presidential candidate for the conglomerate (González 1989: 97). The reasons for this pragmatic approach were clear: even though the growth in the support of the party had been spectacular, it remained the third electoral block in the country. In the municipal elections of 1963, the PDC only received 22.7 per cent of the vote, against 31.2 per cent for the FRAP and 46.2 per cent for the Right-wing coalition. Up to a few months before the 1964 elections, there

was no prospect whatsoever that the Christian Democrats would be able to win the presidency. This changed, however, through a mixture of unforeseen events and the atmosphere of intense competition.

Unforeseen events proved to be crucial for the outcomes of the elections. In March 1964, the death of the socialist deputy Oscar Naranjo led to interim elections in the city of Curicó.[18] These elections soon acquired highly symbolic significance, as the right was painfully defeated in this bulwark of the Conservative Party. Anticipating, without further analysis, a similar outcome for the national elections in September, the candidate for the right, Julio Durán, withdrew from the race. The atmosphere of radical political competition led the Conservative and Liberal parties to attempt to avoid a left-wing victory at any cost - in this case, by supporting the PDC in the presidential campaign, despite its anti-oligarchic programme. This support from the Right, proved crucial, as the PDC received 55.6 per cent of the vote, more than double the support it had received a year earlier (González 1989: 100). However, the Christian Democrats hardly acknowledged the importance of the *Naranjazo*, as it became known. Assuming that a majority of the country's population had voted in favour of the Revolution in Liberty, the PDC decided to follow a *camino propio*, excluding both the Left, with which it shared many ideological elements, and the Right, which had put them in the presidency, from power.

The 1964 elections were also crucial in another aspect. New social actors were mobilised and competed for. The Christian Democrats actively sought the electoral support of groups that had so far been excluded from the political process: women, youth and the *pobladores* (Correa *et al.* 2001: 241). Furthermore, by breaking the conservative monopoly of the mobilisation of the rural vote, the PDC opened up the peasantry as a social sector that was an object of competition (Scully 1992: 151). As a result, the electoral competition between the Left and Centre (and, to a lesser extent, the Right), became increasingly characterised as a struggle for mass support. As Mario Góngora argues, this created the need for the use of modern means of political competition, such as mass communication, and of political propaganda (Góngora 1986: 279-280). In 1964 the PDC was already using these new tools in an unprecedented fashion. Their *campaña del terror*, partly financed by the CIA, made extensive use of modern mass media, such as TV and radio spots, to emit radical anti-communist propaganda (Correa *et al.* 2001: 242-243)

The dominance of the Christian Democrats, who also gained a majority in the Chamber of Deputies in 1965 (not in Congress), did not reduce their competition with the Left and Right. By rapidly pushing forward the agrarian reform and mobilising the popular sectors on the countryside, the PDC succeeded in draining a large part of the conservatives' electorate. Simultaneously, Frei's advancement of 'industrial deepening'

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[18] As will be repeatedly shown in the course of this study, accidental happenings or coincidences may prove to be crucial in Chilean politics over the last forty years. One of the explanations for the relative importance of such incidents may be found in the intense competition of different projects of about equal strength, creating a balance of power which cannot be broken easily by the actors involved. In such circumstances, unexpected outside influences may acquire added significance and weight.

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was intended to drive a wedge between the landed and industrial elites, and to generate a profound crisis of the Right (Scully 1992: 154-160). As Jocelyn-Holt argues, the Right completely underestimated the radical nature of the PDC and its desire to marginalise the oligarchy:

> The Right poorly read the cards; it proved unable to decipher the Richter scale. It counted on being able to endure a small tremor that looked like mere gradualist reformism, without realising that what was coming over them was a cataclysmic revolutionary earthquake of large proportions (Jocelyn-Holt 1998: 96).

The results of this crisis of the Right would be long-lasting and profound, in three ways. First of all, after the Conservative and Liberal parties regrouped in the National Party in 1966, they left the pragmatic course that had characterised them for years. Blaming this pragmatism for their own crisis (as they had initiated the agrarian reform themselves), the Right turned towards a strong defence of the right to property and the maintenance of social order. Breaking with a tradition that went back to the nineteenth century, the Right was no longer prepared to accept socio-economic modernisation in return for a share in power. This new strategy would play an important role both during the remainder of the Christian Democrat government as during the project of the Left.

Second, the Right lost all confidence in the Christian Democrat Party, which it accused of backstabbing. Having supported the PDC in 1964, the subsequent *camino propio* and agrarian reform that were followed by the Christian Democrats was considered the vilest form of treason. As a consequence, the Right came to be characterised by sentiments of mistrust of the political game in general and the PDC specifically. In particular the relations with the PDC became strained, which is still observable decades later.

Third, the crisis of the Right provoked new initiatives which would prove crucial for the future of the competition between the three projects of modernisation. One group of students from the Catholic University (*Universidad Católica*, UC) in particular, under the leadership of Jaime Guzmán, started to develop an alternative and radical conservative ideology, largely based on the Catholic corporatism of General Franco in Spain. Arguing that the liberal system had entered a final crisis, they sought to construct an ultra-conservative social order that was almost completely anti-modern. These *gremialistas*, as they were called, soon gained influence in the university and became serious oppositional actors during the government of Allende. However, they would play an even greater role in the project of the Right, where they would form one of the main civil elites that would cooperate with the military regime in the construction of a new model of modernity (Correa 2004: 268).

Meanwhile, the PDC kept up strong competition with the Left over the electoral support in rural as well as the urban areas. Their strategies varied from intensive campaigning, the co-opting of social actors, and the disarticulation of sectors that were unlikely to pass to the PDC. In the countryside agrarian reform was combined with a process of rapid unionisation under Christian Democrat supervision. While initially the

PDC (and earlier, the *Falange*) had mainly drawn from an urban support base, now its constituency in the agrarian sectors grew rapidly. The number of unionised peasants grew from 1,625 in 1964 to 114,112 in 1970, over 20per cent of the total rural workforce. By that time, almost 70 per cent of the unionised rural workers belonged to unions that were loyal to the PDC. However, the PDC only reached one sector of the rural workforce, the *inquilino* or tenant, who worked on the *fundos* (estates) of the oligarchy. This group benefited most from the Agrarian Reform, as the expropriated lands were distributed among them. The landless workers, or *afuerinos*, as well as the *minifundistas* (small landowners), were largely excluded from the benefits of the Agrarian Reform and the unionisation of the PDC. As a result, it was the Left that succeeded in gaining the support of the *afuerinos*, a much larger group than the *inquilinos*, and started to dominate the rural areas towards the end of the 1960s (Scully 1992: 159).

In the urban areas the electoral competition between the PDC and the left mainly took place in the *poblaciones*. The *promoción popular* programme, mobilising thousands of grass-roots organisations such as neighbourhood organisations and mothers' centres, created a powerful support base for the PDC. Within a few years, the Christian Democrats dominated the marginal urban sectors. Only a united opposition from both left and right in Congress could block the attempts of the PDC to give this client network direct access to the State. However, the attempts of the Frei government to increase its electoral base were not limited to the *poblaciones*. It also attacked the bulwark of the Marxist party, organised labour. By creating and promoting state-sponsored unions, the Christian Democrats attempted, with some success, to bring organised labour under their own banner. Another strategy used by the PDC was the 'upgrading' of several industrial crafts from *obrero* (blue-collar worker) to *empleado* (white-collar worker). By improving the social status of these groups, this strategy sought to divide the urban working sector and gain access to them (*ibid.*, pp. 161-162).

The competition between the Left and the PDC induced a process of ideological outbidding, which would have a decisive influence on the project of the Left. Even before 1964, the Christian Democrats had broken the discursive monopoly of the Left on revolution and integrated it into their political language. It is no coincidence that their programme was titled 'Revolution in Liberty' and not, for instance, 'Modernisation through Reform'. As Jocelyn-Holt (1997: 92) puts it: 'after Cuba, the solution could only be revolutionary'. In order to be an attractive alternative to socialism, the Christian Democrats needed to make use of the *zeitgeist* and present their programme as the only 'true revolution'. Thus, two 'revolutionary projects' took place simultaneously in Latin America, one in Cuba and one in Chile, both of them claiming to bring progress and development. Fidel Castro even challenged Frei to have a competition between the two countries and see which one would eliminate underdevelopment first (Moulian and Guerra 2000: 151). As a result, two models for modernisation were competing for dominance in Latin America. However, the project of the PDC held many elements in common with the project of the Left, such as

Agrarian Reform.[19] This forced the Left to radicalise in order to differentiate itself from the Christian Democrats. Thus, a paradoxical situation emerged in the late 1960s, when the Left voted against many of the Reforms that it would have hailed some years earlier, while the Right, becoming increasingly sure of the victory of Alessandri in the 1970 elections, supported them (Valenzuela 2003: 79).

The process of ideological outbidding had strong implications for the projects of both the Centre and the Left. For the Christian Democrats, it led to a deep division within the party between a conservative and a radical section. Eventually this would end in a break, in which a sector of young intellectuals within the party split off to join the Left (see section 3.2.3). As will be seen, this section of the PDC, the MAPU, turned out to have substantial influence, not only on the project of the Left under the UP, but also on the ideological re-orientation of the Left in the 1980s and the construction of the project of the Concertación.

In the case of the Left itself, the process of ideological outbidding also contributed to deep internal divisions. Especially in Salvador Allende's Socialist Party (*Partido Socialista*, PS), the differences between a relatively moderate wing, led by Allende, and a much more radical one became increasingly clear. While Allende's moderates proposed working within the context of liberal democracy and creating a coalition with the 'progressive bourgeoisie' (the reformist middle classes), the radicals turned towards a confrontational strategy. Arguing that the reactionary forces would never allow the Left to gain power, this section, under leadership of Carlos Altamirano, proposed following the armed road and taking up arms against the 'class state'. In the twenty-second Congress of the PS, celebrated in 1967 in Chillán, this line of action was officially approved, and 'revolutionary violence' was declared both 'inevitable and legitimate' (quoted in Corvalán 2001: 54). As a result, the moderate sectors within the PS, including Allende himself, were faced with a radicalised internal opposition, which would have crucial consequences for the implementation of the project of the Left.

Finally, the extreme competition between the government and the opposition led to a change in the informal rules of the game. During the first years of the Revolution in Liberty, the political opposition in Congress had forced the Christian Democrats to find pragmatic solutions for its implementation. The law for the agrarian reform was delayed due to Congressional opposition and could only be implemented in 1967, fourteen months after it had been submitted. Until that period, Jacques Chonchol, Director of the Institute for Agrarian and Livestock Development (INDAP), pushed the programme beyond the existing legislation (the cautious agrarian reform law that had been installed by the Alessandri government) by actively promoting labour conflicts and multi-farm unionisation (Loveman 2001: 242). This move beyond the letter of the law under pressure of radical opposition in Congress would set a precedent that would

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[19] This has led some conservative critics to claim that the Frei government would inevitably lead to a Marxist takeover in the future. The most vehement attack from this direction came from the Brazilian advocate Fabio Vidigal Xavier da Silveira, whose best-selling title 'Frei, the Chilean Kerensky' was banned by the government after its publication in Chile in 1966.

later be followed by the Left, and which would eventually contribute to the collapse of the political system.

3.2.3 Stepping on the Brake: Adaptation of the Project

The Revolution in Liberty took a fundamental turn in 1967. Faced with increasing popular unrest, radicalising social demands and a faltering economy, Frei was forced to choose between his programme and the maintenance of social order. On the one hand, he was pushed to intensify the programme and satisfy popular demand in order to keep the initiative and outbid the Left, even if that would hurt the economy and further blur the programmatic lines between the PDC and the left. On the other hand, any attempt to slow down the project and enforce social order would generate fierce opposition from the Left and aggravate the internal divisions within the PDC.

The Christian Democrats found themselves in a situation with little room to manoeuvre. Being a minority in Congress, the support of sectors of the opposition would be essential for a change in course. The *camino propio* of the PDC, however, and the polarised political competition had created a belligerent atmosphere in which multiparty cooperation was hardly possible. Furthermore, the centralised technocratic implementation of the project left little room for political compromise. Finally, Frei adopted an authoritarian style of government, and followed – at least discursively – a highly confrontational course towards the opposition:

> If they want to hurt me they will have to break me entirely, because I will not yield one step in my path, not for anyone or anything (speech by Eduardo Frei 1967).

To make things worse, the party had become internally divided into three fractions, which struggled to define the future of the Revolution in Liberty. The *oficialistas*, the largest of the three, followed the line of Frei and party chairman Patricio Aylwin, and advocated a conservative turn in order to maintain control over social and economic developments. The internal opposition was split into two factions, both arguing for a radicalisation of the programme. For them, moderate reformism had been doomed from the start, and only profound and revolutionary change would have a chance of survival. They particularly resented the 'from above and without' style of modernisation of the government. As one of the leaders of the internal opposition stated:

> There exists [within the government] a sincere wish to govern for the people - however, without its participation. Let us not forget that revolutions are not made by governments, but by the people. In this sense our popular movement is dramatically lagging behind (quoted in González 1989: 159).

The first opposition group within the PDC, the so-called *rebeldes*, among them former 'young radical' Julio Silva Solar, supported a Marxist approach and argued in favour of an alliance with the Left. The other faction, the *terceristas*, lead by Jacques Chonchol, more or less followed the same line, but stressed Christianity as the source of political inspiration and took a more conciliatory line towards the *oficialistas*. The divisions between the three worsened over time, not only weakening the party from within, but

also leading to conflicts within the executive, as *rebeldes* and *terceristas* such as Jacques Chonchol (director of the agency that implemented the agrarian reform) held key functions in the bureaucracy (Fleet 1985: 99).

In August of 1967, the different factions clashed as *rebeldes* and *terceristas* published a proclamation titled the *vía no capitalista de desarrollo* (the non-capitalist road of development). This paper proposed an increase in popular participation in policy-making, state control and democratic planning over the main socio-economic processes, and strong norms for private enterprise, and a more active focus on organised labour.[20] The document provoked a furious reaction from the *oficialistas*. In an internal memo, which was leaked to the press, Patricio Aylwin lashed out:

> The argumentation of the document shows, in my view, an astonishing lack of the most elemental sense of reality. (…) If we, social Christians, thought like Marxists, we should say so openly and proceed without hesitation with the nationalisation of goods. It would be useless to only go half the way. The ideas that the document insinuates regarding private business is reminiscent of the Yugoslav model, which is Marxist and not Christian (quoted in González 1989: 145).

Two months later, all lines came together in open confrontation. The cause was a wage adjustment plan that had been proposed by finance minister Sergio Molina. Alarmed by the negative prospects for 1968, Molina had considered that the only way to improve the economy while leaving the Revolution in Liberty intact would be the creation of a National Savings and Investment Fund. This fund would be financed by transferring 50 per cent of the annual wage correction (compensating for the rise in the cost of living) to it, and entitling the workers to state obligations (*bonos*) with annual interest in return. Typically a technocrat project, based on economic calculations and disregarding the political realities, the *chiribonos* were integrally rejected by the *rebeldes* and *terceristas* (Montecinos 1998: 47).[21] For four months, the Frei administration struggled with his party, until in January 1968 Frei was able to restore his authority within the PDC, as *rebeldes* and *terceristas* were removed from leading positions and replaced by *Freistas*.[22]

The conflict had deepened the cleavages in the PDC beyond repair. In 1969, the *rebeldes* would leave the party and join Allende's *Unidad Popular*, only to be followed,

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[20] This proposal foreshadowed the UP's division of the economy in three areas (public, private, and mixed). Even though it did not explicitly make such a division, it promoted a large state area of economic activity, a private area that would be more or less function by itself (small enterprise), and an area in which private enterprise would be supervised by state planning (González 1989: 144). The idea of a true division in three areas would come from the Radical Party.

[21] The opposition labelled the project *chiribonos*, alluding to the obligations (*bonos*) and the *chirimoya*, the name for both a Chilean pear apple and an unsecured cheque, suggesting that nothing would ever be seen again of those savings.

[22] During the debate on the *chiribonos* project, attempts were made by the PDC to de-technocratise the programme by having it explained, in simple terms, by Minister of Finance Andrés Zaldívar, in a document called *The Truth on the Saving Bonds of the Workers*. In this document, Zaldívar repudiates most of the criticisms, both from Left and Right, among other things by pointing out that both in the capitalist world and in the Socialist world, some sort of obligatory savings exist (Zaldívar 1967: 11-12).

two years later, by the *terceristas*. The internal struggle within the PDC on the pace and the development of the Revolution in Liberty had been won by the conservative forces, who favoured a slowing down of the process and the maintenance of social order over the continuation of the Revolution in Liberty.

The *chiribonos* programme was Frei's last opportunity to reignite economic growth without jeopardising the Revolution in Liberty. If successful, it would allow the Revolution to be continued, while a growing economy would satisfy popular demands. However, the *chiribonos* project suffered a humiliating defeat in the Senate, where both the Left and the Right rejected it. Frei was now faced with the classic dilemma of Chilean politics: to move forward with modernization, or to restore social order. Frei, who had never made a secret for his abhorrence of disorder, chose to step on the brake in an attempt to regain his grip on the developments in society.

One of the pillars of the Revolution in Liberty that suffered from this change of strategy was agrarian reform. Even though a new, tougher law had been approved by mid-1967, allowing for the expropriation of more farms, the speed of the programme was slowed down. In 1967 and 1968 fewer properties were expropriated than in 1966. Moreover, the area of expropriated irrigated land dropped from almost 58 thousand acres in 1966 to about 50 thousand in the following year, and to only 44 thousand in 1968 (CORA 1970: 36). This slowing down was a result of both financial considerations (the expropriation of a farm cost roughly US$ 10,000) and the need to restore order in the countryside. The *tomas* and strikes that started to characterise the countryside not only created a political challenge for the government, but also had economic consequences. Landowners and entrepreneurs became increasingly hesitant to invest in agriculture, fearing expropriations and radicalising labour conflicts. The expropriated farms, now organised in *asentamientos* (settlements), were not able to compensate for the fall in production due to declining investments. Although there were cases of highly successful *asentamientos*, in general production declined after expropriation. The difficulty of setting up the new organisational structures, lack of know-how and the political polarisation of the workers affected the efficiency of the expropriated farms (Fleet 1985: 103-107).

The *promoción popular* project also suffered from Frei's conservative turn. The programme, intended to integrate the urban marginal masses by organising them in 'intermediate organisations' such as the *juntas de vecinos* (neighbourhood organisations) and mothers' centres, had been enthusiastically set in motion in 1965. Supported by the government, *juntas de vecinos* constructed sewerage systems and laid pavements in the cities' shanty towns, while thousands of sewing machines were distributed to the *centros de madres*. However, the political side of the project, the mobilisation of the urban marginal sectors in the support of the PDC, elicited strong resistance from the opposition. It therefore blocked all legislation concerning the project, leaving the *Promoción Popular* without any legal basis. Simultaneously, though, the Left started to become active in the *poblaciones*, and when in 1967 the economy started to falter, large sections of the mobilised masses turned against the government and gave their support

to the socialist parties (Correa *et al.* 2001: 251). The law regulating the *juntas de vecinos*, which was finally approved in 1968, came too late, as the government had discontinued the *promoción popular* a year earlier (Cardemil 1997: 256; González 1989: 125). In the face of growing political destabilisation, the Frei government chose to put a brake on the popular mobilisation, leaving it completely to the Left to take the lead (Moulian and Guerra 2000: 183).

As social unrest spread, the government resorted to increasingly repressive means in order to impose order. While Frei had always vehemently denounced the use of violence to suppress strikes and *tomas*, since 'the bullets are always for the poor' (speech by Eduardo Frei 1963a), he took a much more authoritarian style once in power. In 1966 he had already defended the violent repression of a strike in one of the copper mines of the north by arguing that the armed forces 'were fulfilling their duties', and that the strike had been 'absolutely illegal', a 'rebellion against legitimately constituted authority', organised by 'true union oligarchies' (speech by Eduardo Frei 1966c). The hard line of the President exacerbated the feelings of disenchantment among the population and fuelled the opposition's attempts to discredit the PDC, adding to the wave of strikes and *tomas* that took over the country after 1967. In order to turn the tide, Frei replaced Interior Minister Bernardo Leighton with Edmundo Pérez Zújovic, a strongly anti-communist businessman. His hard-line approach only served to further aggravate the situation, as it attracted the media to virtually any protest or confrontation (Fleet 1985: 109). The repression of a *toma* in Puerto Montt, in 1969, in which nine civilians died, came to be emblematic for Frei's authoritarian line, provoking national cries of protest.[23]

Frei did not react in an authoritarian manner exclusively, though. As Arturo Valenzuela shows, the proliferation of strikes in the late 1960s was partly a result of the willingness of the government to resolve labour disputes in favour of the workers. The government regularly tried to achieve peaceful solutions, by intervening swiftly after the outbreak of a strike and fulfilling substantial parts of the labourers' demands before resorting to repression. In fact, the fall in the average duration of strikes between 1966 and 1969, from 10.3 to 3.5 days, might be indicative of the government's success in ending labour disputes by conciliation (Valenzuela 2003: 72-74). As Valenzuela argues, this was not necessarily just a result of government sympathy towards the unions. It is much more likely that the government intended to crush strikes and demonstrations as rapidly as possible in order to avoid violent repression and subsequent growing opposition. In this sense, both strategies were part of the same policy, that is, to maintain order with all available means.

On the political level Frei tried to stay in control, not by cooperating with the opposition, but by excluding it even further. In the process, he increasingly took an authoritarian stance that did not serve to soothe the emotions. In 1967, the opposition

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[23] See for instance the lyrics of Victor Jara's song *Preguntas por Puerto Montt*, in which the singer personally blames Minister of Interior Pérez Zújovic for the drama.

was successful in denying Frei travel to the United States on an invitation by the US government. In a furious reaction, he stated:

> the opposition (…) has reached the extremes of forming a coalition in order to make impossible the execution of my constitutional mandate. (…) I have said, before I came here, that I would not change one point in my programme, not for a million votes. And now, I repeat that if to obtain a majority in the Senate would mean changing my programme, I prefer not to have that majority (quoted in González 1989: 119).

In order to bypass the opposition in Congress, Frei had submitted a proposal for a Constitutional Reform in 1965 that would, among other things, significantly increase the power of the executive *vis-à-vis* parliament. Not surprisingly, he failed to gain sufficient support for this proposal. Other attempts to increase the President's powers (for instance by allowing him to prorogue Congress and call for new elections once during his mandate) suffered a similar fate. Only towards the end of his presidency, in 1969, was Frei's Constitutional Reform approved, although on the condition that it would only go into effect after the 1970 elections. As a result, Frei's attempts to strengthen his own position eventually served to strengthen that of his main rival, Salvador Allende (Fleet 1985: 113).

Frei's turn to the Right had an unexpected outcome within the party, however. It isolated him within the party, giving room to the progressive forces in the PDC to set the agenda for the coming presidential elections. The obvious candidate was Radimiro Tomic, who had been the Chilean ambassador in the United States. For Frei and the conservative camp within the PDC, Tomic, who proposed a coalition with the Marxist Left (supported by *terceristas* and *rebeldes*), was an unacceptable candidate. Simultaneously, though, they were aware that open resistance to his candidacy would lead to a break within the party, which would mean the end of the PDC. Their solution was to accept Tomic as a candidate, but on the condition that no coalition with the Left would be made and the *camino propio* would be maintained. This proved to be a miscalculation on Frei's part. On the one hand, it provoked the break of the *rebelde* section with the party, and the subsequent creation of the MAPU, which joined the UP. On the other, the party, now led by Tomic, radically shifted course again, presenting an electoral programme for the 1970 elections that resembled that of the Left in most points. Arguing that Frei's reformism had been good, but not good enough, Tomic embarked on a revolutionary course:

> Do you want a brief judgement? We have achieved much, but not the Revolution! And because we have not achieved the Revolution, the great question of a new destiny for Chile remains pending (speech by Radimiro Tomic 1969).

As a result, Frei, who had wanted to maintain both the unity of the party and a relatively conservative course, had lost on both counts (González 1989: 184-188).

3.3 The Legacy of the Revolution in Liberty

The Revolution in Liberty had initially been perceived as a project of social, economic, and political modernisation, based on doctrinal currents of *socialcristianismo* and the developmentalism of ECLA's structuralism. However, in the course of its implementation, the project changed both in content and form. This was related to the success of the state in strengthening its capacity to govern, and the success of the technocracy in maintaining a certain independence from the political arena. It also responded to the realities of political competition and the reactions of civil society, which forced the government to adapt its project in order to maintain social order and consolidate its achievements. All these factors played a role in the formation of what would become the legacy of the 'Revolution in Liberty'.

Economic Modernisation
The agrarian reform was the most successful part of the Revolution in Liberty. It was a project of economic modernisation (albeit with social and political connotations) that enjoyed a high level of societal support (as it had been introduced by the Right under Alessandri and had the support of the Left), and was efficiently carried out by the *técnicos* of the INDAP. It worked well because it could be defended from a developmental perspective (effective agriculture), as well as a doctrinal one (social justice). It could be implemented relatively autonomously and technically, as it already possessed a legal framework. Finally, the social unrest that was provoked by the agrarian reform remained relatively insignificant, and even though it caused a profound Right-wing hatred for the Christian Democrats, its negative social consequences were limited.

This is not to say that the project was a complete success. The reform did not lead directly to an increase in production - the productivity gains that were achieved in this period were mainly a result of higher output from the private sector (Silva 1987: 67). Difficulties in the organisation of the *asentamiento* system and the growing unrest on the countryside hindered the efficient functioning of the new cooperative agricultural units, let alone their transformation into privately-owned farms. The initial goal of creating 'one hundred thousand new agrarian proprietors', as the project stipulated, was not achieved. In fact, by 1970 not even one *asentamiento* had been transferred officially to the families that worked it (González 1989: 95). Officially, this was mainly due to the delays the agrarian reform suffered: the law on agrarian reform, which stipulated that the transfer of expropriated lands should take place after three years, was only approved in 1967. However, given the extreme level of electoral competition between the PDC and the Left in the countryside, it is likely that a clientelistic approach was favoured in order to bind the rural constituents to the party. Moreover, the rationale of state planning created the need for direct control of agricultural production. This would be much easier if the expropriated land was collective and state-supervised. Finally, the question of ownership was contested within the PDC itself. Frei favoured the creation of individually owned farms, while the *rebeldes* and *terceristas,* ideologically following the

Left, were inclined towards collective ownership. By 1970, this dispute had remained undecided (Moulian and Guerra 2000: 157).

Even though the agrarian reform was far from complete by 1970 (only about 20 per cent of Chile's irrigated lands had been expropriated), the break with the past was evident. Moreover, the new law on agrarian reform, replacing the law that had been passed under Alessandri, gave way to an intensification of the programme. Although this intensification did not take place under Frei, due to his conservative shift in the second part of his government, the complete modernisation of the agrarian sector within the boundaries of the law had now become a real possibility.

The other structural change that had been achieved under the Revolution in Liberty was the *Chilenización* of the copper mines. This, too, was a successful project of the PDC, although it suffered from bad publicity. The 'Chilenisation' followed the developmental logic of structuralist economics, but also reflected the high level of nationalism of the era. It was a typical technocratic solution, based on technical considerations rather than populist rhetoric. In addition, its costs were very high and would only bring benefits in the longer term (Moulian and Guerra 2000: 164). Even if the *Chilenización* was an economic failure in the short term, though, it was a fundamental step in Chilean history. It reflected a recognition that the copper industry was essential for the development of the country, and that its nationalisation, albeit partial, opened up a new phase in Chile's political economy. In particular it opened the door for the full nationalisation of the copper industry. Like the agrarian reform, its true meaning lay not so much in the number of changes that took place in the period 1964-1970, but in the influence that these would have in the years after that.

In the other areas of the economy, the Christian Democrats did not leave a lasting legacy. This was caused by poor publicity rather than by bad performance, but was nevertheless a self-inflicted problem. The messianic tone of *socialcristianismo*, combined with the blind faith in technical solutions and planning of the *técnicos*, created expectations that could not be lived up to. As a PDC economist argued afterwards:

> We induced Frei to make grave political errors. He announced goals in quantitative terms: 100,000 new landholders, 600,000 houses… the Frei government did more than any other, but accomplished less than it had promised. People evaluate on the basis of promises, not accomplishments (quoted in Montecinos 1998: 49).[24]

Planning as it was practised by the Frei government proved not to be enough to create a sustained high level of economic growth. Frei's Minister of Finance, Sergio Molina, concluded in retrospect that the state planning suffered from several structural shortcomings, which severely affected its efficiency. First of all, the limited mandate of ODEPLAN, being an advisory institution to the Ministry of Finance, was not enough

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[24] Alfredo Jocelyn-Holt focuses on the messianic attitude of the Christian Democrats rather than on the *técnicos* when explaining the high level of expectations the PDC generated but could not fulfil: 'The revolution [of the Revolution in Liberty] was that it did not capitalise on what it had achieved. The revolution was the liberating messianism that took control of the political leadership without balance' (1998: 97).

to support the planning programme, which remained dependent on the political conjunctures and the support of individual functionaries. Furthermore, planning focused almost exclusively on public works in infrastructure and energy, while little attention was paid to new projects. Finally, the rationale of *planificación* often clashed with the motives of politicians and executives. The planning experts often felt uncomfortable in dealing with concrete socio-economic issues that politicians and functionaries encountered at the local level, as they considered that such practical matters might disturb the perfect world of *planificación*:

> With the pretext of defending the 'image' of planning, they preferred to dedicate themselves to the construction of a future ideal in order to avoid the contamination with unpopularity that is involved in proposing concrete measures that surely will be the object of political controversy (Molina 1972: 163-165).

As a result, planning, and technocracy in general, created expectations that could not be satisfied, and as a result it strengthened the Left's argument that reformism alone was not enough.

Political Modernisation

In terms of political modernisation, the legacy of the 'Revolution in Liberty' was limited. On the one hand, the planning system of the Frei administration required extreme levels of efficiency and control. As a consequence, Frei set in motion a process of rationalisation of the state apparatus, streamlining the decision-making processes and prioritising highly educated *técnicos* in all senior functions (Montecinos 1998: 76). In order to maintain personal control, Frei resorted to semi-fiscal institutions, such as the ODEPLAN, INDAP and CORFO, for the implementation of the Revolution in Liberty, largely bypassing both Congress and his own bureaucracy (Salazar and Pinto 1999a: 85-86). This enabled him to put the decision-making process as well as the implementation of the programme into the hands of technocrats, and to achieve unprecedentedly high levels of efficiency and rationalisation. This tendency to move outside of the formal structures would be also used by Allende in the implementation of important elements of the project of the Left outside parliamentary control.

The other side of the PDC's 'top-down revolution' was the restructuring of the country's political organisation through the direct participation of the marginal masses. This echoed the *socialcristiano* ideal of creating a 'true democracy', in which all sectors of society would be able to participate actively in the political system through 'intermediate organisations', which would 'respond to the progressive meaning of the development of man' (quoted in Cardemil 1997: 163).

The creation of this 'organic society' was characterised by its top-down approach. The logic of efficient and rational policy-making, as well as of maintaining some form of control over the newly incorporated masses, did not allow for bottom-up strategies. As a result, the ideal of a 'participative democracy' was articulated in the most paternalistic form only. Nevertheless, *promoción popular* led to the creation of many

juntas de vecinos, mothers' centres and the like, under the tutelage of the state. While the government's claim that over 20,000 of these organisations had been created, and that over 70,000 sewing machines had been distributed through them, was probably exaggerated, *promoción popular* would remain influential for years. Under the Pinochet dictatorship, the first lady's charity work would still take place in mothers' centres in the shanty towns that had been set up under the 'Revolution in Liberty'.

The most successful element of the creation of 'true democracy' under the PDC was the *concientización* (consciousness-raising) among the popular masses. This was mainly the result of the intense competition that evolved between the Centre and the Left in the search for new electoral groups. In the countryside, the agrarian reform gave the PDC a unique opportunity to capture the loyalty of the new farm-holders through the patronage of the INDAP and the CORA. In response, the Left focused on the landless peasants, initiating illegal *tomas* and expropriations in areas where the PDC was not yet dominant, and contributing significantly to the growing social rural unrest. In order to avoid further radicalisation in the countryside, the government decreased the speed of the Agrarian Reform, and resorted to repression in the case of illegal *tomas*. Simultaneously, competition between different factions within the Christian Democrat unions, as well as from the unions of the left, weakened the PDC's attempts to consolidate peasant support (Scully 1992: 157).

In the cities, where the left dominated organised labour, the competition between the PDC and the Left mainly took place in the *poblaciones*. As in the agrarian sector, the attempts of the Christian Democrats to consolidate popular support were answered by an ideological 'bidding-war' by the left, feeding the growing dissent among the *pobladores* over the pace and scope of the Revolution in Liberty. In this context, the creation of a network of political 'intermediate organisations' with direct ties to the PDC was strongly contested by both Left and Right, and a proposal for a law regulating the legal position of these organisations was blocked in Congress (*ibid.*, p. 161). This was, however, not the sole reason for the abandonment of the *Promoción Popular* after 1967. In the context of the ideological bidding and contesting of constituencies, the creation of a political network in the *poblaciones* could easily backfire and create a stronghold for the opposition. This would not only weaken the position of the PDC, but would also endanger social order in the cities, already under pressure because of illegal *tomas* and protests of the radical left. In the end, the Christian Democrats dropped the political element of the *Promoción Popular* and the ambitions for creating a 'true democracy' altogether, as the need for political survival and the maintenance of social order proved incompatible with further increased popular political participation (Moulian and Guerra 2000: 182).

Despite the PDC's attempts to mitigate political radicalisation, the *concientización* of the formerly excluded masses became an important legacy of the 'Revolution in Liberty'. As Finance Minister Molina argued afterwards:

> What earlier seemed an illusion or vague hope has been converted into a true
> possibility. In many social groups that had been excluded for years, a

consciousness of rights has been created, which has provoked a crisis in a system that maintained itself in a patriarchal way. As a result, those who were accustomed to dominate almost without counterbalance not only saw their orders becoming the object of discussion, but were even confronted with open rebellion (Molina 1973: 29-30).

On the other hand, it raised the question of how to contain these forces. The PDC's attempts to discipline or limit this popular mobilisation, be it by co-opting sections of workers or by resorting to authoritarian measures, failed, as they either raised expectations further or fuelled popular frustration. The emergence of the masses, highly politicised and hardly under the control of the political system, had become unstoppable by 1970.

Social Modernisation

The most successful aspect of the Revolution in Liberty was the modernisation of the country's social structures. The inclusion of the marginal masses by the state therefore became the Christian Democrats' most important legacy. Even though this social inclusion would be partially reversed under the project of the Left and Right, it maintained high levels of support and would eventually become one of the cornerstones of Chilean modernity. Apart from reflecting both *socialcristiano* and structuralist doctrines on social justice and societal development, this was a project that could be implemented in a direct top-down manner, using the facilities of the state and the technical logic of planning. It also served the clientelistic purposes of the PDC in the competition with the Left. Finally, it responded to sentiments that were shared nation-wide. By the mid-1960s, the alleviation of the misery of the excluded masses was a point of attention for all sectors, be it the form of liberating them from capitalist oppression, or in preventing them from turning to communism.

The *promoción popular* was crucial in this respect, and even if its results may have been exaggerated by government officials, it certainly benefited thousands of *pobladores* and other urban marginals. Apart from the well-known distribution of sewing machines and creation of local organisations, the programme provided basic services that facilitated the social and economic integration of the communities. By 1965 over 600 telephones had been installed in *poblaciones* around the country, as well as an intensive programme provided sewerage systems and drinking water, with help from local communities. Affordable public transportation was extended, allowing the residents to work outside their community. The State Bank set up a programme that granted loans to local initiatives, giving the *pobladores* access to bank accounts and instruction sessions on how to save their earnings. Even though the initial and over-ambitious targets were not met, about 260,000 houses were built and 200,000 blocks for self-help housing projects were allotted. Meanwhile, the government invested heavily in health care: the number of hospitals and beds doubled under Frei. The government also raised the education budget by about 50 per cent, building about 3000 new schools and raising primary education enrolment to an unprecedented 95 per cent (Collier and Sater 1996: 312). Finally, one of the most important elements of this programme was its legal side:

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civil registration offices were set up in order to register and distribute identity papers to the marginal masses (Gobierno de Chile 1965: 11-13).

The project of social modernisation by the Christian Democrats left its marks on the projects of both the Left and the Right. The success of *promoción popular* in the inclusion of the marginal masses generated a general consensus on the undesirability of social exclusion. Both the Left (which sought to include the marginal masses by means of the state) and the Right (which used the market for the same purpose) attempted to resolve the social question. Only in the 1990s was the Concertación, working with both the logics of the state and the market, able to include the marginal masses into the Chilean socio-economic structures. This process, however, had been set in motion by the 'Revolution in Liberty'.

Chapter 4

The Chilean Road to Socialism and Modernity

In the debate surrounding modernity and modernisation in Chile, the project of the Popular Unity government (UP*),* has received surprisingly little attention. Whereas the modernising nature of the 'Revolution in Liberty' has been widely acknowledged, and the modernisations of the military dictatorship have received broad and thorough attention, little serious attempt has been made to analyse the 'Chilean road' in the context of modernity.[1]

An explanation for this phenomenon may be found in a historiographic tendency to place the UP in the context of breaks rather than continuity, while modernisation is usually associated with continuity or gradualism rather than with revolutionary change. Therefore, the UP government is often contrasted with the 'modernising' and reformist project of the Christian Democrats. However, as has been argued in the theoretical outline, it is one of the purposes of this study to focus on continuity as well as change, and as the 'multiple modernities' conceptualisation suggests, the history of modernisation may well follow wave-like patterns rather than sequences of breaks and ruptures.[2] Based on this conceptualisation, this chapter will show not only the high level of continuity between the 'Chilean Road' and the 'Revolution in Liberty' and their shared modernising outlook, but also the different shapes and forms that modernity can take. Despite the project's obvious uniqueness, it by no means constituted an interruption in Chile's long and winding trajectory towards modernity. Rather than proposing an 'alternative *to* modernity', the project of the UP sought to construct a proper 'alternative modernity', a hybrid form of modernity, in which capitalist elements of the modern were mixed with non-capitalist ones.

The construction of the project followed more or less the same line as that of the 'Revolution in Liberty'. An existing political ideology, in this case Socialism, was used as the foundation of the project but was profoundly adapted to the local Chilean context (section 4.1.1). It was expanded with a developmental theory that gave it a 'scientific' basis, this time the so-called 'dependency theory' (section 4.1.2). These two elements were mixed in an original and far-fetching project of modernisation, which

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[1] There are of course always exceptions to the rule. For instance, Ricardo Ffrench-Davis and Oscar Muñoz, both economists, in 1992 (long before the *multiple modernities* argument arose) already placed the UP in the context of 'competing modernisation and development strategies', arguing that '[f]or presidents Frei (1964-1970) and Salvador Allende (1970-1973), the objectives of redistribution (…) went hand-in-hand with modernisation' (1992: 248). Similarly, Espinosa (1990: 166) states that in 1970, 'a good part of the Chileans fell for a mirage of modernity', that is, the creation of a 'politically modern country' by means of the Chilean Road to Socialism. However, such affirmations are scarce and often lack a solid conceptualisation of modernity.
[2] See Whitehead (2002: 38-48). Alfredo Jocelyn-Holt takes a similar position when referring to the development of Chilean history: 'In my view, the UP is just another chapter in a long history which stretches back and projects forwards in time' (1998: 115).

sought to replace the country's main social, economic, and political structures (section 4.1.3). In its implementation, it shared the focus on the state, technocracy and state planning of the 'Revolution in Liberty' (section 4.2.1). Simultaneously, it provoked strong reactions within the projects of the Centre and Right (section 4.2.2), and was forced to adapt its course in view of popular unrest and discontent (section 4.2.3). Finally, it left several lasting legacies on the social, political, and economic level, many of which were unintended and which strongly came to influence the next project of modernisation, that of the Right (section 4.3).

4.1 The Construction of the Chilean Road

Like the 'Revolution in Liberty', the project of the Left was constructed making use of a specific interpretation of modernity. This interpretation was generally based on the example of the 'really existing Socialisms', which rejected capitalism and focused on a 'people's state' for the construction of an equal society. However, rather than copying and pasting the models of the 'really existing Socialisms', the Chilean Left profoundly adapted them to the local context, creating a truly 'Chilean' road to Socialism.

Even though the project of the UP placed much emphasis on the social side of modernisation, in the form of inclusion of the marginal urban sectors and the rural workers, its main emphasis lay on the economic and political dimensions, which came to be closely tied to each other. On the political level, the UP intended to liberate the working class from 'bourgeois oppression' by creating a 'people's state' that would act only in the interest of the people. Furthermore, the workers were granted direct control over the management of factories and farms. At the economic level, it sought to end the exploitation of the working class by expanding the influence of the state in the economy and by emphasising the redistributive role of the state.

Apart from Socialist doctrines and their adaptation to the Chilean context, the UP made use of a vanguard theory of development, called *dependencia*, which was constructed by former structuralists in the ECLA. This theory corroborated the Left's thesis that true socio-economic development could only place by leaving the capitalist paradigm, providing the UP with a solid, and popular, scientific foundation.

The doctrinal and developmental approaches of the UP were combined into an ambitious project of modernisation, called *La Vía Chilena al Socialismo* ('The Chilean Road to Socialism'), consisting largely of an intensification of existing reforms as well as the introduction of new elements.

4.1.1 The UP Ideology and Modernity

The Chilean Left, one of the oldest of the continent, had developed and grown since the late nineteenth century, and exhibited, in the words of Jocelyn-Holt, a 'extremely high historical density' (1998: 116). It went back to the left-wing Popular Front (Frente Popular) coalition which came to power in 1938, and the subsequent participation of the socialists (and, until 1947, the Communists) in the governments led by the Radical

Party. Even further back, it echoed the short-lived Socialist Republic of 1932, a twelve-day populist dictatorship,[3] and the presidential campaigns of leaders such as Marmaduque Grove and Luis Emilio Recabarren. The origins of the Chilean Left date back to the social question, especially among the nitrate workers in the north of the country, and the mobilisation and repression of the workers in that era.[4]

Despite this long trajectory and historical density, much of the project as presented by the Left in 1970 was relatively recent. It reflected a change of strategy, not completely unlike that of the *socialcristianos* in the 1950s, by both of its main constituents, the Socialist Party (*Partido Socialista*, PS) and the Communist Party (*Partido Comunista de Chile*, PCCh), which took place in the 1950s and which eventually led to the construction of the 'Chilean Road to Socialism'.[5] The ideology of the UP was by no means uniform, though. The different parties held heterogeneous views of society and maintained different positions regarding modernity.[6] Consequently, the 'Chilean Road to Socialism' left much room for interpretation, especially on the exact nature of socialism.[7] It also tended to focus more on the path *towards* socialism than on the shape and form of a socialist society itself.[8]

This is not to say that the members of the UP held no common ideologies or common positions regarding modernity. The central postulations of the UP were shared by most members of the coalition, uniting them in a position regarding the modern that was almost as ambiguous as that of the Christian Democrats before them. In this case, the central issues consisted in the consecutive rejection and embrace of elements of what are considered two central institutions of modernity, capitalism and democracy.

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[3] These twelve days would have a great impact on the future. During this Socialist Republic a law was approved allowing for the takeover by the state of industries that were poorly administrated. This law, long since forgotten, was rediscovered by the UP and would come to play a crucial role in the implementation of the Chilean road. For a detailed description of the Socialist Republic, see: Luis Cruz Salas (1978); Jorge Arrate and Eduardo Rojas (2003a: 146-156).

[4] It is no coincidence that the first party of the Left, the Socialist Worker's Party (*Partido Obrero Socialista*, POS) was founded in Iquique, the centre of the nitrate industry, and as early as 1912.

[5] The historian Gonzalo Vial traces the origins of the UP back to 1952, when Allende ran for president for the first time. However, this is, in my view, putting too much emphasis on the person of Allende: in 1952 the Communist-Socialist union, which is the backbone of the UP, was less than embryonic, as the PS was still split into two competing sections, and the Communist Party was still outlawed (2005: 53-55).

[6] Apart from the Socialist and Communist Parties, the UP consisted of the *Movimiento de Acción Popular Unitaria* (Unitary Popular Action Movement, MAPU), and three smaller parties, among which the Radical Party. In 1971, it was joined by the *Izquierda Cristiana* (Christian Left, IC), which was, like MAPU, a splinter from the PDC.

[7] Marc Falcoff (1991: 25) argues that the UP programme was one of the 'most thorough and comprehensive (…) ever offered to the voters of any democratic nation'. This applies mainly for the macro policy level, though. The programme only provided a rough outline of the shape and form the new socialist society should take. Furthermore, it left the question of the actual implementation of the project in terms of political and juridical mechanisms largely open. See: Altamirano (1978: 23), Bitar (1986: 24), and Corvalán (2001: 158).

[8] In this sense the 'Chilean Road to Socialism' contrasts with the communitarian ideology of the Christian Democrats, which provided an elaborate blueprint of society but lacked a concrete programme for its implementation.

The UP's emphasis on these two institutions fitted the particular timeframe Chile experienced at that moment. [9] As Garretón and Moulian argue, by the 1970s the compatibility of capitalism and democracy had become exhausted. The rhythm of economic growth could no longer accommodate the growing popular demands, and the combination of a capitalist economy with a 'providing state' had become unsustainable. For the Right, this deadlock could only be overcome by limiting the democratic functions of the state and stimulating economic growth by restricting both participation and redistribution. [10] For the Left, the solution lay in reversing the patterns of capitalist development, while reinforcing the democratic structures of the country (Garretón and Moulian 1983: 32-33). However, even if sectors of the Left advocated a full break with the trajectory towards modernity the country had followed so far, the eventual project of the Left was characterised by its gradualist and reformist approach.

The UP and Capitalism

The Chilean Left's approach to capitalist modernity has been a complex one. For decades, the Left had taken a highly pragmatic position towards capitalism, following more or less a social-democrat line of action. Toward the 1960s this approach changed, and sectors of the Left took a more confrontational stance towards capitalism. This did not, however, constitute a rejection of modernity as such. Rather, it was argued that capitalism was an obstacle to true progress and modernisation, and that true modernity could only be constructed by limiting (or even replacing) the free market.

The actual rejection of capitalism had not been a strong feature of the agenda of the Left until the mid-1950s. Before that time, both the PS and the PC had followed nonconfrontational lines of action, prioritising access to power over political idealism. In 1933 the Communist party already stated that the revolution in Chile was of a 'democratic and bourgeois' character, meaning that it should take place gradually, through the ballot and in cooperation with the bourgeoisie. The Socialist Party, founded in the same year by Marmaduque Grove, formally rejected this strategy, stating in its declaration of principles that:

> evolutionary transformation through the democratic system is impossible
> because the dominant class [...] has erected its own dictatorship in order to
> hold the workers in misery and ignorance and to impede their emancipation
> (quoted in Arrate and Rojas 2003a: 170).

Despite its formal resistance towards gradualism, though, the PS steered a pragmatic course, especially after joining the Centre-Left coalition governments led by the Radical Party, starting with the Popular Front (*Frente Popular*) government of 1938. During this period, the socialists never seriously proposed fundamental changes to the economic structures of the country, postponing, in the words of the historian Luis Corvalán, 'the

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[9] Barrington Moore (1966) has argued that capitalism and democracy form key elements in the trajectories towards modernity. The way societies, and particularly elites, deal with the market and the political system may have a decisive outcome on how modernity takes shape.
[10] This argument is in line with Huntington (1968).

socialist ideal to an undefined future' (2001: 44). Instead, the PS prioritised economic development and ISI industrialisation over the redistribution of wealth (Falcoff 1991: 31; Roxborough *et al.* 1977: 26).[11] Only in the early 1950s, after a profound ideological crisis which split the Socialist Party into the PS Chile and the more radical Popular Socialist Party (*Partido Socialista Popular*, PSP), was this so-called *colaboracionismo* (collaboration) abandoned. In the following years both sections re-evaluated their positions and revived their traditional positions towards capitalism. In the General Congress of the PSP in 1955, tellingly titled 'Revolution or Misery', the final text issued a call to 'destroy the capitalist economic order and promote the construction of a Revolutionary State which will promote the interests of the working classes' (quoted in Corvalán 2001: 50).

Even though the two sections came back together in 1957, the PS remained divided between a moderate camp, led by Salvador Allende, which followed a gradualist approach and sought to create a broad coalition for its reformist views, and a radical camp, which followed a clearly independent line and resisted cooperation with centrist forces. These two conflicting positions were not resolved until the 1980s, and even though generally the PS remained a reformist and centrist party, the radical forces had clearly gained ground after the Popular Front period (Roxborough *et al.* 1997: 33-34).[12] As a result, the position of the PS on capitalism was, although fundamentally dismissive, at best ambiguous.

The Communist Party, for its part, had followed a much steadier ideological course in this respect.[13] It had maintained its pragmatic, gradualist and non-confrontational course throughout the years, even though it had been banned from government and subsequently outlawed from 1948 until 1958 under the so-called *Ley de la defensa permanente de la Democracia* (permanent protection of democracy law). At the 10th Congress of the PC, held clandestinely in 1956, the party reiterated its gradualist position and their strategy of working together with the bourgeoisie within the institutional framework (Corvalán 2001: 47).[14] Rather than projecting the rapid abolishment of capitalism as such, it proposed a revolution which was 'anti-imperialist, anti-feudal [and] anti-oligarchic', in other words, attacking the economic domination of

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[11] One of the elements contributing to this pragmatism and cooperation of the Left was the need to form a block against the emergence of fascism both in Europe and in Chile itself (De Vylder 1974: 41). The economic crisis of the 1930s also created a consensus that the fulfilment of the most direct need of the working class, work, should be prioritised above far-fetched ideological ideals.

[12] As will be shown in the following chapters, the Socialist Party actually split again in 1979 due to more or less the same ideological differences (see Chapter 5.2.2), only to reunite once more ten years later. After the restoration of democracy in 1990, a similar division, albeit less profound, can be distinguished in the *autoflagelante-autocomplaciente* debate among the Chilean Left (see Chapter 6).

[13] This is not to say that the PC did not experience profound ideological changes. In particular the re-evaluation of Stalin's rule after his death in 1953 had a considerable impact on the party, which had been deeply Stalinist.

[14] The gradual and peaceful approach of the PC received ample international support from the twentieth Congress of the Soviet-Union Communist Party, which in the same year adopted the notion of a 'peaceful revolution'. Although it merely confirmed the strategies followed so far, this endorsement allowed the Chilean PC to make them official.

the United States, the landowners and the oligarchy (quoted in Furci 1984: 58). This reflected a tendency to prioritise the destruction of patterns of economic exploitation which had been persistent in the country for decades over the establishment of a radically new economic order in the short or even mid-term.[15]

When, in 1958, the Popular Action Front (*Frente de Acción Popular*, FRAP), a coalition of the reunited Socialist Party and the recently re-legalised communists, took part in the elections, the differences in approach towards capitalism (and, as will be seen later, democracy) were far from resolved. In many ways, the FRAP, like the UP later, could only function effectively when the internal ideological divisions were ignored or neglected (Corvalán 2001: 57). As a result, the project of the Left, taken as a whole, was ambivalent in its position towards capitalism. On the one hand, it shared a fundamental rejection of capitalism as a foundation for modern society while on the other, the actual political position towards capitalism varied from reformist to revolutionary. Even though the Chilean Left had gained considerable influence after the Popular Front period, and had radicalised profoundly in the 1960s, by 1970 large sections of the UP (mainly Allende and the Communists) still did not envisage a clear break with the capitalist system during the presidency of Allende (Roxborough *et al.* 1977: 72).

The Left's criticism of modern capitalism did not necessarily constitute a rejection of modernity as such.[16] Following classical Marxist lines of thought, the UP considered the adoption of socialism as a form of progress, where the 'old' would be replaced by the 'new'. Capitalism, rather than being a primordial expression of modernity, was seen as obsolete, or, in the words of the UP programme, 'a system which does not correspond to present-day requirements'. It had remained in place because it was supported by the bourgeoisie and the oligarchy, whose survival depended on it, but it was no longer a viable system. As Luis Corvalán, leader of the Communist Party, argued, some months before the 1970 elections:

> The actual production relations have stopped corresponding to the development of the productive forces, the social movement in all its meaning, and the epoch in which humanity lives. (…) Neither the Right, nor the present-day governing party, nor any political form which leaves the foundations of the actual system standing, can satisfy the needs that are imposed by the development of history (speech by Luis Corvalán 1970).

As a result, the implementation of Socialism was considered to be a form of progress, in which an obsolete system would be replaced by a more modern one (Larraín 2001: 122). However, this modernising outlook of the UP was not emphasised in the official

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[15] The moderate position and institutional orientation of the Communist Party may be somewhat surprising given the repression it underwent, between 1948 and 1958, from its former allies, including the Radical Party and the Socialist Party. Partly this was due to its tight organisation and loyalty to Moscow, as well as by the longstanding parliamentary tradition of the PC, having participated in parliamentary politics from 1921 onwards.

[16] As has been argued in Chapter 1, Socialism should not be interpreted as an 'alternative to modernity' but rather as an 'alternative modernity', besides for instance capitalism.

discourse, as it would associate it with the 'modernisations' of the Christian Democrats. Any similarity with the project of the PDC had to be downplayed in order not to alienate the radical electorate. The competition between the Centre and the Left did not allow for a 'modernising discourse' of the Left, leaving room only for a revolutionary discourse, which emphasised rupture and neglected continuity. As Moulian puts it:

> In the Unidad Popular there existed a desire for change, but not for the word modernity. Who stands for modernity? Frei. Who stands for capitalist modernisation? Frei. The UP has another modernity, Socialist modernity. But this could not be said. The Communists within the UP certainly had an obsession with the modern: the battle of production, the development of the productive forces, all kinds of developmental ideas. Allende himself, too, was sensible to the idea of continuity and that fundamentally the revolution is a succession of reforms. But this could not be said. There existed discursive impossibilities that did not allow for these things to be said (interview with Tomás Moulian 15-05-2004).

Beneath this revolutionary discourse, the project contained many developmentalist and reformist elements. It was considered to produce greater levels of development and progress than the present, capitalist circumstances would allow for.[17] During his victory speech, on 5 September 1970, Allende put it thus:

> We have won in order to overthrow once and for all the imperialist exploitation, to put an end to monopolies, to carry out a serious and profound agrarian reform, to control the import and export trade, and to nationalise credit. These things will make Chile's progress possible and will create the social capital which will promote our development (speech by Salvador Allende 1970).[18]

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[17] This line of argument is highly indebted to economists such as Paul Baran and Paul Sweezey, who have argued that free-market capitalism leads to inefficient allocation of consumption and investment, and that only economic planning can overcome this deficiency. See: Baran and Sweezey (1966). For further discussion of the developmental theories underpinning the UP ideology see section 4.1.2.

[18] Even those who did not follow this line of argument tended to view socialism as being closely related to modernity and progress. For instance, Clodomiro Almeyda, one of the more radical Socialist leaders, stressed the link between Socialism and Latin American underdevelopment. In Europe, he argued, economic liberalism had been successful because of the deep entrenchment of modern bourgeois individualism. Consequently, liberalism could not yield positive results in Chile, because of its lack of modern culture and virtues like hard work, foresight and saving. In short, economic liberalism was too modern a system for the traditional Chilean culture: 'The economic liberalism of the European countries […] has produced results because those peoples have an individualist, bourgeois consciousness which has been formed over the centuries. […] Here, the same freedom to work, invest, consume and live, produces completely contradictory effects. There, in Europe, more savings; here, waste. There, in Europe, efficiency; here, disorder; there, economic stability; here, inflation; there, progress, here stagnation. The attempt to artificially introduce ways of life, of thinking and of organising in Latin America, which are foreign to our historic period, has been the fundamental cause of the dead end in social development which is being experienced by our countries (speech by Clodomiro Almeyda 1964: 22)'. This line of argument interestingly closely follows that of the Chilean conservatives, who have argued that in Chile liberal modernity does not take root, as it is imported from the outside, and does not connect with patterns of Chilean identity. See Chapter 1.

Finally, the attempts of the UP to put an end to the domination over the economic realm by several, largely traditional, minority groups, include strong elements of modernisation. In many ways, this was a form of 'economic democratisation', opening up a traditionally exclusive system to the masses, and empowering them in the control over the means of production. Even though the project did not follow strict liberal lines, it was emancipatory and democratising, and sought to replace traditional, restricted economic structures with ones that responded better to the demands of a modern mass society. Allende, in his inaugural address, placed it explicitly in the context of the progress of the country:

> Our road, our path, is that of liberty - liberty for the expansion of our productive forces, breaking the chains that have smothered our development so far (…) and liberty for all Chileans who work for a living to gain social control over and ownership of their work centres.

In this sense, and despite the revolutionary discourse, this was a modernising project, which sought to overcome the structural blockages for the true development and progress of the people.

The UP and Democracy

Democracy, generally considered to be another fundamental pillar of modernity, was emphasised by the UP as one of its most central foundations. It was one of the UP's most original contributions, as for the first time, it envisioned a Socialist model that functioned within the context of 'bourgeois democracy'. It was this element in particular which gave the 'Chilean Road' its distinct 'Chilean' features and added to it a particularly festive element, its '*empanadas y vino tinto*', as Salvador Allende liked to call it (Correa *et al.* 2001: 263).

Even though sections of the UP enthusiastically promoted democracy, it remained a controversial issue within the ranks of the coalition. As has been mentioned in the previous chapter, radical sections of the UP proclaimed the use of non-parliamentary and violent means as a legitimate path to power. In November 1967, during a party congress in Chillán, the PS had already opted for the violent 'road', stating that the armed struggle:

> is the necessary result of the armed and repressive nature of the class-state. It is the only way that will lead to winning political and economic power and their ultimate defence and empowerment. Only the destruction of the bureaucratic and military apparatus of the bourgeois state can consolidate the socialist revolution (quoted in Correa *et al.* 2001a: 312).

This revolutionary rhetoric, reflecting the Socialist Party's strong adherence to orthodox Marxism-Leninism, remained largely confined to the theoretical realm, however. As Arrate (1985: 76) shows, the discourse of armed revolution created a certain amount of theoretical unity within the coalition, while the political practice was left in the hands of Allende and the moderate sector:

the Popular Unity came to reflect a Left-wing orthodoxy in the theoretical field, but was original and heretical in its practice. (…) Ideology was sustained by Marxist-Leninist theory, political praxis was sustained by Allende. The theory and Allende became the two moulding elements of the Chilean Left, like idea and reality.[19]

As a result, even while large sections of the UP discursively promoted the armed destruction of democratic structures, in practice the coalition followed the official pro-democratic line of strategy.[20] This gap between discourse and practice was partly a cultural one. As Moulian (1997: 161) points out, the politicians of the UP had little feeling for language or discourse. In their zeal to be discursively authentic, and speak 'the full truth to the people', sections of the coalition created radical discourses that eventually turned into an internal opposition towards their own project.

The pro-democratic sectors of the UP not only endorsed the democratic system, but even sought to develop it further. In clear contrast to orthodox Marxist-Leninism, Allende considered civil liberties and individual liberal rights to be 'victories of humanity, rather than superstructures of capitalism and the domination of the bourgeoisie' (Corvalán 2000: 157). However, the UP went beyond the idea of strictly liberal democracy, envisioning a participative model, in two ways. First of all, the UP proposed to extend participation in the policy process to all unions, worker's organisations and grass-root organisations such as *juntas de vecinos*.[21] Social movements were to be created, empowered, and given the proper mechanisms in order to participate directly at different levels of the state. In this way, the UP programme proclaimed, the 'power and authority of the People's Government will essentially be based on the support extended to it by the organised population', creating 'the most democratic political government in the country's history'. Second, the UP sought to implement a process of decentralisation of the administration, redistributing much of

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[19] The ideological divisions within the UP, which, thanks to Allende's capacities as a unifier (similar to those of Frei before him), had little bearing on the initial political praxis of the UP, came to play an increasingly problematical role in the implementation of the Chilean Road. As Arrate (1985: 76) states: 'While Allende became the unifying element that was able to mould together project, actor, and tasks in the Chilean social process, (…) revolutionary theory became the great disarticulating force of that project'. An early example of this development became publicly apparent when in October 1969 a military uprising under General Viaux took place, the so-called 'Tacnazo'. During this short-lived rebellion, the PC jumped to the defence of institutionality and the Frei government, while the Socialists supported Viaux, in the hope that a constitutional crisis would create an opening for a revolutionary alternative (Corvalán 2000: 59). This extra-democratic tendency within the UP was reinforced by the lack of confidence of sectors of the UP of winning the 1970 elections.

[20] This 'discursive gap' was nothing new for the political system in Chile. In fact, Petras (1969: 355) argues that the "radical-rhetoric-moderate-behaviour syndrome so characteristic of Chilean politics" is the result of both the middle class make-up of the bureaucracy as well of the political parties' need to maintain the support of those middle classes. As a result, the political parties, especially those of the Left, had become accustomed to the use of radical rhetoric for electoral purposes.

[21] This form of popular participation echoes much of the communitarian approach of the Christian Democrats. Both projects propose to extend the democratic system by creating an 'organic' system of in-between organisations which directly influence the policy-making process. The main difference, however, was a shift in focus, reflecting the subsequent constituencies of the two projects: for the PDC, the Church, family and women, and for the UP, the unionised workers. Both, however, coincided in prioritising the poor neighbourhoods and their *juntas de vecinos*.

the centralised powers of the state to the municipalities. This required a fundamental modernisation of the state, in which the 'municipalities will be modernised according to the plans for coordinating the whole state organisation, while granting them the authority due to them' (UP Programme).

Through these expansions of the democratic system, the UP sought to bridge the gap between what Allende called 'formal democracy' and 'true democracy':

> A true democracy is only such when it assures and permits the participation of the whole population in the vital decisions for the course of the country. Nowadays, we live in a purely formal democracy, with a paternalism of the state which, inevitably, shows its bourgeois orientation (quoted in Cardemil 1997: 332).[22]

Apart from popular participation, true democracy could be distinguished from formal democracy by its pluralist nature and respect for civil liberties. As Allende argued in 1972:

> In this country we have a most authentic political democracy, a pluralist democracy, in government and opposition; to deny this is to lie blatantly. (…) In this country there is total freedom of the press and information and we have the utmost tolerance and respect for all creeds. These liberties are greater than ever in the history of Chile (speech by Salvador Allende 1972).[23]

The democratic disposition of the UP was not unambiguous, however. The programme stipulated the creation of a unicameral Popular Assembly, replacing the bicameral system of Congress, and in which 'all the various currents of opinion will be expressed' and all revolutionary parties were to be represented. However, the members of this Popular Assembly would be subject to a 'rigorous code of conduct', requiring the representatives to lose their post if found 'guilty of acting on behalf of private interests'. Furthermore, the programme envisioned the Supreme Court being appointed by the Popular Assembly, which would mean the *de facto* end of the division of powers in Chilean society. So, while on the one hand the UP promoted a *deepening* of the democratic process, by allowing the direct participation of the masses in the decision-making process, it simultaneously intended to *limit* it, by excluding social sectors from the Popular Assembly, and by extending the power of the executive over the other branches of power.[24] In this sense, the ultimate frame of reference of the parties of the

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[22] The similarities to the communitarian ideas of the Christian Democrats are very strong here. Frei also regularly spoke of the difference between 'true' and 'formal' democracy, in which popular participation is the key difference. See also section 3.1.1.

[23] In the same speech, Allende acknowledges the detention of several journalists. These 'so-called journalists, who are really delinquents', as Allende calls them, have been taken to trial, 'not for their ideas but for the crimes they have committed'.

[24] This does not necessarily equate to the establishment of a Soviet-type of socialism, as Gonzalo Vial suggests (2005: 35). It should be noted, furthermore, that in practice Allende actually did not pursue the installation of this unicameral system seriously, just as Frei had disregarded the creation of a 'communitarian' political system after coming to power. Maybe both considered such profound institutional change as unviable complications of their already strained reformist agendas, or they feared the consequences of its outcomes. Allende, for instance, might have to deal with the MIR gaining a prominent position in the Popular Assembly (*ibid.*, p. 87). See also section 4. 2.2.

UP, despite their differences in strategy, seemed to have been the one-party state system of Eastern Europe (with adaptations to the Chilean case), rather than a truly multiparty system that would be dominated by the Left (Cancino 1988: 36-37).

Even though the Socialist and Communist parties largely defined the ideological course of the UP, there existed other factions within the coalition that were of some importance and that added to its Marxist-Leninist outlook. This applies in particular to the Christian Democrats who joined the UP in two waves: first, with the Movement of United Popular Action (*Movimiento de Acción Popular Unitaria*, MAPU) in 1969, and later, in 1971, with the addition of the Christian Left (*Izquierda Cristiana*, IC).

The MAPU was founded by *Rebeldes* and *Terceristas* from within the PDC, among whom were Jacques Chonchol, Rodrigo Ambrosio and Jaime Gazmuri. Resisting the conservative course of the *Freistas* and the 'failed adventure of reformism' of the PDC, they adopted a revolutionary ideology, but not without maintaining some elements of the Christian Democrat doctrines (quoted in Arrate and Rojas 2003a: 441). Radically renouncing capitalism, they also criticised socialism for being a system that is unable to change the nature of man, as 'there are always some who put themselves on top and keep the others down' (Silva Solar and Chonchol 1969: 26). Based on Christian thinkers such as Thomas Aquinas and Francis of Assisi, they proposed 'common ownership' of the means of production but, in contrast to socialist ideology, this 'common ownership' was not to be put in the hands of the state. It should be a 'communitarian socialism, not a state-oriented socialism, where the principle of self-government of the workers with regard to the company and the economy as a whole is fundamental', and the state fulfils a 'subsidiary or supplementary function' (*ibid.*, p. 50). However, during the first year of the Allende government, the communitarian approach of the MAPU rapidly dissolved and was replaced with a straightforward Marxist-Leninist approach (Falcoff 1991: 38).[25]

In 1971, a group of *terceristas* split off from the Christian Democrat Party to form a new party, in a protest against the collaboration between the PDC and the Right in the opposition against Allende. They founded the Christian Left, entered the UP, and soon were joined by several key leaders of MAPU, such as minister of agriculture Jacques Chonchol and parliamentarians such as Julio Silva Solar and Rafael Agustín Gumucio, practically all of them *terceristas* who resisted the ideological turn of their party (Arrate and Rojas 2003b: 54). Ideologically, the IC sought to maintain both the 'evangelical roots' and the communitarian ideal in the promulgation of socialism. As Gumucio put it:

> The religious inspiration has been of great importance for the common features which distinguish the Christians of the Left. In the margin of this theory, the day-to-day behaviour of these Christians has acquired political characteristics. In my judgement, the most important of these characteristics is to demand popular power from below (quoted in Arrate and Rojas 2003b: 54).

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[25] Internally, MAPU was divided into a moderate section, close to the Communist Party, and a radical faction, closer to the PS and even the MIR. In March 1973, these sections would split into the 'Workers' MAPU' (*MAPU Obrero Campesino*, MAPU OC) and the 'regular' MAPU.

The IC's mix of Christian thought and socialism was short-lived, however. Within months, the party radicalised, embracing positions close to those of the PS, the MIR, and the radical offshoot of the MAPU led by Oscar Garretón. Critics such as Gonzalo Vial (2005: 93) reduce this process of rapid ideological radicalisation to the 'enthusiasm of converts'. However, as Donoso (1975: 126) shows, Marxist ideology had been emerging among Roman Catholics since 1967, and had gained widespread support in 1971, when eighty priests openly declared themselves to be Marxists, and had pledged their support to the UP. Later, this 'group of eighty', which worked under the motto of 'the collaboration of Christians in the construction of Socialism', was extended to the 'group of 200', and became of serious influence within the Catholic Church. In this sense, the radicalisation of the Christian parties within the UP should be viewed in the context of the radicalisation of sections of the Church itself.

Although neither MAPU nor IC ever became important in an electoral sense, they contributed to the UP in two ways. The first was by forming a bridge to the middle classes and to workers opposed to traditional Marxism (Bitar 1986: 19; Falcoff 1991: 38), and the second was by adding to the UP a body of highly trained professionals and intellectuals, who would contribute greatly to the construction and implementation of the 'Chilean Road' (Montecinos 1998: 58).

4.1.2 Dependencia, Developmentalism, and the UP Project

Just as the project of the Christian Democrats had found part of its theoretical basis in the 'structuralist' school of economics, the project of the UP was heavily influenced by dependency (*dependencia*), an offshoot of structuralism. In contrast to structuralism, though, dependency never constituted a well-defined school of thought, and was generally considered to be an approach or a perspective rather than a theory. Nor could it be considered a true developmental theory, as it focused on the analysis of the blockages for development rather than on the policies that would remove those blockages (Montecinos and Markoff 2001: 123).

Dependency theory was an answer to both modernisation theory and structuralism (Valenzuela and Valenzuela 1978: 536). Both theories had maintained that given certain circumstances (ranging from a certain level of capital influx to state-led industrialisation), economic development and modernisation would be structural and self-sustaining. However, by the late 1960s, a growing awareness emerged among Latin American economists that the import-substitution processes that had been set in motion in order to reduce the dependence of the industrialised world had failed. In fact, setting up the industries had actually increased dependency, as the investments for factories and infrastructure were financed on the international capital markets, as well as the machinery that was used in production. As a result, the foreign control over the Latin American economies had gained such heights (through foreign indebtedness and influence over resources), that several authors began to speak of Latin American industrialisation as 'dependent development' (Montecinos and Markoff 2001: 125-126).

Consequently, economists all over the continent started to analyse the exact nature of the dependency relations between the 'centre' (the industrialised world) and the 'periphery' (the developing world). As Kay (1989: 126-128) shows, the multitude of contributions to dependency can generally be divided into two main currents: a reformist and an explicitly Marxist approach.[26] The first remained relatively close to the structuralist school, incorporating in the approach of ECLA a special focus on import-substitution industrialisation and stressing national autonomy as a key element for economic development. In contrast, the Marxist approach rejected the idea that the problem of dependence could be overcome through reform and argued that only a socialist revolution could overcome the dependent nature of Chile's economy.[27] As a result, while *dependencia* formed a profound critique of the modernisation theories of the 1950s, it was ambivalent on the prospects of modernisation for Latin America. On the one hand, it argued that some level of development and modernisation would be possible, in the form of 'dependent development'. On the other, it claimed that no true socio-economic modernisation could take place as long as capitalism was still in place as a world system.

> Both currents of *dependencia* coincide in the central definition of the problem, though. Underdevelopment, in their view, is not a temporal historical phase which the developing countries need to pass through, but is the 'other side' of capitalist development. Development and underdevelopment are two sides of the same system, which tends to reinforce itself over time. Therefore, underdevelopment has become, in the words of Kay, 'the particular form capitalist development assumes' in the countries of the periphery. The origins of this specific form of development lie in the way in which the underdeveloped world has been integrated into the world economy - and therefore, the solution for underdevelopment should be sought in its relation to the international capitalist system (Montecinos and Markoff 2001: 129).

In the course of the 1960s, *Dependencia* had rapidly gained influence on the economic and political thinking of the Chilean Left. It was new and provocative, fitted the anti-capitalist ideology of the Left like a glove, and could easily be expounded in non-professional and even popular terminology without losing its academic impact.[28] Furthermore, even more so than structuralism, *dependencia* was authentically Latin

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[26] As Joseph Love (1996: 261) notes, dependency theory came out of structuralism, and only later developed ties with Marxism. As structuralism itself had been partly a critique, and partly a continuation of modernisation theory, dependency should be seen as an offshoot of modernisation theory, even though it rejects that pedigree.

[27] These two approaches reflect an ambiguity towards modernity similar to that described in the previous paragraph on the ideology of the Chilean left - the Marxist line fundamentally rejecting capitalist modernity as a viable option, while the reformist line accepted it under certain conditions. As has been argued before, though, the Marxist rejection of capitalist modernity did not necessarily constitute a rejection of modernity as such.

[28] In fact, *dependencia* must have been one of the few twentieth century economic theories that became widely popular among non-academic audiences worldwide, probably as a result of its historical approach and political implications. One of the main contributors to this development was the Uruguayan journalist and novelist Eduardo Galeano, who's *Open Veins of Latin America* became an international bestseller after its publication in 1971.

American, both in origin and in focus, breaking the hegemony of classical liberal thinking that for decades had homogenised international economic theory. Structuralism had proved that similar economic processes have different outcomes in the 'developed world' than in Latin America, and that the outcome was negative for the latter. Now *dependencia* showed that underdevelopment found its roots in the development of the 'centre', and that the development of Latin America would be impossible within the framework of liberal economics (*ibid.*, p. 117). In this sense, *dependencia* had an emancipating influence, as it forced Latin American countries to revaluate and strengthen their position *vis-à-vis* Europe and the United States.

The Influence of Dependencia on the UP

The notion of *dependencia* was mainly developed and put forward by former *structuralistas* who had worked at the ECLA, such as Fernando Henrique Cardoso, André Gunder Frank,[29] and Theotonio dos Santos. Its dissemination to the political and non-economic circles of the leadership of the Left took place mainly in the University of Chile, where from the mid-1960s a developmental economic programme (ESCOLATINA) of the department of economics had become very influential. It was the head of this department, Pedro Vuskovic, who was appointed Minister of Economics by Allende. Vuskovic had been a long-time *Cepalino* and had become a fierce promoter of *dependencia*. His appointment is indicative of the influence that *dependencia* had gained among the UP leadership, as Vuskovic was not a member of any of the parties of the UP (Montecinos 1998: 54-55; Larraín 2001: 122-123).[30]

Marxist *dependencia* influenced the UP mainly in three ways.[31] First of all, it promoted an isolationist and highly nationalist policy towards the international capitalist community. In essence, this was nothing new. Among others, Lenin and Luxemburg had been highly influential in their analysis of the imperialist nature of capital accumulation in industrialised countries, stressing the increased need and competition for new markets (Luxemburg) and raw materials (Lenin). However, the

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[29] In fact, Gunder Frank not only bridged the project of the Centre and the Left, but also had a strong connection with that of the Right, having written his dissertation with Milton Friedman at the University of Chicago. His ideological turn since that time has been cause for accusations; for instance, John Toye labelled him 'an orthodox Chicago economist who abruptly became a Latin American revolutionary figure'. Gunder Frank himself has downplayed his ideological transformation, suggesting that he never was a real Miltonian, and that 'political climate, conditions, opportunities, and responses' had strongly influenced his choices (Gunder Frank 1997: 80).

[30] During the same period, the economic policies of the projects of the Christian Democrats as well as of the military regime were in the making in the 'other' key university in the country, the Catholic University in Santiago. Two groups of scholars, funded by different foreign organisations, were simultaneously working on two economic theories that defined the economic course of the projects before and after the UP: one on the structuralist reforms of the Frei administration, supported by the Ford Foundation, and the other on a neo-liberal agenda, subsidised by the University of Chicago (Montecinos and Markoff 2001; 121).

[31] Even though it is very difficult to assess the direct influence of a heterodox economic school like *dependencia*, its influence is clear on programmatic texts such as the UP's electoral programme, and on speeches given by Allende and others. See for instance Allende's address to the UN General Assembly in 1972 (Cockcroft 2000: 200-221).

contribution of the *dependentistas* to these theories was that they explored the ways in which this imperialism took shape in the developing world, a gap which so far had been left open (Kay 1989: 143).

The most influential elaboration of this argument has been made by André Gunder Frank. In his comparative study on underdevelopment in Chile and Brazil, Frank argues that the underdevelopment of Chile (a necessary by-product of development in the industrialised countries) cannot be reversed from within the logic of capitalism.[32] The capitalist structures that have been imposed on Chile not only deepen underdevelopment and increase the poverty of the majority of the people, but they also minimise the abilities of the national 'progressive' bourgeoisie (in the case of Chile, the Christian Democrats) to lead the country toward development. It is therefore necessary, Frank argues, that the underdeveloped countries, including Chile, withdraw themselves from the capitalist system, through which they will 'deepen the contradictions of the capitalist world and, through their resolution, […] liberate the people of Chile and the world' (Frank 1969: 120).

Frank's argument, which was supported by others as well, strengthened the nationalism and anti-imperialism of the UP. It particularly substantiated the idea that international capital should not be able to control the natural resources of a developing country like Chile. The nationalisation of the copper mines, which had been 'Chilenised' before, was therefore corroborated scientifically (Bitar 1986: 30).

The second way in which Marxist *dependencia* strengthened and underpinned the ideology of the UP was by identifying the national bourgeoisie as the main obstacle to development. Dos Santos and Vania Bambirra, for instance, argue that through dependency social conflict in Latin America will deepen, and this will inevitably lead to a showdown between the bourgeoisie and the proletariat, ending either in a neo-fascist takeover or a socialist revolution. Gunder Frank, in turn, stresses the servile nature of the bourgeoisie as well as the state in the process of the exploitation by the 'capitalist metropolis':

> The 'national bourgeoisie' and its 'national state' have always been and are still integral parts of a worldwide capitalist system in which they are fundamentally a satellite or 'underdeveloped' bourgeoisie and state. Thus, 'national' satellite bourgeoisie and state became and are dependent on the world capitalist metropolis, whose instrument in the exploitation of the periphery they necessarily have been and remain (Frank 1969: 116)

In consequence, Frank argues that the national bourgeoisie is the main obstacle to national development, just like imperialism is the main obstacle for the problem of underdevelopment in general. This line of argument served to put the UP's emphasis on breaking the power of the economic elites into a developmental context. The

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[32] André Gunder Frank, as well as other *dependentistas*, were strongly influenced by the work of Paul Baran, who had argued in the 1950s that underdevelopment is the result of global capital accumulation, that capitalism no longer is a progressive force, and will eventually fall due to its internal contradictions, especially the wasteful use of capital both in the developed and the underdeveloped world.

takeover of economic power by the working class now became a *sine qua non* for economic development, as well as for the liberation of the people.

Thirdly, and connected to the last, is the Marxist *dependentistas'* prioritisation of political change over economic development (with the exception of Theotonio Dos Santos, who remained positive about a possible path for development within the parameters of world capitalism). Generally, it was argued that the structures of capitalism should be demolished first, and that economic development could only take place after that. Moreover, it was rarely specified what this subsequent development would look like (Rist 1997: 120; Leys 1996: 53). The influence of this approach in the thinking of the UP leadership can be seen in the neglect of the maintenance of economic equilibriums and the political use of the economy in general. For some sectors of the economic teams of the UP, *dependencia* confirmed the idea that economic development would be impossible in any case, as long as the socio-economic structures remained as they were. This allowed for an instrumental use of the economy (for instance by raising wages, even if this might cause high inflation) for the political purpose of gaining support for the project.

Much of *dependencia's* influence on the UP came from its moderate, non-Marxist current, though. The large : Marxist *dependencia* offered very little in the policy department, and the internal divisions within the UP allowed for a relatively high level of heterogeneity in the academic orientation. As a result, the UP not only incorporated Marxist *dependencia*, but also its moderate contender, and even structuralist recipes, in three ways (Kay 1989: 199).

First of all, it was argued that some form of economic development could well take place within the context of dependency. This was argued most clearly by Cardoso and Faletto who, in their influential *Dependency and Development in Latin America*, claim that a certain level of autonomous development may well be possible within the context of dependency, providing that certain conditions are fulfilled (Cardoso and Faletto 1979: 175-176). This cautiously optimistic outlook is reflected in the fact that the UP did not set out to withdraw the country completely from the international community (outside of the socialist countries), as the Marxist approach would have prescribed. Instead, the UP government vigorously used international forums to argue for improvement in the terms of trade for Chile's exports, as well as a reduction of protectionist measures by the developed nations and greater controls on foreign capital.

Second, the UP adopted several policies that were consistent with moderate *dependentistas* who claimed that with specific and well-planned strategies dependency could be partly overcome. Sunkel and Paz (1970), for instance, argue that this might be achieved through an integrated set of state policies combining the expansion and diversification of exports, agrarian reform, and the revitalisation of the industrial sector through intensifying capital-goods production. This approach, reminiscent of structuralism, was largely adopted by the UP, with the exception of Sunkel's suggestion of joint ventures with international corporations.

Finally, the socio-economic policies of the UP for a large part followed the prescriptions of the ECLA (where at the time reformist dependency analysis was mixed with structuralist approaches), such as agrarian reform, redistribution of wealth, inflation control and self-reliance, all in the context of projected high levels of economic growth (Kay 1989: 199). Allende, like Frei, strongly relied on ECLA's studies and argumentations in the analysis of the country's economy, and put great trust in the ECLA economists, many of whom were involved in the economic decision-making process. According to Verónica Montecinos, it was said in the 1960s that:

> The only difference between Allende and Frei is that Allende has Das Kapital in one hand and ECLA's documents in the other, and Frei has the Pope's Encyclicals in one hand and ECLA's documents in the other (1998: 53).[33]

Concluding, the project of the UP was, like its Christian Democrat predecessor, heavily influenced by leading theories on development, which it interpreted and used according to its own interest and goals. Where structuralism held a positive – if critical – view of the viability of development and modernisation for a country like Chile, though, *dependencia* showed a more ambivalent position towards development. The reformist *dependentistas*, who remained close to the structuralist school, argued that development was possible, provided certain prerequisites were fulfilled. The Marxist approach, in contrast, held that underdevelopment was inescapable except by means of a socialist revolution.

The project of the UP incorporated elements of both currents, but not in an equal manner. In general, Marxist *dependencia* underpinned and reinforced notions that were already prominently present in the ideology of the Left, but did not directly lead to the formulation of concrete policy.[34] The reformist approach, in contrast, was translated directly into several policy fields, as it offered concrete and precise prescriptions for development. Notwithstanding the UP anti-reformist and revolutionary discourse, it followed a largely reformist course and remained close to the strategies of the ECLA.[35] The combination of the two developmental schools (and in addition some Keynesian redistributive strategies) did not improve the coherence of the UP's socio-economic

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[33] Allende's ability to combine a developmental outlook with a highly ideological discourse made him an excellent broker between the different factions that comprised the UP. Just as Frei had reconciled the *socialcristianos* and the more conservative Christian Democrats, Allende followed a long trajectory as the main unifier of the moderate and the radical Left, especially the Communist and Socialist parties (Montecinos 1998: 25).

[34] The exception here was the nationalisation of the (formerly 'Chilenised') copper mines in the north of the country, a clear prescription from both currents of *dependencia*, who held particularly negative views on the impact of foreign control over natural resources.

[35] It could be argued that the internal divisions within the UP created a 'division of labour' within the coalition. The radical sectors (the radical wing of the PS and MAPU) set much of the discursive agenda, stressing the revolutionary and confrontational character of the 'Chilean road' and even legitimising the use of violence, but their line was hardly reflected in the formal policies of the UP. The moderate sectors (PC and the moderate wing of the PS, mainly) were in control of much of the policy-making, prioritising stable and reformist policies over fundamental ruptures. However, in the field of public rhetoric, their position was marginalised, as revolutionary discourses were dominant.

policies, however, and would soon lead to internal contradictions which would become increasingly difficult to manage (Bitar 1986: 30).

4.1.3 The Project of the UP: The Chilean Road to Socialism

The Left's ideological and developmental influences crystallised in a progressive project of modernisation, titled the 'Chilean Road to Socialism'. This was based on a mix between two points of reference for modernity: the Social-Democratic welfare model of north-western Europe, and the 'Socialist alternative' of the really existing Socialisms. From the latter it took the idea of a state-led economy and the state as the representative of the working class. The Social-Democrat welfare model was mainly represented in the maintenance of the liberal democratic system.[36] The 'Chilean Road' was an all-inclusive project, in the sense that it included the social, economic, and political dimensions of modernity. Socially, it focused on the activation and inclusion of the marginal sectors of society. Economically, it envisaged a path of non-capitalist development that would lead to a substantial rise in the level of living conditions for the large majority of the population. However, the political dimension was prioritised above the social and economic ones. Arguing that the majority of the population had been exploited and repressed by the country's elites, the UP sought to empower the population by granting it direct power over industry and agriculture.[37] As a result, giving 'power to the people' became the central modernising value in the 'Chilean Road to Socialism'.

Even though some observers, like Stepan de Vylder (1976: 33), praise the electoral programme of the UP for its thorough formulation, it never achieved the same level of internal consistency and cohesiveness as the project of the PDC. This was mainly due to the fact that the Left had not expected to win the election. Allende had been the Left's presidential candidate three times before, without gaining the necessary electoral support. Furthermore, important sectors of the UP argued that even if the UP did win the elections, the Right, with the support of conservative Christian Democrats, would keep it from power (Correa *et al.* 2001: 257). As a result, there was no comprehensive attempt within the Left to create a cohesive and profound all-inclusive project. However, it was Allende who brought together several of the proposals that came from

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[36] The conservative historiography maintains that the UP was exclusively oriented towards the 'really existing Socialisms', and that the maintenance of the democratic structures was mainly instrumental (Góngora 1986: 289; Vial 2005: 61). This may have been the case for the radical sector of the PS, but certainly not for the Allende camp. The MAPU took an intermediate position, by focusing on the more 'liberal' examples of Socialism, especially Dubcek's Czechoslovakia, but also on intellectual western-European Marxism. As former MAPU Viera-Gallo recalls, the MAPU was influenced by a myriad of Marxist influences: 'we clearly turned away from Christian Democracy towards Marxism. But we discussed this a lot, because there existed many forms of Marxism in those days. Many of us, for instance, were very much influenced by French structuralism, but others were not. In each case, it was not Soviet Marxism that guided us, but western-European Marxism of the critical intellectuals, such as Althusser, Gareaudy, or Gramsci' (interview with José Antonio Viera-Gallo on 20 April 2006).

[37] Once the project was set up a more instrumental reason for the empowerment of the people emerged. As the UP faced a majoritarian opposition in Congress, it started to focus on the expansion of its electoral basis by politically mobilising the marginal masses in the cities and in the countryside.

the different parties and moulded them into one programme. As former MAPU and UP-minister José Antonio Viera-Gallo puts it:

> The Left was not prepared to govern. It did not believe it would win in 1970, but thought it would lose. It therefore did not create a true government project. It was Allende who invented a project (interview with José Antonio Viera-Gallo, 24 April 2006).

The project that was 'invented' by Allende envisaged high levels of continuity. It consisted of an intensification of the project of the PDC, and more or less the same as the 1970 election programme of PDC candidate Tomic.[38] Apart from populist policies such as providing half a litre of milk for all children, wage redistribution and guaranteed physical education in schools, the project consisted of three main proposals, all of which were rooted in the project of the PDC but were intensified and reinterpreted by the UP.

First of all, the agrarian reforms, which had been set in motion under Frei but had lost much of their impetus in the last years of the 1960s, were accelerated and targeted to expropriate all land-holdings over 80 basic irrigated hectares in the short term. As the UP knew that it would be impossible to pass a new land reform law through Congress (at least before the Congressional elections of 1973), the existing laws were maintained and, as will be shown in the next paragraph, stretched to their limits. However, the change in the land reform was not just quantitative. Even though the programme of the UP remained rather vague on the precise organisation of the reformed sector, there were some clear discrepancies from the previous approach to land reform.

On the one hand, the land reforms were no longer legitimised with an appeal to higher food production and increased efficiency, as had been argued by Christian Democrat structuralists such as Jorge Ahumada and Aníbal Pinto (Falcoff 1991: 101). The programme of the UP explicitly placed land reform in the context of the transition to socialism:

> the agrarian reform should be complementary to, and simultaneous with, the overall transformation which we wish to promote in the country's social, political and economic structure, such that its implementation is inseparable from the rest of our overall policy (UP Programme).

As a result, the reform was no longer subordinated to the logic of development, but now became instrumental in the creation of a new socio-political order. Considerations such as efficient use of the land were no longer critical in identifying eligible *latifundios*, and the explicit target was to expropriate all farms over 80 basic irrigated hectares (Kay 1976: 82). The conditions of the expropriations also became substantially more unfavourable to the landowners. No longer were they allowed to choose which lands would be expropriated and which would remain private property. Furthermore, the UP

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[38] As González (1989: 197) notes, the PDC under Tomic had set out to implement a socialist agenda, but with a Christian emphasis to it, mainly in the stress on communitarian social structures instead of class.

programme stipulated that both the livestock and the equipment present on the farms were to be included in the expropriation.

On the other hand, the *asentamiento* system (providing for a temporary cooperative organisation, which could be maintained or abolished after a three-year test period), which had been central in the Christian Democrat approach to land reform, was not even mentioned in the UP programme. Even though some provisions were made for private ownership in the programme of the UP ('[i]n certain qualified cases land will be allocated to small farmers, tenants, sharecroppers and trained agricultural workers') this was clearly not a desired state of affairs. The programme explicitly stipulated that '[e]xpropriated land will be organised preferably on the basis of cooperative forms of ownership', and that 'lands will be allocated to create state agricultural enterprises using modern technology'. However, the question of how the mix between private, cooperative and state enterprise would be achieved was not addressed. Falcoff (1991) attributes the vagueness that characterised the programme in this respect to the hovering, but inarticulate, aspirations within the UP of creating a Soviet/Cuban style cooperative society. As the current legislation would not allow for such transitions, and the UP did not wish to antagonise the agrarian workers in the short term, the question was left open for the time being (101-102).[39]

Second, the copper mines in the north, *Chilenised* under Frei, were now to be nationalised. Even though the nationalisation of private enterprises was a general feature of the UP government, the copper mines were of particular interest, both at an economic level and a symbolic level. The economic element lay in the great surplus that was generated by the mines (Allende himself spoke, in his famous address to the U.N. General Assembly, of a profit of US$ 4 billion, taken out in 42 years, with an initial investment of US$30 million). Furthermore, the nationalisation of the mines fell in line with *dependencia* views, which took foreign ownership of natural resources as one of the main causes of underdevelopment. Copper constituted, as the Left argued, 'Chile's wages', and the ownership of the mines was essential for the project of the UP. At the symbolic level, the takeover of the American-held mines constituted an act of defiance towards the United States and international capital in general. In particular the compensation conceded to the owners was considered outrageous by the companies in question. They were calculated according to a new and highly original reform bill, which included 'excess profits' (above twelve per cent) that had been made in the last fifteen years, as well as poor maintenance and the use of obsolete materials. In the end, the nationalised companies not only lost their assets in Chile, but also turned out to owe the Chilean state several hundred million dollars (De Vylder 1976: 128). This humiliation of foreign companies was a powerful boost for the nationalist and anti-

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[39] The result was that the *asentamiento*-system remained solidly in place, albeit with some minor adaptations, despite the express wish of the two subsequent governments to terminate it in a relatively short time The Christian Democrats had installed it as a transitional system, but never came to the point of replacing it with a permanent one. Similarly, the UP set out to demolish it, but never had the opportunity (Silva 1987).

American sentiments that were central features of the Chilean Left's ideology at the time.[40]

It should be noted that both the nationalisation of the copper mines and the intensification of agrarian reform may appear to diverge considerably from the original 1964 Christian Democrat programme, but compared to the 1970 programme they did not. The Tomic programme plainly supported both policies, and if we can take the election results as a guideline, so did the majority of the population, as the UP and DC combined amounted to an absolute majority.[41] So while these were key policies in the project of the UP, they obtained broad and substantial popular and political support, reflecting a large overlap in the projects of the Christian Democrats (or at least their left flank) and of the UP, rather than occupying opposing positions, despite the intense animosity and competition between them.

The third key element of the 'Chilean Road', and the one that would ignite the most political and social conflict, was another intensification of a policy that had been set up under the Frei government. The Christian Democrats' *Promoción Popular* was upgraded to *Poder Popular* (popular power), meaning, in the words of the UP's programme, 'the transfer of power from the old dominant groups to the urban workers, rural population, and progressive sectors of the urban and rural middle class'. This transfer of power was achieved through the reorganisation of large sections of the economy, and the incorporation of workers and workers' organisations in the management of industry and agriculture.

The programme of the UP proposed the division of the economy into three sectors: the Social Property Area (*Area de Propiedad Social*), the Private Property Area (*Area de Propiedad Privada*), and a Mixed Property Area (*Area de Propiedad Mixta*).[42] The Social Property Area involved large-scale nationalisation of private enterprises in mining, banking and foreign trade, and also of firms that were considered to be 'strategic industrial monopolies' or otherwise had 'a strong influence on the nation's social and economic development'. Most of the smaller enterprises would remain in the Private Property Area, while the Mixed Area consisted of 'joint venture' constructions which were never given a definitive form. In order to maintain normality and stability, the state would actively support private small and middle-level entrepreneurs with credits

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[40] In terms of cost effectiveness, the strategy followed by the UP was by no means a straightforward success. Even though the nationalisation of the copper mines was more or less costless, and the structural gains substantial, the international resentment that was caused by the conditions of the nationalisation led to the implementation of a series of financial sanctions, mainly in the form of loan impediments, but also in unofficial trade blockades, which, in the words of Allende, constituted an 'invisible blockade', severely hurting the economy and the 'Chilean road' (speech by Allende 1972a).

[41] In fact, the nationalisation of the copper mines became the only proposal of the UP to gain a majority in Congress. The opposition (both the Right and the conservative Christian Democrats) hesitantly supported the bill, being aware that a rejection in Congress would open the way for a plebiscite on the issue, which Allende would very likely win (De Vylder 1976: 125-126).

[42] The idea of the 'three areas of the economy' was a new item on the agenda of the Socialist and Communist parties. In fact, it came from the leader of the social-democrat Radical Party, Alberto Baltra, who shortly after the elections came into conflict with Allende and went over to the conservative opposition.

and tax advantages. Only after the government had come to power were the criteria for expropriation set, making 253 individual enterprises eligible for nationalisation, 150 of these belonging to the industrial manufacturing sector. Out of a total of 35,000 industrial establishments this was a tiny minority; but in terms of production and employment they represented the bulk of national industry (De Vylder 1976: 136).

The second aspect of *Poder Popular* was the direct participation of the workers and workers' organisations at the national level, regional level and in each unit of work. In order to achieve this, workers were integrated into the policy-making process through different commissions and councils at the national or regional level, such as the Mining Councils and the Supply and Price Directorates. Furthermore, standards and norms were formulated for workers' participation in factories, mines and agriculture. By the end of 1971, such participation had taken shape in 105 of 125 private and national firms that were under review (Bitar 1986: 45). It should be noted that even though the Allende government put tremendous effort into the formation of *poder popular*, in this phase it was not envisioned as a source of power 'from below' which would eventually establish a 'workers' State'. On the contrary, *poder popular* was conceived in legal terms, under state tutelage, and aimed to increase production (Roxborough *et al.* 1977: 77; Cancino 1988: 126).[43]

Together with the intensification of agrarian reform, *poder popular* signified a radicalisation of the anti-oligarchic line that had been followed by the Revolution in Liberty. Simultaneously, it added an anti-bourgeois element in attacking the industrial and corporative elites. As a result, it was a frontal attack on the Right, a 'licence to kill', figuratively speaking, leaving little (if any) room for the economic and political survival of the traditional economic elites.[44] The middle classes, who were either small enterprise owners or worked as professionals, were hardly touched by this attack on the Right. In this way the door was left open for cooperation with the PDC.

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[43] In the course of the establishment of the 'Chilean road' a second and informal form of *poder popular* emerged, in a reaction to the state-oriented and gradualist strategies of the government. The radical sectors of the Left, mainly the MIR, but also sections of the PS as well as MAPU and IC, pushed for the creation of a parallel form of power, consisting of the direct participation of the workers in the (illegal) takeover of industries and farms, the creation of *cordones industriales* (industrial cordons), and the propagation of street violence as a legitimate strategy for the transition to socialism. Some, like Corvalán (2001: 55-57) have called this the 'second project of the UP'. I do not follow this argument, because the second approach has been too diffuse in its implementation to be labelled a true 'project'. Rather, it was a second 'strategy' which was advocated by a large section of the UP (and by the MIR) but which was never materialised in a cohesive set of measures. For an analysis of this second form of *poder popular*, see section 4.2.2

[44] This was not just an ideological construct. In the late 1960s, the Left became increasingly aware that the power of the Right could actually be overcome. The success of the Cuban Revolution had proved that socialism could be achieved in Latin America. Perhaps even more importantly, the agrarian reform of the Christian Democrats, which had plunged the Right into a profound crisis, had proved the political weakness of the traditional elites, adding to the conviction that with a little more pressure the Right could be permanently overcome. Also, around 1970 the Right lacked a 'mature' project (the neo-liberal and *gremialista* projects were still embryonic) with which it could counter the attacks from the Left (Vial 2005: 104). It could resist and defend, but was unable to propose an alternative other than to maintain the social status quo, an option that was unacceptable to the large majority of the population

In conclusion, the project of the UP was essentially reformist and modernising (Roxborough *et al.* 1976: 72; Jocelyn-Holt 1998: 109). Only at a later stage, when enough political and electoral power had been obtained, were more profound changes envisaged, but, as a consequence of the internal divisions within the UP, these were not formulated explicitly and were postponed for future debate.[45] The project was based on a strong extension of the role of the state in the economy, through the creation of the three areas of the economy and the nationalisation of the copper mines. It also radicalised the agrarian reform, and set out to keep part of the expropriated lands in state hands. In this sense, it followed the reference point of the Socialist alternative. However, the maintenance of the liberal democratic system gave the project a 'Social-Democratic welfare' flavour. While including the social and economic dimensions of modernity, its main focus lay on the empowerment and mobilisation of the masses.

4.2 Riding the Chilean Road

Like the project of the Christian Democrats, the 'Chilean Road to Socialism' was implemented with a strong emphasis on the state. Simultaneously, it was highly ambivalent towards that same state. The political polarisation made the position of technocrats more difficult, though, while state planning took highly ambitious forms which never materialised. Meanwhile, the competition between the Left, Centre, and Right intensified up to the point where the institutional order breached. Despite the enormous pressure on the government to adapt the project in order to regain grip on the polarisation that took place in the country, Allende was unable to successfully moderate the 'Chilean Road'.

4.2.1 State, Technocracy and Planning

The implementation of the project of the UP implied the expansion of three key features of the previous government: the state, the influence of the technocracy and planning. Compared to their role under the 'Revolution in Liberty', these three features became increasingly politicised, and this made the position of technocrats more difficult. The instrumental use of the state and the economy for the achievement of political goals also hindered the 'technical' implementation of the project. Despite these pressures, the project of the UP formed a 'logical' next step in this 'era of planning' (Góngora 1987: 288)

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[45] For instance, Gonzalo Vial argues the existence of a 'secret plan', by which the UP sought to enforce revolutionary restructuring despite its limited political powers. According to Vial, this strategy consisted of rapid nationalisations, followed by a sharp rise in remunerations for the majority of the population, even though this would eventually create runaway inflation. The final step would be to seize the moment (just before inflation set in), making use of the euphoric atmosphere among the people, who, grateful for their newly acquired wealth, would pass a constitutional reform in a plebiscite, giving the UP full powers while remaining within the boundaries of legality (Vial 2005: 76-88). Even though such a 'secret plan' may well have been evaluated within some sectors of the UP, it should be noted that it was never implemented.

The Chilean Road and the State

The state was central to the UP's strategy in several ways. Not only was socialism to be constructed by means of the election of a Marxist government, but the state was also to be a prime actor in the transformation of the economy. The nationalisation of the copper mines, the creation of the Social Property Area, and even the agrarian reform constituted a rapid and fundamental extension of the state, both in size and in content.[46] In this sense, control over the state was seen as crucial for the project of the Left. Although control over the executive by no means implied control over the whole of the state, Allende and the more moderate sectors of the UP considered a gradual approach viable, in which the state would be viewed as a conglomerate of several institutions (military, judiciary, bureaucracy and so on) that could be penetrated and taken over once power over the executive had been obtained (Bitar 1986: 25-27). However, just as Frei had to defend his emphasis on the state to the more conservative sectors of the PDC ('I do not want a state tutelage'), Allende was confronted with profound anti-state sentiments from the radical sectors of his coalition.

In the traditional conceptualisation of the state by the Left, it was considered a bulwark of bourgeois interest, not only serving the capitalist classes in Chile and abroad, but also structurally blocking the liberation of the proletariat. In this conceptualisation, the 'bourgeois state' could never be used as a framework for a transition to socialism, because it was fundamentally incompatible with it (Silva Solar 1971: 221). This line was followed by the Socialist Party, which had formally proclaimed, in its 1967 Congress, that: 'only through the destruction of the bureaucratic and military institutions of the bourgeois state can the socialist revolution be consolidated' (Socialist Party 1967). Furthermore, several doubts arose regarding the gradual approach that was followed by Allende, which sought to take over the different state institutions one by one after having gained executive power. Many considered this a vulnerable strategy, as the opposition would remain in control of certain key elements of the state (such as the military) and use its powers to defeat the UP. 'If in Chile', Socialist leader Clodomiro Almeyda argued,

> determined and revolutionary politics […] take power, counterrevolutionary violence would present itself one way or another. Either it would be through a coup d'état by a faction of the Armed Forces, incited by the CIA, or it would be through an invasion of marines to protect the copper mines (Almeyda 1967).

Despite these accusations, the state-oriented character of the Chilean Road to Socialism was consequently defended by Allende, arguing that the state, being in the hands of the Unidad Popular, now served the interests of the revolution:

> I know that the word "state" causes a certain apprehension. This word has been much abused, and is often used to discredit a just social system. Don't fear the word "state", because you, all of us, form part of the state, of the People's

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[46] The state was by no means a small actor in Chilean society before the UP. In 1970, the Chilean state had already become the country's largest single employer, and also controlled about two thirds of all investments (De Vylder 1976: 211).

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> Government. Working together, we should improve it and make it efficient, modern and revolutionary (speech by Salvador Allende 1970a).

In an interview in 1972, when the conflict on the use of the state within the UP reached a peak, Allende attacked the line followed by the radical sectors of his coalition, arguing that:

> the administrative institutions of today's state do not act on behalf of the dominant classes, but on behalf of the workers and of the continuity of the revolutionary process. Therefore, we should not be consider to destroy what is now an instrument to act (…) in the interest of Chile and its working masses (quoted in Corvalán 2001: 160).

The conservative historiography on the Allende period has maintained that the UP fundamentally took an anti-state position, based on the Marxist-Leninist argument that a class-less society would not need a state. For instance Mario Góngora has emphasised this point, arguing that if the UP defended the state, it was from tactical considerations, not for ideological reasons. The Allende government, Góngora claims, intended to remain within the formal boundaries of the state system until this strategy was completely exhausted, maintaining until the last moment the appearance of legality (and with it, support from pro-democratic forces) before eventually planning a complete socialist takeover (1986: 290). Gonzalo Vial argues in a similar vein, stating that from the beginning, a 'secret plan' existed that would use legal measures to push the system to a crisis, and then make use of that crisis in order to put an end to the democratic state and install a Soviet-style socialism (2005: 80). Finally, Cardemil states that Allende never saw a fundamental conflict between the insurrectional path and the institutional path, and that he viewed pluralism and bourgeois legality as 'respectable – and discardable – as far as they serve their purpose' (1997: 360).

This position is not generally shared among historians and social scientists, however. Most scholars agree on the argument that the downfall of the UP government in 1973 was the result of the coalition's continued (if ambivalent) adherence to the state, not its rejection of it. Coming from the Left, Moulian (1997: 166) argues that the UP could, in the end, not triumph, because the 'institutional road' was in reality not a viable option, while the coalition was not prepared to follow the road of 'traditional revolution'. Similarly, Roxborough, O'Brien and Roddick claim that it was the position on the state – seeing no fundamental incompatibility between the revolutionary process and the 'bourgeois state' – that proved fatal for the UP (1977: 73).[47] De Vylder (1976: 211) argues that the state's powers and functions were essential to the UP in the process of transition to socialism. Rather than seeking to destroy the state, the Allende government made use of it in the same fashion as previous governments had done for decades, but stretching its productive, developmental and corporative functions to the limit. The main differences, De Vylder argues, lay in the extra dimensions that the UP added to the role of the state as motor of development and industrialisation, namely compulsory planning and *poder popular*. Salazar and Pinto add to this analysis the

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[47] See also Jocelyn-Holt (1998: 110), who follows more or less the same line of argument.

argument that the collapse of the 'developmental state', which took place under the Allende government, was by no means the result of its political strategy. The UP government, Salazar and Pinto suggest, did not attack the state – on the contrary, it followed the same state-oriented line that had characterised the governments since 1925, bringing to the light the terminal crisis that the state was in. The Left became caught in a position it had not foreseen: it had become the sole administrator of the final crisis of the state of 1925, a crisis that would take place in any case, with or without the UP (1999a: 67-68). Finally, Jocelyn-Holt stresses that even though there may have been anti-state sentiments within the UP (and there certainly were), in the end the state was never seriously in peril. The destruction of the state through the 'insurrectional path' of radical Socialist Party leader Carlos Altamirano, Jocelyn-Holt argues, existed mainly discursively within the UP, but never became an integral part of the Chilean Road to Socialism. It *could* have taken place; there were endless discussions on the 'two paths' that the UP could follow (the institutional path and the insurrectional one), but in the end the choice was postponed, while the project proceeded largely (although not completely) within the boundaries of legality (Jocelyn-Holt 1998: 124-125).

While the UP may not have been fundamentally adverse to the state, it certainly made instrumental use of it. In the political conflict that came to characterise the implementation of the Left's project of modernisation, legality became increasingly jeopardised. Unable to pass legislation through Congress, Allende made use of legal loopholes, governed by decree, and took the habit of afterwards legalising *tomas* and expropriations that had been originally illegal and which had been incited by workers supporting the UP. As will be seen in section 4.2.2, this particularly bothered the Christian Democrats, who saw their ability to pressure the UP greatly reduced as long as parliament was bypassed.[48]

Regardless of the UP's disposition towards the state, the project of the Left was a highly state-oriented project. It consisted mainly of a rapid expansion of the state, by means of the construction of the Social Property Area (including the nationalisation of the copper mines) and agrarian reform. Initially, 91 companies were selected for the transfer to the Social Property Area, and later this number climbed to 253 (Vuskovic 1973: 51; Roxborough *et al.* 1976: 94). Compared to the total number of private enterprises in Chile, this scarcely amounted to some 20 per cent in 1973, while the

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[48] In many ways, the presidency of Allende resembles that of nineteenth century president Balmaceda, who also sought to bypass a hostile Congress, in order to be able to set forward his project of modernisation. In the case of Balmaceda, his project consisted of large-scale public works, which could only be financed by extending the role of the state in the booming nitrate business in the north of the country. As in the case of the copper under Allende, much of the nitrate business was in the hands of foreign entrepreneurs, who firmly resisted all attempts to increase state taxation. Meanwhile, in the face of fierce Congressional opposition, Balmaceda resorted to radical rhetoric and the by-passing of parliament. In the end, the conflict could not be resolved within the legal system and a violent civil war broke out. Having lost this war in 1891, president Balmaceda, like Allende some eighty years later, committed suicide (Loveman 2001: 155-160). For a detailed overview of the Balmaceda government by a contemporary observer, see Bañados (2005).

official projection for 1976 was 30 per cent. However, it was not the amount but the importance for the economy and, above all, the technical sophistication of the firms that counted. Through the construction of the Social Property Area, the state gained power over the most influential and advanced industries in the country, obtaining substantial surpluses from them while controlling all key sectors of the economy (Ibarra 1973: 61). This made the state the prime (and almost monopolistic) actor in the implementation of the Chilean Road, just as had been the case in the Revolution in Liberty (Rojas 1987: 162).

Apart from being state-centred, the Chilean Road was basically a top-down project. Even though the political discourse surrounding the project continuously stressed its 'popular' character, it was the political elite of the Left that, having taken over the executive, implemented it using the powers of the state. Illustrative in this respect is the absence of a discourse on 'class conflict' during this period. The discourses (from both sides) on the political struggle were focused on 'Left' and 'Right', suggesting that all relevant actors were situated within the political arena of the state (Salazar and Pinto 1999a: 67). The fact that toward the end of the UP government non-government-controlled participation boomed, in the form of illegal *tomas* and insurrectional activities, does not detract from the elitist and top-down character of the Chilean Road. This form of participation, although disruptive and potentially dangerous, was tentative, fragmented, and did not constitute a mature strategy. The 'insurrectional path', claiming to be a valid alternative to the Chilean Road, remained, up to 1973, embryonic and mainly discursive, as the nearly absent resistance to the 11 September coup illustrated (Jocelyn-Holt 1998: 125).[49]

Planning

State planning (*planificación*) played a central role in the implementation of the Chilean Road. It even acquires Soviet-style features such as six-year planning, even though this never reached the levels of dominance of the USSR. In form, it largely followed the institutional and organisational line that the previous government had set out. In content, however, planning never became successful under the UP, due to the independence of state organisations, the participation of the workers in the Social Property Area, and the political polarisation of technical policy-making.

Right after the elections, a national planning system was set up to formulate and implement economic policies for the short, mid- and long term.[50] At the highest level of this system, a National Development Council was created, consisting of ministers, government officials, and workers' representatives. This consultative council discussed medium and short-term development planning, while the National Planning Office

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[49] For a detailed analysis of the UP's position on the state and its consequences, see Rojas (1987)

[50] In the previous elections, the Left had formulated thorough economic plans in advance. In fact, during the 1964 election, the Left had created an office for economic planning (OCEPLAN), which, according to some, was an unofficial precursor of the ODEPLAN. However, in 1970, the Left had few hopes of winning the elections, and decided that all attention should be focused on the campaign. As a result, no attempts were made to develop economic policies in advance (Montecinos 1998: 52).

(ODEPLAN) functioned as its technical secretariat. More important than the National Development Council, however, was the Executive Economic Policy Committee, in which the President of the Republic had a seat, together with the Finance Minister and the Economics Minister, as well as the Planning Minister, who functioned as a technical advisor. Once again, ODEPLAN functioned as a technical secretariat. Finally, ODEPLAN itself was divided into two main divisions, one concerned with general and national planning, and one working exclusively at the regional level (Martner 1973: 69).

This institutional organisation is indicative of the subordinate role that ODEPLAN came to play under the UP. Even though ODEPLAN remained important in the planning process, it was not able to overcome a heritage from the Frei regime, namely a relative weak position in relation to the Ministries of Economy and Finance. In the case of the Christian Democrat government, this weakness was countered by the close ties between ODEPLAN and the presidency. In the case of the UP, ODEPLAN was kept at a much larger distance from the President. It was by no means a centralised planning institution which could function autonomously, but rather played an advisory role for the different ministries as well as the National Development Council and the Executive Economic Policy Committee. Moreover, in 1972, when the economy began to destabilise, it completely lost its role as coordinator of economic policy, a function that was taken over by economists working for the Executive Economic Committee (Montecinos 1998: 10). However, as Gonzalo Martner, Allende's Minister of Planning, argued in 1972, this did not mean ODEPLAN was a powerless institution, as close cooperation with the Treasury guaranteed a certain level of efficient planning:

> The Planning Office proposes the overall framework and the global projections for the forthcoming year to the Treasury and puts forward its idea of what the level and composition of public investment should be. At the same time (…) there is already coordination at ministerial level when the preliminary budgetary work is being carried out. Since the process of preparing the budget in Chile is a long one, (…) there are many opportunities for discussions on the criteria that are used for determining priorities. For example, at one point, Treasury officials did not attach importance to the housing programme until ODEPLAN showed the advantage of increasing house construction (Martner 1973: 71).

State planning under Allende was by no means unambitious. In 1971, a sixteen-volume economic plan was published, containing a global plan at the national level as well as plans for each of the country's twelve regions. This six-year plan contained projections at different levels of completion, from rough sketches to detailed and elaborate plans, dealing with issues ranging from industrial and agricultural policies to road transport, energy distribution and tourism. In the fields of industry, mining, fishing, and agriculture in particular, detailed policies were formulated which were projected to yield specific (and quantified) increases in production. For instance, copper production was projected to increase by 60 per cent, cereal production by 31 per cent and cattle production by 43.7 per cent. Furthermore, it contained detailed investment plans for the creation of, among other things, nine milk plants (with a total production of 7.3 million litres of milk and 36,500 kilos of butter annually), four chicken slaughterhouses

(with a total production of 4.5 million kilos of chicken), and a diesel motor plant (with a yearly production of 15,000 units) (Summary of the Six Year Plan 1971: 295-303).[51]

Despite the ambitious targets of state planning, it never developed into an efficient and streamlined form of economic organisation. As Nove (1976: 66-76) argues, one of the main causes of the failure of planning was that most of the state's enterprises continued to function autonomously. ODEPLAN and CORFO came to compete between each other, while increasing internal disagreement at the level of central control within the UP began to characterise policy- making.

At the same time the creation of the Social Property Area in practice related poorly to state planning. Workers in the Social Property Area were repeatedly told that they were now free and no longer subject to the rule of others, a principle which did not relate well to the centralised decision-making that is essential to state planning. As a result, their input had to be included in the planning process, limiting the possibilities for top-down centralised planning. Instead, planning was done globally, while detailed planning took place only in certain strategic sectors (mainly industry and agriculture) (Martner 1973: 73).

The biggest problem of state planning, though, was that it implied balanced, mid- and long-term policies that were targeted to the optimal functioning of the economy. For large sections of the UP, this was not a priority, as economic policies were considered to be subordinate to the direct political needs of the UP, that is, the rapid expansion of the government's support base in view of an imminent confrontation with the opposition. As a result, the technical approach that characterised state planning was increasingly politicised, and significantly diminished the role of *planificación* under the Allende government.[52]

Technocracy

The detailed projections that characterised the Six Year Plan, as well as its highly optimistic outlook, expecting for instance annual growth rates of 7 per cent a year, bring to light another key aspect of the implementation of the Chilean Road: its technocratic nature.[53] These projections, however economically sound, disregarded the political and social realities of the country, and were exclusively based on the economic

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[51] As Martner (1988: 269-273) shows, even projections for the year 2000 were worked out, indicating the number of industrial complexes in the different production areas for all regions.

[52] The UP's Minister of Economy Carlos Matus later used his experiences with state planning to become a theoretical specialist on the theme. In his *Adiós, Señor Presidente* (*Goodbye, Mister President*) he analyses the different functions and modalities of planning. For Matus, planning is indispensable for a government, as it is a determining factor in its capacity to fulfil its project. Planning, he argues, is the mediation between the future and the present, which allows governments to look forward when no true predictions can be made. It also strengthens governments in their capacities to react to unforeseen events, to learn from the past, and to apply knowledge to direct action (Matus 1998: 21-32).

[53] Under the previous governments of Alessandri and Frei, average economic growth had been 3.7 and 3.9 per cent respectively (Meller 2000: 23)

and technical analysis of technocrats in and around the government.[54] In many ways, technocrats played key roles in the project of the Left, but at the same time they were regarded with suspicion by the political actors in government.

As Verónica Montecinos shows in her study on economists in Chile, Allende continued the ascending trend of economists in the government. Like Frei, he followed the bureaucratic-advisor model, appointing technocrats to key positions in the bureaucracy (Montecinos 1998: 9). His trust in economy as a science was high, and he placed enormous trust in his economic teams. In contrast to Frei, though, he was not closely involved in economic policy-making. Rather, he appointed to high posts economists with whom he had personal ties, and subsequently only intervened in their work when problems arose. A case in point was Pedro Vuskovic, head of the School of Economics of the University of Chile, who was personally asked by Allende to become Minister of Economics, despite the fact that he was not a Socialist Party member (*ibid.*, pp. 53-55).

The prominent role of technocrats in the Allende government was not unproblematic, however. Under the UP, public posts were distributed along party lines, and based on party loyalty and political importance rather than on professional merit (Silva 2007). Independent appointments, based on loyalty to the programme, did not combine well with this *cuoteo* system, even though most *técnicos* were oriented towards the Left. Politically 'neutral' economists were appointed only rarely Furthermore, economics was never central to the debates within the UP, as all policies were viewed in highly politicised terms, and economists were often treated with suspicion. Economics had never been the *forte* of the Chilean Left, and the few Left-wing economists who participated in the UP tended to be theoretically weak, with the exception of those coming from MAPU and the Christian Left, who rapidly gained respect among the economic teams of the government. Finally, the tendency of the *técnicos* not to maintain formal party linkages proved unfavourable, forcing most of them (including Vuskovic) to join parties of the UP.

In the end, the position of economists and other *técnicos* became increasingly difficult. The anti-technocratic attitude that had characterised the UP programme ('More advisors? No! (…) We will not have any more advisors in Chile') became increasingly strong as political conflict escalated. Independent economists became easy scapegoats for political conflicts, and the *técnicos* themselves interpreted criticism from the parties as a proof of political ignorance and excessive ideological zeal. The role of *técnicos* as described by Petras (1969: 355), combining '[r]adical ideology without radical action' became increasingly pressured as the demand for radical action rapidly gained power.[55] Montecinos argues that as political struggles between the UP and the

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[54] For example, the projections for industrial output completely ignored the predictable drop in investment by industrial elites, who were unsure about the short-term future of their companies (De Vylder 1976: 62).

[55] The conflict between technocrats and politicians did not originate in ideology, as most *técnicos* of the UP were ideologically very close to the different coalition parties. Moreover, as Meynauld (1968: 15) has pointed out, the role of the technocracy lies not so much in the determination of objectives, but rather in

opposition intensified, traditional economic policies were no longer useful. In the course of 1972 and 1973, economic policy became increasingly politicised, leaving little or no room for technocrat management. A more critical assessment comes from Ascher (1984), who claims that the rapid deterioration of the economic process under the UP government was either indicative of the 'absence of the technical competence of the economic policymakers' (p. 238), or of their 'anti-technical romanticism' (p. 252). Whatever the explanation, though, the fact remained that the technocrats of the UP became increasingly marginalised towards the end of the Allende government.[56]

A good example of the hybrid role of technocracy under Allende may be found in the person of the Minister of Economics, Pedro Vuskovic. Vuskovic combined elements of technocracy and political radicalism in a highly original fashion. Coming from ECLA, he was well trained in technical policy-making, and could by no means be charged with incapability. Furthermore, he was an independent, explicitly positioning himself outside the party structures (and the accompanying pressures). In fact, his lack of party involvement eventually cost him dearly in 1972, when rising criticism of his policies was left unmatched by party support, and he was transferred to CORFO. However, in his policies Vuskovic followed an all but technical line, pursuing populist strategies that created large disequilibriums. In fact, anticipating an imminent confrontation between the government and the Right, Vuskovic used his political autonomy to pursue economic policies that served, in his own words, 'principally (…) to amplify and consolidate the power of the workers' (quoted in Valenzuela 2003: 100). In other words, Vuskovic made use of his technocratic role in order to follow strategies that were more radical and politicised than the UP programme had originally envisaged (Montecinos 1998 56).

A different strategy was followed by Agrarian Minister Jacques Chonchol. Having been a prominent member of the PDC, MAPU candidate for the presidency, and finally a co-founder of the Christian Left, he can hardly be seen as politically 'neutral' or even formally independent. However, Chonchol sailed a highly independent course within the UP, regularly stressing that he was not a politician but a technician. Indeed, being an agronomist by training, Chonchol had never been involved in parliamentary politics and had made his entry into politics from the Institute of Agricultural Development (INDAP). His MAPU candidacy for the presidency was largely based on his popularity as an 'outsider', who was not associated with traditional politics

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the choice of priorities in the course towards those objectives. In the case of the UP, the technocrats were challenged by the political sectors because of their technical and rational approach towards the project, which was considered a blockage to the instrumental use of the economy for the achievement of short-term political goals.

[56] An interesting inside view on the experience of technocrats in the Allende government comes from Edward Boorstein, a North American economist with revolutionary sympathies who joined the Allende government as an economic advisor. It is notable that in his book the author describes in some detail the technical measures that were taken by his team in the period up to mid-1972. Perhaps illustrative for the change in position of economic policy-makers, he remains silent on the economic and technical policy-making he was involved in after this period and focuses exclusively on political developments. See Boorstein (1977).

(Roxborough *et al.* 1977: 66). Within the UP, his party involvement served his independent and technical position in two ways. First of all, it guaranteed a certain support base within government, as ministerial posts were divided along party lines. Intra-coalition negotiations would considerably strengthen his position in times of crisis. Second, his knowledge of the struggles that took place within the political arena gave Chonchol the advantage of being able to steer clear of political controversy within the coalition and to integrate political analysis into his actions. In other words, Chonchol was able to maintain a certain independence and a technical style of management by doing precisely the opposite, becoming fully embedded in the political party system.[57]

4.2.2 Political Competition and the Chilean Road

While political competition had already been fierce during the Christian Democrat government, under the UP the competition between the Left, the Centre, and the Right reached unprecedented heights. The UP mounted strategies that were intended to increase its support base at the cost of the Right and the Centre, while at the same time it half-heartedly attempted to gain support from the PDC. This strategy seemed to be successful during the first year of Allende's government, but turned against the UP after 1971. Meanwhile, the Right went into a state of shock after Allende's election, and was only able to regain the initiative with the 1972 October strike. After that it set out to follow a confrontational course which was targeted to the destruction of the UP by all available means. In the process, the foundations for its own project were set in place. Finally, the Christian Democrats were ambivalent towards the UP. Initially following a course of action based on 'loyal opposition', the party became increasingly critical of the strategies that were being used by the Left. This was given form by simultaneously setting up a strong political competition with the Left and attempting to reach an agreement with it on crucial topics. As attempts (from both sides) to reach agreements failed time after time, the PDC slowly assumed a hostile position. In the end, the political stalemate could not be resolved within the legal system, and the PDC withdrew its last lifeline from the UP.

The UP Strategy
Political competition was a central feature in the implementation of the Chilean Road, focused on the expansion of the support base of the Left. This was in part an ideological strategy, as the support of certain sectors of the middle classes was considered essential for the success of the Chilean Road (Roxborough *et al.* 1977: 75).

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[57] In the end, though, Chonchol's strategy did not survive the increasing chaos and conflict within the UP. His own party, the IC, had rapidly radicalised and started to take positions close to those of the MIR. When in October 1972 Allende integrated military officers into his cabinet in order to secure his support base and institutional stability, the IC vehemently rejected this step, and subsequently withdrew Chonchol from his ministerial post, apparently much to his regret, as the following week a IC announcement stated that his dismissal was not 'unconditional'. However, he was never to return to the Allende government.

Practical considerations were, however, just as prevalent. Having gained the presidency with a minority vote, and controlling only 42 per cent of the seats, the Allende government faced a strong opposition majority in Congress.[58] As De Vylder (1976: 46-56) argues, the support for the opposition was numerically superior, and therefore more powerful in the elections, but otherwise heterogeneous and, especially in the first phase of the UP government, relatively passive. The support base of the UP was in contrast smaller, but much better organised (mainly consisting of the unionised industrial and mining workers), giving the UP the tactical advantage of mass movement support to compensate for its electoral minority.[59] Given the fact that the opposition would never allow for the full project of the UP to be implemented, the government had no choice but to prioritise expansion of its support base at the cost of the opposition's constituency. De Vylder stresses the use of the economy in this respect. Through populist redistributionist policies, the UP sought to gain support from groups that could possibly be won over. This redistribution was partly to be financed through rapid expansion and reactivation of the economy, mainly through income policies, increased public expenditure and monetary and price policies (*ibid.*, pp. 53-60). In this sense, the economic policies of the UP were indeed, as Minister of Economy Pedro Vuskovic stated, 'subordinate, in their context, shape, and form, to the political need to increase Popular Unity's support' (Vuskovic 1973: 50).[60]

The UP also used political strategies in its attempts to broaden its support base. The first step was to destroy the economic basis of the elites through the agrarian reform and the creation of the Social Property Area. It was thought that through these measures the Right would lose its support base. As Roxborough, O'Brien and Roddick argue, this was a false assumption, as much of the power of the bourgeoisie remained present within the existing state institutions. Even more complicated were the dealings with the middle classes, whose support was considered essential for the success of the Chilean Road - at least from the perspective of the moderate sectors of the UP. They were approached in two ways. First of all, Allende and the Communists strove to negotiate with the Christian Democrat Party about possible compromises and forms of cooperation. Even though the more radical sectors of the UP (as well as the

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[58] The elections were won by Allende with 36.3 per cent of the vote, while conservative candidate Alessandri followed with 34.9 per cent, a difference of only 39,175 votes. The Christian Democrat candidate Tomic received 27.8 per cent.

[59] Jaime Ruiz-Tagle (1973: 157) argues that the constituency of the UP was one of its problems. The Allende government proposed large-scale redistribution. However, the support base of the UP consisted mainly of organised labour, not exactly the poorest sections of society, as 50 per cent of the organised workers were part of the country's richest half. True redistribution would in effect hurt their interests, and this may help to explain the radical demands for wage increases from precisely those sectors.

[60] The UP's economists argued that income redistribution mainly served economic purposes, as it was considered to increase demand and subsequently revitalise economic growth. However, authors such as De Vylder (1976: 54), Meller (2000: 32) and Bitar (1979: 40) claim that this was merely a discursive legitimisation, as the economic policies were indeed fully subordinated to the political strategies of the UP. In contrast, Ascher (1984: 248), Roxborough *et al.* (1977: 78) and Oppenheim (1999: 56) emphasise the seriousness of the UP's intents of revitalising the economy, arguing that the two strategies were considered to be mutually reinforcing.

conservative wing of the PDC) did not agree with this strategy, it remained a central feature of the UP government. Second, a campaign was set up to convince the middle classes that they would not suffer (and probably profit) under the Chilean Road, pointing to the disproportionate concentration of capital in the hands of national and international monopolies. The middle classes, especially small business owners, it was argued, would profit from the increased role of the state in the economy, and the monopolies would be eradicated without generating too much disturbance (1977: 74-78).

During the first year of the UP government, the implementation of the project – and the subsequent increase in the support base – was highly successful. Significant advances were made with the implementation of the project, as the copper mines were nationalised, by means of a constitutional reform bill that was supported by the PDC, and the agrarian reform was greatly intensified.[61] The creation of the Social Property Area was also successful. Between December 1970 (when Allende assumed power) and January 1972, some 130 companies were transferred to the state (De Vylder 1976: 145). Initially, the UP procured them through negotiations, buying the entire stocks of companies such as the monopoly steel producer. Later during the year the government increasingly resorted to requisitioning on the basis of a 1932 law (which had been adopted during the 12-day Socialist Republic) allowing for state takeover of firms that were mismanaged or otherwise malfunctioning (Roxborough *et al.* 1977: 89). The main reason for this change of strategy was the fact that the Right (as well as the conservative Christian Democrats), feeling highly threatened by the nationalisations, began to mount a united campaign, forcing the government to use legal loopholes rather than to proceed through parliamentary negotiations (Bitar 1979: 72-74). Finally, the economy performed more than well. In 1971, GDP growth rose to 8 per cent, the highest rate since 1950. Inflation fell by a third, and unemployment dropped from 5.7 per cent to 3.8 per cent. Moreover, income distribution improved notably; and in particular the low-wage blue collar workers received substantial improvements, up to 39 per cent (Meller 2000: 33).

As a result of this successful first year, the support for the UP grew substantially. In the municipal elections of April 1971, the UP gained 48.6 per cent of the vote, an increase of 8.7 per cent compared to the 1967 municipal elections (Valenzuela 2003: 104). It was probably in this period, when the Right and Centre had not yet united in a powerful opposition, that the UP was at the peak of its popularity. As De Vylder (1976: 79) argues, this probably would have been the right moment for the UP to call for a plebiscite in order to dissolve parliament and install the unicameral 'People's Assembly' that the programme envisioned, following more or less what Vial labels the UP's 'secret plan'. The inability of the UP to push that strategy forward is illustrative of the complex

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[61] During the first six months of the Allende government, approximately 1.5 million hectares of land were expropriated, about half of what the previous government had achieved in six years. By the end of 1972, virtually all lands qualified as eligible by the 1967 reform law had been expropriated (Oppenheim 1999: 55-56).

way in which political competition took place under Allende. The radical sections of the UP, mainly the PS, strongly advocated the plebiscite as a means of destroying the power of the bourgeoisie at one stroke. Allende and the Communist Party, in contrast, feared it would alienate those sectors of the PDC that could still be won over, and vetoed the plan. From this moment on, the ambivalence within the UP on the matter of political competition increasingly came to characterise its policies and discourses. As a result, it became more and more difficult for the moderate sectors of the opposition to follow a coherent line in dealing with the UP.

After the first successful year, the UP's strategies collapsed, however. The economic advances that had been made soon turned out to be disastrous in the longer term. Increased consumption pushed up imports, while gains in productivity stalled. At the same time basic consumer goods became increasingly scarce, leading to galloping inflation towards the end of 1971. The economic model that had been chosen by the UP, consisting of the combination of rapid rises of real wages (and, as a consequence, consumption) with a similarly rapid increase in production, was clearly exhausted by the end of 1971. Idle production capacity, largely responsible for the increase in production during the first year of the UP, had been taken up, and a negative trade balance, supply problems, and political upward pressures on wages soon led to galloping inflation and widespread shortages. Furthermore, production output declined as a result of poor management of the Social Property Area as well as increasing social unrest (De Vylder 1976: 91-107). The main consequence of the failure of the UP's economic strategies was the intensification of political competition through the unification and strengthening of the opposition. For the Right, the economic crisis was the proof that the Allende government would lead the country into an abyss. More importantly, however, the lack of supplies and economic uncertainty specifically alienated the 'petit bourgeoisie', small shopkeepers and entrepreneurs, precisely the sectors of the middle classes that the Allende government sought to win over (Valenzuela 2003: 108). As a result, the expansion of the urban support base of the UP stalled, or went into reverse.

In the countryside, a similar trend took place. As has been argued in the previous chapter, agrarian reform not only served goals such as increased productivity and social justice, but also the expansion of the support base of the governing parties (Falcoff 1991: 113; Scully 1992: 161). This political need turned out to have a crucial influence on the nature of the agrarian reform policies. Rather than focusing on productivity gains, by which the increased demand for agricultural products could be cushioned, the government prioritised the enlargement of the reformed sector, hoping that it would strengthen its rural support (Falcoff 1991: 108).[62] As a result, social conflict in the countryside rapidly intensified. Landowner resistance radicalised, as well as agitation by the radicalised rural movements. Nevertheless, the traditional *latifundio* virtually ceased

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[62] In fact, even after 1972, the UP still did little to increase production, and even took counter-productive measures, such as doubling the value of agricultural imports between 1970 and 1973, at artificially reduced prices (Falcoff 1991: 108).

to exist by the end of 1972. Politically, the competition (now limited to the UP and the PDC, as the Right had lost most of its power base) turned to the question of ownership. The UP pressed for collective forms of ownership, even though the productivity of the lands that were organised through the state's Agrarian Reform Centres (*Centros de Reforma Agraria*, CERA) was significantly lower than that of privately owned lands, and had less support from the peasantry (*ibid.*, pp. 106-108). As a result, the PDC, promoting private landownership for the reformed sector, was able to maintain considerable support.[63] In the Congressional elections of March 1973, the results of the competition in the countryside became clear: the UP had made impressive gains in terms of support, receiving 37 per cent of the rural vote, compared to 29 per cent in the 1970 elections. However, the opposition (mainly the PDC) remained a substantial majority. The UP's advances in expanding its rural support base had been significant, but not as successful as was hoped (De Vylder 1976: 203; Falcoff 1991: 113).

Competition from the Right

The position of the Right under the *Unidad Popular* was determined by two main factors. First of all, by the profound crisis under the government of Frei, after which it had regrouped in the National Party (*Partido Nacional*, PN) in 1967. This period of crisis had served to mobilise the Right into an efficient and confrontational opposition to the Left. Second, despite this renewed militancy, the Right still lacked a project. The neo-liberal project was still very much under construction, being formulated in the economy department of the Catholic University by a select group of intellectuals, but by no means enjoying widespread conservative support. Similarly, the *gremialista* movement, which would also come to play a decisive role in the project of the Left, was marginal and confined to the Catholic University. Being unable to propose a viable modernising alternative to the Chilean Road to Socialism, the Right took an extremely defensive position. As a result, the PN followed a strategy of full confrontation and obstruction, with a clear awareness that the Right was facing extinction as a socio-economic class.

The Right, which had anticipated a victory, went into a state of shock after the elections. Sectors of the Right, in cooperation with the CIA, initiated half-hearted attempts to keep Allende from actually assuming office.[64] One of the possible scenarios

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[63] The ironic situation arose that a Christian Democrat bill proposing a broadening of the agrarian reform, extending it to farms between 40 and 80 basic irrigated hectares, was vetoed by Allende, because of the stipulations that the lands were to become private property and that compensation was to be paid in cash (Falcoff 1991: 106).

[64] During and after the 1970 elections the CIA actively supported the Right and supported attempts to block Allende from winning the elections and assuming office. This took place along the lines of two strategies, the infamous 'track one' (mainly consisting of propaganda, support for the campaign and economic pressures), and 'track two' (attempts to gain support for a coup d'état before Allende took office). In total, about one million dollars were spent in the process, while CIA estimates indicate that the Allende campaign received some 350,000 dollars from Cuba. However, as Falcoff (1991: 199-250) shows, the United States was never a decisive actor in this period, or during the remainder of the Allende government. This study will therefore only address the role of the US where necessary.

was to have Congress choose Alessandri instead of Allende (Congress was still to appoint the President), who would subsequently resign and leave the way open for Frei to be appointed President after new elections (Bitar 1986: 37; Oppenheim 1999: 39). However, this strategy, fashioned by Alessandri himself, was rejected by the Christian Democrats.[65] In addition, the Right sought to destabilise the country by spreading an atmosphere of fear, claiming that the UP would be unable to handle the economy and suggesting that the situation called for a coup d'état. As Garretón and Moulian (1978: 20-220) argue, the lack of success of these strategies soon provoked more radical propositions, which no longer remained within the boundaries of constitutional institutionalism. On 10 September, *Patria y Libertad* (Motherland and Freedom) was founded, a paramilitary group that would become a significant actor toward the end of the Allende government. Furthermore, two days before the congressional vote on the presidency, Commander-in-Chief General René Schneider was killed during an attempted kidnapping. This attack was rapidly uncovered as an unsuccessful attempt by right-wing extremists to influence the vote by blaming the Left for the kidnapping (Bitar 1986: 37; Sigmund 1977: 123).

After the inauguration of Allende, the Right, and especially the industrial elites, entered more or less a state of paralysis. Awaiting the uncertain fate of their properties (as the scope and speed of state expropriations had not yet been defined), they halted investments and withdrew capital from their firms. Besides that, they were disoriented and divided about a possible counter-strategy, as the National Party and the conservative Christian Democrats blamed each other for the ascendance of Allende. At the same time the failed attempt to kidnap General Schneider served to mute the opposition of the Right (Oppenheim 1999: 54). However, in the course of the first year opposition from the Right (albeit still poorly coordinated) became increasingly articulate. It revolved around two main ideological issues: the defence of the institutional order and of private property (Correa 2004: 267).[66] The means of mass communication, mostly in the hands of the Right, were used intensively to attack the government on those issues. In particular the interventions by the government in the media, occasionally closing down newspapers and radio stations for some days, mostly after the publication of an allegedly libellous article or during a state of emergency, was cause for widespread outrage among the right-wing media. The emotional reaction of the Right on such occasions, Roxborough *et al.* (1977: 106) argue, was indicative of their level of fear of the UP, viewing the Allende government as a Moscow puppet seeking to transform Chile into a Soviet-style totalitarian state, by force if necessary. As the French

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[65] As PDC party president Senator Benjamin Prado argued in the discussion of the Alessandri proposal, it would amount to 'telling 35 percent of the electorate that you may participate in the elections, but you may not win. You can come in second or third, but not first' (quoted in Sigmund 1977: 118).

[66] In fact, conservative historiography has since then largely been centred on the issues of institutional order and property rights. See for instance Brahm's '*Propiedad sin Libertad: Chile 1925-1973* (1999), which argues that from 1925 on the right to property has slowly deteriorated, and was in a complete crisis during the governments of Frei and Allende.

author Suzanne Labin, in her extremely conservative analysis of the Allende government, puts it:

> The supreme goal of the UP in Chile, and one it shares with all Marxist-Leninist parties, was to absorb and control the whole population, from the cradle to the grave, and to direct and channel all its activities (…) As such absorption and control became tighter and tighter and more all-embracing, it aimed and hoped to achieve a total control of the people's minds. This would produce a universal brainwashing that would lead to a unanimity of opinion, a total enslavement of the souls of the people and a complete regimentation of their bodies (1982: 62).

Against such a peril the only viable strategy was defence, and in view of the stakes (the survival of the Right as a social-economic class), defence took the form of highly aggressive and constant attacks on the government, propaganda and manipulation and distortion of information, all with the intention of creating an atmosphere of fear. This strategy was successful, Roxborough *et al.* argue, in the sense that large sections of the Right began to develop a highly distorted view of the actual situation in Chile (for instance assuming that the UP was seriously preparing for an armed confrontation). Falling 'victim to their own propaganda', the Right intensified their opposition to the government more and more (1977: 107).

However, as Stallings (1978: 137-141) shows, it was not the Partido Nacional that took the initiative but the *gremios* (the conservative guilds and other intermediate employers' organisations). The result was the so-called 'October Strike' in the same year, when lorry drivers, shopkeepers, factory owners, and students, later joined by professionals (such as teachers and doctors), laid down their tools for weeks.

The October Strike (in fact it was more of a lockout by the *gremios*) proved crucial for the development of the Chilean Road in three ways. First, it signified a turning point for the UP. Before the strike, the government was on the offensive, even though the euphoria of the first year was rapidly evaporating. However, after the strike, the UP never regained the initiative, and mainly reacted to the initiatives of the opposition (Stallings 1978: 141). Second, the strike led to spontaneous *tomas* and provoked factory takeovers by UP-supporters that were clearly illegal and served to infuriate the opposition, including the middle classes and the PDC, even further (Moulian and Garretón 1978: 77-78). Finally, it forced Allende to incorporate military officers in his cabinet as a means of ensuring institutional stability. While the presence of the military served the purpose of restoring order, it also provoked the radicalisation of sectors of the Armed Forces, who considered it a form of treason.[67]

The October Strike also had a decisive influence on the construction of the project of the Right itself. It put the *gremialista* movement on the map as a serious political

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[67] In particular the figure of Commander in Chief General Carlos Prats, who joined the Allende government, was controversial, as he was well-known for his anti-oligarchic and progressive views. Vial (2005: 117) argues that Prats' presence in the UP government was not merely a case of a military officer attempting to avoid civil war at all costs, for if it were so, he would have included the Right in his deliberations. In failing to do so, Vial claims, his position in the government became a political position, not an institutional one. As a result, Prats not only served the UP, but also breached the military's institutional position as a neutral force.

movement, at the cost of the National Party, which had taken no part in the strike. As has been seen in the previous chapter, the conservative *gremialistas*, led by student leader Jaime Guzmán, gained influence in the late 1960s. Having started out as an insignificant student movement, it had proved to be able to participate at a national level in the October strike. Also, the figure of Guzmán, who started to appear regularly on television in this period, gained nation-wide influence as a political figure. As a result, the *gremialistas* would be among the first and most prominent civil groups to be contacted by the military after the 1973 coup to participate in the project of the Armed Forces.

The strike was also decisive for another group from the Right that had been relatively obscure until then. This group consisted of the so-called 'Chicago Boys', who were conservative economists of the Catholic University who had obtained their post-doctoral degrees at the University of Chicago. Having adopted the radical neo-liberal views of Milton Friedman and others, this group had quietly been developing economic doctrines at the University. During the October Strike, however, they were contacted by the Navy, which was investigating the possibilities of a military coup, and was looking for an economic foundation for a future military government. As a result, the Chicago Boys produced an economic programme called *El Ladrillo* (*The Brick*), which would later become the foundation of the neo-liberal project of the military regime (CIDOC interview 1, 1992).

Competition from the Centre
The competition between the Left and the Christian Democrats was a crucial factor for the Chilean Road to Socialism, as the support of the middle classes was considered essential for the success of the project by the moderate sectors of the UP. Being the UP's main rival in reformism, the attitude of the PDC (divided into a conservative and a progressive wing) may best be described as shifting from cautious sympathy to open hostility, gradually moving away from a role as broker for the UP and increasingly isolating the government in the process (Scully 1992: 166-167). The negotiations between the Centre and the Left in parliament intensified and ended in conflict over a technicality. In the end, the inability of the legal system to arbitrate in this conflict provoked the downfall of the project of the Left.

During the 1970 elections, the Christian Democrat candidate Tomic ran with a programme that in many ways resembled the programme of the UP, with an electoral discourse that was difficult to distinguish from that of the Left.[68] This strategy had two electoral repercussions: it split the non-Marxist parties, because the Right was still rancorous about the PDC's agricultural reform and Tomic was a completely

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[68] Fundamentally, the Tomic programme proposed to accelerate and extend the reforms of the Frei government, especially through nationalisation of the copper mines and intensification of the agrarian reform. Furthermore, it proposed state control for the financial sectors and *Chilenización* of foreign trade (PDC programme 1970). The Tomic programme did not, however, envisage large-scale expropriations in the industrial and agrarian sectors, but rather proposed workers' ownership and control over substantial sectors of industry and business (Bitar 1986: 31-32).

unacceptable candidate to them, and it weakened the UP, as much of the progressive vote was captured by the PDC (De Vylder 1976: 28).[69] As a result, the Right, favourite before the elections, came second, while the Left only won with the smallest of margins, and the divisions within the PDC deepened because of the electoral defeat.

The question of Congressional approval (usually a mere formality) of the election outcome raised serious discussions within the PDC. Out of fear of a split in the party, the PDC leadership allowed Allende to assume the presidency, but only after the UP signed a 'statute of democratic guarantees' (*ibid.*, p. 30). The UP showed little reluctance to sign the guarantees, which were, in the words of Allende, 'not only constitutional principles, but a moral commitment to our conscience and our history' (quoted in Sigmund 1977: 119). In fact, the statute more or less confirmed what Allende had always adhered to publicly, stressing the values of constitutional democracy, plurality, and the independence of the Armed Forces, the Judiciary and the press. Having allowed Allende to assume power, the PDC remained relatively benign to the new government for some months, for instance not supporting the National Party in submitting constitutional accusations against two UP Ministers (Vial 2005: 90).

In 1971, two opposed developments took place in the relations between the PDC and the UP. First, the April municipal elections were a bitter defeat for the PDC, which gained only 25.7 per cent of the vote compared to 35.6 per cent in 1967 (Valenzuela 2003: 104). As a result, the conservative camp, led by Eduardo Frei, retook the leadership of the party, marking a strong move to the right. This move was reinforced by the assassination in June of former PDC Minister of Interior Edmundo Pérez Zújovic by a splinter from the MIR, apparently in belated revenge for the Puerto Montt massacre of 1969. The swing to the Right of the Christian Democrats was reinforced in July, when a group of influential party leaders deputies, members and senators, with the notable exception of Tomic, formed a new movement, the Christian Left (*Izquierda Cristiana*, IC), which joined the UP (de Vylder 1976: 80). As a result, the PDC was left to its conservative sectors.

Second, two senators of the PDC, Juan Hamilton and Renán Fuentealba, advanced a bill that was intended to create a compromise between the Centre and the Left. It was a constitutional reform bill, regulating the formation of the Social Property Area, Private Property Area and the Mixed Area, a central feature of the Chilean Road for which still no legal basis existed, and which could only be institutionalised with the support of the PDC.[70] The proposal consisted of three main provisions. First, it

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[69] Tomic's electoral strategy was initially based on the idea of an alliance with the Left. However, the already radicalised competition between the Centre and the Left, as well as rancour within the UP over the PDC's *camino propio*, blocked such cooperation. As a result, the traditional tripartite electoral division was maintained (Valenzuela 2003: 84).

[70] As Moulian and Garretón (1978: 63) argue, the bill had as its main objective to draw the creation of the Social Property Area into the legal system. So far, the UP had advanced without proper legal foundation, making use of the re-discovered law on requisition from the Socialist Republic of 1932, legal loopholes, and presidential prerogatives. Under these circumstances, the PDC's chances of forcing the UP to make changes in the process were minimal; this is why the PDC repeatedly sought to bring the matter within the legal arena.

formalised the existence of the three property areas, in line with the UP programme. Second, it stipulated that congressional approval should precede the nationalisation of each individual company. Finally, it stated that control over the companies was to be passed to the workers themselves, not to the state, with some exceptions, such as the copper mines. For the PDC, the bill had the obvious advantage of transferring power from the executive to Congress, as well as minimising the role of the state in the Social Property Area. For the UP, the advantage lay in a legal and institutional formalisation of the massive nationalisation process it was undertaking.

However, there were many obstacles to the approval of the Fuentealba-Hamilton bill. The definition of a list of companies to be nationalised was problematical, as the opposition sought to minimise the Social Property Area. At a more fundamental level, the workers' control over nationalised companies was unacceptable to the UP, as it would marginalise the role of state planning in the economy, and would still allow for semi-capitalist market incentives and profit-sharing (Roxborough *et al.* 1977: 108-109). Furthermore, it would take away many of the executive's powers in the creation of the Social Property Area and transfer them to Congress, where the opposition held a majority (Bitar 1986: 74-75).[71]

The bill was approved in February 1972 by the united opposition in Congress, with the support of several UP delegates for specific articles, such as the guarantee that small and middle-size companies would remain in the Private Property Area (Corvalán 2001: 261). Allende sent it back to Congress, though, after having vetoed some of its provisions. By then, however, the PDC had completed its turn to the Right and had become much closer to the PN.[72] As a result, the Fuentealba-Hamilton bill became the symbol of the political conflict between the government and the opposition in Parliament. Congress overruled Allende's vetoes, but the government argued that this could only be done with a two-thirds majority (as it concerned a constitutional amendment), and not by a simple majority.[73] This 'technicality' could not be resolved. The government attempted to send it to the Constitutional Court for arbitration, but this path was blocked by the opposition, which claimed that the court did not have competence in this case (Corvalán 2001: 261). The stalemate appeared to be broken

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[71] Scholars such as Roxborough, O'Brien and Roddick (1977: 108), Corvalán (2001: 261), and Bitar (1986: 75) suggest that the Fuentealba-Hamilton bill was merely an attempt to reduce the executive powers of the UP and to obstruct the creation of the Social Property Area in Congress. On the other hand, conservative historian Vial (2005: 132) stresses the point that the Right was shocked by the possibility of an agreement on this bill, and only supported its approval out of fear of losing the support of the PDC. This would indicate that the bill went far beyond parliamentary scheming and could constitute a serious compromise between the UP and the PDC. It would also be indicative of the role of broker the PDC was still prepared to play in late 1971.

[72] For instance, the PDC and the PN supported each other's candidates in the complementary elections in Colchagua and Linares, as well as in the constitutional accusation made by the opposition against Minister of Interior José Toha (Vial 2005: 91)

[73] As Valenzuela (2003: 130) argues, this conflict could have been avoided if Congress had been able to negotiate and pass changes to the bill instead of just approving or rejecting it after Allende's partial vetoes. Ironically, it had been the Christian Democrats themselves, under the Frei government, who had taken away such powers from Congress, on the assumption that they would be re-elected in 1970.

when the PDC and UP engaged in serious (and secret) negotiations on the bill. Despite strong opposition from the Right, the PDC considered that a resolution of the conflict was essential for the maintenance of social order. As Fuentealba puts it:

> This legal conflict runs the risk of producing a confrontation. If this continues and no accords are reached, conflict will come; conflict in the streets, conflict over power by groups, manifestations (…) A period of agitation will come in this country the consequences of which, we fear, and which could be grave for the tranquillity of the country and the normal development of the democratic process (quoted in Valenzuela 2003: 132)

The main issue continued to be the list of industries to be nationalised. This matter came to hinge of the paper industry, a monopoly industry that the UP wanted to nationalise. The PDC radically rejected this, arguing that state ownership of the paper industry would constitute a grave infringement of freedom of speech, as the government would control the paper supply of the opposition press. After long deliberations, the PDC and UP, both under increasing pressure from their radical wings, called off the negotiations, letting the bill continue its course (Roxborough *et al.* 1977: 109-110).

In May of 1973 the case provoked a profound institutional crisis, which would lead to the end of the parliamentary attempts to resolve the conflict between the government and the opposition. Allende succeeded in asking the Constitutional Court for arbitration on the question of the two-thirds majority or simple majority that Congress would be need to overrule Allende's veto on the amendments to the Hamilton-Fuentealba bill. However, the Constitutional Court declared itself incompetent to make a decision in the case. The *Controlaría* (Controller's Office) did not decide in favour of either side, but blocked Allende's attempt to pass only the sections of the bill which had the support of both the government and the opposition (Vial 2005: 133). As a result, no formal institution was left to break the stalemate. The Chilean political system, renowned in Latin America for its legalism and institutionalism, proved unable to resolve a profound conflict that hinged on a mere technicality. This signified the end of the parliamentary attempts to create a broader support base for the project of the Left. From this moment on, the Centre, which had time and again emphasised the need to stay within the legal system, started to move away from an institutional solution to the political conflict.[74]

Following the declaration of the Constitutional Court, Frei announced that he was no longer prepared to collaborate in any way with the UP (Roxborough *et al.* 1977: 286). The PDC started steering towards a *golpe blando*, that is, the military taking peaceful control of the government. To this end, it followed an obstructionist strategy, both in Congress and outside it, collaborating with the Right in the initiation of large strikes and lock-outs, both in the cities and in the countryside. By this time there was no

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[74] Of course, a decision by the Constitutional Court would not have given a guarantee of a peaceful resolution to the radicalised competition between the Left and the Centre. However, it would have created an institutional way out for the three areas of the economy. At least, it would have postponed the PDC's decision to support a military takeover.

doubt that the combined opposition was, in the words of Roxborough, O'Brien and Roddick, 'preparing for a showdown' (*ibid*., pp. 206-210).

However, amidst the general chaos and street violence that characterised Chilean society around this time, one final attempt was made to reach some form of consensus. In July, on the invitation of the Roman Catholic Church, PDC party President Patricio Aylwin agreed to negotiate with the UP. After an auspicious beginning, the negotiations turned into a *dialogue de sourds*. Allende, focusing on the judicial and constitutional side of the conflict, agreed to fully accept the Christian Democrats' position on the Fuentealba-Hamilton bill, with the purpose of resolving the legal void that had characterised the creation of the Social Property Area. Aylwin, in turn, demanded that the military be incorporated in the government, not only at the highest levels, but also in the lower echelons, which would virtually imply an abdication by the UP government. The negotiations broke off on this issue. Allende intended to save what he could by appointing military in the government some days later, but the PDC remained adamant in its demand that the military should be incorporated at all levels. By this time, the Christian Democrats were no longer prepared to function as brokers (Corvalán 2001: 260-268).[75]

4.2.3 Slipping off the Road: the Adaptation of the Project

The development of the project followed a pattern similar to the Revolution in Liberty. After an initial period of rapid progress, the project entered in a period of conflict, in which its implementation was increasingly troubled by outside as well as inside forces. This phase was characterised by increasing opposition, internal division and social unrest, and ended in a severe political crisis. After this crisis, the government lost the initiative, and the implementation of the original project came to a halt. The government was forced to make a choice between stepping on the brake and pushing the project forwards. While Allende attempted to do the first, other sections of the UP did the latter. In the end, Allende lacked the relative autonomy from his political allies he needed to enforce a consistent adaptation of the 'Chilean Road', which eventually led to the downfall of the project.

Economic Adaptation
On the economic level, several attempts were made to adapt the project. As mentioned above, economic performance rapidly dropped after the first year, as inflation, shortages and decreased production began to reinforce each other (De Vylder 1976: 87-111). The

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[75] Different interpretations circulate on the motivations of the Christian Democrats during these negotiations. Authors such as Corvalán (2001: 267-268) and Garcés (1986: 315) claim that the PDC purposely torpedoed the negotiations, because by then Frei had set his mind on a military coup. In contrast, Valenzuela (2003: 162) and Falcoff (1991: 268) argue that the delegation of the PDC feared that Allende, famous for his negotiating skills, would stall, or deceive them. This fear, combined with the tremendous pressure coming from the conservative wing of the party, strengthened their demands for large-scale military incorporation in the political arena, safeguarding the UP's compliance with the results of the negotiations.

economic team of the UP, however, was divided between correcting the situation by balancing the economy, and rapidly pushing forward with the implementation of the project (Meller 2000: 37). The matter became the cause for intense debates in June of 1972, during a large UP conference in the Santiago suburb of Lo Curro. On the one hand, the PS, supported by the IC, pushed for a radicalisation of the programme, under the motto *avanzar sin transar* (moving forward without resignation). Apart from the intensification of *poder popular*, the PS proposed further large-scale nationalisation, and economic readjustment through redistribution of wealth, meaning that the soaring inflation was not to be corrected by compensation for the workers only. Economic stabilisation, the PS argued, would be counterproductive, as it would slow down the pace of political advancement and strengthen the position of the Right. On the other hand, the PC, supported by the Radical Party and the Allende sector of the PS, pleaded for *consolidar para avanzar* (to consolidate in order to advance), that is, getting inflation under control, giving guarantees to small business owners, seeking agreements with the PDC, and bringing *poder popular* under institutional rule (Furci 1984: 126-129). As the conference remained undecided, it was up to Allende to enforce a decision. In defiance of his own party, he pushed the balance towards the moderate camp. He rejected the idea of intensifying the political project at the cost of the economy, and decided to reopen negotiations with the PDC on the Fuentealba-Hamilton bill. Furthermore, and most importantly, he announced a shift in his cabinet. Minister of Economics Pedro Vuskovic, the independent hardliner of the radical camp, and Finance Minister Américo Zorilla were replaced with two moderates, Carlos Matus and Orlando Millas (Roxborough *et al.* 1977: 127).

The change in the economic team did not produce the desired results, however. Attempts to implement cohesive and balanced policies were nipped in the bud by the October strike. After the strike, economic policy-making became characterised by a lack of coherence and decisiveness (De Vylder 1976: 87-88; Stallings 1978: 144; Meller 2000: 37). At first, the government prioritised social order over economic recovery and delayed the formulation of a new economic plan. Furthermore, in December 1972, Finance Minister Millas, attempting to manage shortages of basic foodstuffs and curb the black market, announced the 'distribution' of thirty basic consumption goods. As a result, demand for the products in question rose steeply, and the image of 'state rationing' only served to antagonise the opposition. Furthermore, due to the lack of infrastructure, and wide-scale opposition, the distribution plan never materialised (Meller 2000: 44-45; Stallings 1978: 145).[76] Only in March 1973 were new economic strategies defined. However, despite verbal adherence to economic recovery, nothing much was undertaken until late June, when the government came up with a sixteen-point, detailed plan, the first cohesive plan that was implemented since the UP's initial

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[76] To the horror of the opposition, distribution was to be carried out by neighbourhood consumer committees (*Juntas de Abastecimientos y Precios*, JAPs), which had been set up by the UP during the October strike in order to force shopkeepers to maintain official prices and proper stocks of merchandise. The JAPs were notoriously partisan and known to favour UP voters over members of the opposition.

strategy (Roxborough *et al.* 1977: 128-130). However, by then economic chaos, social unrest, and political conflict had reached uncontrollable levels.[77]

Political Adaptation

The adaptation of the project of the Left became highly problematical because of the existence of strong internal opposition within the UP, which had started to implement an alternative project. This opposition set in motion a grass-roots form of *poder popular*, which proved to be beyond the reach of the government, and could not be adapted by the moderate sectors of the UP.

It was the MIR, working outside the UP but maintaining close relations with the Socialist Party, which took the initiative for this second form of *poder popular*. Initially maintaining a sceptical but supportive position towards the Chilean Road after the UP's electoral victory, the MIR changed its strategy towards the end of 1971. Considering that the institutional path had been exhausted (as the problems for the UP, both economical and political, were mounting), the MIR retook its confrontational and revolutionary course. This alternative mainly consisted of the creation of local forms of grass-roots power, both in the cities and in the countryside, that eventually were to destroy the institutions and powers of the state, and installing a 'Revolutionary Government of Workers and Peasants', as well as 'People's Assembly' (Corvalán 2001: 174). To this end, MIR sought to unite a 'Revolutionary Left', which included large sections of the Socialist Party, the MAPU-Garretón, and the majority of the IC, excluding the PC, the Radical Party, and the *Allendista* camp of the PS. As a result, the creation of *poder popular* envisaged the cooperation of a large section of the UP in the creation of an alternative to the Chilean Road to Socialism.

The first step towards the creation of *poder popular* took place in Concepción, by no coincidence the main bulwark of the MIR, where in July of 1972 a 'People's Assembly' was created, with the support of most of the parties of the UP except the Communist Party. Despite the broad support for this initiative, Allende moved quickly to suppress it, considering it a danger for the institutional path. The next step was the creation of so-called 'industrial cordons' (*cordones industriales*) during the October Strike. During the weeks of the strike, local workers' organisations, supported by the MIR and sectors of the UP, took control of closed down factories (which had not been listed for requisitioning) in order to ensure their production. At the same time the logistics on transport, inputs and distribution were taken over by local community groups, ranging from mothers' centres to student associations, popularly called 'community commandos' (*comandos comunales*). However, after the strike, the factories were not

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[77] One of the causes of the failure to achieve coherent economic policies, Nove (1976: 66-76) argues, was that planning, the prize feature of the economic model, failed, as most of the state's enterprises continued to function autonomously. ODEPLAN and CORFO came to compete amongst each other while increasing internal disagreement at the level of central control within the UP began to characterise policy-making. At the same time the workers of the Social Property Area were repeatedly told that they were now free and no longer subject to the rule of others, a principle which did not relate well with the centralised decision-making that is central to state planning.

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returned to their owners, and most of the *cordones* remained in place.[78] In the countryside, similar developments took place, through the creation of so-called 'peasant's councils', which were intended to emerge as a form of alternative power for the Left (De Vylder 1976: 204). Even though none of the parties of the UP (or, for that matter, the MIR), were able to transform the loosely organised *poder popular* into a viable alternative to the Chilean Road, it certainly served to weaken and jeopardise the project (Roxborough *et al.* 1977: 182). Furthermore, the illegal nature of the *poder popular* and its violent rhetoric (and, at times, practice) fed the fears of the opposition that the Chilean Road in reality was pretence for a revolutionary takeover.

Despite the grass-roots operations of the MIR and the radical sectors of the Left, Allende and his moderate camp sought to adapt the 'Chilean Road' in several respects. First of all, and as a direct result of the October strike, the military were incorporated in the government. All three heads of the branches of the Armed Forces, as well as of *Carabineros*, were installed as Cabinet Ministers. The reasoning behind this move was that military presence in the government would serve as a guarantee to the opposition forces that institutional order was to be maintained (Bitar 1986: 137). The main military figure in this new cabinet was General Carlos Prats, Commander-in-Chief of the Army, who became the new Minister of Interior. Prats moved swiftly, not only restoring order within a month, but simultaneously searching for possibilities to reduce the level of political conflict in the country. In the end, though, military intervention in the government was successful in restoring and maintaining social order for some months, but counterproductive in several other ways. First of all, the intra-coalition conflict between the PS and the PC radicalised over the issue: the Communists argued that it would help to gain the support of the middle classes, while the Socialists claimed that it slowed down the transition to Socialism. Second, it infuriated sectors of the military, who considered Prats' line of conduct as a form of collaboration with the enemy, or, at least, as a breach of the institutional neutrality of the Armed Forces, a matter of high importance to the Chilean military. When in addition Prats' strategy proved to have little success, the number of officers inclined to a coup rapidly increased (*ibid.*, p. 139).[79] Among the Right, Prats increasingly came to be seen as a supporter of the Chilean Road, rather than as a neutral military man. Even though he never publicly adhered to the UP, he did take an openly anti-oligarchic position, and excluded the Right from negotiations about a possible solution for the UP government. As a result, his presence in government served to antagonise the Right even further, rather than to appease it (Vial 2005: 117). In March 1973, after the Congressional elections, the military

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[78] In June of 1973, after an abortive military coup against the government, the *cordones* proved to be very powerful, simultaneously seizing over 350 factories in defence of the government (Stallings 1978: 147)

[79] Vial (2005: 119) argues that the resentment within the military towards Prats' participation in the government was greatly reinforced by his independent attitude towards the Armed Forces. Rather than consulting the military staff on his course of action in the Allende government, Prats followed his own line.

retreated from the government, despite pressure from Allende to stay (Roxborough *et al.* 1977: 201).[80]

The second attempt to reverse the tide was the so-called Millas plan, named after Minister of Economy Orlando Millas. It consisted of a law on the Social Property Area, which was generally thought to be acceptable to the Christian Democrats. The law proposed the return to the owners of about 200 small and medium-size firms that had been requisitioned during the October strike, while another set of firms that had been illegally requisitioned would be transferred to the Social Property Area, in some cases in negotiation with the owners. Once again, however, the attempts made by the UP government to mend relations with the opposition were blocked by the internal divisions within the coalition. The Millas plan met with rejection by not only the Socialist Party but also the MAPU and the Christian Left. In an attempt to save the day, Millas suggested that the firms would, instead of being added to the Social Property Area, be transformed into workers' cooperatives, which at least in part followed Christian Democrat demands. By then, however, the plan had lost all support (Roxborough *et al.* 1977: 174).

Third, the government repeatedly sought to gain the support of the Christian Democrat Party. In June of 1973, Allende even appealed to the primate of the Catholic Church, Cardinal Raúl Silva Henríquez, to pressure the PDC to re-open the negotiations. However, as has been shown in Section 4.2.2, time and again the negotiations broke down, largely (although not exclusively) as a result of the internal resistance to an agreement within the UP itself.

Finally, by mid-1973, polarisation within as well outside the UP peaked. The PS, by now in close collaboration with MIR, and supported by the IC and MAPU-Garretón, openly rejected any strategy which involved negotiations with the Christian Democrats.[81] Allende, together with the Communists, Radicals and MAPU-OC, continued feverishly to negotiate with the Christian Democrats and broaden the base of the Chilean Road. However, the PDC had lost hope of a peaceful solution, and called for military intervention. In the streets, both MIR and Right-wing *Patria y Libertad* attempted to provoke, through terrorist attacks, the outbreak of an open civil war. Allende's last attempt to break the stalemate was to call for a plebiscite and let the people decide. The idea was quickly discarded by the PS, IC and MAPU-Garretón, who argued that the best way to move forward was to await the imminent military coup, which undoubtedly would lead to a popular counter-coup, after which the transition to Socialism could be advanced without the support of the middle classes. As PS leader Carlos Altamirano put it, in a speech delivered on 9 September:

[80] In August, amidst economic and social chaos, Prats re-joined the UP government. By then, however, his support within the military had sharply diminished. After only two weeks, Prats resigned, both from government and as Commander-in-Chief (Vial 2005: 138-143).

[81] After the Congressional elections, MAPU proved to be utterly divided into a moderate and a radical camp, and the party split into a section led by Oscar Garretón, which held positions close to MIR (its motto was 'to win the civil war!', in reaction to the PC slogan 'no to civil war!') and a moderate section called the workers' MAPU (MAPU *Obrero-Campesino*, or MAPU OC).

> The Socialist Party has stated that there can be no dialogue with those who are leading our fatherland into economic chaos. (…) The Socialist Party considers that the Right can only be overwhelmed by the unstoppable force of the united people (quoted in Corvalán 2001: 272).

Although there is considerable evidence that Allende eventually wanted to call the referendum after all, even though this would probably split the UP, no indication exists of the degree of seriousness of such a plan. As Prats' memoirs indicate, Allende intended to organise a country-wide referendum with two days' notice (Falcoff 1991: 284). Either way, by now it had become too late, as on 11 September, the military took over the country in a violent coup.

In conclusion, the October Strike formed a breaking point for the 'Chilean Road'. After the strike, the Allende government lost the initiative, trying to, in the words of Stallings (1978: 144) 'survive on a day-to-day basis, of reacting to the initiative of others, of floating some trial balloons and pulling them down as they encountered rough going'.[82] The government attempted in many ways to adapt its project, mainly by changing the economic team, reaching an agreement with the PDC, incorporating the military in his government, and by disarticulating the radical sectors of his coalition. All four strategies failed, however, while the grass-roots form of *poder popular* gained influence well outside the reach of the government. In the end, Allende government did not have the moving space it needed in order to change course.

4.3 The Legacy of the Chilean Road

Like the other projects in this study, the project of the Left was not a free-standing object in Chilean history. As Alfredo Jocelyn-Holt has argued, it was the product of a 'process that stretches back to the beginning of the twentieth century, reaches a peak in the early 1970s, and stretches forward in time, maintaining influence up to today' (interview with Alfredo Jocelyn-Holt on 26 April 2004). Neither did it take place in a vacuum. The socio-political situation of the country in 1970 had been largely determined by the legacy of the 'Revolution in Liberty', as has been shown in section 3.3. It was in this context that the UP started to implement its project, based on its ideological foundations and developmental doctrines. As has been argued above, the implementation of the project was strongly influenced by factors such as the use of the state, technocracy and planning, as well as political competition with the Centre and Right. The ability of the government to adapt the project under the pressures of civil society was also a determining factor in the development and downfall of the project.

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[82] Stallings (1978: 231) argues that after the October strike, the Allende government had been reduced to what she calls a 'care-taker regime', similar to the Frei regime after 1967. Even though the term remains largely undefined, it suggests a passiveness that does not reflect the frantic attempts by the government to create circumstances that would enable it to reignite the project. In the case of the Revolution in Liberty, the project had definitely been stalled, as the government had made a marked ideological turn to the Right. This ideological shift did not take place, or at least not as definitively, in the Allende government. Up to the last days of the government, Allende and the PC frenetically sought possible ways out for the Chilean Road, hardly a 'care-taker attitude'.

All these factors contributed, in different ways, to the definition of the legacy of the 'Chilean Road to Socialism'.

Like the Revolution in Liberty, the project of the UP was modernising on the economic, social, and political levels. On the economic level, ambitious steps were made, through populist economic policies as well as the creation of the Social Property Area, to improve the general socio-economic position of the poor. This process collapsed, however, in the second year of the government, and eventually the economic legacy of the UP was characterised by economic crisis as well as runaway inflation. Despite this failure, the project of the Left was able to leave a lasting legacy in the form of the agrarian reform and the nationalisation of the copper mines. At the social level, the Chilean Road more or less followed the path of social integration and improvement of living conditions that had been set in motion by the PDC. However, the UP's focus on organised labour, as well as the economic crisis that came to characterise the last two years of the government, limited the impact of social modernisation for the 'marginal masses'. At the political level, modernisation took the form of the empowerment of the working classes through *poder popular*. However, this process provoked so much unrest that its legacy became a negative one, which has been observable in the subsequent projects, and which consisted of avoiding the mobilisation of the masses.

Economic Modernisation

During the first year of the UP, the government set out to implement a series of measures that were targeted to improving the economic position of the poor, especially the working classes. These measures included wage rises and other forms of income redistribution, which not only improved the living conditions for large sections of the population, but were also considered to be beneficial for economic growth (Loveman 2001: 250).[83] However, due to several reasons, this strategy failed.

As has been pointed out in section 4.1.2, the developmental doctrines of the UP were heterogeneous, ranging from a complete rejection of capitalism to proposals that followed the structuralist argument. As a result, the economic strategy of the UP remained relatively unclear (Montecinos 1998: 54). In addition, due to the instrumental political use of the economy, which had been the explicit purpose of Economy Minister Pedro Vuskovic, economic policy-making did not take a long-term view, but focused on the short term only. The *técnicos* of the UP, as well as the planning departments, did not have enough autonomy from the political sectors to be able to impose their views. As a result, economic policy-making came to be completely subordinated to the political competition between the government and the opposition, and economic equilibriums were no longer preserved. In combination with the strategies of the opposition and US enterprises, which sought to delegitimise the government by damaging the economy, this course of action proved to be disastrous.

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[83] It was argued, in a classic Keynesian way, that income redistribution and the provision of work would lead to an increase in demand which would generate extra investment in the productive sectors (Loveman 2001: 250).

The economic legacy of the UP therefore came to be characterised by the images of long lines of people in front of empty stores, as well as by a galloping inflation that peaked at well over 300 per cent in 1973.

In two important economic areas, though, the UP was successful. The agrarian reform, itself a legacy the UP inherited from the Christian Democrats, was intensified and nearly completed by 1973. The success of this programme is attributable to several factors. First of all, it was based on the agrarian reform laws which had been enacted by the Right in 1962 and by the Centre in 1967, and therefore possessed a legal status. Second, it had a majority in Congress, as the Christian Democrats maintained their support for the reform. Third, its implementation took place relatively autonomously from the extreme polarisation that characterised other areas of the project of the Left. Even though legal loopholes were often used in the implementation of the reform, in particular the provision that the state could intervene in rural enterprises in the case of work stoppages, in general the agrarian reform was implemented in a technical, top-down, and legal manner (Loveman 2001: 251).

As a result, the agrarian reform came to be one of the most important legacies of the UP, and would prove to be a lasting one. After the coup, the Right returned only some 30 per cent of the expropriated lands to their previous owners, specifically those which had been expropriated using illegal takeovers and legal loopholes, leaving the bulk of the reforms in place. The legality of the reforms, their broad support among the population, as well as the fact that they originated in the PDC rather than in the UP, played a large role in this course of action. However, of even greater influence was the fact that the agrarian reform was beneficial to the project of the Right. The agrarian reform was essential for the transformation of the rural sector to a competitive, market-oriented sector. The maintenance of the traditional structures in the countryside would have made such transformation virtually impossible, and the power of the landed elites would have been a bulwark that would have been difficult to overcome, even for the military government (Silva 1987).

The other lasting economic legacy of the UP was the nationalisation of the copper mines. This, too, had been implemented by means of a legal parliamentary trajectory, and had been approved in Congress with the support of the Christian Democrats and the Right. Like the agrarian reform, it was not reversed by the military government, and in fact became a cornerstone of the neo-liberal project of the Right. The relatively stable inflow of capital from the mines allowed the military regime to privatise large sections of the economy without impairing the basic functioning of the state itself. In this sense, two of the main legacies of the UP, the agrarian reform and the nationalisation of the copper mines, came to be foundation pillars of the neo-liberal project of Pinochet, contributing to the formation of a new phase of Chilean modernity.

Finally, the division of the economy in the three areas produced an un-wanted legacy. As the nationalisation of large sections of the economy came to be associated with the galloping inflation, shortages and waiting lines, and economic crisis, it strongly delegitimised direct state intervention in the economy.

The UP and Social Modernisation

Social integration was an important element of the Chilean Road, because the incorporation of the 'excluded masses' was, apart from a morally desirable goal, also an electoral strategy, as the newly included social groups could be tied to the government through clientelistic policies. However, this strategy was limited in its success, for two reasons. First, the UP had its support base mainly in organised labour, and it was mainly for those groups that the government had to offer benefits. Although labour organisation expanded somewhat under the Allende government, this expansion was not spectacular, as most industrial sectors had already been well represented by 1970 (Valenzuela 2003: 114). As a result, the UP's focus on labour left the urban excluded groups relatively untouched, and open to radicalisation by extreme Leftist groups such as the MIR. In the countryside, the support base of the UP could be more successful as the UP targeted the growing number of landless peasants, the *inquilinos*. However, even though the UP could count on considerable success in the countryside, it was never able to match the electoral results it obtained in the cities (Scully 1992: 159). Second, the policies that were targeted to achieve the incorporation of marginal groups were gravely affected by the economic decline that the country experienced after 1971. A good example is the UP's housing programme. In 1971, the government began with the construction of no less than 73,000 housing units, and a programme of infrastructural improvements that was directly targeted to the *poblaciones*. However, by late 1972 only some 29,000 houses had actually been built, while many projects were left unfinished due to a lack of funding and materials (De Vylder 1976: 55, 70). As a result, the legacy of social modernisation under the UP remained very limited.

Political Modernisation: Poder Popular

One of the most specific legacies of the Chilean Road, reflecting the political dimension of modernity in a radical way, was the power-sharing programme of the *poder popular*. Based on the legacy of the Christian Democrat *promoción popular*, the UP sought to create forms of popular political participation which were to be guided from above. However, the project rapidly derailed and turned into a serious threat to the Chilean Road itself. This was the result of several factors in the conception and implementation of the *poder popular*. First of all, the internal divisions within the UP held different views on what *poder popular* should be. The *Allendista*-sector of the UP conceived it as a paternalistic power-sharing programme, which specifically gave the workers influence in the Social Property Area. The radical sectors of the UP and the MIR, however, envisaged *poder popular* as the creation of a second power base, functioning relatively independently of the executive. Secondly, the internal competition within the UP blocked a controlled implementation of *poder popular*. While Allende had prevented the creation of a 'People's Assembly' by the MIR, and tried to maintain control over the increasing social unrest, he was unable to stop the agitation and mobilisation of the urban and rural poor by the left wing of his coalition.

As a result, the creation of the *cordones industriales* and the spontaneous (and, at times, violent) takeover of companies and farms confirmed the sense of fear and chaos that was experienced by the middle classes and the Right, legitimising more radical and illegal forms of opposition.[84] In contrast to Frei (and perhaps in attempting to avoid the mistakes that had been made by the Christian Democrats), Allende chose not to act repressively, letting *poder popular* increasingly undermine social order as well as his own government. The political legacy of the UP therefore became based on an image of chaos and fear, and an awareness among the Centre and Right that this should never happen again.

The UP's Legacy for the Political System

The experience of the 'Chilean Road to Socialism', its collapse, and the subsequent military coup had a profound influence on the three political actors in Chile, and this was of great importance for the development of the project of the Right.

For the Left, the process was initially perceived as a political confrontation in which the democratically elected government had been defeated by the fascist enemy. From the late 1970s onwards, however, a more critical position towards the role of the Left itself was formed. This provoked a process of 'ideological renovation' in the Left that eventually would facilitate the construction of a viable democratic alternative to the military regime.

For the Christian Democrats, the legacy of the Chilean Road led to a profound crisis. In the final months of the UP government, the PDC radically opposed the project of the UP, and eventually openly promoted military intervention in order to oust Allende. After the coup, the PDC leadership reiterated its support for the military government in clear terms. As Frei put it, in a letter written on 8 November 1973:

> We are convinced that the Armed Forces haven't acted out of ambition. (…). Their failure now would be the failure of the country and would leave us up a blind alley. Therefore the Chileans, in an immense majority, and independent of partisan considerations, want to help, because they believe that only on that condition can peace and liberty be re-established in Chile (Frei Montalva 1973).

However, the support for the military regime was based on the assumption that democratic order would soon be restored and that it would be able to play a key role in it. This proved to be a miscalculation, as the military maintained and expanded their power and gave the Christian Democrats little influence. Meanwhile, the Christian Democrats suffered an ideological crisis, as there could be little doubt that the crisis of 1973 had been partly the result of their project of modernisation. As a result, for several years the PDC helped to legitimise the military regime, even though it criticised the regime's Human Rights violations. This lasted until 1975, when it became clear that the Human Rights situation was not improving, and that a return to democracy was not envisaged in the short term. The emergence of the Chicago Boys and *gremialistas*, and

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[84] For an analysis of Left-wing rhetoric on violence, and the growth of fear among the Chilean Centre and Right, see Brahm (2003).

the formulation of a new project of modernisation, this time by the Right, eventually pushed the Christian Democrats into the corner of the opposition.

The Right was also strongly influenced by the experience of the Chilean Road to Socialism. Initially committed to the institutional framework of the democratic system, it had slowly moved, after 1966, to an outright authoritarian and antidemocratic position, prioritising stability and social order over all other values. Moreover, the agrarian reform, as well as the expropriations in the industrial sector in the creation of the Social Property Area, had been felt by the Right as a 'near-death experience', as the entrepreneurial class as such faced near extinction by 1973. Moreover, the social unrest, political radicalisation, and the instrumental use of the state by the Allende government had discredited the political system for large sections of the Right and the military. As a result, the military coup was considered by the Right as an ultimate rescue, and was duly appreciated as such.

This had a particular impact on the introduction of the neo-liberal project in 1975. Under the Alessandri-government (1958-1964), the Right had vehemently, and successfully, resisted the government's attempts to liberalise sectors of the market, as state protection was considered as much more in the interests of the landowners and entrepreneurs. After 1973, however, gratitude towards the military pushed the Right into completely accepting a neo-liberal project that radically outweighed the Alessandri-proposals, and in many ways severely hurt its economic position. Without the experience of the Chilean Road to Socialism, this new project of modernisation would have encountered strong resistance from a sector of society that could hardly be overlooked by the military government.

Chapter 5

Neo-liberal Modernisation: The Silent Revolution

In the developing world, modernisation and authoritarianism have been two closely tied phenomena. Processes of modernisation alter the traditional patterns of social stratification, while still no adequate institutions exist that can channel or moderate the increased interaction between the different social groups. As a result, rather than interacting through the institutional order, social forces seek to resolve their conflicts in direct confrontation (Huntington 1968: 197-198). Guillermo O'Donnell (1977: 56) adds to this analysis the element of economic crisis, which has accompanied the process of political change in some of Latin America's most rapidly modernising countries (including Chile). According to O'Donnell, the combination of the radicalisation of political demands, social conflict and economic crisis eventually leads to the formation of Bureaucratic-Authoritarian military regimes. These regimes, which are supported by the economic elites, have as key characteristics the political and economic exclusion of the popular classes, their 'de-politicisation', and the 'normalisation of the economy' through technocratic decision-making (O'Donnell 1999: 38). However, in the case of Chile the Bureaucratic-Authoritarianism regime of Pinochet itself developed a project of modernisation which matched the scope and radical nature of its predecessors, and which would become known under the name 'The Silent Revolution'.

Like the previous projects, the project that was implemented under the military dictatorship consisted of an ideological as well as a developmental current. These currents were based on specific interpretations of what modernity should be, emphasising certain elements while rejecting others (section 5.1.1 and 5.1.2). The project only gained its final form some two years into the government, when the two currents were brought together under the supervision of the Head of State, and were implemented making extensive use of the state, technocracy and state planning (section 5.1.3 and 5.2.1). The political competition between the Right, Centre, largely taking place outside of the formal political arena, produced an ideological change among the opposition which facilitated the construction of a new project of modernisation, that of the Concertación (section 5.2.2). In contrast to Frei and Allende, Pinochet himself remained at a considerable distance from both the ideological and developmental sides of the project, taking a much more pragmatic position towards it than his predecessors. As will be shown in this chapter, this relative autonomy of the regime *vis-à-vis* its civil support groups allowed for a timely intervention and adaptation of the project when it went into crisis after 1981. As a result, the project did not disintegrate or stagnate during the crisis, as the previous projects had done, but was able to regain strength and even recover (5.2.3). Even when the project of the Right was replaced in 1990 by a new project of modernisation of the Centre-Left, it left many strong traces in Chilean modernity (section 5.3).

5.1 The Construction of the Project

The project of the Right was based on two ideological currents. On the one hand, the so-called *gremialistas* envisaged a conservative order which was adverse to many aspects of modernity, but took a very pragmatic line towards others. On the other, the neo-liberal 'Chicago Boys' sought to create a market-oriented society, based on a liberal interpretation modernity, in which the economic dimension of modernity was emphasised in a specific and exclusive manner. Even though the two movements held disparate positions on many issues, they were able to join forces and compromise in the areas of conflict. The final result was a project of economic modernisation, political authoritarianism and exclusive social integration through the market.

5.1.1 The Gremialistas and Chilean Conservative Modernity

The *gremialista* movement was set up in 1965 by a young law student of the Right, Jaime Guzmán, as a student body competing in the elections of the Law Students' Centre of the Catholic University. From the outset, the movement was highly successful; the divisions within the parties of the Right, the call for a conservative answer to the reforms of the Christian Democrat Party, and the movement to the Left by the Christian Democrat youth, had created a void on the Right that the *gremialistas* could fill. The movement rapidly gained influence, winning, in 1968, the elections of the Student Federation of the Catholic University and spreading to other universities. In particular the figure of Guzmán, an eloquent and sharp debater who made regular appearances in the print media and on television, was important in the rise of the *gremialista* movement. His high profile in the national debates and his close ties with the corporate world and intermediate bodies such as the National Society for Agriculture (*Sociedad Nacional de Agricultura*, SNA) and Society for the Stimulation of Production (*Sociedad de Fomento Fabril*, SOFOFA), created broad support for the movement, which could be mobilised in the opposition to the Allende government. As a result, in the few years of its rise before the 1973 military coup, *gremialismo* was able to develop into a serious alternative to the existing National Party or the semi-fascistic *Patria y Libertad* movement (Huneeus 2001: 339-340).

The central themes of the *gremialista* movement were based on the more conservative interpretations of nineteenth-century social Christian thought.[1] They put strong emphasis on the humanistic individual, family, intermediate groups and natural order. Originally basing themselves on corporatist doctrines, they soon developed a specific and highly original conception of society. The *gremialistas'* ideal fundamentally consisted of each group in society taking its 'natural' place and being subordinated by a higher authority which is responsible for the common good.[2] As political activities

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[1] Jaime Guzmán, who can be seen as the ideological founder and leader of the movement, was himself deeply inspired by the writings of conservative historians such as Jaime Eyzaguirre and Osvaldo Lira.

[2] Gonzalo Rojas, long-time *gremialista* leader and director of *gremialista* periodical *Realidad*, emphasises that the movement was based on certain doctrines, but not on a true ideology. 'Jaime Guzmán always

imply going beyond the 'natural' place of each intermediate group, the *gremialistas* radically rejected the political activities of all entities that were not political in nature:

> The essence of *gremialismo* consists of the affirmation that each intermediate group should be true to its own particular objective, through which it contributes to a free and creative society (...) As a consequence, *gremialismo* rejects the political activities of any neighbourhood, regional, or work-related entity whatever, as well as those intermediate groups which are not political in foundation and objective (Guzmán 2003: 3).

In the *gremialista* conception of society, the state should let the intermediate groups be autonomous in the fulfilment of their goals, and focus on the areas in which they fail to function satisfactorily. The state is thus the 'promoter of the common good', and should provide the conditions through which all citizens will be allowed to achieve the fulfilment of their personal goals in the best possible way.[3] The relation between the state and the intermediate groups, and between the groups themselves, is subsidiary in nature:

> No higher organisation in society may legitimately assume the attributes or actions of a lower organisation, because higher organisations are created in order to realise what the lower ones cannot achieve (...) In this way, the legitimate field of action of the state or of intermediate organisations begins where the room for action of lower intermediate organisations or of individuals ends (*ibid.*, p. 5).[4]

As a result, a 'natural order' takes shape under supervision of the state. This order implies a very moderate role for politics, as the intermediate bodies limit themselves to their own purposes and objectives. The *gremialistas* therefore originally rejected democracy as a possible form of political organisation, and emphasised the need for 'authority' to maintain the social order. In turn, they proposed a 'monarchical' form of government, based on one man's authority. As Guzmán and Novoa put it:

> The monarchical or one-person aspect seems necessary to us. (...) It is necessary for the function of government, as this requires an intellectual coherence and unity, combined with a defined style, which is much more difficult to generate in a collegial body. It is not without cause that the unity within a collegial body is simply accidental, or relational, while that of a person is substantial. The latter

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said that *gremialismo* could not be an ideology, because it didn't seek, in theory or practice, to resolve all the problems of society' (interview with Gonzalo Rojas, 9 May 2006). This may have been the case for its direct political agenda, which initially limited itself to the organisation of the Catholic University. However, the underlying image of society (consisting of intermediate groups which fulfil their particular purpose, under the authority of a higher power) may well be seen as a true ideology.
[3] This conception of the state as the promoter of the common good echoes much of that of the *socialcristianos*. As Pilar Vergara (1985: 59) points out, the two currents were based on the same origin, namely the social doctrines of the Catholic Church in the nineteenth century. Even though both focused on many of the same themes (intermediate groups, natural order, the family, and the state as rector of the common good), in many ways they developed into ideological opposites.
[4] Originally, Guzmán based his ideas on the corporatism of Francisco Franco. However, as soon as he entered university, he developed the doctrine of the subsidiary state and came to reject all forms of corporatism (Guzmán 2003: 11).

is, and will always be, fundamentally more perfect than the former (quoted in Cristi 2000: 29).

Despite its authoritarian outlook, *gremialismo* by no means completely rejected modernity. It was highly critical of the Enlightenment, the French Revolution, and of liberal democracy, but did not close the door to all things modern. Based on the idea of 'Latin American conservative modernity', it argued for a mix between the Hispanic authoritarian 'organic' order of society and specific elements of modernity.[5] For instance, the *gremialistas* placed a strong emphasis on the capacity of science to transform society. The modernising influence of science is positive, Guzmán argues, and should therefore be protected. Once science becomes 'politicised', it loses its power of transformation. As a result, the university should refrain from all political activity, be it for the Right, Centre, or Left (Guzmán 2003: 14-15).[6] As *gremialista* ideologist Gonzalo Rojas puts it:

> *Gremialismo* was modernising in the sense that it sought to ensure that institutions like the university remain true to science as a motor for modernisation. Science should not be contaminated by ideology, because then it loses its capacity to transform society. (…) In this aspect, the *gremialistas* maintained a modernising discourse (interview with Gonzalo Rojas 9 May 2006).

In other areas, too, the *gremialistas* were open to elements of modernity. In the areas of the right to property and the freedom of enterprise, Guzmán took extremely liberal positions, viewing state intervention in these areas as an unacceptable attack on the freedom of the individual.[7] So, while on the one hand proposing an authoritarian state, Guzmán stressed the importance of economic freedom.

Despite the *gremialistas'* adherence to authoritarian rule and even one-man rule, they rejected any form of personalistic leadership. As the Declaration of Principles of the Military government (which was mainly written by Guzmán, and which reflects the deep influence of the *gremialistas* on the military government) stated, government should be guided by 'Portalian inspiration', and emphasise the non-personalistic nature of command.[8] Guzmán considered personalistic rule or *caudillismo* to be 'alien to our

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[5] Pilar Vergara labels the *gremialista* ideology 'medieval', suggesting that was completely anti-modern (1985: 59). This does not do justice to the internal complexities of an ideology which started using Franco (who definitely was authoritarian, but simultaneously modernising) as its main example, and later formed a highly successful alliance with Chile's neo-liberal civil elite. As Luis Corvalán (2001: 57; 59) argues, conservatism as a political and philosophical current may constitute 'a critique of modernity, without necessarily being anti-modern in all ways'.

[6] The anti-political approach toward higher education was a field in which the *gremialistas* clashed with the conservative National Party, which intended to create a university of the Right.

[7] Not coincidentally, these were the main areas that had come under pressure during the governments of Frei Montalva and Allende.

[8] As has been shown in Chapter 2.3, the 'Portalian state' consisted of a conservative compromise between tradition and modernity. On the one hand it was based on the modern republican state and on formal democracy, and on the other on an authoritarian style of leadership and the maintenance of the traditional order. Essential in this model is that authority is never 'personalistic'. The executive should be held by the 'best' in order to define the common good, and authority should never by tied too closely to the personality of the leader, as was the case of the many *caudillo's* (local warlords) in other Latin

idiosyncrasy' (Declaración de Principios 1974). Furthermore, he considered personalistic rule to be unsustainable in the long term, as it would eventually lead to irresolvable problems of succession. In contrast, authority should be based on rationality, in 'service of the common good', and founded on a 'new and modern institutional order (...) which captures the profound changes that the contemporary age has produced' (*ibid.*). In short, the *gremialistas* proposed an authoritarian institutional order, rational, impersonal, and non-political in nature, as the most fitting answer for the Chilean trajectory towards modernity. In this order, the balance between the state and civil society should be maintained through *poder social*, or 'social power', consisting of 'the ability of the intermediate bodies of society to develop with legitimate autonomy towards the achievement of their specific targets' (Declaración de Principios, 1974).[9] Through this 'social power', the individual could be protected against the powers of the state, while simultaneously it provided him with a linkage to the state. In this way, the *gremialistas* created an alternative to the representative and participative functions of the liberal democratic model (Pollack 1999 : 55).

However, as will be seen in section 5.1.3, Guzmán's authoritarian order did not necessarily take the form of a dictatorship. In the light of the problems that dictatorships experience in their succession of rule, Guzmán came to reconsider his position on one-man rule, and proposed a 'limited' and 'protected' form of democracy, in which the role of the Left would be reduced. This 'Portalian' idea, based on the mix between modern democracy and the Latin American authoritarian tradition, came to be promoted by the *gremialistas* as the most stable form of non-personalistic authoritarian rule.[10]

In the field of economic organisation, the *gremialistas* also took an ambiguous position towards modernity. Like the Christian Democrats, they positioned their doctrines as alternatives to both modern liberalism and Marxism (Vergara 1985: 59). Liberalism in the economic field, Jaime Guzmán argued, would lead to 'an economy without morals', which would seek to liberate society from 'all transcendental and organic concepts, and of all its profound and total Christian sense' (quoted in Cristi 2000: 59). On the other hand they vigorously rejected the Marxist alternative, which they considered 'the most dangerous expression of totalitarianism of our times'

American countries. Precisely the combination of authority and non-personalistic rule was considered to have brought about the '*Estado en forma*', the state in good shape in nineteenth century Chile, which would become the central theme of the new constitutional order as it was set up by Guzmán.

[9] It is noteworthy how close the conceptions and language of the Centre, Left, and Right are. The *poder social* of Guzmán is reminiscent of the *poder popular* of the UP, and the intermediate groups of the *gremialistas* to those of the PDC. Even though the ways in which these notions are interpreted widely differ, they clearly share a focus on the re-arrangement of the relations between the state and the citizens in a modern society as well as similarities in terms of conceptualisation and discursive use.

[10] As will be seen in section 5.2.3, Guzmán's ideal of a 'protected democratic order' came to clash with Pinochet's ambitions for a personalistic dictatorship in the early 1980s. Even though Guzmán was able to push forward most of his agenda, his relationship with Pinochet became very complicated, and he became increasingly bitter and reactive. This is why Carlos Huneeus speaks of 'Guzmán's frustrated utopia' (Huneeus 2007).

(Guzmán 2003: 7). The Christian Democrat alternative, based on 'communitarianism', was viewed in a similar way by Guzmán, as it would lead to 'totalitarian collectiveness'.

Despite its critique of liberalism, the position of *gremialismo* on the economy shared some of the neo-liberal prescriptions. The *gremialistas'* views on the economy consisted of a free market, based on the notions of the right to property and free enterprise. They also stressed the subsidiary role of the state, like neo-liberals (see section 5.1.2). However, the subsidiary role of the state in the *gremialista* perception was quite different from the neo-liberal one. For the *gremialistas*, the state should be subsidiary to the 'intermediate bodies', and not, as neo-liberal theorists argue, to the free market. The difference may seem trivial, but it is important, as the neo-liberal conception of a subsidiary state produces an individualistic society which is fundamentally rejected by the *gremialistas.* Furthermore the *gremialistas* far from supported the notion of a 'night-watch'-state or *laissez-faire* policies. They envisioned a strong role of the state within the economy. Apart from regulating the markets through the control of abuse or the formation of monopolies, the state was considered to fulfil the role of planner:

> The acceptance of free initiative should not be understood as a negation of the active and principal task that the state fulfils in the economic realm. (…) A modern economy demands that the state fulfils a planning role for general economic activity. What is essential, though, is that such state planning does not assume hypertrophic levels, closing the road for the brave contribution of private initiative, but that it is oriented towards converging with it and complementing it (*Declaración de Principios*, 1974).

Furthermore, the *gremialistas* were adamant in their emphasis on the redistributive role of the state. The 'common good', they argued, could not be achieved without active state intervention, albeit within the context of the subsidiary role of the state. Rather than being based on direct income redistribution, state intervention was initially focused on the expansion of the bases of property. Through the social policies of the state, the workers would be able to gain access to property and the means of production. Consequently, as the 'Declaration of Principles' states, Chile would become a 'society of proprietors, not of proletarians' (Vergara 1985: 47). When this path did not prove to work, though, the *gremialistas* proposed more traditional forms of redistribution. As Guzmán emphasised in 1986, Chilean society needed a stronger:

> role of the state in redistributing wealth, basically by means of taxes that are higher for those who have more, with the goal of channelling them through subsidies or social benefits towards the poor (quoted in Cristi 2000: 167).[11]

In short, the original *gremialista* ideology was an authoritarian alternative to the democratic trajectory towards modernity that the country had followed and which had entered in crisis under Allende. Like the Christian Democrat and UP ideology, it was a

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[11] It should be noted that never in the implementation of the neo-liberal model in Chile have the redistributive functions of the state completely vanished. In particular the person of Miguel Kast, head of ODEPLAN and both Chicago Boy and *gremialista*, was crucial in prioritising poverty reduction policies. Under Kast, the first 'map of extreme poverty in Chile' was created which provided detailed and segmented information on the issue of poverty, and which offered clear policy suggestions.

critique of modern liberal democracy. Rather than proposing a simple dictatorship, though, it promulgated a long-term model for non-personalistic and institutionalised authoritarian rule. Simultaneously, it limited the democratic notions of representation and participation to a corporatist model in which intermediate bodies such as the *gremios* played a pivotal role. Even though they strongly adhered to the notions of individual freedom and a subsidiary state, key values of modern liberalism, during the first years of the dictatorship the *gremialistas* still were very far from embracing a truly neo-liberal model, which would imply the withdrawal of a central, corporatist role for the *gremio* and the negation of the redistributive functions of the state. As will be shown in section 1.3, though, the *gremialistas* were able to adapt their views according to the circumstances, allowing them to play a crucial role in the implementation of the project.

5.1.2 The Chicago Way: Reaching Modernity through the Market

The project of the military government contained, like the previous projects, an element of 'imported ideology.'[12] This time, it was the economic and developmental theory that was taken from abroad and adapted to local circumstances. Already in the 1950s, sectors of the Right were looking for a doctrine that could replace the hegemonic Keynesian doctrines of the era. They turned to the School of Economics of Chicago University, where Professor Milton Friedman was elaborating and rejuvenated a version of classical liberal theory, popularly labelled neo-liberalism. Like structuralism and *dependencia*, neo-liberalism was not just about finding economic solutions for economic problems – it was a blueprint for social and economic relations and ordering for society that would resolve the problems that had been brought about by the trajectory which modernity had taken up to then. As a result, it was both a critique of and a proposal for modernity.[13]

This turn of the Right towards neo-liberalism was initiated by the same institution that had brought forth the *gremialista* movement, the Catholic University in Santiago. In 1955, the Department of Economics of the university signed a covenant with the Chicago School of Economics, which allowed Chilean students to complete their postgraduate studies in Chicago. This programme was set up for academic reasons, for the training of future university professors, but also had a broader goal in mind. Certain sectors the Right considered that the underdevelopment of Chile was the result of incorrect economic policies, especially the high degree of state intervention in the

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[12] For the case of the 'Revolution in Liberty', the 'imported ideology' was the *socialcristianismo* which had been based on the work of Jacques Maritain, and in the case of the 'Chilean Road' is was socialism that had been adapted to the Chilean context.

[13] As Huneeus (1998) points out, based on Ralf Dahrendorf, neo-liberalism shows strong similarities to Marxism. Rather than being just an economic theory, it is a *weltanschauung*, and approaches the whole of society from the viewpoint of the economy. It considers citizens to be consumers, politics to be subject to the rules of the market, and the bureaucratic institutions to be like private enterprises that have to maximise efficiency.

economy since the creation of CORFO.[14] It was therefore the aim of the covenant to create a body of 'other' economists that, through their adherence to classical orthodoxy, would be able to reverse the tide of state intervention and state planning.[15] Through their research, they were expected to influence the 'modern' and 'dynamic' sectors of Chilean society and change the country's economic trajectory (Valdés 1995: 129). This strategy proved to be visionary: after the crisis of the Right in the 1960s, and especially during the opposition to the UP government, a growing consensus emerged that an alternative should be created for the planned economy system. The Chicago Boys turned out to be precisely the technocratic elite that could spearhead the eventual implementation of such an alternative (Tironi 1990: 132).[16]

As a result of this programme, the Economics Department of the UC became a veritable bulwark of neo-liberal economic theory, as the Department of Law had become for the *gremialista* movement.[17] Hardly noticed at first, the Chicago Boys became increasingly important in the University, even though their visionary outlook was only recognised by a few. Until the military coup, the economic arena continued to be dominated by the ECLA's paradigm of state intervention and economic planning. Even after the fall of the Allende government, recognition was not instantaneous: the Chicago Boys officially presented their alternative programme to the Navy on the day of the coup, but it would be almost two years before they were allowed to implement it fully (Huneeus 2000: 396).

Neo-liberalism promoted a model of modernity that was roughly based on the example North American economic liberalism, but took the logic of liberalism to an extreme. It argued that it would create superior patterns of modernity than the Keynesian models had done, not only in the economic dimension but also in the political and social dimensions. Only through a neo-liberal transformation, the

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[14] In this sense, the Right followed the general trend in Chile to increasingly emphasise the importance of economics as a discipline in the achievement of national development. However, the interest of the Right in an alternative economic strategy also held political connotations, as the growing state influence in the economic realm was considered by some sectors to be a first step toward a communist takeover. See Da Silveira (1966).

[15] The hegemony of ECLA's prescriptions in the region, through its 'structuralist' and *dependencia* theories drew the attention of neo-classical economists in the USA, who vigorously began to attack this new promulgator of Keynesian and state-oriented economic policies. It is therefore no coincidence that the most radical neo-classical school, the Chicago School of Economics, set up an exchange programme in the same city where ECLA had its seat. See Valdés (1995: 98-99).

[16] The support of the Right for the neo-liberal project was not unequivocal. Since the creation of CORFO, important industrial and business sectors had become dependent on the state and proved to be unable or unwilling to abandon state protection (Muñoz 1986: 102-105). Attempts by the Alessandri government (1959-64) to reduce the links between the state and business had failed due to a lack of support from the entrepreneurial sectors (Montecinos 1998: 19).

[17] The Chicago Boys thus became the third key elite group that had sprung into existence at the Catholic University (UC) in a short period of time, after the *gremialistas* in 1966 and MAPU a year later. Interestingly, the success of the UC in political elite recruiting was not accompanied by the production of Presidents: in the period 1930-1999, only one Chilean president originated from the UC (Frei Montalva), while the Universidad de Chile produced ten and the Military School two. See Gazmuri (2001).

defenders of the model argued, could Chile's 'integral crisis' and the country become truly modern (Taylor 2006: 7).

Like the structuralist and *dependencia* theories, neo-liberalism was centred on the notion of rational and efficient economic organisation. Obviously, the three paradigms took diverging views on how such organisation should be achieved: structuralism proposed a mix between free market rationalities and state protection for the infant industries, combined with state planning and state-led industrialisation. Dependency theories advocated a strong state domination of the important sectors of the economic sphere. Neo-liberalism completed the circle, pushing the free market forward as the most rational and efficient organiser of economic activity, and marginalising the state as an actor.[18] Based on the classical notion of man as being a 'utility maximising animal', that is, a rational, calculating individual, who will seek to maximise his interest within the opportunities that are open to him, neo-liberal theorists such as Milton Friedman argue that the market would allow for optimal freedom and economic activity for all.[19] Compared to state-led economies, Friedman claims, a market-led economy is superior in coordinating the complex economic activities that are characteristic of modern societies. In fact, he states, a market-led society provides a higher level of individual representation, because it allows for more diversity:

> The characteristic feature of action through political channels is that it tends to require or enforce substantial conformity. The great advantage of the market, on the other hand, is that it permits wide diversity. It is, in political terms, a system of proportional representation. Each man can vote, as it were, for the colour of the tie he wants and get it; he does not have to see what colour the majority wants and then, if he is in the minority, submit (Friedman 1962: 15).

The fact that the free market optimises the coordination of economic activities, as well as individual freedom, does not, in Friedman's view, imply that no government is necessary. Government – the state – will be essential for the fulfilment of certain basic tasks in society. However, its role would be subsidiary, as most of its functions can be performed by the market. This implies that economic freedom produces political freedom:

> Political freedom means the absence of coercion of a man by his fellow men. The fundamental threat to freedom is power to coerce, be it in the hands of a monarch, a dictator, an oligarchy, or a momentary majority. (…) By removing the organisation of economic activity from the control of political authority, the market eliminates this source of coercive power (*ibid.*).

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[18] The work of the liberal philosopher F.A. Hayek in particular has been crucial in arguing that state planning is ineffective, disruptive and a fundamental threat to individual freedom, be it in the shape of Fascism, Communism or a Social-Democrat welfare-state. See Hayek (1986).

[19] One should be careful not to equate the Chicago School of economics with the work of Milton Friedman exclusively. As will be seen in section 5.2.1, Chicago School economists such as Nobel Prize winner Theodore Schultz shared the neo-liberal outlook of Friedman, but with a much stronger focus on human capital, and also influenced some of the Chicago Boys. However, Friedman is by far the greatest influence on the Chicago Boys in general.

This does not mean, however, that neo-liberal theory sees no role for democracy - it just claims that individual liberty is not so much the result of political organisation but of economic freedom. As a result, democracy does not equal liberty, just as authoritarianism does not automatically curb it. Liberty in the neo-liberal view comes from the market, so a market-oriented authoritarian system may well be preferable over a state-oriented democracy that interferes on all levels of human behaviour. As Hayek, another founding father of neo-liberalism, put it in his famous 'the Constitution of Liberty', when comparing the democratic with the liberal ideal:

> The difference between the two ideals stands out most clearly if we name their opposites: for democracy it is authoritarian government; for liberalism it is totalitarianism. Neither of the two systems necessarily excludes the opposite of the other; a democracy may well wield totalitarian powers, and it is conceivable that an authoritarian government may act on liberal principles (1976: 103).[20]

In short, neo-liberalism promotes a model of modernity in which virtually all processes in society perform optimally, and in which the highest levels of individual freedom can be achieved. Economically, it claims to achieve the highest levels of development, as the market is superior in the allocation of capital and labour. Socially, it provides equality of opportunity (on an individual basis), but not necessarily equality of outcomes. However, it argues that the market provides the best access to goods and services, and that therefore neo-liberalism promotes social well-being. Finally, at the political level it claims to create a society of freedom, in which the governmental model (democratic or authoritarian) is of minimal importance, as individual liberties are guaranteed by the market, not by the state.

Neo-liberal theory holds an extremely tight definition of the idea of a subsidiary state. Friedman discerns only three main areas in which the state should intervene in society. First of all, the state should act as a rule-maker and an umpire; that is, it should define the general conditions that regulate the relations within society, and function as an arbiter if those conditions are challenged. Key areas that demand such state intervention are the definition of property rights and the maintenance of the monetary system. Second, the state should perform those functions that are 'technically monopolistic' or create what Friedman calls 'neighbourhood effects'. 'Technical monopoly' refers to areas of exchange where competition is intrinsically unviable or impossible, such as in railways or telephone networks. The 'neighbourhood effects' refer to those functions for which it is unviable to charge or recompense individuals for the influence it exerts on them. The third reason for state action would be paternalism: the

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[20] Both *gremialismo* and the Chicago Boys were strongly influenced by the work of Friedrich Hayek. However, both also differed from Hayekian theory on key issues. His individualistic liberalism was unacceptable to the *gremialistas* (at least until the late 1970s, see section 5.2.3), and Hayek openly resisted the revolutionary attitude of Friedman and the Chicago Boys. In an interview with the Chilean newspaper *El Mercurio*, Hayek accused the Chicago Boys of 'rationalist constructivism': 'We are liberals who attempt to renew, but we adhere to the old tradition, which can be improved, but cannot be fundamentally changed. The opposite is to fall into rational constructivism, with the idea that it is possible to construct a social structure that is conceived by man and implemented according to a plan, without taking into consideration evolutionary cultural processes' (quoted in Góngora 1986: 303).

state should take care of those who cannot take that responsibility themselves, for instance psychiatric patients, or, to a certain extent, children. However, this does not include areas such as education, or provisions for the poor or elderly. According to Friedman, such functions could be performed better by the market than by the state, and with fewer 'neighbourhood effects' (Friedman 1962: 22-36).

Chicago-school neo-liberalism was not imported into Chile without adaptations. It was adjusted by the Chicago Boys to fit the Chilean circumstances as well as the idiosyncrasies of the Chicago Boys. A good example of this adaptation is *El Ladrillo*, the Chicago Boys' 1972 programme, which they secretly wrote at the demand of the navy in anticipation of a coup d'état against Allende (Huneeus 2000: 405).[21] *El Ladrillo* was not an integral blueprint for society, but rather a set of concrete strategies to resolve the country's economic crisis. It set out from an analysis that was strikingly similar to that of Jorge Ahumada fifteen years earlier, and which bore similarities to the UP programme as well. First of all, it argued that the problems of Chile's development had been the result of the country's modernisation since the 1930s: rapid population growth and subsequent urbanisation, combined with strong advances in health care and basic education, had created a booming demand for housing, work, security and social welfare. Subsequently, these demands were strengthened by the increased social organisation at the grass-roots level as well as at the level of the unions, creating substantial tensions within society. Second, in *El Ladrillo* it was also argued that redistribution of wealth could never accommodate the demands of the people - only high levels of sustained economic growth would be able to overcome this developmental crisis of the country. And thirdly, only an integral approach to these problems of modernisation could yield substantial results, as partial or sectoral strategies were likely only to aggravate the situation (El Ladrillo 1992: 20-22).[22]

In terms of solutions, *El Ladrillo* largely followed the neo-liberal prescriptions as they had been formulated by the Chicago school: decentralisation of the economy by disconnecting it largely from the state, monetary control, removal of trade barriers, flexibility of labour relations, and abolition of fixed prices. However, in some key regards the Chicago Boys deviated from neo-liberal orthodoxy. First of all, even though they maintained the notion of subsidiarity, they allocated the state a large role in the regulation of the market:

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[21] Roberto Kelly, the unofficial leader of the Chicago Boys, recalls how *El Ladrillo* was conceived: 'It started in October of 1972, when the truck drivers started their work stoppages, and Allende went abroad, to Russia, or Libya, I don't recall. (…) We were discussing with Admiral Merino the options for removing Allende from power. However, Merino said: 'This is stupidity! How are we going to govern a country that is completely destroyed - we don't even know how to govern! We will get ourselves into a jam and everyone will blame us for the chaos.' Then I said: 'Well, what if I present you with a plan that shows that the country has a way out?' 'Ok', Merino replied, 'but where is that plan?' Then I went back to Santiago and talked to Emilio Sanfuentes [a leading Chicago Boy, GvdR], and asked him: 'How long will it take you to make a plan?' 'Thirty days', he replied. (…) Thus began the construction of *El Ladrillo*' (CIDOC interview 1, 1992).

[22] It is this similarity to the analysis of the previous projects that led Mario Góngora to define the neo-liberal project as the third phase of the *era de las planificaciones globales* (age of global planning). See Góngora (1986: 294).

> We estimate that the state should have the superior management of all of the economic system, the definition of global goals, the determination of the institutional context, the establishment of mechanisms of planning and control, the development of infrastructure and those activities in which the social benefits outweigh the private benefits, etc (El Ladrillo 1992: 33).

Second, *El Ladrillo* maintained the notion of state planning, albeit on a different level from the previous projects:

> We consider economic policy to be an active function of the government. But as in the management of a company, the directors and executive board are not occupied with executing operations in detail. They establish guidelines, determine goals, coordinate resources, and control by means of exception; that is, they dedicate resources to those aspects in which the plan has derailed and has not been successful; thus, too, the participation of the state should be centralised and operate by means of exception. This way, the enormous potential resources that the State holds can be used with high efficiency and the mechanism of planning can acquire its true relevance (El Ladrillo 1992: 33-34).

Finally, the Chicago Boys, after stressing that only economic growth and education can eradicate poverty on the long run, emphasised the need for state intervention in poverty relief, income redistribution and basic forms of social welfare. Apart from investment in housing (including subsidies for certain low-cost housing), and benefits for the unemployed, the Chicago Boys proposed direct subsidies for poor families as well as progressive taxes:

> [The tributary system] will be the most important tool to impede excessive concentration of wealth and/or income. To this end, a progressive system of taxes on interest, property and inheritance will be used (El Ladrillo 1992: 143-144).

These deviations from Chicago orthodoxy can be explained in several ways. First of all, *El Ladrillo* probably was not a 'Declaration of Principles' for the Chicago Boys, but rather a somewhat pragmatic set of economic strategies to counter the economic crisis, after a (then still hypothetical) military coup had taken place (Huneeus 2000: 406). As the result of such a coup was still unknown, the strategies that the Chicago Boys formulated should be applicable in most of the conceivable scenarios, and therefore not be too controversial. They should also include a strong role for the state in order to safeguard social order after the coup. Second, the Chicago Boys were far from a homogenous group: there were at least two 'generations' of them, with different gradations of adherence to neo-liberal views. By the time *El Ladrillo* was written, it was the gradualist group (which included some Christian Democrats) that dominated the team, backed up by representatives of the industrial and agricultural sectors (Silva 1996: 74-75).[23] Finally, it was the ideological background of the Chicago Boys themselves that restrained them from following the Chicago example to the letter. Their conservative

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[23] The division between the 'first' generation and 'second' generation (actually only a few years apart) of Chicago Boys became highly visible in the different policies they implemented under the military dictatorship. The first generation took to gradualism, in the period 1973-1975, while the second implemented the neo-liberal agenda in a most radical way after 1975.

and religious outlook led them to stress social justice and the role of the state in poverty reduction, even if that was not a part of the economic theory they adhered to.

Some of the adaptations made by the Chicago Boys to the orthodox neo-liberal theory were never to be implemented and were soon forgotten. However, as will be seen below, they never fully conformed to the Chicago orthodoxy, and were mixed with proper 'Chilean' elements, such as prioritising poverty reduction and maintaining some of the planning functions of the state.[24]

5.1.3 Constructing the Silent Revolution: The Convergence of the Chilean Right

The project of the Right was based on the conversion of the *gremialistas* and the Chicago Boys under the supervision of Pinochet. However, the prominent presence and crucial influence of both the *gremialistas* and the Chicago Boys in the formulation and implementation of a Right-wing modernisation project was far from obvious at the time of the military coup. There were more groups of the Right that were prepared to cooperate with the Junta in the creation of a new institutional order. In particular the former National Party (which had voluntarily disbanded three days after the coup) also competed for participation in the new government. The military, which lacked a definitive government project apart from a loosely defined doctrine of National Security, was initially eclectic in its approach and accepted support from diverse sides (Pollack 1999: 51, 53).[25] However, there were several reasons why the Junta eventually preferred the *gremialistas* and the Chicago Boys over the other groups. First of all, the military, deeply mistrustful of the political game, wanted to marginalise all political parties and the groups that they considered to have powerful vested interests. Since the *gremialistas* as well as the Chicago Boys had never engaged in formal politics, and had no ties to specific economic conglomerates, they were seen as 'clean' and independent.[26] This did not mean they lacked a historical pedigree, though: the Chicago Boys constituted a resurrection of the principles of nineteenth-century liberalism, while the *gremialistas* revived the notions of authority and order that were inherited from Diego Portales (Fontaine 1988: 103). Finally, their shared and enthusiastic opposition to the UP government had made a good impression among the military, as well as their intellectual capacities and their professionalism.[27]

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[24] Among the deviations from neo-liberal orthodoxy is the peg between the dollar and the peso, which was introduced in 1979 in order to control the still problematic inflation (Ffrench-Davis 2003: 93).

[25] This eclectic approach is demonstrated by the fact that the military invited several members of the PDC to participate in economic policy-making. The cooperation between the Christian Democrats and the Junta was short-lived, however, as profound differences of opinion arose on issues such as human rights and the return of democracy (Valdés 1995: 17).

[26] Because of their independence from the traditional conservative sectors, the Chicago Boys and *gremialistas* have been dubbed *neoderecha*, or New Right. See Fontaine (1988) and Pollack (1999).

[27] Both groups had direct access to the military as well. As has been seen in section 5.1.2, the Chicago Boys had access to Admiral Merino through Roberto Kelly. Similarly, Jaime Guzmán was active as an advisor to Air Force General Gustavo Leigh. Apparently, Pinochet became intrigued, and somewhat worried, by the endless stream of proposals and projects that Leigh put forward after the 1973 military coup. Initially, Pinochet feared that this was an indication of excessive ambition on the part of the Air

The *gremialistas* had the additional advantage of emphasising Catholicism, which could provide the project of the regime with an ethical foundation and legitimisation. Furthermore, they were keen on institutionalising authoritarianism and ensuring its long-term sustainability. Finally, due to their all-encompassing conservative ideology, they could serve as a binding force for the different civilian groups that supported the regime (Pollack 1999: 56).

The Chicago Boys, in turn, offered the regime an economic strategy that not only promised rapid recovery but also sustained and intensified development.[28] As Eduardo Silva (1996) argues, economic growth is a top priority for authoritarian regimes, especially in times of crisis. Regimes therefore generally seek the support of key sectors of private capital, in order to start the process of recovery. The broadness of this 'civilian coalition' is dependent of the level of exclusion and authoritarianism that is imposed by the regime. Therefore, a highly exclusive government such as that of Pinochet could suffice with a narrow coalition which would impose its programme in spite of broad resistance among economic circles, given that this 'narrow coalition' had enough influence to control and nourish the developmental strategy it proposed (Silva 1996: 22). The Chicago Boys, with their ideological tightness and close links to the country's main economic conglomerates, were an excellent example of such a 'narrow coalition'. In addition, their strategy was attractive to the regime because it was opposite to the economic policies the UP had followed.[29] The most important element that they offered, however, was the stress they put on the scientific nature of their programme. By portraying their project as 'objective', 'technical' and 'scientific', the Chicago Boys offered the regime a strategy that was not contaminated with political ideology or sectoral interests. It was what they called 'modern economic science' (Vergara 1985: 99). This fitted the military's goal to do away with the *politiquería* (political mess) it so despised.[30] Additionally, the radical approach and unbreakable belief in the objectivity and scientific method of the Chicago Boys made them a vanguard group that could be used by the military to implement a project of modernisation that would provide the regime with future legitimacy (Fontaine 1988: 104; Constable and Valenzuela 1991:

Force general, but later he realised that Leigh must have had a personal advisor. When asked about it, the Air Force indicated that it concerned Jaime Guzmán, 'that young man from television' (Soto 2001: 181).

[28] The Chicago Boys were characterised by their almost unlimited optimism about economic development and growth. Only two years after the first neo-liberal reforms were implemented, in 1977, Labour Minister José Piñera declared that by the year 2000 Chile would have 'a GNP similar to that of Belgium'. In 1980 he corrected himself, by stating that in 1990 Chile would already be considered a 'developed country' (quoted in Arriagada 1998: 85). Pinochet himself also contributed to this optimism, arguing in 1979 that 'by 1985, 1986, all workers can have a house, a car and a television set' (quoted in Jocelyn-Holt 1998: 188).

[29] For the military, a particularly attractive aspect of the neo-liberal ideology was its individualistic outlook. The individualisation of society would strongly weaken the ability of opposition groups to mobilise the population against the regime (Pinedo 1997: 5).

[30] Additionally, it gave the Chicago Boys the advantage of disqualifying the opposition to their plans as ideological, ignorant, or out of group interest. Often these oppositional forces were compared to the dogmatic resistance to modernisation that existed in the Middle Ages (Valdés 1995: 31).

171).[31] Once again, modernisation became strongly connected with science. With the support of Chicago Boys as well as the *gremialistas*, Pinochet was able to transform his regime into what Carlos Huneeus calls a 'developmental dictatorship', which combined authoritarian rule with modernisation, similar to late-nineteenth century Prussia or Spain under Franco (Huneeus 2000: 46).[32] As a result, Chicago Boy and Minister of Economy Pablo Baraona could claim in 1977 that the country had adopted an:

> economic model that is inspired on our 'Portalian' tradition, founded in modern economic science, and exemplified by the nations that have achieved an accelerated development in this age (Baraona 1977: 303).

The fact that the Chicago Boys and *gremialistas* were placed in a prime position in the implementation of the project did not mean that their position was automatically ensured. They still had to compete, not only among each other, but also with other groups of the Right, mainly the leaders of the former *Partido Nacional*, and the small but influential group of collaborators of former conservative President Arturo Alessandri, who had much influence in business sectors (Huneeus 2000: 154). The relations between these groups and the military government were closely conditioned by the level of usefulness they had for the regime. As a consequence, the implementation of the project was characterised by, as well as steered by, the changes in the relations between the civil groups and the military. However, before the implementation of the project is analysed, another key element of the project needs to be addressed: the slow but sure fusion between the two civil groups.

As has been seen above, the Chicago Boys and *gremialistas* were founded on different ideological currents. Nevertheless, they converged rapidly, because of several shared experiences and developments. First of all, the student siege of the Catholic University in 1967, demanding university reforms, united them. Although for different reasons, both the Chicago Boys and the *gremialistas* resisted the *toma* and kept their departments open (Valdés 1995: 201-217; Huneeus 2000: 336-341).[33] Second, in the late 1960s the two groups started to cooperate in the exposition of their ideology in

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[31] Even in retrospect, the Chicago Boys have denied that their 'scientific approach' contained elements of ideology and civil engineering. Hernán Büchi, for instance, argues that the difference between the Chicago Boys and the UP lies precisely in the 'neutral' approach of the first and the constructivism of the latter: 'in contrast to the socialist government, which literally aspired to create a *New Man* and change the structures of society, Pinochet's government has not created anything that differs substantially from the most healthy political habits of this country. (…) The great modernisations of the military government were alien to all foundational delirium. They were wise elaborations, realistic, of great common sense and practical content (…) In this sense, the Chilean experience had nothing to do with constructivism or social engineering' (Büchi 1993: 21).

[32] For a short but interesting comparison between the 'developmental dictatorships' of Franco and Pinochet, and especially the use of technocrats in the implementation of their projects, see Huneeus (2000: 54-56).

[33] The *gremialistas* opposed the *toma* out of ideological considerations, mainly because of its anti-authoritarianism and Marxist inspiration, but fundamentally because they resisted the 'politicisation' of the university. The Chicago Boys, in turn, did not object to reform, but had recently implemented a reform at the Escuela Económica themselves, and therefore saw no need to participate in the *toma*. See Soto (2001: 120-124).

periodicals such as *Portada*, which was set up in 1969 and in which contributions were made by *gremialistas* such as Jaime Eyzaguirre and Jaime Guzmán as well as Chicago Boys such as Pablo Baraona and Emilio Sanfuentes (Cristo and Ruiz 1992: 106).[34] The role of the conservative *El Mercurio* (the largest newspaper of the country) was crucial as well, as it divulged the ideology of the *gremialistas* and other sectors of the Right on political and social issues, and the economic views of the Chicago Boys in the famous Economic Page (Soto 2000: 49).[35] Third, the joint opposition of both groups to the Allende government had an enormous influence on their eventual fusion. Finally, several of the Chicago Boys, such as Miguel Kast, also participated in the *gremialista* movement.

On the basis of this joint trajectory, as well as their shared professional history, Carlos Huneeus makes a point of stressing the similarities between the Chicago Boys and the *gremialistas* (Huneeus 1997: 9; 2000: 428). However, it should not be forgotten that their cooperation in political issues had been unable to bridge the disparities they had at the ideological level. On many key issues the two groups held incompatible views, and these might jeopardise the long-term implementation of the project if left unresolved.

The main ideological differences between the two groups lay in two areas: the contradiction between individualism and collectivism, and the meaning of the notion of subsidiarity.[36] Up to the late 1970s, the *gremialistas* remained adamant in their rejection of liberal capitalism, because of its inherent individualism and lack of moral foundation. They maintained their collective worldview by prioritising the *gremios* and the other intermediate bodies as prime constituents of society (Cristi 2000: 76).[37] As a result, their view of a subsidiary state remained tied to the 'intermediate bodies' rather

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[34] In 1972, the group of intellectuals from both camps that had set up *Portada* created a new magazine, *Qué Pasa*, in which neo-liberal and *gremialista* views were combined as well. However, both magazines suffered from ideological dualism, as the two currents regularly were incompatible. The solution to this problem was to have the Chicago Boys publish on economic topics only, and have the *gremialistas* restrict themselves to the political and social (Cristo and Ruiz 1992: 109).

[35] The newspaper *El Mercurio* played a leading role in the diffusion of liberal doctrines, the elaboration of developmental ideas, and the adaptation of those ideas by the economic and political elites, without being tied to one specific current within the Right. For a profound analysis of this role between 1955 and 1970, see Soto (2003).

[36] A third possible contradictory element had been resolved before the implementation of the project of the Right, namely the traditionalist and corporatist positions of *gremialista* inspirers such as Jaime Eyzaguirre, who had promoted a government in the style of the Salazar and Franco regimes in Portugal and Spain. This traditional corporatism was markedly anti-liberal and up to a high level anti-capitalist, and therefore almost totally contradictory to the neo-liberal views (Cristi and Ruiz 1992: 76-77). However, by the late 1960s Eyzaguirre had moderated his corporatism, including in it elements of a 'social market economy' and the 'defence of the liberty of the individual'. This ideological shift was the result of opposition to the state-oriented government of Frei and of the project of the Left, which led Eyzaguirre to moderate his resentment towards liberalism (*ibid.*, p. 126).

[37] Guzmán parted from his teacher Eyzaguirre by arguing that the individual has 'metaphysical priority' over social organisation, for instance stating, in the Declaración de Principios, that 'man is the goal of all societies'. This did not, however, imply an embrace of liberalism: Guzmán claimed that the only way in which man can achieve his goals is through social organisation, whether it be through the family, *gremios*, the Church, or the state (Cristi 2000: 75-76).

than to the market. In the *gremialista* conception, the state should not be subsidiary to the market, but to the *gremio*. Finally, the *gremialistas* maintained a strong emphasis on redistribution of wealth through the state (Pollack 1999: 34-35).

It was not until the project was well into its implementation that the two groups finally came to fuse, mainly due to an ideological turn made by the *gremialistas*. In the late 1970s Guzmán came to embrace liberal capitalism as it was promoted by Hayek, with its strictly individualist foundations. The reason for this rather sudden change lay in the success of the neo-liberal model after 1977, which caused a doctrinal crisis within the *gremialista* camp. Having blindly supported the Chicago Boys so far, the *gremialistas* found that they could no longer maintain an ideology that was incompatible with the successful and now hegemonic neo-liberal theory. Either they could maintain their traditional ideological foundations, and consequently marginalise themselves from the Chicago Boys (as well as from power), or they had to adapt their views. Guzmán, who was well-known for his pragmatism, opted for the latter solution (Cristi 2000: 162).[38] As a result, the *gremialistas* slowly turned away from several core values in their ideology: the central role of the *gremio* and other 'intermediate bodies' in society, their specific interpretation of the subsidiary role of the state, and the redistributive role of the state. This was defended by arguing that the 'intermediate bodies' had served their purpose in facing state-oriented and totalitarian governments such as that of the UP, but now had become obsolete (Vergara 1985: 170; Pollack 1999: 67). Similarly, the redistributive role of the state was now replaced by a stress on economic growth as the main motor for poverty reduction and social justice (Cristi 2000: 163). Jaime Guzmán, who had criticised capitalist consumer societies for years, even came to argue that fundamentally, consumerism is not necessarily the same as materialism:

> It is essential to understand that consumerism is nothing more than a consequence or manifestation of the true evil, which is materialism. Materialism, however, has a moral dimension that has nothing to do with having more or fewer options for consumption or welfare (Guzmán 1980: 8).

The strategy of adaptation by the *gremialistas* was successful: the two groups now became ideologically as well as politically intertwined, and ended up merging, in 1983, in one political party, the Independent Democratic Union (*Unión Demócrata Independiente*, UDI).

The fusion between the Chicago Boys and the *gremialistas* was essential for the success of the project. In the previous projects, the developmental and political aspects of the project remained much more at a distance. Under Frei, the structuralist economists and Christian Democrat ideologists collaborated, but with considerable tensions, and only through the mediation of Frei himself. Under Allende, *dependencia* certainly served to underpin the *Vía Chilena al Socialismo*, but had relatively little bearing on the actual policy process, whereas the structuralist policy-making that did

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[38] Another contributing factor was that the *gremialistas'* notion of a society guided by free and independent 'intermediate bodies' and the idea of *poder social* had been largely ignored or even repressed by the military government and therefore became an unviable project (Vergara 1985: 88).

take place was far from popular among the political ideologues of the project. Now, however, the ideological and developmental currents of the project actually fused into one new movement, which was able to project one all-encompassing, coherent, and modern model of society. This was a 'new democracy', which was presented by President Pinochet in a speech at Chacarillas in 1977. The 'new democracy' was to be 'authoritarian, protected, integrating, technical and of authentic social participation' (speech by Augusto Pinochet at Chacarillas 1977).[39] This amounted to a return to democracy, but under the tutelage of the armed forces and based on the 'essential values of nationality'. It was intended to integrate and unite the 'great Chilean Family', thus ending a 'class struggle that does not, and should not exist'. Furthermore, its 'technical' nature would contribute to the stability of the model, as main policy decisions were to be made by professionals, not by politicians, and the 'margins of ideological debate would be reduced to its due proportions'. Finally, the objective of 'authentic social participation' was achieved through the notion of subsidiarity of the state and the freedom of the market (*ibid.*). In short, the project of the Right consisted of an authoritarian and limited form of democracy, with a reduced arena for political decision-making, and with a central role for the free market. Based on Latin American 'baroque modernity' in the political and social area, and on the Liberal example in the economic field, it mixed Diego Portales and Adam Smith into one model of modernity.

Once again, the project was both a critique of the country's trajectory towards modernity as well as a proposal for modernity itself. In the perception of the regime, the crisis of 1973 was a crisis of the state rather than the result of just a bad Marxist government. In a key article published in the *gremialista* magazine *Realidad*, Guzmán argued that political modernisation had been the cause of the breakdown of the Chilean democratic system. The Chilean democratic system had been stable as long as it was exclusive and elitist, as it had been in the nineteenth century. The entry of the middle classes, in the early twentieth century, led to a rapid deterioration of the system. The implementation of universal suffrage in 1958, extending the electorate by one-third, had, according to Guzmán, been the final blow. 'Democracy', he argued, 'can only function in a serious and stable fashion in countries that have reached a significant and general degree of material well-being as well as cultural progress' (Guzmán 1979b: 16). In developing countries such as Chile, where an extension of the electorate cannot be absorbed by an increase in benefits for the newly added groups, populism and Marxism thrive, radicalising the population without being able to provide it with a significant increase in their well-being. As a result, Guzmán argues, whether it be in 1964, 1970, or some other date, the downfall of the system had been inevitable anyway (*ibid.*).[40]

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[39] This 'new democracy' had earlier been proclaimed and presented by ministers of the regime. However, the Chacarillas Speech is usually considered to be the formal announcement of the model, because it included a time schedule and trajectory for the gradual return to democracy. See Baraona (1977).

[40] The same argument has been put forward in detail by the former leader of the extreme-Right organisation Fatherland and Freedom, Pablo Rodríguez. According to Rodríguez, Chile moved from an aristocratic government to a mesocratic government to a 'people's government' - all three with the

The solution for this crisis of modernisation lay in the creation of a new model, in which the majority of the population would be well represented, and which, as a consequence, would not lead to radicalisation and political outbidding by political parties. Only a profound modernisation of the economy and society at large would be able to allow for such a system. By conferring the representation of the population on the market rather than on the political parties, and by creating increased general well-being through rapid economic growth, the neo-liberal project would create a framework for modernity in which there would once again be room for a democratic political system. As Guzmán argues,

> We can attain a high level of cultural development and stability, but now of the masses, not just of the elites as it was until the first decades of this century. Only if this objective is achieved can the democratic regime once again be implemented in our Fatherland (*ibid.*, p. 17).

In this way, the political framework of the *gremialistas* and the economic model of the neo-liberal Chicago Boys provided solutions for what the Right perceived to be the negative consequences of modernisation in Chile. Like the 'Revolution in Liberty' and especially the 'Chilean Road to Socialism', the project that was constructed by the Right attracted considerable attention outside Chile, and was viewed as an exemplary model for modernisation. As Stepan puts it:

> Pinochet's Santiago was not going to Washington, London, or Chicago. Reagan's Washington, Thatcher's London, and the University of Chicago economists were going to Santiago to see the future (Stepan 1985: 323).

Once again, the revolutionary turbulence of the Chilean post-1964 political system had produced a highly original, radical and typically Chilean project of modernisation.

5.2 The Implementation of the Project

The implementation of the project followed, roughly, four phases. In the two years after the coup, heterodox neo-liberal policies were pursued by the more moderate Chicago Boys. Meanwhile, the *gremialistas* worked on a first ideological foundation for the dictatorship, through the *Declaración de Principios*. After 1975, however, the more orthodox Chicago Boys, led by Sergio de Castro, initiated a series of radical economic reforms, which, after 1977, produced rapid and sustained economic growth. This 'Chilean Miracle' was accompanied by a series of less strictly economic reforms in 1979, called the 'seven modernisations'. Simultaneously, the authoritarian model was entrenched by the *gremialistas*, through the 'Chacarillas' speech of 1977, and, at the

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appearances of democracy but only representing one specific class, and excluding large sections of the population in the process: 'The liberal-democratic system is unable to produce anything else than class-based governments, which are in itself fractioned, unilateral and inharmonious. True democracy, in the modern sense, can only be created if we are capable of finding an institutional system that expresses the people without factions or spiteful discriminations' (Rodríguez 1985: 315). For a critique of this argumentation, especially on the destabilisation of the Chilean political system before 1973, see: Valenzuela and Valenzuela (1986: 191-198).

height of the period, the 1980 constitution. After 1981, though, economic crisis and increasing social unrest, combined with an increasingly 'personalistic' style of government by Pinochet, delegitimised both the Chicago Boys' economic policies and the *gremialistas'* path to a 'protected democracy'. As a result, both groups were marginalised from the main decision-making process, and a period of '*apertura*' (opening) was initiated under the former *Partido Nacional* leader Sergio Onofre Jarpa. After 1985, though, the two groups, now united in one party, regained much of their influence, and initiated the final phase of the project, consisting of a second period of economic bonanza, combined with a transition to a 'protected democracy' under the tutelage of the military.

Like the previous projects, the project of the Right was characterised by its emphasis on the state in its implementation, as well as of technocracy and state planning. In this case, however, the technocratic implementation of the project reached unprecedented heights. State planning, even when it changed considerably in focus, was also particularly successful. Meanwhile, even when formal political competition was not allowed under the military regime, the interaction between the projects of the Centre, Left, and Right continued, provoking the formulation of a new project of modernisation, this time of the Christian Democrats and the Left. Finally, the project of the Right encountered, like its predecessors, a moment in which it faced the choice between 'stepping on the brake' or risking losing control over the social order. In this case, however, the government was able, thanks to its relative autonomy vis-à-vis the supporting civil groups, to adapt the project in a successful way.

5.2.1 State, Technocracy, and State Planning

The project of the Right was ambivalent towards the state. On the one hand, it sought to reduce the role of the state in society by implementing a neo-liberal free market economy. On the other, it needed the power of the state in order to achieve a reduction in its influence. Meanwhile, its technocratic basis became so strong that a true replacement of the traditional political elite with a new technocrat elite took place (Silva 1991). Finally, state planning changed in nature. It no longer focused on the industrial production by the state, but rather on the coordination of all state investments, combined with the organisation of the government's poverty reduction policies.

Withdrawing the state through the state
The project of the Right initiated a new phase in the development of the Chilean State, at both the levels of its size as well as its functions in society. It sought to destroy what Sergio de Castro (1976: 228) called the 'perverse role that the state has had in the past', and to re-found the state on the basis of market efficiency. This was not just a reaction to the state-oriented nature of Chilean politics in the past. It was also considered that the reduction in the size and influence of the state was a *sine qua non* for economic development. As Finance Minister Jorge Cauas stated:

> The obsolete state-orientation of our country must be changed drastically. We have not come to this conclusion just by observing the extreme inefficiency that the Chilean state has shown in the past, but also because we believe that the private sector is much more effective in the development of productive activities (Cauas 1975: 209).

The most apparent result of the project of the Right for the state was its downsizing: between 1973 and 1979, public spending was cut by almost half, while about 20 per cent of state workers were dismissed (Tironi 1998: 68; Vergara 1981). In a second wave of privatisations, between 1985 and 1989, around 30 of the country's main companies held by the state were sold on the market. In total, hundreds of corporations, sixteen banks, and over 3,600 individual plants for agro-industry and mining as well as real estate were privatised (Collins and Lear 1995: 49-53).[41]

On the level of state functions, a similar reduction took place. To begin with, the idea of seeing the state as the motor of industrialisation was abandoned, ending the so-called 'developmental state' that had existed since the creation of CORFO in 1939. The state withdrew from the developmental arena, leaving it to the market to develop a healthy industrial sector.[42] Second, the state's regulating functions in the economy were largely reduced. Finally the state lost its role as welfare-state through the abolition of subsidies, educational and housing projects and the removal of its corporative functions (Vergara 1985: 81).

However, for several reasons the reduction in both the size and the role of the state never reached the levels that neo-liberal orthodoxy proclaimed and its enemies denounced. First of all, the first 'wave' of privatisations, in the 1970s, concerned the companies and industries that had been nationalised under Allende, and these cases were 'de-nationalisations' rather than true privatisations. Similarly, some of the privatisations that took place after 1985 concerned banks and financial institutions that had been taken over by the state during the crisis of 1982-1983 (Huneeus 2000: 440-1).[43] Second, the radical withdrawal of the state from the economy was partly reversed due to the same crisis. Even though the state did not return to its former 'productive' role, it became more regulatory and active in areas such as promoting internal savings, investments and exports (Tironi 1998: 89). Thirdly, despite all privatisations, the military government kept a key industry in public hands, namely the copper mines, which had been *Chilenised* under Frei and nationalised under Allende. This served the double purpose of providing the state with the financial power it needed to secure control over society and to ensure the support of the military, which were granted 10 per cent of copper income annually (Collins and Lear 1995: 53). Finally, the Chilean

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[41] These two waves of privatisations have been severely criticised for benefiting certain economic groups only, and allowing for an unprecedented concentration of capital in the hands of a tiny section of the population, at the cost of the state and population at large. See: Dahse (1979) and Mönckeberg (2001).
[42] Jaime Gatica (1989) shows that the withdrawal of the state did not produce a thriving and competitive industrial sector, as had been expected, but on the contrary led to a process of de-industrialisation and rapidly growing unemployment. For the military regime, however, this outcome was positive, as it nearly eliminated the industrial proletariat as a potential oppositional group.
[43] For an analysis of the crisis of 1982 and its consequences, see section 5.2.3.

state continued to play a significant – if insufficient – role in poverty reduction. Social spending, which had dropped drastically with the implementation of the project in 1975, regained substance after 1977, even reaching levels of 28 per cent above the 1970 per capita level (Vergara 1990: 43).[44] As a result, the Chilean state was never reduced to a 'night-watch' state or a subsidiary state in a narrow Friedmanian sense. Its reduction in size was considerable, but largely a compensation for its rapid expansion under the UP government, and eventually at least a third of the Chilean economy remained in state hands (Correa *et al.* 2001: 296).[45]

The Chilean state never lost much of its strength either. Even though it was considerably reduced in size, it held a firm grip on many processes that took place in the country. Apart from state control being a prerequisite for the survival of a military regime, the actual implementation of the neo-liberal model actually required a powerful state in order to resist the protests coming from society. As a result, the state could only withdraw itself from society insofar as it simultaneously strengthened its position *vis-à-vis* civil society (Stepan 1985: 320). As Vergara (1986: 106-108) argues, this power was obtained in three ways. First of all, the reduction in economic power was offset by an increase in political power of the state, through an extreme concentration of power in the executive. Second, the state had acquired an important position at the ideological-social level. This was not achieved directly, through the dissemination of a coherent ideology, but by mentoring the ideological and cultural realms, leaving it to affiliate civilian groups such as the *gremialistas* to spread the cultural messages and values. Finally, the position of the state *vis-à-vis* society was enhanced through the neo-liberal reforms themselves. Policies such as the 1979 Labour Plan, which severely limited the worker's rights to collective bargaining and unionisation, led to a process of social fragmentation and atomisation, strengthening the amount of government control over society (Stepan 1985: 323). Furthermore, the government was able to achieve a high degree of independence in its actions. Vergara (1985: 87) emphasises the level of autonomy the state managed to achieve in relation with the Chilean civilian elites. The experience of the UP government and its attacks on the industrial, commercial and agricultural elites had generated such levels of gratitude towards the military regime that it allowed the state to function relatively independently from, or even in conflict with, the interests of the traditional economic elites. This independence is illustrated by both the industrial liberalisation (which hurt the interests of large sections of the economic elites) and in the dealing of the military government with the agrarian reforms of the previous governments.[46]

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[44] The regime's social spending and poverty reduction policies were limited in their scope by the neo-liberal rationale. As they were not to distort the system of prices, they could only take place indirectly, through subsidies, taxes, tax reductions or the creation of cheap labour (Vergara 1985: 81). See also: Vergara (1990).

[45] One significant factor in limiting the reduction of the size and role of the state was the resistance of important sectors within the military, who were convinced that a strong and influential state was a prerequisite for national security (Correa *et al.* 2001: 296).

[46] Only the illegally nationalised land was returned to their original owners by the military regime, amounting up to one-third of all the reformed land. Of the remainder, ten per cent was reserved for the

In the economic realm, the power of the state also remained considerable, despite the numerous privatisations and its reduction its size. In ten years' time, the number of public employees was reduced from 700,000 to 550,000, while the proportion of the GNP that was in state hands remained more or less the same, signifying a higher relative output and increased efficiency (Constable and Valenzuela 1991: 189). This became particularly clear during the economic crisis of 1982-3. Facing a crisis that was as profound as unexpected, and which led to massive protests, the military government made extensive use of the capacities of the state in order to maintain social order and ensure its position. These included direct and large-scale interventions in the economy. The state took over the ballooning debts (in total some $16 billion) of large businesses which were threatened with shutdown, and nationalised twelve of the country's nineteen banks which were on the verge of bankruptcy (Collins and Lear 1995: 33; 51). The efficiency and strength of the state in this period is even more accentuated if one takes into consideration that this rapid and massive expansion of the state was not accompanied by an expansion in the number of state workers - between 1980 and 1985, the number of state employees declined steadily (Larraín and Velásquez 1986: 23).[47] In short, the Chilean state was very successful in changing its role in society. Even while it was no longer an 'entrepreneurial state', it maintained a strong and guiding influence on the economy. The role of the state in Chile's economy had become characterised, as Marcus Kurtz (2001) has argued, by 'state developmentalism without a developmental state'.

Concluding, under the project of the Right, the role of the state was ambiguous, reflecting both the anti-state neo-liberal discourse and a relatively high level of state coordination and control.[48] As Tironi (1990: 138) argues, it shared this characteristic with the project of the Left, which, from an opposite angle, had claimed the death of the 'bourgeois state', while simultaneously expanding its size and functions

state, 30 per cent was sold off, and another 30 per cent was divided among the *campesinos*, who had held the land in collective hands until then. So rather than reversing the Agrarian Reforms of the Frei and Allende governments, the military regime ended up reinforcing and formalising most of them. This put a definite end to the traditional socio-economic relations in the countryside and allowed for a rapid modernisation of agriculture. Furthermore, it assured the regime that the formerly highly influential agrarian elites would not return to reclaim their influence in government (Correa *et al.* 2001: 296; Silva 1987).

[47] The expansion of the state in this phase was so massive that opponents of the regime mockingly spoke of a 'Chicago Road to Socialism'. In terms of the influence of the state, the comparison was true enough: in 1983, the state control over the economy rivalled that of the Allende government in 1983 (Collins and Lear 1995: 51). For a profound analysis of the development of the state between 1980 and 1985, see: Larraín and Velasquez (1986).

[48] In fact, within the military there had been quite some resistance to the neo-liberal model and the reduction of the state, for two reasons. First, because the military had historically been state-oriented from the outset, considering a reduction of the state as a hazard for the regime, and second, because the *Estado Empresarial* (Entrepreneurial state), which had been set in motion by a fellow military man, General Ibáñez, still possessed substantial support among high officers. Only after 1978, when Pinochet had removed his strongest contender, General Gustavo Leigh, from government did this military opposition to his neo-liberal course end. See Valdivia (2001).

considerably. Whereas Frei had attempted to reassure the population that he did not seek an all-controlling state ('I do not want tutelage of the state'), and Allende had defended his use of the 'bourgeois state' to his supporters ('do not fear the word "state"'), the Chicago Boys attempted to reconcile the still powerful role of the state with their specifically anti-state discourse. They did so by stretching the idea of the subsidiary state and by re-introducing, ironically, a notion that had been used by the UP to legitimise state intervention, that of a mixed economy. As director of ODEPLAN, Roberto Kelly, put it:

> The national economy is mixed-modern, and therefore both the state and the private sector have a role in it. The principal function of the state is to permanently stimulate and orient the action of the private sector towards the achievement of the great national targets, using as instruments the different policies it elaborates, executes and controls. (…) It is for this reason that in these years the state has concentrated its efforts in order to assure the public of adequate services in housing, nutrition, health care, education and social security. As a result, the level of social spending compared to the total of public spending has risen from 27.9 per cent in 1973 to 53.6 per cent in 1978, demonstrating in realities how the principles that guide the Government are materialised (Kelly 1978: 375).

This so-called 'modernisation of the state' stressed a radical improvement in the functionality and efficiency of state action. This discourse became highly popular among Chicago Boys and other policy-makers and was included in a series of reforms known as the 'seven modernisations', which were implemented in 1979. It included matters such as decentralisation, reduction of bureaucratic processes, rationalisation and judicial reforms. Fundamentally, though, it sought to reorganise the functions of the state in order to make it more efficient, technical and modern, and to rearrange society accordingly. As José Piñera put it in 1979:

> The seven modernisations seek to introduce spaces of individual freedom for the Chileans that up to now have been unknown, (…) to articulate the voice of the experts in the eminently technical decisions that are adopted by governments, and, in short, to transform Chile into a modern country (quoted in Vergara 1985: 217).

As a result, modernisation became intrinsically tied to the state and the transformation of the functions it fulfilled in society. On a higher level, however, modernisation became a synonym for the transformation of society itself, through the reformulation of the role of the state in relation to the market and civil society. As will be shown in the next chapter, the discourse on the 'modernisation of the state' was maintained integrally after the restoration of democracy, and became one of the leading doctrines that was adopted by the Concertación.

Technocracy

While technocracy rapidly gained in power and institutional influence under Frei, and remained able to withstand stiff resistance under the Allende government, it reached unprecedented levels under the military dictatorship (Silva 2007). Even more, it became

one of the founding principles of the new institutional order that was implemented by the authoritarian government. In 1974, the *Declaración de Principios* promoted the construction of:

> a technified society, in which the words of those who know have prevalence over the different denominations.[49]

However, in the first years the regime did not structurally resort to technocrats, but rather relied on the *gremialistas* and the business elites. Only after 1975 did the 'technified society' take shape by the rise of what Pinochet called 'the most capable persons' and 'experts' to the decision-making process, who would 'reduce the margins of the ideological debate to their just proportions' (quoted in Vergara 1985: 117). However, the regime's conception of the new institutional order as eminently technical did not imply the complete abolition of politics. As Minister of Economy Pablo Baraona argued, the political realm should be reserved for the moral guidance of society, while the remainder of policy-making should be technical in nature and execution:

> Our new democracy should be (…) technical, in the sense that the political system cannot take decisions on technical matters but is limited to the dimension of values, leaving to the technocracy the responsibility of using logical processes in order to resolve problems and to offer alternative solutions (Baraona 1977: 305).

The regime's emphasis on technocracy reflects its desire to 'depoliticise' society. As O'Donnell has argued, the supposedly rational and neutral prescriptions of the *técnicos* were considered to serve as an antidote for the social and political tensions in society. More in general, they served to repress the 'irrational' popular demands for social justice and to fortify the 'normalisation of the economy' on a neo-liberal basis (O'Donnell 1999: 38-49; 1982: 60-62).[50] Linked to this point, the regime's desire to create a restricted and conservative social order was facilitated by the ascendance of technocracy. In the Chicago Boys' conception, the technocrats, as well as the markets, limit the public arena and the space for political deliberation. As a result, the 'scientific' technocracy served as a buffer for the future politisation of society (Vergara 1985: 133). Second, it echoes the nineteenth century 'Portalian' ideal, celebrated by the Chilean Right, in which the country is ruled by the best qualified (in Portales' words, 'men who

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[49] Centeno (1998) argues that technocracy negates the 'political' and places absolute value on the scientific 'objective truth'. As a result, it tends to minimise political process at the expense of representation but to the benefit of 'efficient' and 'scientific' decision-making.

[50] O'Donnell (1973) identified the technocracy as one of the main allies of the Bureaucratic-Authoritarian regimes, to which the Pinochet regime would be counted, who were particularly instrumental in creating policies which would put an end to the economic, political and institutional crises that had been the original reason for the military to intervene. As Silva (1993: 203) points out, O'Donnell's argument has been contested for the case of Chile. In contrast to what O'Donnell anticipated, in Chile the technocracy was not used to deepen the industrialisation process, but rather to dismantle the national industry. Also, Silva argues, the reference to the 'original crisis' (the economic, political, and institutional crisis that had provoked the military takeover) was emotionally and politically difficult for some Chileans to accept. As a result, the study of the role of technocrats in Chile soon moved into the background.

are true models of virtue and patriotism'), under the leadership of an authoritarian President. In addition, the scientific and rationalistic approach of the technocrats, operating under authoritarian leadership, echoed the nineteenth century ideals of progress, and especially the influence of positivism, giving the regime an air of modernisation and historical legitimisation. Finally, Silva (1993c: 208-9) emphasises that the dominant position of the technocratic elites was not only the result of their discursive qualities, but also of the potential for social transformation of their programme. The neo-liberal revolution they set in motion not only produced economic results but also promoted individualism and competitive relations between individuals. As a result, the collective outlook of social organisation in Chile rapidly gave way to a more individualistic orientation. This impressive process of social transformation would come to be known as the 'Silent Revolution'.

Institutionally, the notion of the state as a 'technical organism' was given shape in the 1980 constitution, by creating several bureaucratic bodies that functioned independently of the political arena and remained outside civilian control. Apart from the Armed Forces, who exercised the role of 'guarantor of the constitution', this applied in particular for the Central Bank, which was to regulate the country's economic balances autonomously, without direct influence from the executive (Tironi 1998: 73). With the ascendance of the Chicago Boys and the dominance of ODEPLAN in the country's political institutions, technocrats moved from semi-obscurity to become highly visible and legitimate actors. Obtaining a high profile through public appearances and interviews in newspapers such as *El Mercurio*, they became widely known as the champions of economic modernisation. Furthermore, as Montecinos (1998: 65) argues, with their revolutionary and expansive attitudes they were incorporated into all fields of decision-making, replacing for instance lawyers in the formulation and implementation of policies in non-economic areas such as health care and education. Silva (1991: 397-8) shows, however, how closely the appreciation of technocrats was tied to the success of their economic policies. The government's support for the Chicago Boys became very strong during the first boom of the neo-liberal model, and after the collapse of the model in 1981 Pinochet continued to support Minister of Finance Sergio de Castro for more than a year. In April of 1982, though, Sergio de Castro was replaced, and Pinochet moved away from technocrat leadership by incorporating former National Party leader Sergio Onofre Jarpa in his cabinet. After several years of low profile for the Chicago Boys, they were reinstated in 1985 with the appointment of Hernán Büchi as Minister of Finance. The fact that he was a relative newcomer and not known by the general public to be a Chicago Boy was, at this stage, an advantage.[51] In fact, as will be seen in the next section, in the course of

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[51] After several years of economic growth, Büchi's star had risen so high that, besides being recognised as a brilliant economic manager by both friend and foe, he had regained popular support for technocrats in general and the Chicago Boys in particular. In 1989, Büchi's candidacy for the presidential elections of the following year (the first technocrat to be a presidential candidate in the country's history) did not surprise anyone, and most political commentators agree that his failure to win the presidency was to be attributed to his close ties to Pinochet, and not to his technocratic outlook (Silva 1991a: 398).

the dictatorship technocracy came to be adopted not only by the political allies of the regime, but also by its opponents.

The rational and 'scientific' approach of the military government's technocrats did not mean that they were without political colour, even though they would have been unwilling to admit it. Just as the technical teams of the Frei regime had often been sympathetic towards the project of the Christian Democrats, and the *técnicos* of the Allende government had been Marxist in orientation, the Chicago Boys used their neutral status to actively legitimise the military regime. As Huneeus (1998: 15-17) argues, the claim that their project was politically neutral (because the market is neutral) and that their measures were merely 'technical' proved to be untrue in several aspects. Their technical contribution was closely tied to the political development of the regime, as Pinochet's political strategies were highly dependent on economic success. Additionally, several economic reforms had political intentions, such as the 1979 Labour Reform, which, besides making the labour market more flexible, had the clear intention of weakening the labour movement and the workers' position *vis-à-vis* the employers. Similarly, the 'de-industrialisation' that took place as a result of the neo-liberal reforms served to weaken the opposition by the formerly powerful industrial unions (Oppenheim 1993: 145; Gatica 1989). Furthermore, the economic reforms of the Chicago Boys could never have been implemented without the context of an authoritarian regime that centralised authority, excluded and repressed large sections of society, and only benefited certain minority elites. And finally, it was direct repression by the military in the period 1982-3 that allowed the survival of the neo-liberal project. Concluding, even though the technocrats of the military regime portrayed themselves as fundamentally a-political and neutral, the conception, implementation and survival of their project were intrinsically tied to the political side of the dictatorship, including the repression and other aspects that the Chicago Boys were trying to avoid being associated with. This became particularly clear in the 1988 referendum, in which the Chicago Boys unconditionally and unanimously supported Pinochet.

Planning

The concept of planning under the Chilean neo-liberal project is apparently a *contradiction in terminus*. Neo-liberal founders such as Hayek and Friedman had dedicated large sections of their work to a critique of planning, considering it one of the core contradictions of freedom and economic liberty (Hayek 1986; Friedman 1962). However, the Chicago Boys maintained the notion of planning as a central feature of their economic strategy. Already in *El Ladrillo*, they argued in favour of state planning:

> In general, the argument that is used in favour of unrestricted state intervention is the need to plan the whole of activities of the country. We concur with that need. However, it must be made clear that planning should have clear objectives in terms of economic growth, and that in the achievement of its goals, use can be made of indirect mechanisms and incentives in order to direct the use of productive resources (El Ladrillo: 31).

In fact, the Chicago Boys argued, under Frei and Allende planning was poorly targeted and, as a consequence, inefficient:

> In Chile, planning has been a word that lacked both content and precision and which has been used to establish mechanisms for control, that existed for the purpose of control and control only, and not of the efficient direction of productive resources (ibid.).

However, planning under the Chicago Boys took a different form than under the previous projects. As Lechner (1999: 44) shows in his study on the functions of the state in neo-liberal modernity, the coordinating role of the state is transformed, rather than simply diluted. Becoming only one of the actors amid an arena of decentralised institutions and functional systems, rather than the ultimate expression of authority, the state can no longer fulfil the role of 'formulating and executing social consensus', that is, the production of the 'common good'. However, its role is transformed to that of 'conductor', coordinating the interdependence of the different functional systems at work according to its vision of what the common good should be. This transformation, which according to Lechner corresponds with a re-evaluation and appreciation of the state in Latin America after the 1980s, was initiated in Chile in the mid-1970s, with the interpretation that was given to planning by the technicians of the military regime. Rather than intervening directly in the economy through a system of productive and other targets, and holding the state directly responsible for the fulfilment of those targets, a more flexible and open form of planning was introduced. Using indirect means such as incentives which would not interfere in the price system, the state was to exert structural influence over the economy, without asphyxiating private enterprise and the free market. In the optimistic terminology that is characteristic of planners (Marxist, neo-liberal or otherwise), ODEPLAN director Robert Kelly explained the system as follows:

> In conformity with the principles of the Government and with the social-economic history of the most prosperous nations in the universe, I emphasise that our scheme of development and planning lies largely in a system of incentives. In conformity with the principles of the Government and the social-economic history of the most prosperous nations of the universe, both great and small, Chile will achieve its development not by means of a system of rigid targets (…) but through the entrepreneurial and creative action of all citizens, under the direction and the flexible incentives of the Government. Through different policies, like fiscal policies, price regulations, exchange rates, tariffs and others, the State exercises an important indirect control over the decentralised areas of the economy (Kelly 1976: 288-9)

There are several reasons why planning came to be so central in the project of the Right. First of all, the process of transformation from a state-oriented to a market-oriented economy created a need for control, especially in the light of the enormous economic imbalances and staggering inflation. Second, the Chicago Boys ascent to power was conditioned by their success, and as a consequence they were under great pressure to achieve a maximal result. As a result, they were in need of the necessary tools to guarantee success. Finally, the military (and especially Pinochet), who ruled on

the basis of a tight system of balances and counterbalances, made sure that sufficient state control remained in existence, in case the project of the Chicago Boys needed to be adapted or revoked (Fontaine 1988: 105).

Once again, ODEPLAN became the centre of the state's planning activities. If under Frei and Allende it had mainly fulfilled an accessory function, under the military regime it became the most important economic policy institution. This was not self-evident from the start, however. CORFO also remained a strong actor with substantial influence in the ministries of Finance and Economy, and partly fulfilled similar roles.[52] However, as Carlos Huneeus shows, there were several reasons why the balance turned towards ODEPLAN. First of all, CORFO lacked the human and economic resources it needed to fulfil its functions and to direct the large number of state businesses it had under its control, to which over 400 enterprises had been added during the Allende government. Second, CORFO suffered from a contradictory mission: its main target to organise state-led industrialisation was incompatible with the neo-liberal policies that the Chicago Boys were to implement. Finally, poor CORFO leadership and a lack of transparency in the process of restitution of nationalised enterprises contrasted strongly with the efficiency and clear policies of the 'ODEPLAN Boys', whose work became so positively known that it attracted great interest even from abroad (1997: 31-32).[53]

Under the Chicago Boys, and especially after the first, gradual phase of the project, ODEPLAN developed into the country's most influential economic institution, planning and executing the key elements of the neo-liberal project. The self-confident and aggressive attitude of the Chicago Boys, who expanded their auditing, rationalising, and controlling activities to a wide range of bureaucratic and administrative institutions, soon gave ODEPLAN control over a large portion of the state apparatus. Soon all investment plans from ministerial departments (including those of non-economic ministries such as Education and Infrastructure), as well as from local governments, were to be approved by ODEPLAN before they could be turned in to the Ministry of Finance (*ibid.*, p. 33). Apart from allowing effective economic planning and state modernisation, Constable and Valenzuela argue that the dominance of ODEPLAN also

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[52] The competition between CORFO and ODEPLAN also reflected institutional competitiveness within the armed forces: ODEPLAN fell under the protection of the Navy, and CORFO under that of the Army.

[53] Roberto Kelly, the first ODEPLAN director under the military regime, recalls how the planning office was put to the test by a hostile Pinochet in May 1974: 'I received a paper from a police officer, in an envelope, which read, in red ink: "What is the purpose of ODEPLAN? The director is asked to explain this before the Government Junta. Signed: Pinochet." (…) [At the meeting,] I did the introduction, and then all sectors were presented by my colleagues. Whenever one of them had finished, Pinochet would ask: "And where is the Plan of National Development?" I would say, "We'll come to that in a minute". But once another of my colleagues finished his presentation, Pinochet would once again ask: "And what about the Plan of National Development?" (…) We stayed there all the afternoon, until, around nine o'clock, they threw us out and stayed in the room themselves. Many of us felt down, and said: "They tore us apart in there", and wanted to go. (…) However, about an hour later, I received a phone call from Admiral Merino, who told us: "I call to congratulate you. Of all the presentations that have been given here, this was the best. We have reprimanded Pinochet for the way he treated you. Go ahead and keep up the good work' (CIDOC interview No 2, 14 April 1992).

provided the military government with a tool to get a grip on the still massive bureaucracy (1991: 187). As a result, opposition to the ODEPLAN hegemony became useless (Montecinos 1998: 33).

Apart from planning and controlling the functions of the state apparatus, ODEPLAN fulfilled three main functions. First of all, it designed and implemented the key economic reforms of the project: the privatisation of the health care and pension system, as well as dismantling the entrepreneurial state through the privatisation of state-owned firms. Second, it became the 'institutional headquarters' of the Chicago Boys. ODEPLAN's central role in the coordination of state policies gave the Chicago Boys a home in the heart of the decision-making process. From this home-base, they could discuss the future and debate about the course of the neo-liberal project. Simultaneously, ODEPLAN functioned as a springboard: it stimulated and supervised the recruitment and training of professional personnel who would later take up important functions within the authoritarian government, thus contributing to the technocratisation of the policy process as well as consolidating the position of the Chicago Boys in all branches of the government (Silva 1991a: 392). Finally, ODEPLAN served as the 'social conscience' of the Chicago Boys, analysing the income influence of the economic reforms in detail, and setting up elaborate programs to combat extreme poverty. Chicago Boy Cristián Larroulet emphasises that ODEPLAN's emphasis on poverty reduction was not a true deviation from neo-liberal orthodoxy:

> ODEPLAN had an economic policy and a separate social policy, which was very important for the military. Both policies had to work together. From the beginning, we were aware that the market would not resolve the problem of poverty. You could argue that this was not a Friedman-like posture. However, you should be careful to equal the Chicago School with Friedman. Many at ODEPLAN were influenced by Theodore Schultz, the first Nobel Prize winner of the Chicago School, who was very concerned with issues such as Human Capital and poverty. The originality of the approach of ODEPLAN lay in its focus on extreme poverty (interview with Cristián Larroulet 4 May 2006).

Apart from giving the neo-liberal project a 'popular' face, which actually created an important popular support base for the Right which exists up to this day, the emphasis on poverty reduction also reflected the religious and social engagement that was characteristic of large sections of both Chicago Boys and *gremialistas*, and which was driven by the fact that most of the economic programme benefited the rich at the cost of the poor (Silva 1991a: 463, Huneeus 1997: 5).[54]

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[54] ODEPLAN came to be very much influenced by its director Miguel Kast (1978-80), who, apart from being a intelligent economist, was known as an enthusiastic motivator and recruiter of new talent. Further, his deep religious convictions and *gremialista* outlook were reflected in the remarkable emphasis he laid on the elaboration and implementation of poverty reduction programmes. After his early death in 1983, Kast became something of a myth for both *gremialistas* and Chicago Boys, as a symbol of the successful amalgamation of both Roman Catholic orthodoxy and economic neo-liberal modernity. For an interesting combination of eulogy and biography on Kast, see Lavín (1986).

5.2.2 Political Competition and the Construction of an Alternative

Even though with the installation of the military regime formal political competition had ended, the projects of the Chilean Right, Centre, and Left continued to interact under the influence of the project of the Right. In a way similar to the previous projects, the outcome of this interaction produced the key parameters for the implementation of the project that was to come. In the interaction and competition between the three projects, three main processes can be discerned. First of all, most of the Left went through a slow and painful process of ideological reorientation and moderation as a result of the success of the neo-liberal project. Second, the PDC slowly reoccupied its position of pragmatic centrist party, and realigned with the Left in order to present a serious and viable alternative to the authoritarian project. Third, both the Centre and the Left went through a process of profound technocratisation, which produced a high degree of continuity at the level of policy-making between the project of the Right and the Concertación.

The 'Renovation of the Left'
The so-called 'renovation of the Left' was a slow process that took most of the sixteen years of the dictatorship to complete. It consisted of a moderation of the Socialist Party and other UP-parties, the embracing of the democratic system, and a renewed orientation towards centre-left politics as well as towards the Christian Democrat Party. It was combined with an opposite movement within the Chilean Left: the radicalisation of the Communist Party, eventually leading to the marginalisation of the latter.

In the first years after the coup, the Chilean Left was in disarray and showed little ideological movement. The emphasis lay on regrouping and the construction of oppositional structures, which was complicated by the diaspora that the Chilean Left had undergone as thousands of its leaders now lived in exile. Ideologically, the former UP parties showed a high degree of continuity in identifying the Right as 'fascist'. As Moulian (1997: 257-9) shows, this name was not only factually incorrect, but also served to veil the true nature of the regime rather than to disclose it. During these years, up to the end of the 1970s, the use of the term 'fascist' made it impossible for the Left to recognise that the military dictatorship was more than just a repressive machine, and that in fact it was setting in motion a project of radical capitalist modernisation. This was enhanced, Moulian argues, by two tendencies within the Chilean Left. First, a traditional orientation to the state led the Left to interpret the neo-liberal restructuring as a purely destructive process, as it diminished the role of the state. Second, a 'catastrophic' view of all capitalist endeavours led it to believe that the capitalist revolution would rapidly implode (*ibid.*, pp. 261-2). These views could, however, not be maintained in the light of the neo-liberal model's success in the years after 1977. Under pressure of these new realities, the Chilean Left slowly came to reinterpret its history as well as its future. Two discussions served to provoke the 'renovation' of the Left: the reasons for the downfall of the UP, and the Left's adherence to democracy. Up to the late 1970s, the general view was that the UP had failed, because it had been unable to

concretise the *vía armada* (armed road) in face of the right-wing opposition. This view is, for instance, defended by exiled PS leader Carlos Altamirano:

> It was very difficult to develop an armed strategy in the course of the process, not to say extremely difficult. But the peaceful road, in turn, was impossible (1977a: 35).

Soon, however, more critical accounts were elaborated by socialist intellectuals, not only focusing on the errors that had been made by the UP, but also attacking the ideological course it had followed. These intellectuals severely criticised the Leninist approach of the UP, which, through its focus on state power, had closed the door to pluralism and mass participation. They argued in favour of a re-orientation of the Left, away from the state and more toward grass-roots and civil society organisations.

The debate surrounding the appraisal of democracy also contributed strongly to the renovation of the Left. This debate was strongly influenced by the project of the Right, as the experience of authoritarianism and repression provoked a reappraisal of democracy among the Chilean Left. As the later PS-leader Jorge Arrate argued in a newspaper article in 1982:

> Authoritarianism as it has been implemented in Chile has had the influence of consolidating anti-authoritarianism among the Left, which also implies the rethinking of the model of socialism it proposes and its position regarding individual liberties (Arrate 1983: 93).

Another factor that triggered a process of renovation was exile. The dispersion of socialist leadership around Latin America and Europe had a profound influence on the ideology and self-image of the Left. In particular the experience of the 'real existing Socialisms' in Eastern European countries, and contacts with more moderate European socialist parties, contributed to this ideological reorientation. As Silva argues, not only the ideological position of the European socialists became an example for the Chilean Left, but also their dedication to the common good:

> Many Chilean Socialists have made public their recognition of, even admiration for, the way governments and oppositions in Western Europe have been able to achieve agreements with a high degree of responsibility. Contrary to their previous experience in Chile, they discovered it was possible to conduct a loyal opposition and that there is definitely such a thing as the *general interest of the Nation*, something that in the past had been labelled as a manipulative weapon of the bourgeoisie (Silva 1993b: 97, italics in the original)

One of the most emblematic cases was PS Secretary General Carlos Altamirano, who, after having lived in both the German Democratic Republic and France, came to re-evaluate the democratic model (which he earlier had dismissed as a form of bourgeois domination) and the failures of the UP (Walker 1986: 180). According to Altamirano, the UP had shown a poor understanding of the 'specificities' of Chile's political and social evolution, especially its long tradition of the rule of law, its democratic institutions, and the subordination of the military to civilian rule. This tradition, he argued, was set in motion by Diego Portales, and had remained influential even after the breakdown of the Portalian state in 1891, up to 1973. In this sense, Altamirano

claimed, 'Allende was the historical continuation of Portales, and Pinochet his negation' (quoted in Walker 1986: 179).[55]

Dissent, Convergence, and the Creation of an Alternative
The process of ideological renovation within the Left produced tensions that would lead to ruptures as well as realignments. These processes would eventually set the political parameters for the formulation and implementation of an alternative project of modernisation.

In 1979, the process of renovation led to the division of the Socialist Party. A more radical section of the party, led by Clodomiro Almeyda, attempted to take control, which resulted in a split. The Almeyda-section, which was in the majority both in the 'external' and in the clandestine 'internal' party organisation, resisted the ideological renovation and maintained a Marxist-Leninist course, oriented to cooperation with the Communist Party and the Eastern European countries. In turn, the Altamirano-sector, which later became known as the PS-Nuñez, became the focus of socialist renovation during the 1980s (Roberts 1994: 11).

While the PS-Almeyda maintained its radical ideology and the PS-Nuñez underwent a process of moderation, the Communist Party moved completely in the opposite direction. Whereas under the UP the PC had taken the moderate side, consistently arguing in favour of collaboration with the centre and maintenance of the democratic system, in the late 1970s the communists moved towards a radical position. Increasingly re-orienting itself to its Leninist roots, the PC increasingly distanced itself from several former central theses of the UP. It declared, in 1977, that revolution could not take place while allowing liberties to its enemies; that a revolution could never succeed without a dictatorship of the proletariat, and that it was not necessary to gain a majority before a revolution could be started (Corvalán 2001: 363). In the early 1980s, the PC completed its ideological shift to the Left by declaring a *política de rebelión popular de masas* (politics of mass popular rebellion) through armed insurgency. To this end, it set up a military branch, the *Frente Patriótico Manuel Rodríguez* (Patriotic Manuel Rodríguez Front, FPMR) which was to gain support through violent action, and anticipated mobilising a general uprising against the regime.[56]

According to Walker (1986) the different trajectories of the sections of the Left cannot be completely reconciled with the experiences of repression and exile under the dictatorship. Authoritarian rule, Roberts (1994) adds, does not automatically modify political beliefs and tactics within the opposition. Internal culture and organisation, he argues, are a decisive factor in the process of political learning. In the case of the PS, the party's ideological autonomy, its openness towards external influences, and its tolerant

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[55] This argumentation and reference to Portales is notable, as it attempts to reclaim the figure of Portales for the Left, while traditionally it had been an icon for conservative historiography, especially the notion of the 'Portalian state' and the existence of a specific Chilean tradition.

[56] Despite this ideological turn, the PC maintained its position on the need to create broad alliances, including with the Centre. However, such a broad alliance was now only one of the simultaneous strategies that the PC followed, and which included an armed road as well.

tradition towards dissenting views within the organisation facilitated the party's interaction with political forces and made it highly adaptable. The Communist Party, in contrast, remained ideologically fixated with a narrow Marxist-Leninist course and suffered from a closed organisational structure, which, additionally, did not allow for the formulation of dissenting proposals. As a result, a process of 'renovation' was blocked, while the party became increasingly isolated and ideologically radicalised as a result of its political defeat and a lack of oppositional strategy.

Apart from these internal factors, there were several external developments that contributed to the radicalisation of the PC. First, the Christian Democrats refused to cooperate with the Communist Party in any way in attempting to restore democracy. This effectively blocked all hope for a broad alliance in which the PC could participate. Second, the prospect that the military government would institutionalise its regime through the 1980 plebiscite pressured the communists into taking up a more radical position. Finally, the success of the Nicaraguan Revolution in 1979 indicated that armed insurgency could well be successful, and was taken as an example by the Chilean communists, despite the numerous differences between the two cases (Corvalán 2001: 364).

In the early 1980s, when economic crisis soon provoked popular unrest and massive demonstrations, the Left remained utterly divided. In 1983, the Altamirano-sector formed the *Alianza Democrática* (Democratic Alliance, AD) with the Christian Democrats, who had up to then been unwilling to cooperate with the PS and PC in a broad alliance, but now found a more moderate partner in the 'renovated' Left. Together, they used the mass mobilisations of the period 1983-1985 as a lever in an attempt to negotiate a transition to democracy. Meanwhile, the PS-Almeyda and the PC saw the popular mobilisation mainly as a first step towards a more radical phase of armed insurgency (Roberts 1994: 13). As long as the demonstrations continued, both sections remained hopeful, despite their many differences. However, due to the success of the economic recuperation after the appointment of Büchi as Minister of Economics, as well as to the internal divisions within the opposition, the mass mobilisations faded away in mid-1986.

The Almeyda-faction of the PS started to move towards the centre in 1987, under pressure of both the Left and the Right. The pressure on the Left had rapidly increased, as the government had announced a plebiscite for the following year in which the population would be able to vote Pinochet out of office. On the one hand, unforeseen events proved once again to be decisive, as the discovery of a massive arms arsenal of the FPMR, and a failed assassination attempt on Pinochet by the same organisation, led to a new wave of intensive state repression, strengthening the regime in its position. It also provoked outraged reactions from the PS-Nuñez (as the moderate Altamirano section was now called) and the PDC, pressuring the PS-Almeyda to distance itself radically from the violent road. On the other, it was the success of the project of the Right, in the form of the rapidly recovering economy and the renewed political strength of the regime, which convinced the Almeyda section that Pinochet could not be forced

out of office. In the end, it opened up to the renovated ideology and opted to participate in the oppositional coalition and 1988 plebiscite.

The late entry of the PS-Almeyda into the 'renovated camp' had important consequences for the Centre and the Left. It strengthened the position of the PDC, which had converted itself into the leader of the opposition. It also strengthened the PS-Nuñez, which had long been the 'little brother' of the PDC in the moderate opposition, but now took the leadership of the socialist renovation. On the whole, it disqualified radicalism and rewarded moderation and consensus, values that since then have been characteristic for the *Concertación*. Finally, it completely marginalised and isolated the Communist Party, which, apart from having lost all political allies, saw itself even excluded from Congressional representation after the return of democracy. Although this provoked intense internal dissent, the party proved unable to translate its frustration into a move towards the centre, and has remained isolated since (Roberts 1994: 8-15).[57] In the end, the individual ideological trajectories of the different sectors of the Left had produced the framework for the creation of an alternative project of modernisation.

The Technocratisation of the Opposition
The construction of an alternative project of modernisation was also determined by a process of 'technocratisation' of the opposition. Once again, this was the result of the interaction between the Right, the Centre and the Left. As Patricio Silva (1991) argues, the repression by the regime forced opposition leaders to work in research institutes and NGOs (often financially supported from abroad) that were left relatively untouched by the government.[58] In those institutions (such as the PDC-based CIEPLAN or the more socialist-oriented FLACSO), they were able to voice their criticism of the regime, on the condition that it took the form of small-scale academic publications. This way, the professional *políticos* were forced to take up a more scholarly and academic style, and to work in the context of theoretical debates rather than political dogmas. As a result, the leaders of the opposition rapidly 'technocratised', placing intellectual capacities and pragmatic solution-making over party policies and intra-party competition. Working together in so-called *equipos técnicos*, they worked out common diagnoses and strategies for the future. As a result, they were able to eliminate the historical differences between

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[57] For a detailed account of the process of renovation as well as the isolation of the PC, see Arrate and Rojas (2003b: 307-440)

[58] The preference for and high esteem of technocrats among the regime were exemplified by the relative freedom economists and other *técnicos* had in criticising the government. Alejandro Foxley recalls how as a prominent economist he was able to criticise the government in ways that others could not: 'I wrote columns in the magazine *Ercilla* and later in *Qué Pasa*. Later, people who had worked for the military regime told me: "Listen, you were really intolerable back then. Your criticisms were terribly harsh, you knew no nuances". Looking back, I agree with them. When I read what I wrote in that period, I find it reasonable, but based on a reason that went beyond economic analysis. We were filling a void: the people who were doing politics were unable to criticise the regime, and furthermore we were filled with all kinds of pent-up emotions (…) We were a legitimate vehicle for criticism because we were economists, because we enjoyed international status. That is why we could talk about things others couldn't and criticise the regime' (CIDOC interview with Alejandro Foxley, undated).

the different parties of the Concertación, but also come up with a coherent common programme that transcended party lines and forged a profound consensus within the coalition. Additionally, the 'technocratisation' of the opposition turned out to reinforce the process of moderation and renovation of the Left. Working with public opinion studies which were carried out by their own NGOs, the leaders of the Left became aware that their traditional perceptions of public opinion in Chile did not reflect reality. For instance, the vast majority of the population turned out to reject any form of political violence and radicalism in general. Furthermore, it became clear that in contrast to the perception of the opposition, a large section of the population supported the military regime. And finally, the Chileans still strongly identified with the country's democratic tradition. This information was highly influential in moderating the Left and pushing it towards accepting the democratic path towards the end of the dictatorship (Puryear 1994: 137).

In this context, it is important to stress the leading role of leaders of both MAPU and the Christian Left. Whereas under the PDC they had played a vanguard role in creating a mix between the *socialcristianismo* and socialist theory, and later had filled key positions as the UP's main intellectuals, now they were at the forefront of the renovation of the Left (Roberts 1994: 10).[59] An original as well as enlightening explanation for this phenomenon is provided by the political scientist Catherine Hite. In her study on the leaders of the Chilean Left, she distinguishes four 'cognitive orientations' among them: political party loyalist, personal loyalist, political thinker, and political entrepreneur. Whereas the first two are mainly based on the level of loyalty to the political party and figures such as Salvador Allende, the 'political thinker', according to Hite, represents those leaders who have 'consistently focused on ideas and intellectual debates, who have tended to privilege ideas over political party program' (2000: 127). Their work, often highly significant in academic circles, has often been of lesser significance to the parties themselves. Political entrepreneurs, finally, are those leaders who combine a strong grasp of political ideas with strategies that produce successful coalitions and leadership. Rather flexible in their ideology, they are able to construct alliances, and their party loyalty is subordinate to the success of multi-party platforms. According to Hite, MAPU and IC, which combined powerful intellectual networks with a vanguard revolutionary position, were highly attractive parties for political entrepreneurs. As a result, these parties played a central role in both the renovation of the Left as well as in the transition to democracy. Furthermore, Hite argues, political entrepreneurs from the MAPU and IC put their mark on the political culture of the coalition between the PDC and the renovated Left, by stressing consensus, the downplaying of political conflict, and modernisation (*ibid.*, pp. 185, 192-5).

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[59] Some IC and MAPU members made a stronger break with their revolutionary past than others. In the 1980s, intellectuals such as Eugenio Tironi and José Joaquín Brunner rejected not only radical Leninism, but also Socialism in general, and attempted to reorient Chilean socialism in a moderate, social democrat style (Roberts 1994: 11).

The Christian Democrats Return to the Centre

The PDC followed a much more consistent trajectory under the influence of competition between the Left and Right, consisting of a slow but steady return to the centre of the political arena. Having supported the coup of 1973, sections of the PDC offered the regime their services and attempted to negotiate a return to democracy with the most moderate military sections. When this proved to be impossible, the party distanced itself from the government, sharply criticising the ongoing human rights violations and the permanent nature of the regime. Up to the early 1980s, the party took a solitary course in its opposition to the regime. This was for two reasons. First, the Christian Democrats were still very much affected by the memory of the UP government, and were apprehensive to join hands with a Left that did not show any serious signs of ideological re-orientation. Second, the party enjoyed a relative autonomy under the dictatorship; its previous opposition to the UP and close ties to the Church gave it a high prestige, which the military government did not find easy to suppress. This relative autonomy would be endangered if the PDC openly took sides with the former UP parties (Moulian 1997: 254).

However, the party reached a crossroads with the death of party leader Eduardo Frei in 1982. As Valenzuela and Valenzuela (1986: 211) argue, the sudden demise of the great party leader was a blow as well as an opportunity for the party. Frei was apart from the most prominent opposition leader, a constant reminder of the past. Not only was he deeply mistrusted by the Left because of his opposition to the UP, but large sections of the Right also resented his role as the '*Kerensky chileno*', the Chilean 'Kerensky', which had paved the way for 'Socialist totalitarianism' in the country. After his death, the new leadership was able to cast off the *camino propio* politics of the past (after intense internal discussions), and focus on structural coalition-forming with the (renovated) Left.[60] As a result, the party was able to regain the centre of the political field, and, through its relatively strong organisational structure combined with its high legitimacy, to assume the leading position among the oppositional parties. Its increasing technocrat nature, and close connections with the political entrepreneurs of its former members in the MAPU and IC, also gave the party a new pragmatic and flexible outlook, without weakening its programmatic strength (Walker 1993 180-1).

Concluding, the competition, however informal, between the Right, the Centre, and the Left facilitated the creation of a Centre-Left, academically oriented opposition which would prove able to formulate a viable alternative project of modernisation.

5.2.3 Adaptation of the Project

Like its predecessors, the project of modernisation of the Right experienced a severe crisis that threatened its very existence. In the period 1982-5, economic crisis and persistent social unrest (mainly in the form of mass demonstrations) delegitimised the

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[60] In this sense, a PDC without Frei proved to be just as dangerous to the regime as one with him, or even more so. If the repeated, and substantiated, accusations of Frei's death being a secret service murder are true, than it was a serious miscalculation on the part of the regime. See Jorge Molina (2002).

neo-liberal project and seriously challenged the authoritarian model. At the same time the rise of a broad, democratic, oppositional coalition seemed to ensure a rapid, if negotiated, transition to democracy, as had taken place in the other Latin American countries that had been ruled by bureaucratic-authoritarian regimes (O'Donnell, Schmitter and Whitehead 1986: 6). However, in contrast to the previous projects, the project of the Right succeeded in overcoming this crisis by effectively adapting to the new circumstances. Utilising the high level of autonomy of the executive in relation to its supporting civilian groups, and sailing a highly pragmatic and incremental course, the government was not only able to survive, but also to reignite its project of modernisation, albeit with adaptations.

The crisis followed a pattern similar to that of the governments of Frei and Allende. After a period of successful modernisation, rapid economic contraction impeded the continuation of the implementation of the project. Simultaneously, social unrest, partly as a consequence of ideological opposition and partly resulting from the economic crisis, became a serious threat to the government. As a consequence, the government was forced to choose between further modernisation and maintaining social order. In the case of the Revolution in Liberty, Frei opted for the latter, but, having antagonised both the Right and Left, was unable to gain sufficient support for a new moderate path of modernisation. The Chilean Road to Socialism followed the same pattern: under pressure of economic crisis and social unrest, Allende attempted to moderate the project by gaining the support of the Christian Democrats. However, the radicalisation of the UP's Left flank, as well as deep mistrust by the PDC, impeded such a settlement, which contributed to the downfall of the government.

For the project of the Right, the crisis started in 1981, when it became clear that the Chilean economy was severely affected by the debt crisis that had struck Latin America. As it turned out, the 'Chilean Miracle' was standing on feet of clay, as the financial sector was over-indebted, the productive capacities of the economy had been weakened and unemployment remained relatively high. Furthermore, the openness of the economy made it extremely vulnerable to external influences. As a result, Chile experienced the greatest set-back of the region, with its GNP falling 14.5 per cent in 1982-3 (Huneeus 2001: 508). Additionally, from 1983 on, the opposition succeeded in mobilising the general dissent (even among sectors that had previously been in favour of the regime) into massive demonstrations against the government. As a consequence, the regime faced a double crisis: on the one hand, the failure of the economic project of the Chicago Boys, one of the legitimising foundations of the regime, and on the other, and as a result from the first, widespread dissent among the population at large, including the middle classes, which was focused into action by a increasingly broad and well-organised opposition.

The reaction of the military government was twofold: on the one hand, radical Chicago Boys policies were abandoned by the regime and replaced by more pragmatic ones, including some that had opposed the strategies of the previous years. On the other, the government moderated its position towards the moderate opposition,

creating some room for political activities. The success of this double strategy became clear around 1986, when the demonstrations faded, the economy regained its strength, and the regime was once again able consolidate its power over society.

Maintaining Relative Autonomy
The question of why this approach was successful in overcoming the crisis and pushing forward its project can be approached on different levels. To start with, one possible approach focuses on the different alliances that were formed in this period, and their relative success in imposing their agenda. This analysis can be seen from two perspectives: that of the regime and that of the opposition. Eduardo Silva (1996: 173-192) follows the perspective of the different economic groups that supported the regime. He argues that a 'pragmatic neo-liberal coalition', existing of industrial and other 'fixed asset' capitalists (in contrast to the 'liquid asset capitalists' of the financial world, who favoured a hard-line neo-liberal course) were able to moderate the project enough to ensure its survival. This coalition had been built up in the previous years around the *Confederación de Producción y Comercio* (Production and Commerce Confederation, CPC), a powerful entrepreneurial organisation, and had produced detailed alternative strategies for the project. However, by 1983 they were far from strong enough to enforce their will on the military regime. Therefore, Silva argues, their success is the result of several interconnected processes. First of all, the acute crisis of liquidity in the Chilean economy made a return of the neo-liberal hard line highly improbable and therefore strengthened the pragmatic alternative. Second, the pragmatic neo-liberal coalition succeeded in overcoming many of its internal differences, increasingly positioning itself as a cohesive and ideologically solid actor, which offered the government a set of well thought out and cohesive policies.

Two final developments were decisive in creating success for the pragmatic neo-liberal coalition, Silva argues. First, it was approached by the rapidly growing opposition in an attempt to join forces. As this strategy seemed to work, at least initially, Pinochet saw himself forced to appease the pragmatic coalition in order to avoid the creation of a broad oppositional coalition that would have enough strength to enforce a transition to democracy. Finally, in his attempts to make overtures to the pragmatic neoliberals, Pinochet removed many of the hard-line Chicago Boys and replaced them with more moderate technocrats. These technocrats slowly opened up the process of policy-making to organised business, thus creating a platform that allowed the pragmatic neo-liberal coalition to translate its demands into actual policy.

In a similar civil-society analysis, but from the perspective of the opposition, Eugenio Tironi argues that the nature of the opposition was mainly to blame for the survival of the regime. The weak organisation and coalition-building of the opposing forces, Tironi argues, soon produced signs of fatigue among the demonstrators. As a result, instead of unifying into one broad, multi-class oppositional movement, the demonstrations soon fragmented and lost their cohesiveness, while their focus increasingly moved from the middle-class areas to the peripheries. As a result, the

middle class watched with apprehension the roadblocks and violent street clashes between marginal youth and the police force, and rapidly withdrew its initial support for the opposition out of fear of social chaos:

> What had started as a multi-class and peaceful manifestation, increasingly transformed into a global revolt of the excluded (…) As a result, the middle classes, up to then largely favouring the opposition, started to re-evaluate their position. In fact, the cost of Pinochet's presence soon became less than the social threat that was present in the protest (1998: 84).

While the civil society approach gives valuable insight into the success of alliances between different actors, it does not explain the role of the state. At that level, the notion of 'relative autonomy' is particularly helpful. Already 1973 O'Donnell argued that bureaucratic-authoritarian regimes were characterised by a high 'relative autonomy' of the state vis-à-vis other actors in society. The destruction of the previous political structures and relationships during and after the coup created a space in which the state could act more or less independently from the civil society actors. This did not only concern the opposition, but also those actors that were supportive of the government. As a result, the regime created both the space and time to implement its project of national restoration and modernisation, even if supportive groups were negatively affected by it. The military's self-image as the 'incarnation of a rationality transcending the myopia and avarice of particularized interests' did not even exempt the liberal technocrats, who functioned as the civic backbone of the bureaucratic-authoritarian regimes, and who regularly had to negotiate their space to move (O'Donnell 1973b: 193; Foxley 1984: 32).

Relative autonomy became an important feature of Chilean authoritarianism, as it allowed the regime to implement a highly radical project of modernisation that had negative repercussions for important sectors of the industrial and business elites. During the crisis of 1982-3, though, it gained particular value as it became a key to the survival of the regime. It allowed the military government to move away from the two civilian groups it had become so closely attached to, the *gremialistas* and the Chicago Boys. It also allowed for the return of these groups to the centre of political power when the military saw fit.

The relations between the *gremialistas* and the military had already become strained before the crisis of 1982, as a result of the increasing personalisation of power by Pinochet. The *gremialistas*, under the leadership of Jaime Guzmán, emphasised the gradual implementation of the 'new institutional order' that had been projected in the 1980 constitution and which consisted of a *democracia protegida y tutelada* (a protected democracy under tutelage of the military). Pinochet, however, interpreted the success of the constitutional plebiscite as a personal triumph, and rapidly consolidated his position as dictator, intensifying the repression of the moderate opposition and postponing the implementation of the transition to a protected democracy (Huneeus

2001: 501-7).[61] The refusal of Pinochet to continue the path of transition to democracy led to the resignation of *gremialista* Minister of Interior, Sergio Fernández. From this moment on, the *gremialistas* become increasingly isolated, especially when, during the social unrest of 1983, former PN-leader Sergio Onofre Jarpa was installed as Minister of Interior. The choice of Jarpa, who was a radical opponent of the *gremialistas*, is indicative of the degree of autonomy that the government exercised towards its civilian support groups, even while it still needed civil support.

Jarpa set in motion a strategy of *apertura* (open approach towards the opposition) towards the opposition, allowing for a limited return from exile for moderate opposition leaders, as well as a softening of the censorship laws. Furthermore, Jarpa initiated negotiations with the moderate opposition. These steps were met with strong resistance by the *gremialistas*, who rejected any strategy that involved negotiations with the opposition. Even though Jarpa's strategy never materialised in an agreement of any kind, it created a climate of negotiation and moderation that was essential for the military government to survive. Following Dahl's assumptions that if the expected cost of repression increases, and that of toleration decreases, an authoritarian government will be more probable to tolerate the opposition, the military government used its relative autonomy towards the *gremialistas* in order to appease the Centre (Dahl 1971: 15; Huneeus 2001).

In the case of the Chicago Boys, the government followed a similar path. However, the military government clearly had more difficulty in distancing itself from its economic champions than from the *gremialistas*. After the economic crisis had started, Pinochet protected Sergio de Castro for almost a year, despite widespread criticism of his orthodox policies. Only when Fernández resigned in April of 1983 did Pinochet seize the moment to replace De Castro as well. Subsequently, the economic strategies of the government became markedly more heterodox, and the Chicago Boys saw their influence on economic policy largely reduced. The peg between the dollar and the peso was released, certain import tariffs were reinstated, and the state actively intervened in the financial sector, nationalising banks and other institutions that were on the verge of bankruptcy. As a result, what Ffrench-Davis has called the 'pure phase' of neo-liberalism was succeeded by a phase of 'relative pragmatism' (2003: 36). This pragmatism was mainly targeted at overcoming the economic crisis and restoring normality in the short term. However, as Larraín and Velásquez (1986: 112) argue, the large-scale state intervention in the period of crisis had produced structural changes in the relations between the state and the economy that could not easily be reversed. As a result, even after 1985, when the economy rapidly recovered under the successful direction of Minister of Finance Hernán Büchi, pragmatism and heterodoxy had become integral

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[61] According to Huneeus, the personification of power took the form of three symbolic measures: the return of the presidential office to the restored La Moneda; a simultaneous change in presidential protocol, replacing the informal style of interaction in the presidential office with a military and extremely formal style; and the building of a luxurious presidential country house, in the words of Huneeus, 'more fitting the style of sultanic dictatorships than the moderation that has been characteristic of the residents of the La Moneda Palace' (2001: 502).

features of the economic policy-making process. Like the *gremialistas*, the Chicago Boys regained a strong role in government after the crisis had ended, but both had to face the fact that during their marginalisation from power the rules of the game had changed.

In conclusion, the relative autonomy that the state held vis-à-vis both the *gremialistas* and the Chicago Boys allowed the government to take the measures that were needed to overcome the crisis and adapt the model, even if after the return of a certain level of normality both groups were largely reinstated in their respective roles.

Pragmatic Decision-Making

Moving away from the level of inter-actor relations and to the level of political strategy, but still linked to the notion of relative autonomy, is the decision-making process that took place under the military regime. Marcus Kurtz (1999: 401-423) stresses the point that in contrast with the revolutionary discourse of the Chicago Boys, claiming to implement a coherent and integral project, the actual policy-making process of the regime was incremental in nature. Torn between the need to create economic growth as well as to impose political restructuring – two often contradictory goals – the military resorted to short-term solutions instead of long-term consistent strategies. As a result, the outcome of the government's policies was the result of a chain of pragmatic decisions rather than elaborate planning.

This incremental approach helps to explain the success the regime had in overcoming what seemed to many to be a terminal crisis. The steps that were taken by the regime were not just targeted to increase economic growth, but also – or mainly – to gain support for the government among dominant economic circles. Making use of the relative autonomy of the state, and focusing on gaining the support of a 'pragmatic neo-liberal coalition', the government took a hybrid course, sometimes in line with the neo-liberal model, and sometimes deviating from the model. Keeping a distance from his dogmatic civil allies, Pinochet was able to balance his course, prioritising strategic political considerations over ideological or strictly economic considerations. As has been indicated above, this pragmatic course eventually led to a change in character of the neo-liberal project. However, as Kurtz argues, this was unintentional:

> This new form of neo-liberalism emerged more out of short-term political calculations than deliberate design (1999: 421).

After 1985, these adaptations started to pay off, not just in terms of economic recovery, but also in the form of a second boom period in which a new wave of privatisations was combined with a much more pragmatic and socially-oriented focus by the regime.

A similar pragmatism can be discerned in the regime's dealing with the opposition. In particular Jarpa's *apertura* exemplified the strategic and short-term nature of Pinochet's policies in this period. For Jarpa, the strategy of moderating the regime and negotiating with the opposition was the beginning of a change in regime style, moving away from an all-exclusive regime to a more open form of authoritarian rule. For Pinochet, however, the *apertura* signified merely a strategic withdrawal that was to be reversed when the opportunity arose. As a consequence, the regime did not back up

Jarpa's strategies with a less repressive attitude towards the opposition; on the contrary, it rapidly intensified state violence, putting Jarpa's credibility at stake. Additionally, it did not allow Jarpa to negotiate a deal with the opposition or a change in regime. As a result, the *apertura* failed as a long-term strategy to strengthen and prolong the regime's life-span through moderation and cooperation with the opposition.[62] In 1985, policies were reversed and Jarpa was replaced. As a short-term strategy, however, it was highly successful. The repeated talks with the opposition that took place in 1983, when the crisis was at its deepest, served to buy the regime time. By the time the talks failed, four of the five biggest demonstrations had already taken place, and social unrest increasingly withdrew to the *poblaciones*. Meanwhile, the opposition had been deeply divided about the negotiations and proved unable to regroup afterwards. In other words, it was Pinochet's pragmatism and instrumental use of Jarpa's *apertura* that had allowed the regime to overcome the most difficult months of its existence (Huneeus 2001: 520).

5.3 The Legacy of the Project: Economic, Social and Political Modernisation

In many ways, the 'Silent Revolution' was able to leave a powerful legacy of modernisation that would remain influential throughout the first three governments of the *Concertación*. At the economic level, modernisation had been defined by the memory of crisis under the UP, the implementation of the neo-liberal project of the Chicago Boys, and its successful adaptation to a more pragmatic course in the 1980s. Despite the fact that economic modernisation had been extremely exclusive, it had produced increased material wellbeing for large sections of society, and possessed such a high level of legitimacy that it proved irreplaceable. Politically, the creation of an authoritarian order based on the notion of Latin American conservative modernity proved successful at well. Despite the fact that Pinochet lost the 1988 plebiscite, the *gremialistas* had succeeded in implementing a lasting model that prevented a return to the pre-1973 political order, and which amounted to a 'limited and tutelary democracy'. At the social level, a true 'silent revolution' had taken place, as the traditional orientation of Chile's social sectors towards collective forms of action had been replaced by individual competition. Similarly, a strong reorientation from the state toward the market, and from ideological ideas to consumption had come to characterise the mentality of large sections of Chilean society. Even though the 'Silent Revolution' had been as exclusive at the social level as it had been at the economic, the social transformations it produced would prove to be lasting legacies.

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[62] Jarpa himself, in retrospect, does not acknowledge such a conflict of interest between himself and Pinochet in this period. For his view on the matter, see Arancibia *et al.* (2002)

Economic Modernisation: from a State to a Market Economy

The most conspicuous economic feature of the project of the Right was the transformation of the economy. Having been oriented towards the state since the 1930s, it was reoriented to the market in a rapid and profound way. This resulted in rapid economic growth in the 1970s, but also in a profound crisis at the beginning of the 1980s. After 1985, however, the successful adaptation of the economic model restarted economic growth, which even reached double digits by 1989 (Ffrench-Davis 2003: 36). As a result, the legitimacy of the model remained high, and this made it extremely difficult for the new government to replace it.

Despite the Right's euphoria about economic growth, modernisation and development, some critical remarks can be made about the performance of the Chilean Miracle, as it came to be known. Ffrench-Davis (2003: 30-40) shows that even though the neo-liberal period clearly had its periods of rapid expansion, it also suffered from serious recessions. If these periods are taken together, GNP growth averages only 2.9 per cent on a yearly basis, a meagre result, especially if it is recalled that under Frei GNP averaged 4 per cent per year. Of course, the economic chaos that the Right inherited from the UP period should be taken into consideration. However, the most serious contractions of the economy under the dictatorship took place in the 1975 and 1982, that is, years after the coup. Some other indicators show similar patterns. Investment, for instance, had dropped from 19 per cent under Frei to 16 per cent under Allende. Contrary to what could be expected, it did not recuperate in the years following the coup, but remained stable until 1981, after which it dropped by another three points. Only after 1985 did investment rise significantly, although it only finally reached the level of the 1960s in 1989 (Stallings 2001: 47).

Furthermore, the economic modernisations of the Chicago Boys had badly hurt several sectors of the Chilean economy. Towards the end of the regime, most of the country's traditional industries had vanished, and few new industries had emerged (Gatica 1989: 8). In the countryside, the market-oriented transformations had virtually destroyed all the traditional agricultural structures. Not willing to reinstate the old rural elites and practices, Pinochet maintained most of the agrarian reforms. However, the opening of the markets produced severe blows to several sectors of agriculture. In the end, the modernisation in the countryside led to more effective farms, foreign investment, and orientation towards exports, features that were celebrated by the Chicago Boys. However, the social and economic costs of this adaptation were high and produced substantial economic exclusion (Silva 1991b: 30). As Oppenheim (1993: 156) argues, the process of transformation in the countryside was more or less emblematic for the other sectors of the economy as well. In all economic sectors, the re-orientation towards the (international) market created competitive and efficient companies, but often at a high social cost. As a result, large sections of the population remained excluded from economic neo-liberal modernity. Finally, the modernisation and transformation of the economy produced a small but extremely powerful economic elite. This was not exclusively the result of free market logic, though. The process of

privatisation, especially in the 1980s, was extremely beneficial to several business conglomerates that had close ties to the regime, as state companies were sold far below the market price (Mönkeberg 2001: 12).

From the mid-1980s onwards, the success of economic modernisation became a clearly visible feature of Chilean society. This process was euphorically heralded by Chicago Boy Joaquín Lavín in his book *Chile: A Quiet Revolution*. In this bestselling title, Lavín argues that Chile had become a country with more jobs, more competitive enterprises, and well integrated in the global movements of modernity. Furthermore, its inhabitants were rapidly becoming better educated, informed, and enjoyed the benefits of a consumer society: more choice of products, more culture, and, in particular, more technology:

> Until a short time ago, all baths in the United States were white and all telephones black. But mass society (…) came to an end, giving way to diversity (…) [I]n Chile, baths are white or light blue, or any other colour. Telephones have hundreds of different shapes and sizes - which may be chosen by the costumer - and car buyers decide from dozens of different makes. Women work or study (1988: 170).

In a subsequent joint publication with Luis Larraín, *Chile: Sociedad Emergente*, Lavín notes the rapid growth in the number of inhabitants of Santiago who spend their summer at the beaches near Viña del Mar, the rise of small-scale enterprises in the shanty-towns, and an increase in the life expectancy of the Chileans, in short,

> the dynamism of a modern country, competitive, efficient, creative, integrated in the world, and with a new mentality, which is the result of the 'Silent Revolution' which it has experienced (Lavín and Larraín 1989: 11).

Echoing the voice of the nineteenth century liberals, Lavín and Larraín claim that through this 'Silent Revolution' Chile has definitively been 'parted from the trilogy of socialism, bureaucracy, and economic stagnation that characterises many Latin American countries', and that it, in turn, reflects much more the emerging countries in Asia: Taiwan, South Korea and Japan (*ibid.*, p. 162).[63]

In many ways, though, the 'Silent Revolution' proved to be a failure by its own standards. Repeatedly the Chicago Boys had insisted that neo-liberal reform would create 'popular capitalism', through 'the spread of property', with the end goal of creating, in the words of the Declaration of Principles, a 'society of proprietors, not proletariats' (Huneeus 2001: 447). This ideal of creating a sort of 'middle class consumer society' proved, by the late 1980s, to be an illusion. Lavín's observations on a 'Silent Revolution' were not untrue: a social transformation had indeed taken place that increasingly created access to work, consumption, and the like. What Lavín failed to recognise, though, was that this process was largely limited to a small section of society,

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[63] In this sense, Mario Góngora's thesis that the state formed the nation proved once again true. Whereas originally the emergence of the state had defined the formation of the Chilean nation, now it was the retreat of the state which transformed it, creating new cultural patterns and general outlooks, based on individualism and market thinking rather than on collectivism or an orientation to the state.

the upper and the middle classes. In a reply to Lavín, the sociologist Eugenio Tironi severely criticises the model for its social repercussions. In his book, fittingly called 'The Silences of the Revolution', he argues that the project of modernisation of the Right had taken place at the cost of large sections of society. Instead of creating a middle-class consumer society, it divided the country into two: one large group of the excluded, consisting of the popular and formerly lower middle classes, and a small section that, in his words, 'has been able to completely incorporate itself into modernisation' (Tironi 1988: 87). While the second group had full access to the new patterns of production and consumption that the Silent Revolution had created, the first group became completely excluded from those patterns. Graphically comparing the *poblaciones* to the South African townships, Tironi shows the other side of the Silent Revolution. In the *población* of La Pintana, for example, in 1985 there was only one telephone per 22 thousand inhabitants, and while in the same year the number of cars in the wealthy neighbourhood of Providencia had risen to 697 per thousand inhabitants, the number in the *población* of La Granja was 15 (*ibid.*, pp. 28-29).

All in all, the social policies of the Right had produced mixed results. Despite optimistic statistics by ODEPLAN, there was ample proof of a general deterioration in living standards for most Chileans. By 1990, over 40 per cent of the population lived in poverty, of which around 14 per cent in extreme poverty (Olave 1997: 187). Meanwhile, inequality had reached heights that were unprecedented for the second half of the twentieth century. In many ways, the Silent Revolution was a revolution that was based on social exclusion rather than on 'popular capitalism'.[64] Nevertheless, Lavín's optimism was not completely without foundation. Towards the end of the 1980s, when economic growth recovered rapidly and employment boomed, even the large, excluded sectors of the population began to be infiltrated by the changing patterns of consumerism and material modernisation. Tironi affirms that despite poverty and joblessness, in 1988 85 per cent of the *pobladores* possessed a TV set and 73 per cent owned a radio (1988: 73). The secret of this contradiction lay partly in the emergence of credit cards that were provided by large stores and which allowed the customer, even the poorer ones, to repay consumer goods in monthly instalments. If for the majority of the population the prospect of high consumption and middle class standards of living remained dim, at least some tangible aspects of such a lifestyle had come within reach. In an embryonic sense, Lavín turned out to be correct when he triumphantly claimed in 1989 that:

> modernisation (…) extends much further than just the business sector. It reaches other sectors and more people. It transforms culture, work, education and scientific knowledge. It profoundly modifies life in the *poblaciones* of Santiago. It transcends ideologies. Modernisation is of Left and Right (1989: 14).

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[64] The socio-economic performance of the Silent Revolution has been widely studied. See for instance: Vergara (1985 and 1991); Ffrench-Davis and Stallings (2001); Angell and Pollack (1993).

As a result, the legacy of economic modernisation of the regime consisted of both its success and its failure. On the one hand, the economic successes of the neo-liberal model made it almost impossible to replace. The opposition was well aware that the future legitimacy of the government would lie largely in its economic performance. This specifically applied to the Left, which knew that it would have to overcome the images of economic chaos under the UP and prove that it could govern in a responsible manner. By 1990, the only conceivable way of guaranteeing economic growth would be by maintaining the current model, rather than trying to replace or fundamentally alter it with unknown results. In addition, it was clear that any attempt to touch the foundations of the neo-liberal model would lead to violent (and economically damaging) responses by the entrepreneurial sector, as well as to political opposition from the Right, which would block any attempt to reform other sectors as well. As a consequence, much to the sadness of sectors of the Left, but also of the Christian Democrats, the regime's neo-liberal model was maintained as a lasting legacy for the *Concertación*. On the other hand, the economic legacy of the military regime consisted of the high level of poverty and exclusion among the population. The economic exclusion of a large part of the population not only constituted a moral and economic challenge, but could also lead to political problems. The return of democracy would certainly lead to a rise in expectations among the poor of the country, which could lead to mobilisation and the radicalisation of popular demand. As a result, the legacy of poverty and exclusion came to be one of the main challenges for Chilean modernity in the 1990s.

The Political Legacy: Creating a Limited Democracy

On the political level, the Right was also able to create a legacy that would leave a lasting imprint on Chilean modernity. It consisted of the continuation, after the return to democracy, of the authoritarian order that was set up under the regime. The *gremialistas*, seeking to avoid a return to pre-1973 political relations after the end of Pinochet's rule, constructed a political model which they entrenched in the 1980 constitution. This model, based on the idea of Latin American conservative modernity, set limitations on the elbowroom of the future democratic governments. As a result, a 'limited democracy' was created that ensured a moderate and centrist course of action from governments of the Concertación.

These limitations consisted of what Manuel Antonio Garretón (1989) has labelled 'authoritarian enclaves'. These are not the same as what Stepan called 'military prerogatives'. Military prerogatives refer to the attempts of the military to impose restrictions on the democratic system in order to achieve certain privileges or maintain institutional influence (Stepan 1988: 93). Authoritarian enclaves, in contrast, refer to a broader maintenance of the authoritarian model under the democratic regime. Apart from protecting the military against possible repercussions, and guaranteeing its supervisory institutional position, authoritarian enclaves seek to institutionalise key elements of the authoritarian order in the democratic system.

In the case of the project of the Right, the authoritarian enclaves were not just a last-minute resort of the regime to protect its institutions and interests. The *gremialista* had been working on the construction of a lasting political order since the beginning of the regime. Arguing that with the downfall of the military regime the political order might also collapse, they successfully argued in favour of an eventual return to democracy, but with the maintenance of certain key authoritarian features. These features were mostly incorporated in the 1980 constitution, with the exception of some specific military prerogatives that were implemented in the period of the transition itself.

The main authoritarian enclaves consisted of several provisions. First of all, a number of 'designated senators' were to be appointed by the outgoing regime, favouring the Right in the Senate. Second, a binominal electoral model was implemented, influencing the electoral process in two ways. It forced political parties to group together in party coalitions (thus limiting the possibilities of future *camino propio* governments, and assuring consensus-based policies), and it favoured the second winning coalition in the elections (again favouring the Right, but also assuring that policies would have to be broadly carried in Congress). Third, it suppressed parties that favoured class struggle or acted 'against the family'. Finally, it gave the military considerable prerogatives. The Commander-in-Chief of the Armed Forces could not be removed by the civilian government, the military held an important presence in a National Security Council, and the military were given the official status of 'protectors of the democracy'. It also formalised the 1978 amnesty for human rights violations that had taken place between 1973 and 1977. During the transition, further *leyes de amarre* (tie-up laws) assured the military of increased amnesty and financial protection. After these final safeguards were effectively installed, Pinochet remarked that 'everything will remain *atado y bien atado* (tied up and well tied up) under the loyal surveillance of our Army' (Loveman 2001: 307). In 1989, Pinochet could argue that the purposes of his regime had been achieved:

> We have completely fulfilled the task that we took on ourselves on 11 September 1973 to reconstruct the political, institutional and social-economic order in agreement with the authentic spirit of our race! The mission that was defined on that memorable day has been completely accomplished! (speech by Augusto Pinochet 1989).

The political legacy of the Right was not uncontested. However, for several reasons the nature of the transition to democracy gave the regime a strong preponderance. First of all, the regime had initiated the transition itself, by constitutionally invoking the 1988 plebiscite. Second, after 1986 the moderate opposition had concluded that the regime would not leave office as the result of mass demonstrations, and therefore decided to follow the rules of the constitution and await its chance in the plebiscite. Third, the economic recovery after 1985 and the subsequent boom in consumption gave the regime renewed legitimacy. Finally, the memory of the chaos and economic crisis of the last years of Chile's democracy had made many Chileans fearful of a return to democracy. In short, the military regime still possessed a high degree of legitimacy and

support, not just among economic elites, but also among large sections of the population, 44 per cent of which had voted for Pinochet in 1988.

These circumstances amount to what Linz and Stepan (1996: 205-218) call the pattern of the 'highest level of institutional constraint' for transitions to democracy, typical of an outgoing authoritarian regime which is united and hierarchical, and which enjoys wide support from influential civil allies. Such circumstances allow the outgoing regime to impose severe restrictions on the process of transition, and additionally retain a presence in the shadows of the state. Another key factor in the lasting legacy of the authoritarian model was the existence of a constitution. By having to play by the rules that had been set out by the military regime, the opposition had very little opportunity to extend its influence and eliminate the authoritarian enclaves. As a result, Linz and Stepan argue, the Concertación, guessing that it could not get the necessary support in the Senate, the judicial system, or other institutional platforms, decided to settle the matter in by largely accepting the status quo. This logic was strengthened by the need to implement its socio-economic programme, for which it needed right-wing support in the Senate. As a result, the choice between further modernisation and political conflict, possibly leading to instability, was decided in favour of the former.

There are also other elements that contributed to the specific outcome of the Chilean transition. Peeler (2004: 61; 65) stresses the role of both the moderates within the military regime and the opposition. Transitions in which moderates of both camps form an alliance, Peeler argues, create 'elite settlements', in which the outcome of the process is carefully negotiated between the different actors. Even though Peeler does not find a true 'elite settlement' in the case of Chile, he argues that it was at least a tacit pact, which consists of a general agreement between the Right and the Concertación about the general course of the latter's political project.

Moulian (1997: 355-6) emphasises the need to negotiate certain aspects of the constitution before the return to democracy and the role of the moderate Right in this process. The 1980 constitution allowed for relatively easy amendments in the period before the return of democracy. After the new democratic government had taken power, though, it would become very difficult to implement constitutional reform, as it required special quorums in Congress. As a result, the opposition had no choice but to negotiate with the regime certain adaptations that were essential for creating a more or less manageable situation for the new government.[65] The role of *Renovación Nacional*, the moderate and pro-democratic party of the Right, was crucial in these negotiations. In fact, Moulian argues, the situation occurred that the regime was not so much negotiating with the opposition but more with *Renovación Nacional*. Apparently willing to remove the 'authoritarian enclaves' from the constitution, RN appointed itself to mediate between the opposition and the regime. However, according to Moulian the willingness of *Renovación Nacional* to adapt the constitution was only limited to

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[65] These amendments specifically concerned the number of designated senators, the abolition of an article that outlawed parties that favoured class struggle or acted against the family, and the binominal electoral system. Of these three, only the first two were changed to the desires of the Concertación.

removing the most radical parts of the authoritarian enclaves. Fearing that an overtly authoritarian constitution would easily be delegitimised, they assisted in 'softening it up' while leaving the authoritarian core intact. As a result, the strategy of the RN limited the negotiations to mere details, ensuring the continued existence of the authoritarian model.

Jocelyn-Holt emphasises the compliant role of the opposition. Instead of seeking to replace the whole regime, including its authoritarian constitution, amnesty laws for military, and so on, the opposition had satisfied itself with replacing Pinochet only. As a result, they had allowed the authoritarian institutional order to remain intact under civilian rule. It was a 'consensual transition', Jocelyn-Holt claims, and as such not a true transition at all. Even though there may not have been an explicit agreement between the regime and the opposition, for several reasons the opposition was willing to settle for a tacit one. The longevity of the regime, fear of a return of the chaos of the past, and a certain habituation (and even internalisation) of the authoritarian model had steered the opposition towards this 'consensual transition', privileging continuity under the flag of change. As a result, the political leadership changed after the 1988 plebiscite, but the institutional order remained in place. It became a 'civil-military regime', starting in 1973, and stretching forward in democracy. Consequently, the choice for or against Pinochet in the plebiscite lost most of its meaning. It became, in the words of Jocelyn-Holt, a mere choice of brands:

> [t]hey converted the difference between the *Sí* and the *No* in something that was not very different from the difference between Pepsi Cola and Coca Cola. In the end, they reduced a matter that demanded profundity to a mere option between brands (1997: 215).[66]

Finally, Silva (1999) focuses on the element of fear in explaining the nature of the transition. Based on O'Donnell's contention that the 'perception of threat' among the economic elites is a key factor in the conception and implementation of bureaucratic-authoritarian regimes, he argues that in the case of Chile, the perception of threat had been particularly influential. First of all, fear spread much further than just among the economic elites, and deeply affected the middle classes, which, as has been shown in the previous chapter, were key actors in the downfall of the government of the UP. Second, Silva argues, fear is not only a factor that explains the military coup, but also the behaviour of the Right, and much of the middle classes afterwards, and especially during the transition. The trauma of political polarisation, civil unrest, and economic crisis remained very present in the consciousness of large sections of the Chilean population. This was enforced by the regime's continuous propaganda, legitimising its repressive nature by hyperbolically exposing the evils, true or untrue, of the previous government. Furthermore, the boom in consumption in the periods 1978-81 and 1986-89 gave the middle classes another cause for fear, namely that the economic performance of a democratic regime might cause them to lose their newly gained

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[66] For a critical analysis of the Chilean intellectual thinking on the transition, focusing on intellectuals such as Jocelyn-Holt, Brunner, Tironi and Moulian, see Javier Pinedo (2000).

standards of living. As a result, the population refused to support a change of regime, even during an economic crisis, if there was no viable alternative present, as remained clear during the mass demonstrations of 1983-4. Finally, the development of these demonstrations, rapidly radicalising and projecting images that could have come from 1973, strengthened the fears of change among the middle classes. All these factors, Silva argues, contributed to a consensus among the opposition that a moderate strategy, based on cooperation, renovation and the creation of a viable alternative, was the only way to end the dictatorship (1999: 171-196).

The Legacy of Social Modernisation

The 'Silent Revolution' produced new patterns of social practices that strongly influenced Chilean patterns of modernity in the 1990s. The reorientation to the market instead of to the state proved to be deeply internalised by the Chilean population. Whereas in the 1960s, as Hofstede (2001) has shown, Chileans were characterised by their collectivist outlook, in the 1990s they proved to have become particularly individualistic (Marras 2001: 520-522). Additionally, the role of the individual in society had been transformed from that of a 'citizen' to that of a 'consumer'. This process was initiated in the 'consumption boom' of 1978-81, and reaffirmed after 1985. As a result, the regime proved to be successful in muting civil society by replacing the values of political freedom and participation by those of consumption and economic freedom. This process was reinforced by the fear that was generated by the repression of the military regime, and by the traumatic recollections many Chileans held of the political radicalisation and economic chaos under the UP (Silva 1999: 174-180).

Towards the end of the military regime these developments were not very clear. The protests of 1983-1985, the 1988 plebiscite, the downfall of the military regime, and the subsequent presidential elections of 1989 generated an atmosphere of optimism and involvement, which did not seem to indicate that the Chilean population had become apolitical or apathetic. However, as soon as democracy had been reinstated, and the new democratic government had survived the turbulence of the first few years, Chileans turned away from most forms of political participation. In fact, Chile's political culture would become characterised by political apathy (especially among the young), passiveness, and a focus on individual competition in the market rather than collective bargaining with the state (Oppenheim 1993: 198; Riquelme 1999: 276-278). As Tironi argues, this is a consequence of the internalisation of the neo-liberal reforms of the military regime:

> In our society the logic of consumption (I choose and pay in the market for the most advantageous alternative, and demand that I get exactly what I pay for) has been internalised at an individual level (…) Consumers generally act in a solitary fashion. This is why in our society we no longer see the collective organisations of the past. The preferred weapon of the consumer is not politics, which is the weapon of the citizen. The consumer defends himself by complaining in the media (1999: 227-228).

Chileans have passed, Tironi argues, from a society in which the state was the dominant player in the 1970s, to a state in which enterprise took the lead in the 1980s, to a society in which the protagonist is the consumer in the 1990s (*ibid.*). To a large extent, this transformation has been a result of the process of social modernisation that took place under the project of the Right.

Chapter 6

Growth with Equity: Modernity and the End of History?

How are we to interpret the era of the Concertación governments in the light of the competing projects of modernisation that have so drastically changed the path of Chilean modernisation? Is this a fourth project of modernisation, constructed out of the competition and interaction of the previous projects, and a bridge to future projects of modernisation in the long line of Chile's trajectory towards modernity? Or is it a synthesis, a crystallisation of the patterns of modernity that were produced by its predecessors? Should we see the project of the Concertación as the end of the competition and interaction between the projects of the Centre, Left, and Right, and as such as an 'end of history', to use Fukuyama's famous phrase?

In this chapter, I will argue that both may be true. On the one hand, the project of the Concertación is clearly a project of modernisation that shares most of its characteristics with its predecessors. Like them, it is based on examples and dimensions of modernity that emphasised certain aspects of the modern, while ignoring others (see section 6.1.1). This orientation was once again supported by a new theory of development, which was specifically created and adapted to fit the Chilean context (section 6.1.2). The ideological and developmental currents were once more united through the supervision of the President (section 6.1.3). In its implementation the crucial role of the state as the motor of modernisation became clear once again, as well as the extensive use of technocracy and state planning (section 6.2.1). Political competition between the Centre, Left and Right played a central role in the development of the project (section 6.2.2). Finally, it too had to deal with the question of how to adapt the project in the light of public dissatisfaction - even though, as will be seen, this process followed other lines than in the past (section 6.2.3).

On the other hand, the project of the Concertación may well be seen as an 'end of history'. This can be approached on two levels. First, more or less in line with Fukuyama's reading, the era of the Concertación has come to be characterised by a transversal consensus on the general development of Chile's political, economic, and social structures. In consequence, no longer competition exists between different *proyectos de país* (country projects) In this sense history, understood as an 'end point of ideological evolution', has come to an end (Fukuyama 1992). This approach will be discussed in section 6.2.2. Second, we can view the project of the Concertación as a synthesis between the projects of the Centre, Left and Right. Just as interacting waves may form stable patterns of standing waves, the projects of the Centre, Left and Right have settled, or crystallised, into a more or less fixed model, *el modelo chileno* (the Chilean model). Elements from all three sides hold each other in balance, so to speak.

As a result, the model cannot be adapted easily, as the removal of one element may lead to the collapse of the entire structure (section 6.3).

These two arguments may seem contradictory, as the interpretation of the project of the Concertación as a new project of modernisation suggests temporality, and the idea of an 'end of history' does not. However, I will attempt to show that they may in fact be reconcilable, and will end this chapter with some considerations on the future of the Chilean trajectory towards modernity and the possible end of its 'end of history'.

6.1 The Construction of a New Project: Growth with Equity

The project of modernisation that was set in motion by the Concertación coalition (consisting mainly of the centrist Christian Democrat Party and the progressive PPD and PS) largely consisted of the same elements as its predecessors: a political ideology and a developmental theoretical foundation, which were blended into one all-encompassing programme. However, in contrast to the previous projects it was also characterised by a high level of pragmatism.

6.1.1 The Concertación Coalition and Modernity

The notions of modernity and modernisation have been a driving force for the four governments of the Concertación coalition. All of them have stressed, both discursively and in political practice, an almost obsessive drive towards the modernisation of Chilean society in a relatively short period of time. However, during the sixteen years of Concertación governance, the interpretation of what modernity is or should be has undergone considerable changes - while once again certain aspects of the modern were clearly prioritised over others. It is therefore necessary to analyse the shifts in the views of the Concertación on modernity, while simultaneously stressing the elements of continuity between them.

Three different phases can be discerned in the understanding of the notion of modernity by the different governments of the Concertación. First, the Aylwin government (1990-1994) was dominated by the logic of the transition. As a result, it focused on the restoration of democracy and the general reinsertion of Chile into the international community. Second, the government of Eduardo Frei Ruiz-Tagle (1994-2000) emphasised technological progress and the modernisation of the state. Finally, the Lagos government (2000-2006) initially following the focus on technology of its predecessor, but made a shift halfway through its mandate by emphasising the creation of a welfare system. This line has been followed by the government of Bachelet (2006-) as well.

Democratisation: the Return to Modernity
In the ideological thinking of the Concertación in the late 1980s, democracy was the central element. Having lived through sixteen years of dictatorship, democratisation was

the first and most important objective that had to be achieved. As a result, the creation of a 'modern democracy' was acclaimed by all sectors of the Concertación.

The notion of democracy as a key element in the construction of Chilean modernity is interesting as it reflects a fusion between the past and the future, or, in Aylwin's terminology, a 're-encounter with the past' (speech by Patricio Aylwin 1989). In the Chilean self-image, the country had been an example of the modern at the political level since the mid-nineteenth century, as it had been able to sustain its democratic structures while most other Latin-American countries were unable to follow.[1] Moreover, as has been argued before, the notion of deepening democracy had played a fundamental role in the construction of modernity in projects of the Christian Democrats and the Left.[2] From this perspective, the transition to 'modern democracy' in Chile in the 1990s equated with a return to the country's pre-1973 democratic modernity.[3] As Eduardo Frei Ruiz-Tagle would put it in 1993, Chilean modernity could be constructed out of a mix between the past and the future:

> We are in the conditions to realise a synthesis between modernity and our own traditions, without imposing it from above, and to make way for more egalitarian ways of life, work, and social coexistence (speech by Eduardo Frei Ruiz-Tagle 1993).[4]

This amalgamation of the country's democratic past and future gave modernity a particularly historical content, while simultaneously downgrading the authoritarian government to an 'intermezzo', a hiccup in the continuous line of Chilean democratic modernity. In other words, it emphasised how modern the country had been and how modern it would be, while de-articulating how the country's path towards modernity had changed in course during the 1970s and 1980s.

However, the Centre-Left's approach to 'democratic modernity' had changed considerably after sixteen years of authoritarian rule. The critique of 'formal democracy' which had characterised the projects of the Centre and the Left in the 1960s and early 1970s, and their proposals for 'true democracy' on the basis of extensive power-sharing between the state and the population, had given way to a full acceptance of 'formal democracy' in an almost Schumpeterian sense (Silva 1993c: 215). Despite a discursive adherence to participation and an open decision-making structure, Chilean democracy

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[1] As with most national self-images, the 'Chilean democratic tradition' is both true and false. In particular the authoritarian style of Chile's democracy, its oligarchic nature, authoritarian intermezzos and other shortcomings have been strongly criticised by several authors, who have claimed that the Chilean 'democratic tradition' has in fact been a myth. See Portales (2000, 2005), Rodríguez (1985).

[2] Both the Christian Democrats and the UP had stressed the need to achieve 'true democracy' instead of Chile's 'formal democracy'. See sections 3.1.1 and 4.1.1.

[3] This 'pre-1973 democratic modernity' not only consisted of a formally democratic system, but also of the rule of law, certain degrees of citizenship that were unknown in other Latin American countries, and a broadly shared respect for state institutions and the state in general.

[4] It is indicative of the academic nature of the governments of the Concertación that they followed, in their discourse, the latest academic approaches on matters such as modernity. Already in the early 1990s, the Concertación clearly differentiated between modernisation and modernity, and argued that modernity and traditions could function together in a hybrid form. Both arguments had quite recently been debated in academic circles concerned with matters of modernity. See section 1.2.

under the Concertación came to be characterised by its top-down nature and its presidentialism - two features that belonged to its history as much as its democratic nature. This change in approach to democracy by the Centre and the Left was the consequence of a process of political learning, as the experiments in the past had clearly shown the dangers of popular participation (Weeks 2002: 397). However, it was also directed by the political realities of the day: by 1990, it had become clear that it would be extremely difficult – if possible at all – to do away with the 'authoritarian enclaves'. Furthermore, the broad popular support that still existed for Pinochet limited the space for the new government to move. As a consequence, there was little point to look even beyond the restoration of a simple liberal democratic model.[5] As a result, under the Concertación, the political dimension of modernity remained more or less limited to the return to formal, and even Schumpeterian, modernity.

Modernisation under the Aylwin Government

As has been shown in the previous chapters, the projects of the Centre, Left, and Right had been founded on a critique of modernity. Based on this critique, their projects were focused on the creation of 'alternative modernities', in which the perceived downsides of modernity would be resolved. In the case of the Concertación, the creation of such an alternative was strongly restricted by two factors: the ideological renovation of the Left and the politica realities of the transition towards democracy.

Instead, the notion of social justice, which had been the moral guideline of the Christian Democrats in particular, was moved forward as the most prominent point on the agenda of the Concertación. The socio-economic exclusion that had been produced under the neo-liberal project of the Right was considered to be the country's most pressing problem. However, as Silva (1993b: 104-5) shows, the idea of *justicia social* was stripped of its political and ideological connotations. Presenting it as a national problem that could only be resolved with the support of all sectors of the population, the Concertación placed the problem of social justice in the context of a general process of modernisation. The existence of large marginal social sectors, the Concertación argued, was not just ethically wrong, but also a fundamental obstacle for the prospect of Chile becoming a truly modern country.[6]

As a consequence, much like the Christian Democrats had done some twenty-five years earlier, an attempt was made to find an alternative to both raw capitalism and a state-led economy. However, as will be seen in section 6.2.1, this was by no means an ideological alternative based on notions such as communitarianism or *socialcristianismo*.

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[5] The phrase 'Chile's re-encounter with history' gained historical value and has been used on several occasions since. For instance, in 2004 it was re-used by President Ricardo Lagos to celebrate the constitutional reforms that had ended with most of the authoritarian enclaves: 'we are gathered here today to celebrate, solemnly celebrate, Chile's re-encounter with its history' (speech by Lagos 2004). Two years later, Michelle Bachelet paraphrased it when arguing, during her inaugural speech, that she was the personification of the 're-encounter between the Chileans', as she, like many others, had been a victim of the hatred of the past (speech by Michelle Bachelet 2006).

[6] This argument echoed much of the structuralist perspective of the Christian Democrats, who argued that development was only possible through the integration of the marginal masses. See section 3.1.2.

Essentially, the 'alternative modernity' that the Concertación offered consisted of a technical 'third way', in which the free market remained in place but would be regulated by the state in such a way that substantial income redistribution would become possible (Fermandois 2005: 506). In this way, the social element of Social Democrat welfare modernity and the economic element of Liberal modernity were combined in such a fashion that they would be able to reinforce each other.

Despite the Concertación's orientation towards modernity, it remained, like its predecessors, ambiguous towards the modern, shifting between a Social Democratic welfare model and the Liberal variant. In particular the free market model and its expressions such as consumerism and materialism worried certain sectors of the Centre-Left. In a famous phrase, Aylwin declared in 1993 that he considered the market to be 'cruel' and that he would not set foot in a mall, a new phenomenon in Chile in those years.[7] As he argued in 2002:

> Maybe I am just old-fashioned. I come from another generation, another Chile. I do not feel comfortable in modernity, in a modern society, with all the individualism and consumption that seem to be in fashion nowadays' (interview with Patricio Aylwin 26 April 2002).

Sectors of the Left also felt uncomfortable with the maintenance of the neo-liberal model. In 1991, Clodomiro Almeyda, leader of the more radical sector of the PS, half-heartedly defended the 'third way' course of his government by arguing that it would slow down the process of capital accumulation and allow for some level of social investment:

> It is true that regulation through intelligent planning might produce a lower rhythm of accumulation of capital (…). [T]he attempt to guide the economy, and even the market itself, in function of human needs, will permit the growth of what is more important: the value of the use of the richness that man generates, or in other words the capacity to satisfy those needs that allow the people to live in conditions that correspond with his dignity (speech by Clodomiro Almeyda 1991)

However, other sections of the Concertación felt quite comfortable with the capitalist foundations of the new model for modernity. The new patterns of consumption and materialism, they argued, would provide the lower classes with access to middle-class lifestyles that previously would have been unthinkable. As Brunner argues retrospectively, consumption, credit cards and malls have produced a true social revolution:

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[7] Aylwin's phrase 'the market is cruel' came to be a something of a running joke among his political contenders, who invented several variations on the theme: 'Aylwin thinks the market is cruel, but he implemented it nevertheless' (Jocelyn-Holt 1997: 238; San Francisco 2002: 17). In his memoirs, Aylwin argued that he intended to show that on the one hand, the market can generate tremendous affluence, but that it is very unjust in distributing it. Continuing, he refined his position on the malls: 'I saw the mall as the expression of modernism, which would lead to massive consumerism, and in that phase I was struck by the progressive disappearance of the traditional small merchant, who could not compete' (Serrano and Ascanio 2006: 276-7).

> If you talk of a revolution in consumption, you would be wrong to thing that it is taking place in the highest classes of society, among the people who take their holidays in the Fiji Islands. In reality, the revolution is taking place in the other corner of society, among a large sector which is now able, for the first time, to go on vacation in Chile. They have never been able to leave their *población*, and now they go, at the weekends, in an old 1978 Renault maybe, but they take their children and go to the beach. That is the true revolution (interview with José Joaquín Brunner 21 March 2002).

As a consequence, the position of the Concertación regarding an alternative modernity based on the idea of regulating capitalism was ambivalent. However, this did not lead to intra-coalitional conflict during the first half of the 1990s. A high level of pragmatism, combined with the conclusion that the political realities did not allow for a more radical approach, facilitated the broad acceptance of the model.[8]

New Perceptions of Modernisation: the Governments of Frei Ruiz-Tagle and Lagos
While Aylwin's government had largely been focused on dealing with the legacies of the past, the Frei government was able to look forwards. It did so by emphasising modernisation on the infrastructural and institutional levels (Fuentes 1999: 207-8). Frei's presidential campaign *Los Nuevos Tiempos* (*The New Times*) showed the same optimistic imagery of modernity as the *'La Alegría ya Viene'* (*Happiness is Coming*) campaign of the Concertación for the plebiscite five years earlier. It took place in the context of elections in which the ideological differences between the presidential candidates were subordinated to their personality, and in which 'difficult themes' were avoided (Angell and Pollack 2005: 43). As a result, the Concertación used 'general' and optimistic images of modernity that left most ideological themes open and focused on the future. As Frei Ruiz-Tagle put it:

> *Los Nuevos Tiempos* was a campaign motto that reflected the discussion in Chile on when the transition ended. We used the motto 'the new times' to say that the transition was over and we had entered normality, that we as a country were able to confront the processes of globalisation that we faced. Now, with the transition terminated, what we needed to do was to enter a process of modernisation, of modernisation of the state, which before had not been possible (interview with Eduardo Frei Ruiz-Tagle on 22 April 2002).

In its practice, the presidency of Frei Ruiz-Tagle was based on a profoundly technical and material perception of modernity. It became characterised in particular by the so-called 'modernisation of the state', an overdue but highly technical operation, with the explicit objective to 'make of the state a true agent of progress' (Cañas 2003: 27). This reform included an increase in transparency of the bureaucracy, improvement of services, and application of new technology, especially IT and internet services, and

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[8] There also existed a consensus that if Chile wanted to be modern, a certain price would have to be paid. 'Chile is part of the modern world', Frei Ruiz-Tagle argued in 1994, 'and therefore cannot escape the problems of that modern world' (speech by Frei Ruiz-Tagle 1994). In general, even when sectors of the Concertación considered mass consumption, credit cards and malls to be negative by-products of modernity, few actually sought to repress or mitigate them.

systematised human resource management.[9] Furthermore, the path towards modernity under the Frei Ruiz-Tagle government came to be characterised by physical modernisations such as infrastructural projects, mostly on the basis of state-private cooperation.

Frei's emphasis on technological and physical modernisation was initially continued by Lagos. Stressing in his 2000 presidential speech that in 2010 Chile should be 'fully developed and integrated', and that 'all Chileans, male or female, must be incorporated into the modern world', Lagos pinpointed high technology as the main motor of this process of modernisation. Digital connectivity received special attention: during the speech Lagos referred to the Internet fifteen times, and assured Congress that the Chilean state 'will put itself at the global vanguard of connectivity' (speech by Ricardo Lagos 2000). However, a year or two into his mandate Lagos made a new turn in the Concertación's agenda for modernisation. The *AUGE* (*Acceso Universal con Garantías Explícitas*, Universal Access with Explicit Guarantees) plan, that was introduced by Lagos in 2003 and was implemented in 2005, provided the Chilean population with state-sponsored treatment for the most frequent and dangerous illnesses. Besides *AUGE*, Lagos inaugurated the project *Chile Solidario* (Solidary Chile), to be carried out by the planning office MIDEPLAN, which was to create a welfare system for the poorest sectors of society. Even though they were not openly defined as such, *AUGE* and *Chile Solidario* were the first steps towards the creation of a 'welfare state' in Chile.

This notion of creating a 'European-style' social security network was continued by Bachelet. Putting forward an *Agenda Pro-Equidad* (Pro-Equity Agenda), she has intended to mitigate the negative effects of the neo-liberal model on the distribution of wealth in the country. To this end, she has emphasised the value of citizenship and the re-orientation of the citizens towards the state for the fulfilment of their needs and the creation of a better society:

> I was the candidate of the citizens. Now I will be the President of the citizens. Chile requires new politics for a new citizenship. I will be the President of a much better Chile. More modern, more egalitarian (speech by Michelle Bachelet on 11 March 2006).

With this Bachelet has added a traditional dimension of the political dimension of Chile's modernity, popular participation, to the neo-liberal and consumerist patterns of modernity that had become so characteristic of Chile under Growth with Equity. Meanwhile, though, she has maintained the technical and top-down style of government that has characterised the previous governments of the Concertación. If successful, this approach might be able to replace the 'techno-Schumpeterian' democratic model of the Concertación (Silva 1998a: 87) with a 'techno-participative' one.

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[9] For a deeper analysis of the modernisation of the state and the role of the state during the governments of the Concertación, see section 6.2.1. A similar project of modernisation under the Frei Ruiz-Tagle government was the Judicial Reform, which was targeted to improving the juridical infrastructure and replacing obsolete and dysfunctional procedures. See Correa (1999: 303-312).

6.1.2 Neo- Structuralism: the Past in the Present?

In the 1980s, a new developmental paradigm arose in Latin America in response to the then dominant neo-liberal theories of development. As in the case of structuralism and *dependencia*, the development of this 'neo-structuralism' was initiated in Chile, although it was influential in many Latin American countries.[10] It was simultaneously elaborated at different think-tanks of the opposition in Santiago, such the CEPAL, but in particular at the Christian Democrat-oriented Corporation of Economic Investigation for Latin America (CIEPLAN). As has been shown in the previous chapter, in the late 1970s opposition economists (mostly Christian Democrat) started to criticise the neo-liberal model and propose alternative strategies (Silva 1991a: 401-403). Roughly based on structuralist theory, they proposed a greater role for the state in the process of development (Muñoz 1982: 571-2), participation of organised labour in the decision-making process (Foxley 1982: 524) and in general a more open, pragmatic and less rigid approach to economic decision-making (Ffrench-Davis 1982: 567). However, they adopted the neo-liberal emphasis on the supply side (in contrast to the neo-Keynesian focus on demand) as a key element of development:

> [T]he heart of development lies on the supply side: quality, flexibility, the efficient combination and utilisation of productive resources, the adoption of technological developments, an innovative spirit, creativity, the capacity for organisation and social discipline, private and public austerity, an emphasis on savings and the development of skills to compete internationally. In short, independent efforts that are undertaken from within to achieve self-sustained development (Sunkel 1993: 20-21).

Apart from attacking the ruling neo-liberal paradigm, however, these economists also developed a critique of the structuralist theories themselves. In one of the first articles that systematically described the neo-structuralist approach, Ricardo Ffrench-Davis targeted two main shortcomings of structuralism: its lack of concern with short-term solutions and its excessive linkage of national development with planning. According to Ffrench-Davis, these shortcomings were mainly due to the analytical approach of structuralism, exclusively focusing on the extremes that existed in the economic policy-making spectrum, such as arbitrary protectionism versus total free trade. As a result, it paid very little or no attention to pragmatic solutions, such as finding alternative mechanisms for promoting investment, regulating foreign trade and the creation of more productive jobs (Ffrench-Davis 1988: 38). This critique was confirmed in a special CIEPLAN publication on neo-structuralism in the same year.[11] In her contribution, Nora Lustig stressed that in order to remain a valuable current in alternative economic thinking, structuralism should adopt short-term strategies:

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[10] Perhaps the most influential Latin American proponent of the neo-structural paradigm has been former dependency-advocate Fernando Cardoso, who, as president of Brazil (1995-2003) practised a neo-structuralist economic policy.

[11] In 1991, Patricio Meller published an English version of this CIEPLAN publication under the title 'The Latin American Development Debate'. See Meller (1991).

An alternative school of thought cannot remain seated with its arms crossed during processes of galloping inflation, using as an argument that its solution would only be attainable though fundamental changes, the results of which would only become clear in the long run' (Lustig 1988: 47).[12]

Others, like *Cepalino* Fernando Fajnzylber, strongly criticised the idea of 'inward-oriented growth' that had been promoted by structuralism, and emphasised the need to create a durable, 'authentic' competitiveness in the periphery, based on technological progress and institutional reform (Fajnzylber 1988; 1989). Notwithstanding these criticisms, neo-structuralism came to be defined as deeply dependent on structuralism, maintaining the combination of abstract and historical elements in its analysis, and drawing on the works of authors such as Pinto, Ahumada, Furtado, Prebisch and Sunkel.[13] It emphasised the inclusion of the population in the socio-economic realm, redistribution of income, and a strong, if limited, role for the state. However, it added to these analyses a systematic attempt to formulate economic policies that were to be effective in the short term. Furthermore it focused on the maintenance of:

macroeconomic equilibriums, the coordination of short-term and long-term measures, initiatives aimed at ensuring that the public and the private sectors will act in concert with one another, [and] the building of structures of production and management which will ensure a greater degree of equality (Ffrench-Davis 1988: 39).

Like its predecessors, it was a vanguard theory, home-made by some of the finest economic elites of the time, and adapted to the local circumstances. It, too, would become an exemplary paradigm for other countries within Latin America and beyond, as it came to be a 'model' that rose above both neo-liberalism and traditional state-orientation.[14] However, in one specific feature it differed fundamentally from its predecessors: it rejected social engineering and utopianism as a means for achieving its goals. Having learned from the errors that had been made by structuralist policies in the

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[12] Lustig also argues that this old error of structuralism was in fact repeated by the neo-liberal orthodoxy, which pursued 'structural change' in the form of the liberation of the markets. In the implementation of this 'structural change', the neo-liberals did not bother with the local circumstances and the nature of their implementation, as they focused exclusively on the long-term boom they would generate (Lustig 1988: 47).

[13] Also in their sense of timing, structuralism and neo-structuralism were closely related, as both advocated development strategies that had already been set in motion years earlier. In the late 1950s, structuralism confirmed the import substitution strategy that had been set in motion in the two decades before; similarly, neo-structuralism supported the free market and export-oriented economic model that had been implemented in the mid-1970s as the central motor of development, although with some adaptations.

[14] Many of the neo-structural strategies would become popular worldwide in the form of the 'third-way' policies that were implemented in the 1990s by presidents such as Clinton, Blair, Schröder, Cardoso and Kok. However, 'third-way' policies are generally characterised by a highly unclear and poorly defined set of policies, while in the Chilean case a coherent, if heterodox and pragmatic, theory lay at the basis of governmental policies. As a result, there is some difference of opinion on the question of whether Chile is an example of a 'third way' country. Fermandois (2005: 506) argues that it is, while Alejandro Foxley (2001: 102) claims that the European 'third way' is quite different from the Chilean experience. A 'third way' position is taken by Taylor (2006), who argues that in Chile, the 'third way' has been profoundly adapted to the local circumstances.

past, as well as from the mistakes that had been made by their neo-liberal heirs, the neo-structuralists argued against a simplified and standardised approach to the economy and development. Instead, they promoted the increase of 'uncertainty' in economic policy-making. First, they did so by amplifying the number of variables taken into account in the analysis of development processes. Factors which were previously taken to be constants, such as the rate of poverty, the institutions, science and technology, were now to be taken as variables, creating more complex and diffuse images that better reflected the complexities of reality (Griffith-Jones and Sunkel 1987: 235). Second, neo-structuralism stressed a heterodox approach to economic policy-making, rejecting pre-conceived standard recipes and solutions, and emphasising a practical approach instead. Unlike neo-liberal theory, which claimed that in all the same cases, the same solutions apply, neo-structuralism argued that solutions could vary according to the point in time and local institutional circumstances (Ffrench-Davis 1988: 40). In short, as Guillermo Larraín pointed out, rather than claiming to have all the answers, neo-structuralism emphasised uncertainty and a creative but never-ending path of finding practical solutions for complex situations (Larraín 2005: 69).[15] As a result, it did not provide a blueprint for modernity, as neo-liberalism had done. Neither did it propose a clear and unambiguous path towards full development, like structuralism. Rather than being a true developmental theory, then, neo-structuralism was an approach, or a general set of guidelines, which could be filled in according to the local circumstances.

Underlying this approach to economic policy-making was a profound sense of pragmatism. In a sense this was not new; it was already discernable in the second phase of the neo-liberal project under Minister of Finance Büchi, but now it came to be one of the foundations of the economic model. Nor did it remain limited to it: as will be seen in section 6.1.3, the whole project of the Concertación came to be characterised by a profoundly pragmatic approach to policy-making.

Neo-structuralism was conceived and elaborated mainly as a criticism of the neo-liberal paradigm. Through the construction of an alternative to neo-liberalism, the neo-structural economists hoped to create a viable economic model for Latin America that would be able to combine sustainable development with a more equal distribution of wealth. However, rather than creating an antithesis of neo-liberalism, neo-structuralists sought to harmonise the key themes of structuralist thought with the realities of a globalised world, and, in the Chilean case, an existing neo-liberal model. In doing so, they blended elements of both worlds, making neo-structuralism somewhat less than a full-blown alternative to neo-liberalism (Gwynne and Kay 2004: 263).[16]

The main differences between neo-liberalism and neo-structuralism lie in the relations between the market, the state and civil society. Whereas neo-liberalism argues

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[15] For a short overview of the structuralist roots of neo-structuralism and the model of the Concertación, see: Larraín (2005: 37-69).

[16] *Dependencia*, the 'other' influential paradigm for development, was not integrated into the neo-structural doctrines. Its anti-capitalism and hostility towards the international markets, together with its associations with the economic failures of the UP, had de-legitimised it as a viable economic current (Fermandois 2005: 489).

that the market can never lead to structural disequilibriums, and as a result state intervention is unnecessary and disruptive, neo-structuralism claims that the market does produces such disequilibriums, and that the state should play a regulatory role in order to correct them (Muñoz 1993: 18). This is not to say that the state should be the motor of development through state-led industrialisation; neo-structuralism views the market and the state as complementary and assigns to the state a limited, if important role. The state has to be strong enough to regulate the market, but also small enough to leave room for the market, as private enterprise is considered to be the motor of development (Osorio 2003: 136). Furthermore, the neo-structuralists take a much more diffuse position towards market liberalisation and the opening of markets. Although they follow the neo-liberal argument that open markets and free trade are essential for economic growth, they warn against generic policies, and advocate selective and differentiated approaches, in which certain sectors receive more protection than others, and regional trade is favoured over global trade (Ffrench-Davis 1988: 41-2). Finally, in contrast with their neo-liberal counterparts, neo-structuralists emphasise the need for redistribution of wealth through the state, as well as the strengthening of civil society, which is viewed as essential for the stimulation of the necessary transformations that will lead to development (Osorio 2003: 137). As a result, the market and the state become interdependent, as the state needs economic growth for redistribution, and the market needs increased buying power from the poor in order to grow.

Towards the end of the dictatorship, the new paradigm of neo-structuralism had the additional value of providing the opposition with a viable economic theory. Once again, the creation of a serious alternative political project came to be closely tied to the adoption of a vanguard theory of development, which was elaborated by local experts and which was of the highest scientific standards (Puryear 1994: 146). The influence of neo-structuralism was highly visible, as important neo-structuralist economists kindly lent their hand in a large number of oppositional publications. Although the new paradigm developed slowly, only becoming clearly defined towards the end of the 1980s, authors such as Osvaldo Sunkel, Alejandro Foxley, Ricardo Ffrench-Davis, Patricio Meller, and Oscar Muñoz came to be influential neo-structural economists who played important roles in the Centre-Left opposition.[17]

The adoption of neo-structuralism by the pre-Concertación opposition was a relatively slow process. From only the formation of the Democratic Alliance on, a tardy but steady adoption of the main neo-structural propositions becomes visible. In the

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[17] Some of the central theses of neo-structuralism had been developed earlier, in the 1970s. Sergio Molina, for instance, emphasised as early as 1976 that social investment should come from economic growth rather than from active income redistribution. In a publication that envisioned what Chile would look like in 2010, he argues that the future success of the country is the result of this approach: [This] is not to say that the rate of economic growth was not important. On the contrary, it was a necessary condition in order to have effective redistribution in terms of higher consumption of goods and services by the poorest sectors. It was also essential in preventing this relative improvement from taking place without creating overly conflictual social tensions, which would have arisen if it had been necessary to drastically reduce the standard of living of the relatively more favoured social sectors (Molina 1976: 392).

1983 *Manifiesto Democrático* (democratic manifest) of the Concertación's predecessor, the Democratic Alliance, the state is still presented as the main actor in post-authoritarian Chile, and little continuity with the neo-liberal model is projected. Three years later, the 1986 *Bases de Sustentación del Régimen Democrático* (Bases of Sustainability of the Democratic Regime) of the same coalition argues for a more mixed model:

> We consider that a modern society in search of development and a better assignment of resources cannot do without the market, social cooperation, and state action, through for instance planning.

Finally, in the 1989 *Programa Básico de Gobierno* of the Concertación, continuity with the status quo is emphasised in a clearly neo-structural and pragmatic tone:

> We commit ourselves to an economy which develops in such a fashion that it is possible to take long-term decisions, which is an indispensable condition for a dynamic development, without taking excessive risks through sharp disequilibria or brusque changes in command. Therefore, we commit ourselves to stability in the rules of the game and the guidance of the macroeconomic variables, compatible with gradual and foreseeable change. (…) the programme that we hereby present to the judgement of the country sets the limits of change for the first democratic government.

During the Concertación era itself, the development of the interpretation of neo-structuralism by the subsequent governments can be divided into two phases. Up to 1997, the model remained highly successful, both in terms of economic growth and in the redistribution of wealth and the reduction of poverty. As a result, the neo-structural paradigm faced little criticism and experienced few fundamental adaptations. After 1997, however, the strong negative influence of the Asian crisis on the Chilean economy brought to light the model's high vulnerability to external shocks. The rapid decline in economic growth, combined with the stagnation in the figures of poverty, led to a storm of criticism, from both the Left and Right. As a result, the model was adapted along two separate lines. On the one hand, more emphasis was laid on maintaining monetary discipline and showing fiscal responsibility by the state, in an attempt to appease the opposition as well as to reassure foreign investors. This line of action is best represented by the *superavit estructural*, the structural surplus of one percent of the state budget, which was introduced in 1998 by the Frei Ruiz-Tagle government and has been maintained since then.[18]

On the other hand, the element of social investment and redistribution has been reinforced, especially with the presidency of Ricardo Lagos. Making good use of the

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[18] The emphasis on fiscal discipline and long-term stability has remained a priority ever since. However, it has also pushed its limits. In 2006, the Bachelet government decided to dedicate the extra state income from the booming copper prices to the formation of an international stabilisation fund, intended to stimulate innovation, instead of spending it on the many pressing social demands, with the argument that in the future, falling copper prices might lead to structural fiscal deficits (speech by Bachelet 2006b) However, protests, strikes and *tomas* by secondary students, in May and June 2006, which were broadly supported by the population despite their at times violent nature, seem to show a sense of national frustration with what may be considered an over-cautious fiscal policy (*La Tercera* 6 June 2006; Patricio Navia weblog 29 May 2006).

little room that was left within the boundaries of monetary and fiscal discipline, La Moneda intensified its efforts to invest in structural poverty reduction, education, and the creation of some sort of a 'welfare state', although in an embryonic form. The *AUGE* plan, the attempts both by the Lagos government as well as that of Bachelet to reform the pension system, and the law setting limits to labour flexibility that is currently being debated in Congress, are indications that the last two governments of the Concertación are serious in their attempts to combine their increased fiscal discipline with an intensification of their social policies.

6.1.3 The Project of the Concertación: Growth with Equity

The Concertación's political ideology, modernising drive, and developmental approach merged into a project of modernisation that went beyond a set of strategies and formed a detailed and coherent approach to the country's challenges for the 1990s and beyond. In fact, it grew to become something of a 'model' that could be exported and used as an example for other countries in the region, at least in the perception of some.[19] Furthermore, it has been surprisingly successful, despite several serious setbacks and differences of opinion within the Concertación. Its stability is also surprising: although there have been some shifts in focus and priorities during the last sixteen years, the core project of the Concertación has remained fundamentally unchanged since it was first implemented in 1990. As such, it has outrun the military government's neo-liberal project, which lasted for fifteen years after its implementation in 1975, and still there seems to be no end in sight. Without a doubt, the project of the Concertación, *Crecimiento con Equidad* (Growth with Equity) will enter Chile's history books as one of the most successful projects of the last two centuries (Navia 2004: 67-68).

The basic assumption of the project was surprisingly simple. It claimed that growth and equality could be compatible and even mutually reinforcing. This was not an obvious argument at the time and contradicted the classic dictum of economics that economic growth and a better income distribution cannot be achieved at the same time. Moreover, the country's recent history had proved clearly that growth and equality were related in a zero-sum way. As many clearly remembered, redistribution of wealth under the UP had wrecked the economy, while economic expansion under Pinochet had plunged large sections of society into poverty. Nonetheless, the Concertación argued that this was not a necessary outcome. Given certain circumstances, it was argued, economic growth, even within the context of the free market, could generate increased equality and higher standards of living for all. Simultaneously, growth depended on the increasing social and economic participation of the poor. As President Aylwin argued, in 1990, in a meeting with employers' organisation ENADE:

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[19] Few Chilean politicians would dare to suggest openly that the Chilean model is exemplary for the region. However, many commentators point to Chile's socio-economic system as an important model for Latin America and, implicitly, some politicians have hinted the same (Fermandois 2005: 513-515).

Today, Chile is achieving important economic results and simultaneously stimulating equality in the social area. For me and my government, this is an ethical and political imperative. But it is also one of the conditions for long-term stability, and, as a result, of the economic success of productive activities (speech by Patricio Aylwin 1992).

In short, it was argued that growth and equity were not opposites but in fact two sides of the same coin: without the integration of the excluded masses, no sustained economic growth could take place, while at the same time the inclusion of the poor could only be achieved through rapid economic growth.[20] This went further than the simple 'trickle down' theories from the neo-liberal court, which argued that economic growth would automatically raise standards of living through, for instance, increased demand for labour. In the vision of the Concertación, the state would play a fundamental role in the redistribution of the wealth that was generated by rapid and sustained economic growth. The state should regulate the markets and simultaneously implement large-scale social policies - but never go so far as to curb the expansion of the economy. As a result, the government, if it wanted to achieve serious poverty reduction, would have to foster the macro-economic equilibriums, while the opposition, comprising the entrepreneurial sectors, would have to support social redistribution if it wanted to ensure economic growth. In this sense, the Concertación was able, at least on a discursive level, to transform a historical zero-sum game into a win-win situation.[21]

The conceptual originality and logic of *Crecimiento con Equidad* involved a fundamental ambiguity, however. Whereas *crecimiento* is a clear term and well understood, *equidad* seems to be a word that is much more open to various interpretations. Meaning both 'equity' and 'equality', it seemed to allow for at least two different readings.[22] As 'equity', it would suggest integration of the population, with access to the basic benefits of the state for all, in order to achieve equality of opportunity and lives with dignity for all. As equality, it would suggest a much more socialist, or social-democrat, understanding, which would imply a big reduction in economic inequality and a state-sponsored network of social services in the style of the European welfare states. The first interpretation followed more or less the notion of social justice of the Christian Democrats and the line of argument of Frei's 'Revolution in Liberty', while the second would appeal much more to the Socialist sectors of the Concertación (Oyarzún 2006). As will be shown in section 2.2, this conceptual

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[20] The Christian Democrat and structuralist influence in this argument is very clear, as it follows more or less the same lines of the 'Revolution in Liberty' almost thirty years earlier. The main difference is that after thirty years of socio-economic experiments, the combination of economic growth with social redistribution had now become acceptable to both the Left and Right-wing sectors.

[21] Obviously, the project of the Concertación went much further than a simple allusion to combining growth with equity. Elaborate plans were designed for areas such as health care, education, infrastructure and so forth. However, all these policies fell under the same logic: that of combining the expansion of the free market with increased social justice (*Programa Básico de Gobierno*)

[22] Like English, Spanish has two different words for equity and equality (*equidad* and *igualdad*). In daily speech, however, *equidad* is used much more often, representing both values.

vagueness would become a significant source of conflict within the Concertación, but would on the other hand provide the ideological space which the parties of the coalition needed in order to cohabit together.

The project of modernisation that was set in motion by the Concertación echoed the optimism that had characterised the projects of the Christian Democrats and the UP, but without the element of class confrontation. It was original, mixing elements that were considered by many to be contradictory, in this case a free market economy and state regulation. Finally, the project of the Concertación, was, just like its 1964 and 1970 counterparts, very well defined and detailed, dealing with a full range of themes (including women's rights, the position of the Mapuche population and environmental issues), and providing a sound technical and economic base for the new government. (Angell 2005: 25).[23] However, in several aspects it moved away from its predecessors, putting, to a certain degree, an end to what Góngora has labelled the *Age of Global Planning*. Two elements are crucial here: the pragmatic approach of the Concertación as well as of their project, and the emphasis on consensus and transversal cooperation.

Pragmatism

The pragmatism that has come to characterise the Concertación had been developing for years before Aylwin came to power in 1990. On the one hand, this was a response to the political realities of the time. With almost half the population in support of the military regime, a certain level of pragmatism would be essential for political survival. On the other hand, however, pragmatism was based on ideological considerations. As has been argued in the previous chapter, the PDC had lost much of its hard line after the death of Eduardo Frei, while the Left underwent a slow and multi-faceted process of renovation from the late 1970s on. These processes produced a new political culture among the Centre and Left which was characterised by a rejection of utopianism, social engineering and unilateral and exclusive *proyectos de país*:

> Democracy implies the rejection of the spirit of messianic utopianism, that is, the notion that it is possible to achieve, within a relatively short time, an absolute objective, a perfect society and political system, and that the greatness and imminence of this achievement allow for the exercise of unlimited power (Democratic Alliance 1986).

Instead, the Concertación resorted to what it called 'modern politics', a mix between intellectualisation and pragmatism, that was considered to be more rational and

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[23] There exists an interesting difference between the programme for the 1988 plebiscite and that for the 1988-9 presidential campaign. While the latter was founded on an elaborate political and socio-economic programme, the first almost completely lacked one. Eugenio Tironi, one of the campaign organisers, explains this lack of content as follows: 'If you look at the campaign for the NO you notice that it never had a programmatic content, it never said: "This is what we are going to do with the economy, with work, with democracy". That wasn't part of our contract with the people, which said only two things. First, that *la alegría ya viene* (happiness is coming), and second (…) vote SÍ if you want Pinochet to carry on for another eight years, or vote NO so that some time free elections will take place, when you can vote for any candidate' (Tironi 2002: 163).

effective than the ideologies and intuitive politics of the past.[24] As Alejandro Foxley argued in 1991, a form of 'modern politics' had emerged among the opposition in the 1980s, which is 'less ideological, more flexible, understands the modern world better and is thus more adaptable, more inclined towards agreement' (quoted in Puryear 1994: 131). Although this new style was supported throughout the Concertación, its leaders, probably aware of the fact that pragmatism is essential for politicians, but should never be acknowledged, tended to go to some lengths to avoid the word itself, and instead used phrases such as 'modern politics' or 'non-ideological thinking' (Pinedo 2000: 189). As Aylwin put it:

> What Chile demands of us is to conserve the good, correct the bad and improve the mediocre. That is the only efficient method to advance towards the noble and just objective of bringing together reality and ideal (speech by Patricio Aylwin 1990).

However, there were some who were more open in their appreciation of pragmatism as a foundation for the politics of the Concertación. An especially valuable contribution in this context comes from José Joaquín Brunner, who explicitly promoted pragmatism as the basis for the 'modern politics' of the Concertación.[25] Arguing that pragmatism constitutes by no means the absence of values or of ideals, but that it emphasises taking responsibility for the consequences of policies rather than just for its intentions, he claims that it should be the basis for modern politics:

> The ethics that underlies pragmatism (…) are the ethics of responsibility, which probably are the only ethics compatible with politics in a modern sense (Brunner 1991: 32).

Pragmatism, Brunner continues, is desirable for several reasons. First, of all it is egalitarian in the sense that it chooses the best strategy, after considering all options, without precluding certain solutions. Second, it is tolerant of, if not favourable to, a diversity of views, as it thrives on the choice between several options. Furthermore, while recognising the importance of ideologies, pragmatism avoids over-ideologisation. Rather than simply proclaiming ideological truths, pragmatism defends ideals within the context of the possibility of their realisation. Finally, it avoids the trap of making 'religious icons' out of what are essentially policy tools:

> [pragmatism] does not glorify the state nor does it need to 'believe' in the market. Instead, it asks itself what effects would be produced by certain actions of the state, or what consequences would be the result of the functioning of the market under certain circumstances. (…) Only pragmatism is able to combine

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[24] Puryear (1994: 131-153) shows how the intellectualisation of the opposition had created what Boeninger would call the 'modernisation of politics', in the sense of an new political style that was both pragmatic and academic, and which was shared broadly among the parties of the Centre and Left, excluding the Communist Party.

[25] Alfredo Jocelyn-Holt (1997: 231) argues that this pragmatism has a historical pedigree, as both the Revolution in Liberty and the Chilean Road to Socialism chose to implement their radical reforms from within the framework of liberal institutionalism. This is certainly true; however, the pragmatism that Brunner alludes to concerns rather the process of decision-making than the strategic planning of the project.

conflicting interests, to argue rationally in uncertain situations, and subject ideologies and ideals to the possibilities that are offered by reality (*ibid.*, pp. 33-34).[26]

Obviously, such outspoken adherence to pragmatism did not reflect the positions of the more leftist or conservative sectors of the Concertación, and rather reflects the centrist position in the Concertación. However, in general, pragmatism came to be a central feature of both the Concertación itself as well as of its project and, as will be shown in section 6.2.2, turned out to be a key factor in its success.[27]

Building Consensus

The other characteristic of the project of the Concertación was its emphasis on consensus. Having learned from the three *camino propios* that the Centre, Left, and Right had taken in the past, and with which each had intended to implement its own model disregarding their minority position, the Concertación now sought a model of governance that would avoid polarisation and create broadly supported policies. Here again, exile proved functional in the re-orientation of the opposition. Having experienced the models of democratic governance that were used in Europe, a wide interest arose among the opposition in the consensus models that had been developed there (Silva 1993b: 97).[28] Important figures such as Alejandro Foxley, Edgardo Boeninger and Nobert Lecher came to be influenced by the 'consociate democracies' of countries such as Belgium, where consensus and pragmatism were promoted as a means

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[26] Other important academic figures from the opposition also contributed to the debate on pragmatism, or, as it was called in the early 1980s, realism. For instance Flisfisch (1984: 21-23) argues that realism is the only founding political principle that is adequate in a society in which all actors are interdependent, and in which the materialisation of the goals of one political sector does not necessarily benefit society as a whole. In turn, Lechner (1984: 2-4) ties the notion of realism to that of time, not only in the sense of intending to construct now a society that will be better in the future, but also in the sense of a realist allocation of available time: only so much can be done in the given time, so a realist assessment has to be made of what time allows to be done.

[27] For Jocelyn-Holt, the pragmatism of the Concertación is the direct result of the modernising drive of its leaders, and reflects opportunism rather than ideology. 'Our most recent history has had one goal only, the desire to modernise ourselves; but those who have intended to direct the process did not fully anticipate the consequences or the course this process has taken. Therefore, at the end of the day, and in spite of the clear images of the future they originally presented and still claim for themselves, they have had to accommodate themselves to a trajectory that in all ways reveals more surprises and frustrations. The result can be seen by the zigzagging and pragmatism they have been forced to engage in' (1997: 225).

[28] There were internal processes that were important for the rise of consensus-thinking, too. In an interview with the historian Patricia Arancibia, Alejandro Foxley argues that the censorship during the early years in CIEPLAN, between 1976 and 1979, was crucial in this respect: '[w]e had been writing for three years and no-one read us, no-one. We wrote, and wrote and kept what we wrote. In the end one starts to ask more profound questions: what is going on in this country? Why can we not understand each other, why can't we have a dialogue? And one comes out of the trenches and says: we have to try and understand each other. There we started to construct a very simple idea, that a country has to be thought by everyone, has to be worked by everyone, has to be constructed by everyone. And from that came the obsession with consensus that was so characteristic of the Aylwin government' (CIDOC Interview with Alejandro Foxley, undated).

(however limited) to overcome profound internal divisions.[29] These cases were studied intensively in Chile, Tironi recalls:

> We came from a tradition in which coalitions had a strong ideological foundation, that is, they were based on an agreement on certain principles and certain final objectives, not on procedures and direct targets, as is the European practice. Many of us ended up studying those cases in depth, and that changed our perspective on how to construct society (Tironi 2002: 162).

As with pragmatism, the notion of consensus had been extensively and academically developed within the think-tanks of the opposition. As early as 1983 prestigious scholars such as Pinto started to chart the main elements of consensus among the opposition, as well as its limits, creating an early outline of the main areas of agreement within the opposition and, later, the Concertación (Pinto 1983: 116-119). In the same year, Lechner, coming from FLACSO, stressed the need to approach consensus not as a form of ideological agreement, but as an agreement on procedures and short-term goals. The idea of consensus as ideological agreement is, Lechner argued, a 'utopia'. However, it should never be discarded, as it represents the 'impossible through which the best things possible become visible' (1983: 2).

The idea of consensus eventually got its best form in the creation of the Concertación, and, more specifically, its name *Concertación*, in which the word 'concert' has the same meaning as in the nineteenth-century 'Concert of Europe'. Rather than indicating ideological homogeneity or unity, it suggested a variety of views that were oriented in the same direction, yet from different perspectives. As the *Programa Básico de Gobierno* (Basic Government Programme) of the Concertación stated:

> The Concertación that we have reached does not imply that any of the signing parties abandon their respective historical long-term projects, or their ideals and visions of society, which they are free to propose to the country once the period of the transition is over.[30]

Much of the success of the Concertación can be attributed to this form of consensus, in which unity and variety are mixed in a non-explicit way. In fact, just as the word 'equity' remained successfully undefined in the 'growth with equity' motto, so the conceptual vagueness of *Concertación* gave the Centre-Left coalition just enough direction and freedom to allow for differences while maintaining one general course. This allowed for former adversaries such as the PDC and the left-wing of the PS to construct a long-term relationship, in which differences of opinion were allowed within the framework of a more general agreement. It also promoted the spirit of pragmatism

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[29] Indicative of the importance that was attributed to consensus and consociation is the table of contents of Alejandro Foxley's book *Economía Política de la Transición*, published in 1993. The five chapters of the book are titled: 'University Dialogues', 'Economic Dialogues', 'Dialogues with Entrepreneurs', 'Dialogues with Social Organisations' and 'International Dialogues' (Foxley 1993).

[30] The *Programa Básico de Gobierno* defined the transition as the 'consolidation of democracy and the initial implementation of policies oriented towards growth with equity', implying that after the Aylwin government had been installed and had started its project, the founding parties of the coalition would not be held to 'coalition discipline' in the ideological area.

within the Concertación, as the parties were well aware that a politicised or highly ideological approach within the coalition would undermine its stability (Tironi 2002: 162). As will be argued in section 2.2, it was precisely this mix between agreement and diversity that allowed the Concertación to adapt its strategies and to remain coherent as well as flexible in the long term.

The emphasis on consensus of the Concertación was not limited to its coalition-building; it was a central feature of its project as well. It was considered that growth and equity would not be a feasible project if it was not espoused by a broad range of social and political actors (Silva 1993b: 104). As a result, consensus was sought for the policies the Concertación intended to implement, both with the opposition of the Right as well as with important social partners such as employers and labour unions. Under the government of Patricio Aylwin, who was particularly well-known for his pragmatic disposition, this 'consensus-politics' reached unknown heights. Sensitive issues such as the 1991 fiscal reforms were not debated openly in Congress, but discussed privately with representatives of the parties of the Concertación and of opposition party *Renovación Nacional*, as well as representatives of the employers' organisations and labour unions. Only when these meetings, which were often held in private offices in downtown Santiago, had been concluded successfully, was the project sent to Congress (Bickford and Noé 1998: 52).[31] This consensus-oriented style of policy-making served several purposes. Roughly based on the consociate democratic models that had been studied in depth for countries such as Belgium, as well as on the political realities of the transition, it was a model that minimised political conflict and created governability in politically deeply divided countries (Moreno 2006: 121-127). In this way, polarisation and ideological conflict were avoided while at the same time the decision-making process was exercised by representatives of large sectors of society, yet in an atmosphere of technical cooperation rather than politicised confrontation.

The European-style transversal consensus politics of the Concertación did not last very long, though. It was highly characteristic of the Aylwin government, but under Frei the number of actors consulted for policy-making, both inside and outside the Concertación, was greatly reduced, as Frei tended to rely mainly on a small circle of advisors, the so-called 'iron circle' (Fuentes 1999: 204; 208).

Lagos followed Frei's style very closely, initiating a group of advisors called the *segundo piso* (second floor, because of their closeness to the presidential offices on the second floor of the La Moneda palace), which turned out to be something of a 'shadow government', reinforcing Lagos' personal and authoritarian style of government, but still from within the parameters of Concertación consensus (Navia 2004: 280-282).

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[31] The dark side of this 'consensus-politics' was that it more or less bypassed Congress, and, as such, the representation of the people in the policy-making process. This highly elitist and *cupulista* (oriented towards the party elites) style of governing had been a familiar feature of Chile's political system since Portales; however, the need for consensus and high governability in the early 1990s had given it a new impetus (Lechner 1985).

6.2 Growth with Equity: The Implementation of the Project

The implementation of the project of the Concertación has been characterised by a highly technical approach. Political pragmatism has been prioritised over ideological purity and internal consensus-seeking over political confrontation. The Concertación has largely been able to overcome the traditional dichotomy between state and market by giving the state a regulatory role. Additionally, the political competition between the government and the opposition has diminished strongly. Finally, the technical outlook of the Concertación has allowed it to slowly and successfully adapt its project before public dissatisfaction became problematic.

6.2.1 State, Technocracy, and Planning in 'Growth with Equity'

Under the Concertación, the state contracted in size, but simultaneously gained strength in order to effectively regulate the markets and reduce poverty levels. Even though the notion of state planning was maintained, it lost its dominant position and became exclusively oriented on the implementation of social policies. Meanwhile, the 'political' and the 'technocracy' fused into a new blend, which proved to create a basis of successful and stable governance.

The Regulating State
As with the previous projects, the state played a crucial role in the implementation of the project of the Concertación. Once again, too, it was used in an ambivalent and even conflictual way. Frei Montalva had sought to implement a paternalistic and top-down programme while rejecting 'tutelage by the state'. Allende tried to carry out a revolution by means of the state, which was seen by many of his companions as the main obstacle for the revolution, and Pinochet attempted to reduce the state by means of the state itself. As Guillermo Larraín argues, the model of the Concertación also suffers from such an internal contradiction. On the one hand, the logic of 'private solutions for public problems' (the motto of the neo-liberal think-tank *Libertad y Desarrollo*) was widely accepted and implemented by the Concertación, as the Chilean state under the Concertación prescribes free market solutions even for traditionally state-dominated areas such as health care, education and infrastructure. On the other, the state in Chile was still deliberately fortified, holding a relatively high presence in the economy, and collecting for instance a higher level of taxes than any other Latin American country (2005: 73-74). Moreover, under the Concertación the state underwent contradictory movements in size and influence. It contracted due to a series of privatisations that were implemented in the 1990s. Following the free market logic of the Chicago Boys, and not suffering from the hesitations of the military regime to privatise 'strategic' institutions such as ports and airports, the Concertación privatised the last infrastructural enterprises that were left under state control. Although the governments of Aylwin and Frei Ruiz-Tagle followed different logics in the process of privatisation itself, the underlying logic of 'private solutions for public problems' of the

Chicago Boys was clearly continued under democratic rule. It was considered a *conditio sine qua non* for modernisation, as the state did not have sufficient funds to improve its enterprises itself through large-scale and long-term investments. Only private investment was considered to bring about the much-needed modernisation of the country's infrastructure and institutions (Oppenheim 1999: 252).[32]

On the other hand, the state apparatus expanded due to the creation of a series of new institutions, mainly in the field of poverty reduction and other social policies. In particular during the government of Patricio Aylwin so many new institutions and government agencies came into existence that it reminded observers in the USA of Roosevelt's New Deal (Loveman 2001: 318). As a result, the state changed form and shape rapidly under the Concertación, on the one hand shedding what was left of its 'traditional' enterprises, such as basic services and infrastructure, and on the other assuming more than ever the role of provider and protector of the weakest sectors of society. As Waissbluth (2006: 13-14) argues, under the Concertación the Chilean state came to resemble Bobbit's notion of a 'managerial market state', a state model which resembles the social-democrat states of North-Western Europe. Simultaneously, it has left behind the only true example of what Bobbit labelled an 'entrepreneurial market state', namely Chile under the military regime. The main difference mainly exists in the level of state protection for the weakest sectors of society.[33]

Another apparent contradiction regards the role of the state in society. The 1973 coup had put an end to the so-called *Estado empresarial*, the entrepreneurial state (or the *Estado productor*, the producing state), which had come into existence in the 1930s and which attempted to achieve development (and even a certain level of welfare) through an active role in the economy as a producer. Under the military government, the state had taken on strong neo-liberal features, combined with an authoritarian character. With the return of democracy and the implementation of 'Growth with Equity', though, the Chilean state acquired a regulatory role. The 'regulatory' state looks critically at the functioning of the markets in areas such as 'natural monopolies' (such as sewerage, infrastructures and electricity), the exploitation of natural resources and fields that are essential for development, such as education. When the markets fail in these areas, the state aims to correct them, without taking over those functions itself (Muñoz 1993: 151-152; Larraín 2005: 84-87). In fulfilling this tutelary role, the state is able to guarantee good services and products on the free market without having to maintain a

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[32] Lois Hecht Oppenheim notes two main areas in which the logic of privatisation under the Concertación differed from that of the military government. First of all, it prioritised public interest over private gain, demanding certain guarantees regarding access, price and quality of the goods and services that were privatised. These demands were strictly monitored for utilities such as electricity and water. Second, the state demanded a reasonable price for its enterprises, instead of selling at the lowest conceivable price, as had been done during the military regime. In many cases, like the privatisation of the sewerage system, the state maintained influence in the new enterprise through a certain interest (in the case of sewerage, 35 per cent) and a veto right (1999: 250-252). See also Moguillansky (2001).

[33] Philip Bobbit, a neo-conservative advisor to the White House, has set out his views on the 'entrepreneurial market state' and the 'managerial market state' in his work *The Shield of Achilles* (2002).

large state apparatus. As a result, it is able to allocate much of its resources to its social policies. As former president Eduardo Frei Ruiz-Tagle puts it:

> There are many people who argue that public services such as water and electricity should be kept in state hands. However, the state has limited resources, and one has to choose. We have privatised those sectors, but with regulations. Now the state budget in Chile represents only about twenty-one per cent of the economy. In no European country is state spending less than thirty per cent. Nevertheless, we have been able to spend more than sixty per cent of our budget on social policies. We have been able to reduce poverty from forty per cent to twenty per cent. We have been able to set in motion an educational reform that will greatly improve the social situation in the mid-term. This could be done because we have made good use of our resources (interview with Eduardo Frei Ruiz-Tagle 22 April 2002).

In this sense, the Concertación has been able to overcome the dichotomy 'state' and 'market'. The regulatory role it created for the Chilean state has been so successful that some have come to see it as a resurgence of Alberto Edwards' famous *Estado en Forma* (Rodríguez 2002: 10). However, it should be noted that much of the success of the regulatory state in Chile has been the result of the fact that it never became completely regulatory. The copper mines, 'Chilenised' under Frei, nationalised under Allende, and never privatised during the dictatorship, have been a major source of income for the Chilean state, with which it was able to implement most of its social policies. During the 1990s, the export of copper soared to well over one-third of all exports, making the Chilean state the country's single largest exporter (Ffrench-Davis 2003: 288). So, while much of the success of the Chilean model has depended on the regulatory role of the state, it would not have been at all possible if the state had not remained one of the country's biggest producers. In fact, the argument could be made that the Chilean state has become something of a 'copper state': even though taxes are generally higher in Chile than in other Latin American countries, the state remains highly dependent on copper income for its social spending.

The 'regulating state' shifted in focus considerably during the three governments of the Concertación. As has been argued in section 6.1.1, these governments each followed particular understandings and conceptualisations of modernity. Aylwin followed the logic of the 're-encounter with history', that is, the return to democracy, the rule of law, citizenship, and minimal life standards for all, Frei emphasised technological and physical modernisation, and Lagos expanded the basis of citizenship into the socio-economic realm, laying the foundation for a basic welfare system. In all three cases, the state followed suit. Under Aylwin, the state grew considerably in institutions geared towards the implementation of social policies, and was focused on the creation of basic services for the population, such as housing, sanitary services and so on. During the Frei government, the activities of the state were directed to infrastructure and technological advances, while simultaneously the state sought to reinforce its position in relation to the private sector by concentrating its attention on the regulation of the markets. Under Lagos, and especially after 2002, a new expansion of the state's functions (but not its apparatus) is noticeable, targeted towards the

creation of social safety-nets for the poorer sections of society, and to the creation of a basic 'welfare-state'. Up to now, this line has been continued by Bachelet, who has repeatedly stressed her goal to 'consolidate the bases of a modern, efficient and sustainable welfare state', which should be in function around the *Bicentenario* (speech by Michelle Bachelet on 17 June 2006). The outspoken nature of Bachelet's position toward the state, however, is new. Up to now, the Presidents of the Concertación have been very careful not to present their projects as state-oriented, because of the negative connotations the state has acquired in recent decades. Bachelet is the first to openly advertise more state intervention, albeit within the parameters of the Concertación's neo-structuralist framework:

> There are failures in the market that block innovation. Let there be no doubt: we need more state. More state resources, more public-private coordination. (...) [M]y vision is a strong state, dynamic, which protects its citizens and gives them the tools they need in order to compete in equality of opportunity. All this the market will not do. It will be done by the state (speech by Michelle Bachelet 2005).

Under the Concertación, modernisation and the state have become mutually dependent. As has been shown in the previous chapters, this was the result of an increasing trend to critically monitor the state and to modernise the state itself in order to improve its functioning as motor of modernisation. This process started with Frei Montalva, who considered the improvement of the state through planning and increased cooperation between the different institutions a prerequisite for modernisation. Under Allende, the state was rapidly expanded in order to facilitate the process of modernisation that was being implemented through the state itself. During the military regime, state reform was considered vital for the success of the economic modernisation programme of the Chicago Boys, and as a result, the state underwent the famous 'seven modernisations'. Up to this point, the modernisation *of* the state in order to facilitate modernisation *through* the state only took place in the form of incidental projects. Under the Concertación, though, the modernisation of the state became an on-going process, as the state continuously had to adapt to its new and often conflicting modernising role in society. Thus the 'modernisation of the state' came to be a constant factor after 1990. It comprised a series of divergent reforms which were initiated under the Aylwin government, intensified under Frei Ruiz-Tagle, and continued under Lagos.

The logic behind these 'modernisations' differed under these three governments. Under Aylwin, they were focused mainly on facilitating the goals of the 'Growth with Equity' programme which, for instance, required fiscal reforms to finance its social projects. Under Frei Ruiz-Tagle, the 'modernisation of the state' shifted both in content and in priority. It had become clear that the conflicting roles of the state required profound reforms in order to maintain a certain level of governability. As a result, Frei made the modernisation of the state one of his top priorities, spawning a large number of reforms and discourses through which the word 'modernisation' became almost

equivalent to 'modernisation of the state'.[34] Moreover, modernisation acquired an international (not to say U.S.) flavour, as it came to be defined in the terminology of the corporate sector as well as of the rising 'good governance' discourse that was being promoted by international NGOs. It became synonymous with efficiency, rationalisation, transparency and technification, using concepts that were associated with the modern, US-style corporate world, such as 'benchmarking', 'result-oriented management', and 'human resource management' (Silva 1993c: 214). As Frei Ruiz-Tagle argued in 1995, the 'Chilean state can consider itself modern if the people who approach public services receive attention of high quality and worthy treatment' (quoted in Cañas 2003: 2). Simultaneously, these reforms reflected the attempts by the Concertación to deal with the conflictual roles that the Chilean state had to play in 'Growth with Equity': in order to let a small state be efficient as a regulator, it needs to be highly efficient; in order to maintain authority and credibility it needs to be transparent.

Frei's agenda of modernisation of the state was initially not continued by Lagos, who limited the project to digital government only. However, a corruption case in 2002, involving Lagos in a corruption case surrounding his former position as Minister of Public Works, and a subsequent scandal over the 'overpayment' (*sobresueldos*) of politicians, forced Lagos to take up the modernisation agenda again. In 2003, with the aid of think-tanks like CEP and several of the opposition, he implemented a new series of reforms, following the same 'entrepreneurial' and 'NGO' logic as that of Frei Ruiz-Tagle. Focusing on 'modernisation of the state, transparency and promotion of growth', Lagos initiated one of the largest state reforms of Chilean history (Waissbluth 2006: 55-56). But at the same time, Lagos sought to implement something of a 'welfare state', through projects such as the *AUGE* Plan. Once again an apparent (but perhaps not substantive) contradiction seems to characterise the Chilean state: on the one hand, its 'modernisation' has made it increasingly more 'corporate' and more 'North American' in its internal logic, and on the other, these modernisations have been used to pursue more 'state-oriented' goals such as the implementation of a basic, North-West European welfare state. Nevertheless, the underlying idea remains the same: modernisation takes place through the state, and in order to facilitate modernisation, the state itself should be modernised first.

To end this section on the state, it is interesting to note that under the Concertación the state has taken up the particular role of promoting modernity. As Jocelyn-Holt (1997: 282-285) argues, the market of image, branding and advertisements has become a key factor in the success of the 'Chilean Model'. Whether it is cosmetics, clothes, the advertising market (which, for instance, more than doubled between 1993 and 1995), or the promotion of Chile's democratic and economic model, it is clear that

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[34] The government's discourse has been so successful that many Chileans tend to equate modernisation with 'modernisation of the state'. Even government agencies seem to have missed the semantic differences, see: www.modernizacion.cl, a state sponsored website that exclusively deals with the modernisation of the state.

'image building' has become a prime feature of Chile under the Concertación. Tironi (1999: 87-102) agrees with this view: in the 1990s, Chilean politics has had to adapt to the logics of mass communications, in which the promotion of image is of more importance than conveying content. Advertising, image building and branding have penetrated all sectors of society under the Concertación, and the state has been one of the first institutions to adapt to this new logic, by becoming the main promoter of Chilean modernity. This has mainly been done by the think-tank Pro Chile, which has set up, in collaboration with the Ministry of Foreign Affairs, several extensive promotional campaigns that have presented Chile as a highly modern country.

One of the most emblematic examples of this kind of nation-branding was the iceberg that was towed to the world fair in Seville in 1992. It was a campaign that promoted Chile in a spectacular way, but above all it promoted the Chile that Chile itself aspired to be: 'cool', sober, technically advanced and efficient - in other words, profoundly modern. This modernity was implicitly contrasted with the images that surround other Latin American countries: tropical, frivolous, technologically backward and corrupt. The message of the iceberg was very clear: Chilean modernity is more closely related to England or Germany than to Bolivia or Brazil (Subercaseaux 1997: 7).[35] The iceberg was by no means an isolated project: it formed part of a broad nation-branding campaign that was being supported by the Chilean state in order to improve the international image of Chile after the dictatorship.[36] Since 2000, the tone and content of Pro-Chile's campaigns have changed considerably. Instead of the triumphalistic discourse on modernity and regional exceptionalism, they have increasingly stressed the Latin American character of Chile, focusing on themes such as solidarity and concern for the welfare of the region. This change seems to be the result of pressures from the Left which resisted the monolithic approach to Chilean society (exclusively white and Western) of the campaigns, as well as of negative reactions from neighbouring countries such as Bolivia (Peña 2003: 15-26).

Technocracy

Under the Concertación, the technocracy once again was a central actor in the implementation of a project of modernity. However, the role that technocrats played during the era of the Concertación differed substantially from the one they played in earlier projects. During the Revolution in Liberty, technocratic influence had mainly taken the form of *asesores técnicos*, small groups of technical advisors who reported directly to the President. Because of their bad reputation in Leftist circles, these *asesorías*

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[35] In this sense, this nation-branding campaign echoed much of the images of modernity that were popular in Chile during the nineteenth century.

[36] Fermandois (2005: 425-491) shows how the military regime became profoundly isolated worldwide, and even lost support from countries that were expected to be sympathetic, such as Franco's Spain and the United States. The only sector of Chilean society that was successful in creating a positive image abroad was the business sector, which could boast the successes of the 'Chilean miracle'. As the success of this sector was limited, the Chilean state took it upon itself, after the return to democracy, to 're-insert' Chile into the international community.

were only partially continued under the government of the Unidad Popular; instead, technocracy came in the form of key figures in government, who, despite their ideological outlook, sought to maintain some relative autonomy for their technical approach. During the military regime, technocracy took the form of a separate team of policy-makers, which did not just give advice but which ran the entire economy and were involved in all fields of policy-making.[37] With the rise to power of the Concertación, technocracy once again changed face. On the one hand, the *asesores técnicos* returned, but now in the form of NGOs and think-tanks, which through their investigations supported government policy-making. On the other hand, an interesting mix occurred between the technical and the political. As has been shown in section 5.2.2, during the dictatorship the opposition was forced to work from academic think-tanks, which were left relatively untouched by the regime. As a result, the leaders of the opposition, typically coming from the traditional political sectors, underwent a process of 'technocratisation' in the sense that they started to apply scientific models and approaches to political realities (Silva 1991a: 401).[38]

Even though the rise of a new, hybrid, political class, both political and technocrat, did not please everyone, by the late 1980s it became clear that this mix had achieved a high level of legitimacy among the opposition.[39] It came to be seen as the 'modern' way of doing politics: 'technical' politicians working in think-tanks on the basis of academic materials. Its first, and perhaps largest, success came in the campaign for the 'NO', in 1988, which was largely directed from the academic centres of the opposition, based on the opinion polls and surveys that were carried out there (Puryear 1994: 150-159).[40]

Under the Concertación, technocracy has followed several trends. First of all, the technocratisation of politics has had a crucial influence on the functioning of the Concertación itself. It has allowed the parties of the coalition, despite their sometimes quite fundamental ideological and political differences, to be able to maintain their shared horizon. Their technocratic outlook has developed into something of a 'meta-

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[37] In this sense, the Chicago Boys resembled the so-called *científicos*, technocrats *avant la lettre*, who served under Mexico's Porfirio Díaz, with the explicit purpose of modernising society on the basis of rationality and positivism (Silva 1996).

[38] Not all leaders of the opposition partook in this technocratisation. Especially the older generation, which had spent decades in the political system, found it hard to adapt; even though it recognised the need and value of this 'modern politics'. A good example is Patricio Aylwin, who was able to lead a highly technical cabinet, but who also recalls that he, in a 1988 debate with Hernán Büchi, had to pass a note to Edgardo Boeninger asking what Büchi meant with the word 'fax' (Serrano and Cavallo 2006: 32).

[39] As Montecinos and Markoff show, there existed substantial resentment to the emerging politicians-technocrats within the Concertación, as some considered that 'the governing coalition has followed the 'American' style of pragmatism. This pragmatism is not going to lead to a stable social equilibrium: the model lacks ideological and cultural contents. Chile is being transformed into Puerto Rico!' (1993: 18)

[40] Puryear shows that the process of technification was at times remarkably explicit during the campaign. From August 1987 until the plebiscite, opposition leaders came to weekly sessions at the CED (*Centro de Estudios del Desarrollo*, Development Study Centre), a think-tank that was affiliated with the PDC, to receive classes on political strategies and campaigning, on the basis of academic materials. PDC leader Gabriel Valdéz remembered: 'I remember seeing all the party chiefs (…) sitting back there, and Martínez giving them classes in politics. Classes! There were people who had been senators, deputies, sitting there in classes, all taking notes' (1994: 146-147).

language', a logic that transcends the conflicts within the coalition and allows for cooperation despite disagreement (Silva 1998a: 83). It permits the parties of the Concertación to keep their separate identities and ideological outlooks, as in the end all of them know they will make policy largely on the basis of technocratic considerations. As a result, the Concertación has been able to maintain unity in diversity, and this has been one of the keys of its success during its rule. The contrast with the opposition is clear and instructive in this regard: ideologically, the differences between UDI and *Renovación Nacional* are minimal compared to those between, for instance, the conservative wing of the PDC and the radical wing of the PS. However, the Right seems to have been unable to transform its technocrat style, which had been so successful under the dictatorship, into a 'meta-language' of its own. This has contributed to the deep animosity between the parties of the Right. Instead of mounting a joint and dynamic opposition, they have spent most of the last years in bitter and extremely damaging internal fights, up to the point of (false) accusations of paedophilia and child abuse. In a speech on the possibilities of creating a stronger right-wing coalition, the so-called *Alianza Popular*, UDI party leader Pablo Longueira attributed this failure to cooperate and create consensus of the Right to the 'lack of the technical capacity of the Concertación to create unity' (speech by Pablo Longueira 2006).

Second, the technocrat nature of the Concertación is reflected in an almost obsessive drive to select political leaders (in particular ministers) on the basis of intellectual and academic excellence. Already in 1990, Aylwin claimed that he would fill his cabinet with 'the most capable' in their specific technical field (Silva 1991a: 405, 409). Even though under Frei Ruiz-Tagle political pedigree and party representation once again gained ground, his government was also characterised by a high level of academic expertise. After 2000, the emphasis on professionalism and excellence prevailed (Navia 2004: 251). Lagos incorporated many new faces in his cabinet that were almost exclusively chosen on the basis of professional capacities, and Bachelet, when discussing the composition of her future cabinet some days after the 2006 elections, argued that 'the most important thing is that they are the most capable women and men' (*La Prensa*, 20 January 2006). The cabinet that Bachelet put together in March 2006 was an example of this 'academisation' of Chilean politics. Seventy per cent of the ministers speak English fluently, while the majority have obtained PhDs at prestigious universities around the globe, mostly in the United States (*La Nación*, 11 March 2006).[41] The important thing here is that the adjectives 'capable' and 'best' refer almost exclusively to intellectual and technical capacities, and seem to be largely disconnected from political knowledge and experience. Choosing political leadership on the basis of non-political considerations echoes something of a 'Portalian' logic. However, whereas Portales argued for selection of government members for their moral

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[41] Obviously, the dictatorship played a crucial role in the large number of international PhDs that were obtained by the Concertación leadership, as many of its members spent several years abroad, whether voluntarily or out of necessity. The same goes for the orientation towards English. In comparison, only about ten per cent of the cabinet members of the other Latin American countries speak English (*La Nación* 11 March 2006).

standing, 'men who are true models of virtue and patriotism' (Portales 1822), now 'virtue' and 'patriotism' have been replaced with 'excellence' and 'technical capacity'.

The third main characteristic of the mix between technocracy and politics in Chile has been the continued influence of think-tanks on the Concertación. As Silva (1991: 409) argues, think-tanks, which played a crucial role in the construction of the project of the Concertación under the dictatorship, have not lost their influence on Chilean politics. Instead, their influence has increased since the restoration of democracy. Think-tanks such as CED, FLACSO, CIEPLAN and others have maintained strong relations with the governments of the Concertación. Partly this is due to the fact that almost all top officials of the Concertación worked at those centres during the dictatorship. But the strongest influence of these academic think-tanks has been their continuing monitoring and debating of current public policies, which has provided the governments of the Concertación, as well as the opposition, with a constant source of reflection and feedback. Through their work they play a significant role in creating stability and continuity, and stimulate the development of the country in two ways: their shared technocrat outlook allows the political parties to communicate in a shared language, and their academic networks strengthen Chile's internationalisation and integration in the world (Fermandois 2005: 508).[42]

The extent of the demand for academic feedback on policy-making can be deduced from the creation of several new think-tanks which serve specific sectors of the Concertación. The oldest is *Chile21*, which was set up by Lagos in 1995 and depicts itself as a 'progressive think-tank', reflecting the line of the PS and the more progressive side of the PPD. Recently, though, Lagos also inaugurated *ProyectAmerica*, in which the more pragmatic socialists, and in particular the former MAPU leaders, have their academic arena. Finally, and almost at the same time as the *ProyectAmerica*, *Expansiva.cl* was founded, serving the more conservative wing of the Concertación, featuring members such as former advisor of President Frei Ruiz-Tagle, Jorge Rosenblut and columnist Patricio Navia. All three of them are of a highly academic nature, have almost exclusively members with a PhD (obtained abroad), and are closely tied to specific sectors of the Concertación (Silva 2007).[43]

The rise of think-tanks under the Concertación is indicative of the changing role of political parties. No longer are the parties able to function as the centres for ideological policy-making, in the way for instance the PDC could do in the 1960s. Their function as broker for affiliate organisations has also diminished rapidly. Furthermore, the role of

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[42] The opposition has created think-tanks as well: the neo-liberal *Instituto Libertad y Desarollo* (Freedom and Development Institute), connected to the UDI, and the *Centro de Estudios Públicos* (Centre of Public Studies), of moderate liberal signature, are the most important. In addition, the much less influential *Fundación Jaime Guzmán* is focused on keeping the *gremialista* tradition alive. Although of little political relevance, a number of foundations have also been erected around the figure of former presidents: *Fundación Frei*, in honour of both Eduardo Frei Montalva and Eduardo Frei Ruiz-Tagle, two foundations named after Salvador Allende, the *Fundación Pinochet* which celebrates the work of the former dictator, and the *Corporación Justicia y Democracia* that has been set up in honour of Patricio Aylwin.

[43] These three think-tanks also share a 'virtual' nature: most of their work takes place through online publications on their websites. See: www.expansiva.cl, www.chile21.cl, and www.proyectamerica.cl.

the media has strongly influenced the way politicians identify with the political parties. Candidates tend to present themselves as representatives of the coalition rather than of a party (although their party affiliation is well known), or they 'go it on their own', emphasising only their own personality and keeping a distance from all collectives. Often they have their own headquarters, teams and think-tanks to support their campaigns, bypassing the parties in the process (Angell 2003: 100-102). This was seen most explicitly at the 1999 elections, when the candidate of the Right, Joaquín Lavín, presented himself as a capable technocrat rather than as an experienced politician. This image was so appealing to the general public that it contributed greatly to the success of his campaign, which almost brought him to the presidency (Silva 2001: 31-35).

Finally, technocracy has never been without its discontents. As has been shown in Chapter 3, as early as 1960 Frei Montalva was forced to defend his use of technical advisors. Most often, the criticisms focus on the lack of transparency that comes with technocrat decision-making, as well as on its association with the military regimes in which it made its first public appearance. And indeed, the mix between technocracy, neo-liberalism and democracy seems to have been at the cost of a participative, Rousseauian value of the democratic model, and in favour of a more formalistic, Schumpeterian style of governance (Silva 1997: 75). Others have pointed to the difficult relations between technocracy and modernity and their influence on modernisation. Mayol (2003), for instance, has argued that technocracy resembles a 'false prophet of modernity'. In proclaiming a better world, based on rationality, science and certainty, technocracy has taken up the role of prophet, working from its secular church, the state. However, as Mayol claims, in the end technocracy falls short of producing true modernity:

> Technocracy has taken up the role of a prophet, but a disenchanted prophet that does not offer guidance, but merely performs its functions. Technocracy is the prophet that offers solutions for everything, but is absent when it comes to the deepest problems. (…) It has set itself up as a prophet in order to announce a new world, a salvation, of 'optimalisation' and certainty. It promises an impersonal reign of analytic models and a new class of scientist-priests at its service. But modernity was not that promise. An 'operational logic' is the complete opposite of the emancipating ideals of man as the constructor of his own history (Mayol 2003: 119).

Does Chilean technocracy resemble the image that is created in this quotation? Is it, rather than a prophet of modernity, an obstacle to it, because of the discrepancies between its 'operational logic' and the deeper values of modernity? Or, in other words, has the undeniable hegemony of technocracy in Chile robbed its politics of its most fundamental task: to guide the country into modernity on the basis of values and ideas, rather than models and calculations?

The answer to these is complex. There can be no doubt that technocracy under the Concertación has maintained much of the triumphant and prophetic tone that it acquired during the dictatorship. Many technocrats have proclaimed the full modernisation of Chile within a short span of time, but with an extremely thin

interpretation of what modernisation is. Usually, modernity (or 'full development', as many politicians refer to it) is conceived in terms of economic growth and national income. Techno-politicians such as Alejandro Foxley have repeatedly claimed that within a limited number of years Chile will be a 'fully developed country', but in fact only refer to the country's GDP, which they anticipate to reach the level of the poorer European countries (Foxley 2001: 42). Brunner confirms this interpretation:

> When someone from the Concertación argues that around the *Bicentenario* Chile will be a 'fully developed country', they refer to the per capita income, that's all. It is a metaphor, a symbol, nothing else (interview with José Joaquín Brunner on 18 April 2002).

In this sense, Mayol's argument seems to be true. Chile's technocracy presents the publicly attractive images of modernity, while in reality this modernity is exclusively limited to its economic dimension.

Nonetheless, technocracy in Chile has another face, too. It should not be forgotten that under the Concertación technocracy has not functioned alongside the political elite, nor fully replaced it, but has mixed with it, or to put it a better way: Chile's political elites of the Centre-Left have undergone a profound process of technocratisation. As a result, rather than representing a sort of 'Chicago Boys', or Porfirio Díaz' *científicos*, Chile's technocrats are politicians, too, coming from a political background and often cherishing their ideological values.[44] As has been argued above, technocracy has become a meta-language for the Concertación, but that does not necessarily mean that it has lost its political base. The attempts of the governments of Lagos and Bachelet to create a welfare state are emblematic in this sense. In the Concertación's Chile, each government has had to relate to its party members in parliament as well as to the opposition, and even though a technologic discourse may well be highly legitimate, they have had act politically in order to survive. In sum, even though Chilean politics has lost most of its populist character and has assumed a highly technocrat style, it has remained political in essence. Viewing technocracy simply as a 'false prophet of modernity' does not do justice to the complexities of the roles it plays in the Chilean political arena.

Planning

The new, regulatory role of the state under the Concertación did not mean an end for planning. On the contrary, soon after Aylwin took office, the Planning Office, ODEPLAN, which had always suffered from a poor institutional setting, was reorganised into a full-blown ministry, called MIDEPLAN (*Ministerio de Planificación,* Ministry of Planning). It did not resume the roles of direct economic and productive planning as it had done under Frei and Allende, but was rather charged with:

> the design and application of national and regional development policies, plans, and programmes, (…) to propose targets for public investment and to evaluate

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[44] For a comparative analysis of technocracy in Chile and the *científicos* of the Porfirio Diaz regime in Mexico (1876-1910), see Silva (1996).

> State-financed investment projects, and to harmonise and coordinate the different initiatives of the public sector targeted at the eradication of poverty (Article 1 of Law 18.989 creating MIDEPLAN)

As a result, the new mission of MIDEPLAN was similar to that of ODEPLAN under the military government, namely to harmonise and coordinate public investment with a special focus on poverty reduction. In order to justify its new ministerial status, a series of institutions concerning social policy were brought under MIDEPLAN responsibility, such as the *Fondo de Inversión Social* (Social Investment Fund, FOSIS), the *Comisión Nacional de Desarrollo Indígena* (National Commission for Indigenous Development CONADI), and the *Instituto Nacional de la Juventud* (National Institute for the Youth, INJUV).

The new institutional position of MIDEPLAN was expected to give it, in the words of its first director Sergio Molina, 'the governmental authority (…) to exercise the powers that are necessary to fulfil its functions' (quoted in Cantero 2000: 1). However, this turned out to be something of a miscalculation. Due to its many new tasks much of the attention of MIDEPLAN became focused on the implementation of social policies rather than the coordination and harmonisation of state investment and programmes. Furthermore, during the Aylwin government it was considered that a special institution coordinating the different ministries would possibly become a problem in itself, as it would limit the cabinet's control over government spending. The issue of control and coordination of social spending was debated thoroughly during the Aylwin government, and MIDEPLAN was never in a position to occupy a leading position. When it was finally decided to create a Ministerial Committee to oversee and coordinate social spending, its presidency was given not to MIDEPLAN but to the Ministry of Finance. As a result, MIDEPLAN came to be mainly occupied with the care of the weakest sectors of society, and lost most of its planning functions (Molina 2003: 12).

During the government of Frei Ruiz-Tagle, the dilution of MIDEPLAN's original functions led to severe internal and external criticism of its functioning. In 1998 its director, Roberto Pizarro, proposed the creation of a new ministry which would bring together all social policies, and which would have to intensify the planning of these policies, 'which will define the strategic lines of long-term modernisation that we desire' (quoted in Cantero 2000: 1). By then, however, the position of MIDEPLAN seemed to have been eroded too much: some, such as PS vice-president Gonzalo Martner, openly labelled it a 'useless ministry' and 'a mistake'. Eventually Pizarro resigned, after not even having been consulted on drawing up the social agenda for 1999-2000 (*ibid.*, p. 2). Around this time, Frei decided to discontinue MIDEPLAN, a decision which, in the end, was not put into action. However, the formal role of planning in the politics of the state had all but died.

Under Lagos, MIDEPLAN regained some coherence and influence, but at the cost of its original planning functions. Initially, Lagos sought to reorganise it into a 'Ministry of Social Affairs' whose main objectives would be to plan and monitor social policies,

in particular those targeted towards poverty reduction, and the creation of policies for special groups, such as the incapacitated, indigenous groups and youth (Molina 2003: 18). Although the reorganisation never took place, MIDEPLAN came to be a virtual Ministry of Social Affairs after all, especially after the Lagos government added to its social tasks the new welfare project *Chile Solidario*. In consequence, the Ministry has lost most of its original planning functions, operating mainly as creator and executor of social policies.

MIDEPLAN has not completely lost its function as regulator of public policies, however. It still has the 'investment division', through which all public investment proposals must pass in order to be implemented. However, rather than being a coordinating service which harmonises the different proposals according to one general vision, the National Investment System is more of a quality improvement tool, which benchmarks, standardises, systematises and measures investment proposals.

While the formal planning structures have lost most of their influence under the Concertación, more informal harmonising and coordinating practices have become increasingly important. One of those less formal functions is the provision of information for the other ministries. By guaranteeing that all ministries and services share the same information on social issues (which MIDEPLAN sets out in the so-called *CASEN*-report which is published every two or three years), a certain level of informal policy coordination is achieved. As the MIDEPLAN minister, Clarissa Hardy, put it in 2006:

> By law, this is a ministry which has the responsibility to coordinate social policies. But this is not coordination in a 'pro-cratic' sense, it is policy coordination that is essential for the construction and definition of the public policies of others, and which is based on available information instruments (speech by Clarissa Hardy on 14 March 2006).

On an even more informal level, the technocratisation of Chilean politics, and especially the deep influence of think-tanks on them, has had the consequence of harmonising the policy-making process. Not only do most politicians follow the same procedural paths and academic standards, but they also form an academic network that is oriented in one general direction. Often they have known each other and worked together in the main think-tanks for many years, and share the same fundamental outlook. As Ricardo Ffrench-Davis, the director of studies at the Central Bank during the Aylwin government, indicates, the network of former CIEPLAN and CEPAL collaborators in the government facilitated up to a high level an easy coordination of policies:

> We were able to function in a highly harmonious fashion, because we all knew each other well at CIEPLAN. In the Ministry of Finance, there were Foxley and Marfán, there was Zahler at the Central Bank, who was from CEPAL but had done projects at CIEPLAN (…) We profited from the renewed prominent role that CEPAL played, but combined it with a CIEPLAN way of understanding Chilean reality. This allowed us to do so well during the government of Aylwin (interview with Ricardo Ffrench-Davis 11 May 2004).

As a result, the harmonisation of policies is effective, and can often be achieved on an informal basis. In this way, much of the role of planning has been internalised by the Concertación.

6.2.2 Competition and the End of History?

In the theoretical outline of this study it has been argued that modernisation in Latin America takes place through the interaction and competition of elite projects. It has also been pointed out that in general these projects do not alternate in the form of consecutive governments. This is of course why the period in question is of such interest and relevance: it is highly uncommon for four governments (or, in the case of the Concertación, coalitions) to carry out successive all-encompassing projects of modernisation. It should be remembered that many governments do not come to power with integral projects and, for instance, focus exclusively on economic stabilisation or other partial objectives.[45] Other governments present ambitious and all-encompassing projects during their campaign, only to shift course as soon as they have reached the presidential palace. Yet other governments seem never to have had any project whatsoever.

Seen from this perspective, it is unlikely that the fourth consecutive project of modernisation in a forty-year period should bring about yet another project that could replace it in the short term.[46] And indeed, no such project has emerged in Chile yet. Moreover, the project of modernisation that had been promoted by the Right, neo-liberal economics combined with a 'tutelary democracy', has slowly disintegrated. Its economic programme has largely been carried out by the Concertación, if not improved, and its authoritarian political order rapidly lost legitimacy during the 1990s and was eventually largely discarded by the Right itself. In the end, most of the 'authoritarian enclaves' were derogated with the support of the Right itself. As a result, it could be argued that under the Concertación Chile has entered something that might be called an 'end of history', in a 'Fukuyamaian' sense, that is, a situation in which there no longer exist:

> fundamental 'contradictions' in human life that cannot be resolved in the context of modern liberalism, that would be resolvable by an alternative political-economic structure (Fukuyama 1989: 9).[47]

In other words, the 'end of history' in the case of Chile is a situation in which the deficiencies of the current hegemonic model cannot be resolved by any alternative

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[45] This was for instance the case in the conservative government of Jorge Alessandri (1958-1964), which combined a general conservative outlook with cautious and partial modernisations in some areas of the economy.

[46] Of course, this does not imply that an alternative project could not come into existence some time soon. It should be remembered that the project of the Concertación only became a solid alternative shortly before the 1988 plebiscite, that is, some 15 years after the coup.

[47] See also Fukuyama (1992). Obviously, the application of Fukuyama's global thesis, which, contrary to common belief, is argued by him as a question rather than as a certainty, to a single country can only be rudimentary, simplifying, and partial.

model.[48] This seems to be exactly the case of Chile under the Concertación: even though there exists ample criticism of the Growth with Equity-model, from both Left and Right, there is no alternative model that could replace it, and as a result, for the first time in decades, Chile's road to modernity is supported by all sides of the country's political spectrum.[49] As a result, competition takes place on minor matters rather than on the essential issues. As Mario Vargas Llosa observed during the 2005-2006 elections:

> In the debate between Bachelet and Piñera (…) one had to be clairvoyant or a diviner to be able to describe those points in which the candidates of the Left and the Right differ in a frontal way. Despite their respective efforts to distance themselves from each other, the truth is that their differences did not touch any neuralgic theme, but rather quantitative (not to say trivial) topics (Vargas Llosa 2006).[50]

This is not to say that there exist no differences of opinion between the Chilean parties. In the area of 'moral issues' the government and the opposition take almost opposite positions. However, when it comes to the general organisation of society and the path towards development and modernity, a broad consensus exists, with only minor differences, for instance on the matter of more or less state influence in the economy.

Political competition under the Concertación: the eternal SÍ and NO?
One of the most conspicuous features of the Chilean political model after the return of democracy is the demise of the traditional 'three-thirds' division and the rise of a two-block system, formed by the Concertación on one hand and the opposition from the Right on the other. This new political order did not arise by coincidence: it had been meticulously designed by the *gremialistas* under the military regime and established in the 1980 constitution, with the specific purpose of creating a 'protected democracy'.[51] Jaime Guzmán and his collaborators argued that institutional stability would be best preserved for the long term by a two-block system in which the two blocks kept each

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[48] I am not the first to use the term 'end of history' to describe the case of Chile. One of the first authors to use it was Alejandro Foxley, who in 1993 argued that for some it would seem that Chile 'has reached, to paraphrase a fashionable expression, the 'end of its history' (Foxley 1993: 20). A year later, Tomás Moulian, complaining about the lack of fundamental intellectual discussion in Chile, asked himself: 'Are we then facing an end of ideas and of history as Fukuyama has announced?' (quoted in Pinedo 2000: 6). More recently, the historian Alejandro San Francisco published an article in which he argued that after the political turbulence of the 1970s and 1980s, Chile had reached its 'end of history' (San Francisco 2002). However, little attention has been paid to an analysis of the precise nature of such an 'end of history'.

[49] The only exception to this consensus is the Communist Party and other parties Left of the Concertación. However, these parties are not represented in parliament and therefore do not form part of the political establishment.

[50] In the magazine 'The Clinic', UDI prominent Hermán Chadwick (who forms part of the more liberal wing of the party) confirms that within the party there are many who considered Lagos' government to be 'excellent, that was a really good government'. Chadwick, who is also personally involved in the new think-tank that was set up by Lagos, also argued that 'we fundamentally share the political and economic ideology with the Centre-Left' (Chadwick 2006).

[51] See section 5.3.

other in balance. To that end they created an electoral system that favoured the creation of two electoral coalitions. Furthermore, they had ensured that the winning coalition would gain relatively few seats in Congress compared to the losing coalition. As a result, the differences between the government coalition and the opposition tend to become levelled, giving the opposition a disproportional representation in Congress. Key factors in this model were the so-called 'designated senators' and the binominal electoral system.[52]

A second important characteristic is the electoral support for the two blocks; it has remained more or less constant since the 1988 referendum for the *SÍ* and the *NO*, when the Concertación received around 55 per cent of the vote, and the Right 45 per cent.[53] Although after 2000 this division seemed to move in the direction of a 50-50 division, the 2006 elections have once again shown a 53.5 per cent of the vote for the Concertación, against a 46.5 per cent for the Right.[54] This continuity, Patricio Navia argues, is an indication that essentially the Chilean model is still dominated by the cleavage between the *SÍ* and the *NO* of 1988. This argument is reinforced by the fact that the large majority of the voters are middle-aged or older: 86 per cent of the voters in the 2001 elections were eligible to vote in 1988. In other words, the electoral support for both the Concertación and the Right consists of those who have internalised the logic of the dictatorship as adults, while the youth, who do not feel represented by the *SÍ-NO* cleavage, do not take the trouble to vote (Navia 2004: 95-97).

These two facts form key elements in the process of competition in Chile under the Concertación, in a conflictual way. On the one hand, the existence of two electoral blocks has given competition in Chilean politics a bipolar character, which could lead to zero-sum thinking and centrifugal movements. On the other, the relatively equal balance between the two blocks makes it extremely difficult for the one block to completely bypass or override the other. As will be seen in this section, the outcome of these contradictory forces has been in favour of the latter element, in the sense of a growing consensus between the government block and the opposition on the socio-economic course of society and the on what Chilean modernity should look like.

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[52] Scully (1992: 194) argues that after the dictatorship, the three-thirds model actually did return: the Right, the Concertación (which he considered to be the Centre) and the Communist Party on the Left. However, the meagre electoral support for the Communists and their continued exclusion from parliament (another success, from the *gremialista* perspective, of the institutional order designed by Guzmán) have reduced the PC to a small faction that can by no means count as a 'third'. See also: Garrido and Navia (2003: 175).

[53] The exception to this rule was the 1999-2000 elections, when Lavín and Lagos ended up with 48.7 and 51.3 per cent respectively. Silva (2001: 29) has argued that Pinochet's detention was a crucial factor for this outcome, as it allowed Lavín to distance himself from the regime and attract middle-of-the-road voters. This view was shared by Eugenio Tironi, who in 2000 argued that Judge Garzón was 'Lavin's campaign leader' (Navia 2004: 71).

[54] Date from: http://www.elecciones.gov.cl/pdf/2005_2v/res_pres_total_2v.pdf

Competition from the Right: A Growing Consensus

The Right in post-authoritarian Chile is not a homogenous movement. As has been seen in the previous chapter, at the end of the dictatorship it came to be organised into two parties, the *Unión Demócrata Independiente* (UDI) and *Renovación Nacional* (RN). However, as Cañas (1998: 53-89) argues, this two-party structures includes three historical currents of the Right. The 'old Right' is represented by the conservative wing of RN, while the more progressive side of RN can be traced back to the liberal and democratic tradition of the Right. Meanwhile, the traditional 'extreme Right' is represented by the UDI.[55] Although this comparison is far from accurate (the UDI has little to do with the facistoide *Patria y Libertad*), it is important to note that at the three currents of the Right are still present in present-day Chile, albeit in the form of two parties.

The cooperation between the UDI and RN takes place on the basis of what Carlos Fuentes has called the 'logic of pacts'. Rather than uniting themselves in the pursuit of a long-term project, as the parties of the Concertación have done, the parties of the Right function on the basis of incidental pacts or agreements (1999: 194). This is not necessarily due to the incompatibility of ideologies: as Morales and Bugueño (2002: 311) show, the two parties have several ideological points in common. They both support the neo-liberal model and the notion of a subsidiary state. The UDI is clearly more Catholic, but does not profile itself as a confessional party, and shares its faith with the conservative wing of RN. Both parties supported the military regime, but the progressive wing of RN has taken a more critical position, especially toward the Human Rights violations which took place under the government of Pinochet.

In the early 1990s, competition between the Concertación and the Right largely reflected the logics of the *SI* and the *NO*. The Concertación had a clear project, based on the ideas of democratisation and social justice. The Right, especially the UDI, stood for an authoritarian order and market-oriented social solutions. These were two clear models that interacted in clear competition. Especially during the first part of the 1990s, the UDI offered close opposition to the Concertación. As Aylwin recalled:

> Not in themes such as terrorism, Human Rights, labour reforms, neither in fiscal reforms, did we receive a single vote from the UDI. The UDI totally rejected all we wanted to do, and all we have achieved was thanks to the entrepreneurial world and Renovación Nacional (Serrano and Cavallo 2006: 55).

The aggressiveness of the UDI towards the Concertación reflects what Lechner has labelled the 'poor secularisation' of political parties in Chile: while the ideological differences between the parties have been minimised after the fall of the anti- and pro-capitalism dichotomy, some parties in Chile continue thinking in dogmatic black and

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[55] Correa (2004: 282) makes a different comparison. She compares the UDI to the Conservative Party, despite the fact that the UDI is, in its own perception at least, not a confessional party, and RN to the independent nature of the Liberal Party of the mid-twentieth century. However, her analysis does not include the modern, liberal and democratic Right that is represented by the moderate wing of RN, and its leader, Andrés Allamand, in particular.

white schemes and zero-sum games. They have, so to speak, consecrated their identity and sail a polarising course in its defence (Fuentes 1999: 214). This certainly seems to be the case for the UDI (and to a much lesser degree for RN), which, as Tironi (2000: 187) has argued, have preferred to maintain a closed organisation, centred on its own ideology, rather than to use all possible strategies in order to win the presidency.

The belligerence of the UDI should also not be taken as indicative of the attitude of the business sector as a whole. Although that sector is strongly inclined to the Right, and makes up almost all of UDI's support base, it never took a confrontational line of action towards the Concertación - not even when its strategies hurt their direct interests. As soon as it was clear that the Concertación was not going to jeopardize economic growth by reversing the Chicago Boys' reforms, the business sector as a whole took a cooperative attitude towards the government. This phenomenon has been explained by Weyland (1997: 52-54) by pointing to the organisational structures of the business sector. Its representation in the political arena takes place almost exclusively through 'encompassing organisations' (such as peak organisations and political parties, which, due to their 'encompassing' nature, tend to take wider perspectives. As a consequence, they will be prepared to defend their interest in a broader context and in a longer term, and have a greater interest in the provision of collective goods such as social policies.

The aggressiveness of the UDI should neither be taken for disagreement with the general socio-economic course of the Concertación. During the 1993 presidential elections, it was hardly debated, apart from some minor themes such as inflation (which had reached a historic low of 12 per cent) and the rights of the relatively powerless labour unions. Already by 1993, Angell and Pollack argue, an 'overwhelming consensus on the macroeconomic policies' had taken shape in Chile (2005: 62).

During the second half of the 1990s, though, the dynamics of competition between the Concertación and the Right changed. Slowly the two projects began to converge as a result of three developments, mainly within the Right. First of all, the success of the socio-economic policies of the Concertación in the 1990s fortified the basic consensus with the opposition on the macroeconomic course. With economic growth figures soaring around 7 per cent a year and poverty dropping by half between 1990 and 1996, the Concertación had made its point of being excellent administrators of the neo-liberal model. If disagreement existed between the two blocks on socio-economic issues, they tended to be quantitative rather than qualitative, usually centring around issues like more or less state intervention or taxation. Second, the Right slowly began to move away from the heritage of the military regime. With Pinochet's arrest in London in 1998, important sectors of the UDI sought to distance themselves from the military regime and profile themselves more as moderate, modern and optimistic (Silva 2001: 29). As a result, the heritage of Guzmán and the political project of a 'tutelary, protected democracy' came to move to the background in the UDI, while it had never had much appeal to RN, which came from a more liberal tradition. This process of de-linking from the legacy of the military regime was first made 'official' when in 1999 the Right's candidate for the presidency, Joaquín Lavín, stated that he wanted Pinochet

returned to Chile in order to stand trial for the Human Rights violations under his regime (Joignant and Navia 2003: 140).[56] Gonzalo Rojas, one of the stoutest defenders of the political project of Guzmán, explains its demise by pointing to the Right's increasing emphasis on the economic field:

> When we saw we had economic success, we started to forget our social and moral basis, which are entrenched in political institutions. We came to care less about compromising them, and have ended up defending the economic model more. We were left without the moral and the political, and remain happy because the economy functions well. But the project of Guzmán was a moral, social and economic project. It is therefore very true to say that we are left with almost nothing of our original project (interview with Gonzalo Rojas 9 May 2006).

Finally, divisions within the Right also weakened its capacity to compete with the Concertación with a proper and coherent agenda. These divisions seem to originate from style and identity issues rather than from profound ideological conflicts.[57] This already started in 1988, when an attempt to unite both parties proved to be short-lived, and RN displayed doubts on a prolongation of Pinochet's rule. RN also kept to a much more cooperative course *vis-à-vis* the Concertación, with its so-called *política de acuerdos* (agreement politics), which consisted of a structural cooperative approach towards the government in return for a certain level of power-sharing. From this period on, the relations between the two parties have been structurally tense, despite their shared need to form electoral unions. Several conflicts and struggles, almost none of which can be traced to ideological clashes, have severely debilitated the Right's ability to construct its proper project and mount substantial competition to the Concertación.[58]

Seeing their economic project successfully being implemented by the government and distancing itself from its political legacy, and also being utterly divided internally, the Right lost most of its capacity to present the electorate with a true alternative to the project of the Government. As Fuentes (1999: 199) shows, the main issues that divided the two blocks had to do with power issues such as the 'authoritarian enclaves', the Human Rights violations committed under the dictatorship, and moral issues like the 'morning-after pill' and divorce. However, during the government of Lagos, even in

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[56] A good strategy should be used scarcely. In the 1999 presidential elections, Lavín's strategy of distancing himself from the military regime was highly successful and almost gained him the presidency. In 2005, however, his declaration that he, in hindsight, wished he had voted for the 'NO' in the 1988 plebiscite did little more for him than raise a few eyebrows.

[57] One source of the conflicts between the UDI and RN seems to lie with the closed social nature of the UDI. As Joignant and Navia (2003: 169) show, the internal cohesion within the UDI is extremely strong, due to three factors: its leaders have attended the same schools, share the same Catholic outlook, and come from the same generation. As a result, the UDI has become what Joignant and Navia call a 'special kind of Leninist party': extremely homogenous, highly motivated, and belligerent in style.

[58] The most severe clash between RN and the UDI came with the infamous 'Spiniak' case, in which a well-known entrepreneur was arrested for leading a paedophile network in 2003, triggered accusations from RN deputy Pía Guzmán towards, among others, UDI senator Jovino Novoa, of having participated in it. This led to a profound and extremely bitter conflict between the two parties, which was mainly fought out in the press. Only two years later, when the prime witness retracted her testimony, RN and UDI were able to more or less be reconciled.

these areas a growing consensus seemed to be appearing. In 2003, most of the 'authoritarian enclaves' were abolished, and a round-table dialogue (*mesa de diálogo*) was set up with the military in order to locate the remains of the victims of the dictatorship, both with the support of the Right. In 2005, a divorce law was passed through Congress which had been drafted in 'mixed committee', as the cooperation between the two blocks had come to be known. Finally, UDI-president Pablo Longueira surprised friend and foe in 2003, when he saved Lagos from one of the most difficult moments during his government, when he was linked to a corruption case.[59]

As a result, the ideological lines between the two blocks started to blur. This has been criticised by many observers. Alfredo Jocelyn-Holt, for instance, argues that the lack of competition is the direct result of the project of Jaime Guzmán, which fundamentally consisted of creating a political order that had become so balanced that no matter who might govern, almost no change would be made (1997: 27). However, this argument does not explain why the general consensus has remained in place after most of the authoritarian enclaves have been abolished. Others blame the Concertación for moving towards the Right. For instance, in 2002, political scientist Carlos Huneeus remarked that the Concertación had come to resemble the Right's programme so closely that in the 2005 elections the population might 'prefer the original to the copy' (quoted in Aguiló 2002).

Others, however, have claimed that the lack of a true alternative for 'Growth with Equity' may well be a sign of political maturity and of modernity. Tironi (2005: 20) claims that it is a sign that Chilean society is moving in the direction of a USA-style modernity, which also has a two-party system in which the two parties share the same fundamental socio-economic project. Peruvian novelist and commentator Mario Vargas Llosa, in turn, speaks admiringly of the lack of competition between the candidates of the 2005-6 elections:

> The truth is that this electoral competition resembles those civic adjustments in which the Swiss or the Swedes change or confirm their governments every few years, rather than a third-world election, in which a country puts at stake the political model, its social organisation, and even its simple survival at the ballot box (Vargas Llosa 2006).

The consensus that has been developing within the Chilean political system has had strong repercussions for its functioning. In the late 1990s, the competition between projects seemed to make way for a different competition: that between a 'populist' or rather high-profile style of governance and the more low-key style that the Concertación had adopted under Aylwin and Frei. The 'Lavín phenomenon', as Silva (2001) has labelled it, became a new element in the political competition. Lavín's

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[59] The corruption case (*caso coimas*) did not have political consequences for Lagos as the UDI unexpectedly agreed to support a bill on modernisation of the state and corruption control. Other cases in which the UDI helped the Concertación were in 2001, when Longueira bailed out the PDC, which had committed severe errors in its candidate registration for the parliamentary elections, and a 2002 deal between Longueira and vice-president Inzulsa on municipal taxes, bypassing most other parties, especially the PDC (*La Nación*, 26 January 2003).

flamboyance and sometimes outrageous but highly theatrical actions (such as the construction of a ski lane on the borders of Santiago's Mapocho river, using snow that had been brought in from the Cordillera, and a highly publicised visit to Fidel Castro) seemed to give the electorate the choice if not between content, than at least between style. This exuberant style has spread to all sectors of the Chilean political spectrum, leading to a strong emphasis on electoral marketing and 'total personalisation of politics' (Tironi 1999: 123). The presidential campaign of Michelle Bachelet is an excellent example of this development. During the elections, Bachelet presented herself explicitly as a woman (claiming modernisation in the political culture as she would use a more 'feminine' style of leadership), as an icon (repetitively using giant Chilean flags as the backdrop for her speeches), and as a victim of the repression of the military regime (implying the ability of the Chilean people to overcome the past and look forward). While she by no means refrained from presenting her political agenda, the first thing that distinguished Bachelet from her competitors was not her programme but her person (*El Mercurio* 15 January 2006).

6.2.3 Adaptation of the Project

As has been shown in the previous chapters, it is characteristic of projects of modernisation that they enter a crisis and adapt in the light of popular protest. This process reflects the fundamental tension that exists between social order and modernisation. As Huntington (1968) has pointed out, projects of modernisation tend to generate social disorder as they untie the traditional bonds of society. As a result, and as has been seen in the previous projects, this has confronted the governments in question with the dilemma of restoring order at the cost of jeopardising the project, or pushing the project ahead at the risk of chaos. So far, three different responses have been given to this dilemma. Frei imposed order at the cost of his modernisation project; Allende failed to find an answer, and Pinochet succeeded where others failed by stalling the opposition and adapting his project adequately. The key element in explaining the difference in responses lies in the position of the state *vis-à-vis* civil society, and specifically the civil groups that support the government. The more relative autonomy a government is able to achieve, the more room it has for the successful adaptation of the project.

Responding to the Pressures of a Passive Civil Society

In contrast to the previous projects, Growth with Equity hardly encountered serious resistance from the population. In the sixteen years of the first three governments of the Concertación, very few mass protests, strikes or other forms of popular mobilisation have taken place, and certainly not to the extent that they threatened the implementation of the project.[60] This was not an obvious outcome of the transition.

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[60] This is not to say that all was quiet; especially in the late 1990s, as some popular mobilisation took place, mostly in the form of student protest at the public universities, indigenous movements, and protests pro and contra Pinochet during his arrest in London.

Around 1990, many expected – or feared – mass participation in politics in one way or another. The theme was also expressed by the political elites of the Concertación, who advocated a 'participative society':

> We want to create a participative society. Democracy means participation and we will have to open more and more channels for participation (speech by Patricio Aylwin 1991).

Despite these intentions, this participation never took place. This can be explained by focusing on the relations between the state and civil society under the Concertación. First of all, and from the perspective of the state, the new political order that was created during the transition served to de-politicise civil society and has given the government the relative autonomy it needed in order not to become dependent on pressure groups. A key factor in this model was the *cupulista* and elitist nature Chilean post-authoritarian politics assumed. Although democracy was restored, it no longer emphasised the notion of political participation by the population, whether directly or through intermediate bodies. Marras (1999: 498) even speaks of a 'regressive democracy', in which 'the regular people have increasingly fewer opportunities to participate in national life'. In part this was intentional: especially in the early nineties, the Concertación was very aware of the danger of what was called the 'populist cycle': the tendency of new democracies to appease civil society demands with increased spending which, in the end, leads to poor economic performance and social protest. Having witnessed the result of such policies in Peru, Argentina and Brazil, the Concertación became very hesitant to let social pressure groups have serious influence on the decision-making process (Weyland 1997: 52). This was combined with a 'sacralisation' of the notion of order, in which order was associated with values such as equality, reason and justice (Moreno 2006: 122). Here the trauma of the recent past played a great role by creating a consciousness among the Concertación that a return to the socio-political situation of the early 1970s should be avoided at all costs (Silva 2004: 65).[61] To a large extent, too, the relative autonomy that the political system under the Concertación enjoyed was an outcome of the logic of the transition. As Gonzalo de la Maza (1999: 377) argues, the state apparatus the Concertación came to administer in 1990 had been thoroughly isolated from popular demands through the diminution of the number of public servants, the loss of control over key variables of the political economy, and the privatisation of state enterprises. This status quo was secured through the 'authoritarian enclaves' and the opposition from the Right. As a consequence, both

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[61] This consciousness is reflected in several of the Concertación's policies, for example in its media policies. In the early 1990s, the media in Chile underwent a process of ideological homogenisation, as the newspapers and magazines of the Left proved unable to compete against those of conservative character. However, the government refused to intervene in favour of those media involved in order to support a heterogeneous media spectrum. Eugenio Tironi, spokesman of the Aylwin government, repeatedly claimed that the best media policies were no media policies. When the Dutch government offered to cover the debts of the magazine *Análisis* in order to keep it running, the Chilean government refused, arguing that 'it already was planned that the media that had been opposing Pinochet would disappear' (Correa *et al.* 2001: 340).

the intentional distancing of the Concertación from popular pressures and the outcomes of the transition (carefully planned and guarded by the project of the Right), served to give the state a high level of independence *vis-à-vis* civil society.

Obviously, relative autonomy of the state only goes so far to explain the absence of popular pressure on the government. It would certainly not be sufficient, if not for the booming economy of the first half of the 1990s. Not only did this help to alleviate the demands of the population, but it also strengthened the discourse on what De la Maza calls 'modernisation the Chilean way', that is, top-down modernisation, within the context of democracy, but excluding the direct participation of social pressure groups (de la Maza 1999: 402). Additionally, the economic model reinforced the de-politicisation of the population in several ways. As Silva has argued, the neo-liberal model has reinforced the de-politicisation of the population, as:

> Individual competition and personal strategies have finally triumphed over collective actions. In addition, Chilean citizens have increasingly learned not to expect anything from the state but only from their own personal efforts and achievements (2004: 65).

From the perspective of civil society, a certain weariness and desire for normalisation came to take hold of the population after the return to democracy. Furthermore, the traumas of the past and the subsequent fear for polarisation and political conflict were not limited to the country's elites but extended to the population at large (Bickford and Noé 1998: 15-16). Furthermore, the social movements which had thrived under the dictatorship now lost much of their impetus and proved unable to modernise themselves. They lost their position of defenders of the common good and increasingly were seen as single-issue organisations that focused on matters of the past. This image was reinforced by their methods: the use of *tomas de terreno* and other means of making a statement were increasingly conceived as obsolete and illegitimate. Finally, the often *ad hoc* protest movements against Pinochet proved to be unable to create formal structures, and as a consequence most of the social movements had disintegrated towards the end of the 1980s (Taylor 1998: 107-109).

Embedded Autonomy and the Autoflagelante-Autocomplaciente Debate
It would be a mistake to conclude on the basis of the above that the project of the Concertación did not have to be adapted in light of popular dissatisfaction, like its predecessors. Despite the fact that almost no public unrest has been discernible during the first three governments of the Concertación, the project has been adapted in response to public opinion. The difference lay in the fact that the government was able to identify the sources of social dissatisfaction before they erupted, and was able to change course in time.

The high level of autonomy that the Concertación had achieved *vis-à-vis* civil society was not enough to guarantee success in governance. It needed to be able to keep in contact with processes inside civil society in order to anticipate areas of discontent or conflict. This is what Peter Evans has labelled 'embedded autonomy'. According to

Evans, a truly 'developmental' state is characterised by the fact that it is both autonomous and embedded:

> Either side of the combination by itself would not work. A state that was only autonomous would lack both sources of intelligence and the ability to rely on decentralised private implementation. Dense connection networks without a robust internal structure would leave the state incapable of resolving "collective action" problems, of transcending the individual interests of its private counterparts. Only when embeddedness and autonomy are joined together can a state be called developmental (Evans 1995: 12).

The position of the Concertación in Chilean society closely resembles this ideal of 'embedded democracy'. In fact, it had been defended by Patricio Aylwin as early as 1991:

> Participation does not mean that every issue should be resolved through agreements and that if one sector disagrees, no decision can be made. The government decides while listening and creating institutions for debate (…) But always the final decision has to lie with the institutions of the state that have been appointed by the constitution (speech Aylwin 1991).

In the process of 'listening', the technocratic outlook of the coalition has been particularly useful, as the public dissatisfaction that arose in the second half of the 1990s was channelled through the social sciences and think-tanks. Having close ties with those think-tanks, the Concertación was able to adapt the course of its project towards a more social and state-oriented project of modernisation.

This process started around 1998, when the series of developments abruptly ended the atmosphere of optimism and success that up to then had surrounded the Concertación. At the end of 1997, the parliamentary elections indicated a decline in the support for the Concertación. Additionally, the low turnout for the elections was interpreted by many as a negative response to the policies of the Frei government. Social studies also indicated that the country's youth had become largely disconnected from politics. Not even bothering to vote or show interest in political developments, they had become a generation that no longer 'cared', and which expressed itself with the phrase *no estoy ni ahí*, 'I'm not even there' (Riquelme 1999). Around the same time, the country started to experience the effects of the 'Asian crisis' and economic growth came to a grinding halt; as a consequence, the social policies of the Concertación were threatened.[62] Simultaneously, the UN's Human Development organisation UNDP (PNUD using its Spanish acronym) published a report showing that the Chileans suffered from *malestar* (discontent) as the result of the side-effects of the path of

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[62] The government of Frei Ruiz-Tagle eventually found a very attractive and efficient solution to the problem of how to maintain macroeconomic stability and not choke social spending. It was decided that social spending should be maintained at the level of income that would be generated if the economy were producing at full potential, and when copper prices were at their mid-term average. This way, the state would accumulate wealth when the economy overheated, and have back-up funds if it cooled down too much. In order to reassure the economic sectors and the Right, the potential productivity of the economy was intentionally deemed lower than in reality; additionally, a structural budget surplus of one per cent was implemented (Ffrench-Davis 2003: 53).

modernisation the country had followed. The report, titled *The Paradoxes of Modernisation*, claimed that due to the emphasis on the economic aspects of modernisation under the Concertación, the Chilean population had become more insecure, both economically and socially, and out of touch with the rapidly changing patterns of their society. Simultaneously the report indicated low levels of trust between individuals, as well as towards the state and state institutions (PNUD 1998: 116-126). Finally, two books were published which received nation-wide attention and became instant best-sellers, and which, from different perspectives, radically attacked the course the Chilean transition to democracy had taken, and, more fundamentally, the role the Concertación had played in the process. In *El Chile Actual: Anatomía de un Mito*, Tomás Moulian argued that the transition had been a process of 'transformism', or *gatopardismo*, in which the people in charge had been replaced, but the underlying structures of society, based on military influence on government and a neo-liberal economy which favoured the business sectors and the Right, remained the same (1997: 18). A year later, Alfredo Jocelyn-Holt, in his well-known aggressive and cynical style, claimed that the democracy under the Concertación was in fact a continuation of the previous regime, a model that is in fact a civil-military regime but tries to pass for a true democracy. On a deeper level, both authors attacked Chilean modernity, which, in their view, was nothing but the project of modernisation of the military regime disguised as a truly and happy modernity:

> In the end, we have entered modernity, through the back door and in stalemate. Welcome to modernity, our modernity! Still the *Ancien Régime* exercises its influence; in fact we are in full Restoration. (…) All in all, the faking of a 'happy modernity' to which we are invited time and again is extremely powerful, but if this happiness fails to come, it will engender a profound dissatisfaction (Jocelyn-Holt 1998: 308).[63]

The national debates that arose in this period abruptly ended the Concertación's honeymoon. The self-congratulatory tone that had characterised its discourse now made way for reflection and critical analysis. In May of 1998 a group of sixty Concertación leaders, parliamentarians and ministers published a document called *Renovar la Concertación: la fuerza de nuestras ideas*, in which they defended the Growth with Equity model, but also indicated possibilities for improvement. On the one hand, they warned that:

> the country will pay a high price for each deviation from the central elements of our development scheme (…) which will open the floodgates for populist experiments.

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[63] For an excellent analysis of the intellectual debates in Chile on the transition, including those who have defended it, see Pinedo (2000). I agree with Pinedo that both Jocelyn-Holt and Moulian are guilty of extreme simplification when they argue that fundamentally nothing has changed in the transition - for one thing, their books would never have been published during the dictatorship. Nevertheless, their analysis has been essential in the critical review of the process of the transition, and is still valuable in recognising the elements of continuity between the military regime and the democracy of the Concertación.

On the other, they acknowledged the existence of unresolved problems that needed attention, and called for an 'active, but limited role' for the state in their solution. Specifically the state was to delegate more functions to the market and 'focus on its essential tasks' in order to become 'efficient' and 'modern'. Finally, the *malestar* that had been brought out into the open by the UNDP report was considered to correspond to 'all societies that, as in the case of Chile, have experienced processes of accelerated change' (Concertación 1998).

A month later an answer came in the form of a second document, this time signed by 146 top *Concertacionistas* who felt unrepresented by the first one. *La Gente Tiene la Razón* (The People are Right), as the document was titled, attacked the 'simplification of the new social realities' of the first document, and called for a more profound discussion on what Chilean modernity should look like:

> There exists not just one modernity. After the debate within the Concertación different positions regarding modernity have become possible. (…) [o]ur values determine the type of modernity we aspire to. The road to modernisation does not consist exclusively of economic growth (Concertación 1998b)

The document argued in favour of a form of modernisation in which the insecurity and anxieties that the UNDP report alluded to were to be alleviated, in which civil society was to be strengthened, democracy to be deepened, and the markets were to be regulated more strictly by the state. However, in its fundamental assumptions the document remained loyal to the project of the Concertación. It did not argue in favour of a state-oriented model, and supported the idea that economic growth is a prerequisite for increased equality and poverty reduction. It called for a critical evaluation of the model, rather than for a replacement of it; it is for this reason that it specifically attacked the self-congratulatory tone it perceived in the *Renovar la Concertación*-document:

> complaisance and conformism are tendencies that we should leave reserved for the Right (Concertación 1998b)

From this moment on, the Concertación came to be divided into two groups: the so-called *autocomplacientes* (self-satisfied) and *autoflagelantes* (flagellants, referring to self-chastising monks), where the former more or less defended the model of modernisation as it was, while the latter called for a more encompassing and 'human' form of modernisation. In contrast to what could be expected, the division in the Concertación did not take place along party lines or in a simple Left-Right division. Many influential PDC leaders, such as Andrés Palma and Tomás Jocelyn-Holt, aligned themselves with the *autoflagelantes*, while PS members such as Antonio Viera-Gallo and Enrique Correa supported the line of the *autocomplacientes*. The PPD remained divided.

This debate, which took place in the press and was widely publicised, created strong tensions within the Concertación. President Frei forbade all members of his cabinet to become involved in it, and during the campaign of 1999 presidential candidate Ricardo Lagos attempted to downplay and even suppress the discussion (Navia 2004: 237-238). However, these efforts were to no avail. In fact, in 2002, two years after the socialist

President Lagos had come to power, the debate was rekindled and intensified by an open letter by PS deputy Sergio Aguiló, called *Chile entre dos Derechas* (Chile between two Rights), in which the author attacked the congruence between the Concertación and the opposition. Arguing that both presented more market and less state as the solution for all problems, Aguiló claimed that fundamentally Chileans had little choice left:

> the agendas of the *Concertación* and the *Alliance for Chile* are fundamentally identical. They are of the Right, nothing else (…) The democratic Right or the authoritarian Right, that seems to be the choice. A poor choice for a country that is proud of its democratic tradition and progressive image! (Aguiló 2002).

Although Aguiló's letter echoed much of the argumentation of the extra-parliamentary Left, he claimed to defend the model of the Concertación, calling on Lagos to change the course of his government from a 'neo-liberal model' to true 'Growth with Equity'.

Aguiló's letter not only landed like a bomb (triggering furious reactions from La Moneda), but also seemed to touch a nerve. From different and sometimes unlikely directions, suggestions were made to 'humanise' the model. Leading Christian Democrats such as Alejandro Foxley and Osvaldo Artaza openly supported a tax reform that would allow the government to increase its efforts in poverty reduction (Navia 2002). Even the director of the national copper company CODELCO joined in the discussion, calling for the 'constant augmentation of expenditures targeted to attend to the unsatisfied social needs', partially to be financed out of the rising copper incomes (Villarzú 2002).

Finally, in October 2002, a forty-eight page development programme was presented by fifteen parliamentarians of the Concertación, among which Sergio Aguiló, titled *La Concertación Chilena para un Desarrollo con Justicia*. Rather than simply criticising the model, this document sought to propose serious and technical solutions to create a development model that combined economic growth with true social justice. It did not call for 'revolutions or significant institutional transformations', but rather the awareness within the Concertación that a tax reform was essential for development:

> Development, if taken seriously, has to be financed. However, this cannot be reached with a fiscal expenditure that does not come above 23 per cent of GNP, while the average of the developed countries - the member states of the European Union - is about fifty per cent (Group of 15 2002: 9).[64]

As a consequence, the debate on the course of the Concertación, which took place within the coalition itself but was simultaneously widely publicised, never produced proposals that sought to replace 'Growth with Equity' with a different paradigm. Instead, it intended to redirect the original project towards a higher level of equality in Chilean society. At the same time it identified two sections within the Concertación which were not tied to party lines. The *autoflagelantes* pursued a broader path of

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[64] For a more extensive analysis of these debates, see Navia (2004: 235-245), and Van der Ree (2003).

modernisation, with more emphasis on social justice, while the *autocomplacientes* emphasised the need to maintain the current course of the project of modernisation.

The Influence of the Debate on the Project of the Concertación
Patricio Navia (2004: 235-245) has argued that *autocomplacientes* and *autoflagelantes* are 'two avenues east of *Plaza Italia*' that is, a discussion that takes place within the country's elites and does not really affect the population at large (*Plaza Italia* square is the symbolic border between 'up-town' to the east and 'down-town' to the west). Although his assertion is correct, in my opinion he misses the point in assessing the importance of the debate. The discussion has been essential for the Concertación and for the success of its model. It has allowed the Concertación to negotiate differences and shift consensus. Rather than a series of conflicts, it has been a series of attempts to coordinate the gradual adjustment of the model. In this sense, 'Growth with Equity' has followed the same line as its predecessors, only through different channels. The call for change came from civil society - perhaps not in the form of popular protest, but by decreasing electoral support, by publications that were as successful as critical, and by social science reports that revealed high levels of *malestar*, anxiety and political disconnection among the youth. This was exactly the language the 'technocratised' political parties of the Concertación understood, and rather than wait until the sentiments of popular dissent led to an outbreak, they attempted to negotiate the adaptation of the model among themselves.

There are three aspects of the *autoflagelante-autocomplaciente* discussion that show its constructive and functional character. First of all, it has never led to party-line clashes or threatened the Concertación in its essence. Second, even the most radical *autoflagelantes*, such as Aguiló, have emphasised their loyalty to the model of *Crecimiento con Equidad*, arguing that it has been precisely the lack of *equidad* that has spurred their criticisms. The *autoflagelantes* continue to constructively work within the parameters of the model despite their criticisms; to date, not one of them has left the Concertación out of ideological concerns. And third, the discussion has always taken place on the basis of intellectual arguments. Even the severest critics have offered serious and technical proposals on how the model should be adapted, rather than lean back and simply attack it.

The result of the *autoflagelante-autocomplaciente* discussion has been two-fold. On the one hand, it has strengthened the Concertación by allowing a certain level of dissent in order to reinforce consensus. The freedom to follow different lines of argument within the same paradigm has stimulated the flexibility and creativity in the coalition, which is essential for a coalition that rules for a long period. José Joaquín Brunner, himself something of a champion of the *autocomplacientes*, has argued that in fact the policy outcomes of the two groups are more or less the same. However, they have been reached via different intellectual routes. As he put it:

> Take, for instance, Carlos Ominami, and his *autoflagelante* sector. If you look at
> the proposals each of us puts forward, there is not a great difference. It is not as

> if he has revolutionary approaches to education, or that I would refuse to accept any change to the market system. We reach similar solutions, by ways of reflexively and discursively very different routes, which at a single point separate us very much (interview with José Joaquín Brunner 18 April 2002).

On the other hand, the *autoflagelante-autocomplaciente* discussion has allowed the gradual adaptation of the project. The need to re-think the model under the influence of the debate has created shifts in the consensus within the Concertación. This was especially visible around 2002, during the 'second round' of the debate, when sectors of the Concertación that had never been associated with the *autoflagelantes,* including influential figures such as Alejandro Foxley, came to support the call for more social investment by the state. This is not to suggest that the governments of the Concertación directly adapted their course under the influence of the *autoflagelante-autocomplaciente* debate, or the *malestar* that was perceived in civil society. As has been shown, the reactions of the governments of Frei Ruiz-Tagle and Lagos were fundamentally negative and repressive. As a result, no direct adaptation of the political course of one of the Concertación governments can be connected to these debates. However, in a broader sense, it had the influence of creating the space within the Concertación for more progressive proposals. As a result, the debate has created the support within the coalition for the more 'Social-Democrat welfare approach' of Lagos, and later, of the more radical approach of Bachelet.

The exclusive use of technical and intellectual language, the emphasis on content instead of individual conflict and the outspoken loyalty to the coalition of all participants, have made the *autoflagelante-autocomplaciente* discussion as asset rather than a problem for the Concertación. In fact, the debates within the Concertación have strengthened, rather than weakened, the governance within the coalition. The comparison with the Right is instructive in this respect, as conflicts between the parties of the Alliance for Chile tend to be personal, non-intellectual and particularly vicious. As a result, the president of the UDI, Pablo Longueira, lamented:

> When there are struggles within the Concertación, it is not news. They even capitalise on it, calling it diversity. However, when we fight, it is called lack of governability (speech by Pablo Longueira 2006).

The *autoflagelante-autocomplaciente* discussion has also allowed for the successful adaptation of the model in the light of public discontent. This adaptation has taken particularly technocratic channels and paths, as the discontent was filtered through to the Concertación by means of social science studies rather than popular protest, and the adaptation did not take place directly and rapidly from the presidential office, but through a slow process of consensus-building within the coalition itself. This consensus-building has even allowed for a new approach to civil society by the government of Bachelet. As has been argued at the beginning of this section, the Concertación has allowed for the structural disarticulation of civil society, despite verbal adherence to participation, in the name of governance and social order (Moreno 2006: 15). However, the government of Bachelet has openly and consistently argued for a model of

governance based on demands coming from civil society. For Bachelet, the expressions of those demands are the sign of a vital and healthy democracy, rather than a dangerous return to the mistakes of the past. As she put it, after fierce student protests in May of 2006:

> We should be prepared for dialogue with the citizens. I have engaged in hundreds of those dialogues, and they are very pressing. We should also prepare for conflict, because conflict is part of a society that moves, that has interests, strength, and it is especially when this strength is felt that society absorbs and empowers it. It is, moreover, part of the exercise of power. (…) I believe that we should start from the basis of the citizen's demands, those that we consider just and legitimate, of course (…). If they are just, legitimate, and we can fulfil them, then we will do it. And we will say in advance if those demands exceed the possibilities or what is just. But basically, what I want to say is that not every demand should be seen as problem. Even less should we have a fear of mobilisations, protests or differences (speech by Michelle Bachelet on 7 June 2006).[65]

This new model of governance has not just been one of Michelle Bachelet's favourite themes. Instead, it reflects the ability of the Concertación to go beyond the verbal adherence to popular participation and to create pathways for participation (albeit in the form of protests) in order to strengthen the influence of civil society. Whether this is a move away from 'embedded autonomy' or is in fact an attempt to improve the connection between the government and civil society in Chile remains to be seen. But it certainly is a proof of the ability of the Concertación to adapt its project in view of civil society responses (however inarticulate) through technocratic networks and internal debates.

6.3 The Concertación and the End of the History

As has been argued at the beginning of this chapter, the project of the Concertación can be interpreted in two different ways. First, as a fourth project of modernisation, following in many ways the same trajectory as its predecessors, both in its construction and way of dealing with modernity and in its implementation. Second, the project can be interpreted as a synthesis in a Hegelian sense: a mix between the previous modernisation projects that seems to have overcome the conflicts from the past. This idea of a synthesis corresponds with the metaphor of interacting waves that has been presented in the theoretical section. Whereas the three previous projects of modernisation can be compared with individual waves, the project of the Concertación can be seen as the result of the interaction of those waves, forming specific and original patterns of modernity. Elements of each wave come into contact, interact, and as a

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[65] This view seems to have increasing support from different sectors of the Concertación. In an interview with *La Tercera*, Eduardo Frei Ruiz-Tagle has argued that the student protests are actually a proof that the country has finally returned to normality: 'No, I believe that this is the first 'normal' government we have. Now there are no more fears like during the transition (…) Therefore, we have to take the responsibility that the citizens feel they can express themselves and that now their demands will be resolved' (interview with Eduardo Frei Ruiz-Tagle 2006).

result may amplify or nullify each other. Thus a new pattern of waves comes into existence, based on the original waves but at the same time completely original. Hence the question is, what is left of the three competing projects of modernisation? What traces of the Revolution in Liberty, the Chilean Road to Socialism and the Silent Revolution still characterise Chilean modernity?

The representation of the Revolution in Liberty in Chilean Modernity
The Revolution in Liberty is mainly represented in Chilean modernity by the emphasis on social integration. As has been argued before, this idea can be traced back to the notion of 'social justice' which was a prominent concept that has been supported by all political sectors since the 1920s. However, the interpretations that were made of 'social justice' by the Christian Democrats, the Left and the Right have differed substantially. The Christian Democrats emphasised the social inclusion of the marginalised masses (through *promoción popular*), in order to guarantee minimal dignity of life and access to state benefits for all. For the Left, it was directly connected with class exploitation and imperialism, and to the creation of the three sectors of the economy, through which the state would be enabled to perform large-scale income redistribution in order to create an 'equal society'. For the Right, in return, the ideas of redistribution and state intervention were considered counterproductive. Social justice was reinterpreted to 'equality of opportunity in the market' on an individual basis, which was equated with the absence of state action (Silva 1993a).

In today's Chilean modernity, the interpretation that is being given to social justice reflects much of that of the 'Revolution in Liberty' in the 1960s. As in the years of Ahumada and Pinto, there exists an ample consensus that exclusion of large sections of society is intolerable, not just from a moral standpoint, but also from the perspective of sustainable economic growth and governability.[66] As a consequence, the state has to take the responsibility to raise the standard of living of its citizens to a minimal level, and provide basic infrastructure such as housing and services such as sanitation, health care, education and direct support for the poorest. The results of the Concertación in these areas have been impressive: practically all *poblaciones* and *tomas* have been eradicated and basic housing has been made available for all Chileans. Moreover, the state has extended itself to the formerly 'excluded' masses, providing access to the basic benefits that the state offers the poor. However, the state does not provide 'equality' in a more socialist sense - the word 'equity' in the phrase 'Growth with Equity' has come to refer almost exclusively to the eradication of extreme poverty, social inclusion of the marginal sectors, and the equal treatment of all citizens by the state (Oyarzún 2006).[67]

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[66] As has been shown in section 6.2.2, the neo-structuralist approach follows the structuralist argument that development can only take place together with social inclusion and increased equity. For a comparison between the works of Ahumada and Pinto and the Concertación, see: Larraín (2005: 375-377).

[67] In this sense, Growth with Equity has fulfilled T.H. Marshall's notion of 'social rights'; that is, the right to a minimal standard of living for all citizens. As Marshall's basic 'civil rights' and 'political rights' have also been fulfilled under the Concertación through the restoration of the rule of law and democratisation

The egalitarian interpretation that is often given to the word 'equity' and which corresponds with the tradition of the Left has lost most of its legitimacy since the collapse of Allende's government. As a result, the idea of creating a society with minimal socio-economic differences is, despite the verbal adherence from the socialist parties, not a priority on the agenda of the Concertación. Not even Bachelet's emphasis on citizenship and the creation of a welfare state escapes the ruling paradigm that poverty reduction policies and investment in social security and education are the only legitimate tools the state has at its disposal in the struggle against inequality. As Joaquín Vial (1999: 195) has pointed out, these tools do allow for significant poverty reduction, as was seen in the early 1990s. However, they have much less influence on the distribution of income. Growth with Equity as a model has positive influence on poverty, but is more or less neutral with regard to inequality. Even if income distribution has normalised somewhat compared to the 1980s, income inequality in the period 2000-2002 was still one-third higher than in the 1960s (Ffrench-Davis 2003: 324). Furthermore, several studies have shown that it is one of the highest for Latin America.[68]

While the notion of *promoción popular*, in the form of inclusion of the 'masses' and state provision of basic needs, has remained a key element of Chilean modernity today, the form it has taken has radically changed. The notion of collective self-help, through the *centros de madres* (mothers' centres) and *juntas de vecinos* (neighbourhood groups), had become too closely connected to the social unrest that came to characterise the late 1960s and the early 1970s. Instead, under the Concertación the programmes for social inclusion have been implemented in an exclusively top-down manner.

More importantly, the limits of the *justicia social* have been set by the logic of neo-liberalism. The fear of collective civil-society actions induced the Concertación to embrace the idea that social justice should be achieved at the individual level rather than at the collective level. As a result, 'equity' has acquired the added value of 'equality of opportunity'. Up to a certain level, the state takes the responsibility for the creation of certain minimum levels of quality of life. After that, the 'equality of opportunity' is assumed to have been achieved and the state withdraws all support. This conception has been maintained by the Concertación, and explicitly promoted even under the

in the early 1990s, it could be argued that modern citizenship has become, for the first time, a reality in Chilean history (Marshall 1950).

[68] During the 2005-6 presidential elections, income distribution became one of the most pressing political campaign issues. All parties promised to alleviate these, in the words of the Episcopal Conference of 2005, 'scandalous differences of income'. However, no candidate came up with solutions that amounted to anything other than 'more of the same': poverty reduction and investment in education and health care. Many analysts and critics have dealt with the topic, but so far with few concrete policy proposals. One of the most original recent proposals comes from Patricio Navia and Eduardo Engel, who argue that many of the inequalities in the country are not the result of individualism and the logic of the market (which are most often identified by the Concertación as the central problems), but rather the result of a lack of these. If competition increases, and simultaneously the state guarantees true 'equality of opportunities' (for instance by improving the educational system), then Chilean society will really become based on merit, and will allow for larger sections of society to move ahead (Navia and Engel 2006).

government of Bachelet. As Clarissa Hardy, minister of MIDEPLAN, put it, the Bachelet government seeks to:

> help to create a society with equality of opportunities, which means guaranteed social rights for all civilians, male or female, for simply being citizens. We want a society without discrimination (speech by Clarissa Hardy on 14 March 2006).

As a result, the project of the Centre is represented in Chilean modernity specifically by its interpretation of social justice. According to this interpretation, social exclusion is not only morally condemnable, but also hinders the full development and modernisation of the country. Simultaneously, social justice is limited by two elements from the past. On the one hand, the legacy of the project of the Left has de-legitimised the promotion of social justice through the political mobilisation of the masses. At the same time the idea of an 'egalitarian society' is not actively pursued in Chilean modernity. On the other hand, the idea of social justice is limited by the neo-liberal logic of the project of the Right: once state support produces a certain standard of living, the requirement of 'equality of opportunity' has been fulfilled, and the state withdraws its support in order to allow for the free competition of individuals in the market. Even though in recent years this approach has been put under pressure by the *AUGE* Plan and the intentions of the Lagos and Bachelet administrations to extend the welfare system beyond the poor, it is still a strong feature of the Concertación's interpretation of *justicia social*.

The project of the Left in Chilean Modernity

The project of the Left has been represented in quite a different fashion. In fact, it would be more correct to say the project of the Left, the 'Chilean Road to Socialism', has largely been excluded from Chilean modernity. The notions of class struggle and imperialism, the *dependencia* theory, and the idea of a 'bourgeois state' that has to be 'conquered', all these elements have never been integrated into the Chilean model. This goes in particular for the *poder popular* that had made the UP so infamous among the middle classes and the Right: the expansion of the state into the economic realm at the cost of the right to property of the capitalist classes, as well as the mobilisation of the workers and marginal masses in the achievement of a 'socialist society'. In fact, popular participation has become such a tainted notion that it has been converted into something of an anti-value in today's Chile. Many have shown that de-politicisation and a weak civil society have become key characteristics of patterns of modernity and identity in Chile (Larraín 2001: 215-225). Patricio Silva speaks of a techno-Schumpeterian democratic model, implying that popular participation remains limited to the formal election process (1998: 87). Sergio Marras speaks of the 'anti-value of politics' (1999: 512). Tironi, finally, refers to the 'spectacle politics' of the 1990s, based on mass media for its diffusion, and links it to the passiveness and lack of interest in politics among the population (1999: 87-88).

While it is clear that almost none of the central values of the project of the Left have been maintained in contemporary modernity in Chile, two exceptions should be

made. The agrarian reform and the nationalisation of the Copper Mines, both initiated under Frei Montalva but finished under Allende, and only partly reversed under the military regime, have become key elements of Chilean modernity. The agrarian reform led to the demise of the traditional socio-economic relations in the countryside, and this has allowed for a more modern and efficient model of production to emerge in the 1970s. Nowadays, competitive and high-tech agrarian production is one of the foundations of the 'Chilean Model' (Silva 1987). The same goes for the national copper enterprise CODELCO: without its contributions to the Treasury, the impressive social investments that have taken place since 1990 would have been impossible. As agrarian reform has contributed to Growth, so the nationalisation of the copper mines has made Equity an attainable goal.[69]

Even though of the project of the Left has not come to be part of Chilean modernity, the leadership of the Left actually has. Since the mid-1980s former collaborators of Allende have filled key positions in the Centre-Left opposition and have been highly visible leaders in the Concertación.[70] The desire of the elites of the Left, after the fall of the UP, for rehabilitation and a 'second chance' was very powerful, for two reasons. First of all, this was because the legacy of the Left itself was at stake. The failure of the Allende government had put an abrupt end to a long and impressive rise of the Left in Chile, and had de-legitimised much of its historical project. Many of its leaders were well aware of this, and sought rehabilitation for the Left - if not in the form of its old project, than at least in showing that they were able to administer the country in a responsible manner after all (Silva 1993b: 104). The fact that in the process ideological compromises would have to be made was of lesser importance, and actually fitted the renovation of the Left, its 'technocratisation' and new pragmatism very well. As Alfredo Jocelyn-Holt and Tomás Moulian have pointed out at length, for the Left

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[69] This argumentation is not shared by the Right in Chile, which still resents the expropriations that took place in the agrarian sector. As Cristián Larroulet, the director of the neo-liberal 'Libertad y Desarrollo' think-tank answered to the question of whether the agrarian reform actually was not, economically speaking, a blessing in disguise: 'There existed less costly instruments to achieve this modernisation. The opening of the economy and the fiscal reforms that took place after 1973 would have been enough to change the structures of agrarian production. And we wouldn't have had to go through this dramatic, conflictive process' (interview with Cristián Larroulet, 4 May 2006). The weak point in this argumentation is of course that the Chicago Boys would probably never had been able to reform the economy, if the country had not passed through just that dramatic and conflictive process.

[70] The Left regained its leadership through what must have been the first true occurrence of 'tele-politics' in Chile (Tironi 1999: 100) This took place in 1987, in a famous appearance by Ricardo Lagos in a political programme on *Canal 13* that was broadcast in the context of the 1988 plebiscite. During the programme, Lagos turned to the camera, pointed his finger towards the camera, and said: 'General Pinochet has not been honest with the country (…) I will remind you, General Pinochet, that on the day of the 1980 plebiscite you said that President Pinochet will not be a candidate in 1989. And now, you promise the country eight more years of torture, assassinations, and Human Rights violations. I find it intolerable that a Chilean has such an ambition for power that he aims to be in power for twenty-five years' Through this single action, Lagos gave the Left back the leadership it had lacked for years, making himself one of the key leaders of the Concertación (Arrate and Rojas 2003: 404-5).

the transition to democracy was more about toppling Pinochet and gaining power than about ideological consistency (Jocelyn-Holt 1988: 218-230; Moulian 1997: 334-5).[71]

Secondly, the former collaborators of Allende were of a particularly young generation, many of them still in their twenties in 1973, and in particular the Christian Left and the Socialists were very well educated. As a consequence, the leaders of the Left after 1973 were still in a period in their lives when they could afford to grow and mature for sixteen years, and then take up a new, historical challenge: to rehabilitate themselves from their past (Hite 2000: 18; 154) Both arguments are applicable to the leadership of Ricardo Lagos, for instance. As Navia (2004: 261-263) points out, Lagos carried the weight of the burden of Allende's legacy on his shoulders when entering La Moneda. As a result, his attention was focused on creating a new legacy, to gain for himself a 'privileged place in the historical gallery of the Presidents of Chile'.[72]

Chilean Modernity and the Project of the Right

For the Right, more or less the reverse argument applies. Since the return to democracy, no candidate of the Right has been able to win the presidency, while much of the project of the Right has remained intact. The neo-liberal economic model has largely been continued by the Concertación, and has even been improved (from the perspective of the neo-liberals) in several key aspects: the independence of the Central Bank and the privatisations of the ports and other important institutions. In fact, it could be argued that the Concertación has administered the neo-liberal model better than the Right could have done, because of its ability to control or at least to moderate labour organisations and other pressure groups. Moreover, the political legacy of the military regime, in the form of the 'authoritarian enclaves' remained largely intact until 2003, when the Right itself agreed to undo much of its structure. These two elements combined make the ideological victory of the Right significant, even though it has not been able to administer what remained of its model itself.[73] As *El Mercurio,* the conservative newspaper with the strongest affinity to the neo-liberal model, argued in an editorial in 1997:

> The greatest victory of the protagonists of that date [11 September 1973, GvdR]
> has been that its opponents, transformed into Government on the basis of the

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[71] Jocelyn-Holt makes a specific case to link the ideological flexibility of the Left with its modernising spirit. In an open letter to Eugenio Tironi, he accuses the ex-MAPU member of having betrayed all his values in the name of modernisation. First, for having exchanged the PDC for the MAPU; second, for leaving the MAPU once again for the PDC in the early 1990s, and third, for embracing the neo-liberal modernisations of the Right: 'Once MAPU, always MAPU; once DC always DC; before anti-neo-liberal, now liberal, but always faithful to the same, always modernising' (Jocelyn-Holt 2000).

[72] Navia's analysis of Lagos transcends the borders of social science by analysing the deeper motives of the president without having investigated them - this section of his book is essayistic rather than academic. However, Navia's analysis, as usual, both makes sense and comes over convincingly.

[73] As has been argued in section 6.2.2, the excellent administration of the neo-liberal model in the 1990s seems to have limited the Right's drive to actually gain power. Rather than claiming themes that appeal to large sections of undecided voters, it tended to gather around the old banners (Tironi 2001: 287-188). However, during the Lagos government, some changes were made in this respect, as the UDI started to slowly move away from its *gremialista* legacy.

institutional order that the former have left as a legacy, have not modified anything fundamental in the new structures (quoted in Corvalán 2000: 447).

The influence of the project of the Right in present-day Chilean modernity is not limited to the political and economic structures exclusively. It has also become dominant in the managerial and quantifying approaches to processes in society. The economic approach of the Chicago Boys introduced a range of United States-style management techniques and approaches to Chilean discourse on politics, emphasising topics such as 'measurement', 'quality control', 'benchmarking' and 'human resource management' in the political, bureaucratic and business arenas (Silva 1993c: 214). One good example of how the discourse and approach of the Right have been continued is the approach to poverty alleviation. During the military regime, ODEPLAN, under the leadership of Miguel Kast, started to make national inventories of the scale and intensity of poverty in order to 'measure' the problem. These 'maps of extreme poverty' became policy tools, which, on the basis of quantitative information (is there a TV present, how many rooms does the household have, are the children clean?), was decisive for the support that poor families would obtain from the state. This methodology has been maintained and even intensified under the Concertación, despite the severe drawbacks of such a quantitative approach - many families will move their TV-set to a neighbouring family if they suspect they are going be visited by a representative of FOSIS and will even have their children walk around dirty for days, just in order to qualify for support. Only in 2006, a new and qualitative system for the assessment of poverty has been implemented (*La Nación*, 27 November 2006).

The Crystallisation of Chilean Modernity

The projects of modernisation of the Centre, Left, and Right have then crystallised into a balance, an equilibrium, in which all are represented in different fashions. In this way, the three 'waves of modernisation' have created a pattern of standing waves in which some elements of all three original waves have been amplified, while others have been muted. The result is a solid model; in fact, it could be argued that the three projects hold each other in a sort of 'Pareto optimality', a zero-sum game between three actors, in which an expansion of the influence of the one automatically implies a reduction in the influence of the other. This explains the 'fixedness' of the Chilean model - the equilibrium between the Right, Centre, and Left is so tight that only through extensive negotiations between the three, and on the basis of transversal consensus, can adaptations be achieved.[74] This explains why any attempt to make a change in the fundaments of the model, be it political or economic, has encountered fierce responses from the other sectors. This is most clearly the case with the opposition, but also noticeable between the Christian Democrats and the Socialist sections of the Concertación. The transversal consensus that was praised during the 1990s in many

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[74] Obviously, the 'authoritarian enclaves' played a large role as well in 'fixing' the model before they were largely abandoned in 2003.

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ways can be seen as a prison, or an 'iron cage', as well as a blessing (Moulian 1997: 45-56).

Apart from the 'authoritarian enclaves', the stability of the model can be attributed to the fact that it is based on several internal paradoxes. These paradoxes, or internal contradictions, reconcile conflicting elements of the three projects in such a way that they leave little room for adaptation. First of all, the model combines democracy with the disarticulation of civil society and very low levels of political participation. As a result of this contradiction, the democratic structures of the country are top-down oriented and highly presidential, reflecting both the authoritarian and Portalian tradition of the elites and the fear of popular participation (Marras 1999: 498; Larraín 2001: 226-233).[75] It also is indicative of the technocrat character that Chilean politics has assumed and the subsequent limitation of the political game. At the same time it reflects a civil society that has been oriented to the market rather than to the political arena for the fulfilment of its demands, and which has been defined by the individualisation of its possibilities and risks - that is, as Tironi (2005: 20) has argued, a liberal society in the style of the United States.[76] However, it should be noted that the neo-liberal logic of individualism and market orientation has not penetrated all sectors of modern Chile's consciousness. An international survey showed in 2000 that only one-third of the Chileans believed that 'personal effort leads to success' (quoted in Larraín 2001: 234). Similarly, the student protests of 2006 also seem to indicate a latent but still present orientation towards the state for the solutions of social problems.[77]

The second contradiction that has come out of the interaction between the projects of modernisation of the Centre, Left and Right is that Chile has become the Latin American country with the highest level of state spending on social policies, while it occupies a very high position on the global list of income inequality (World Bank 2003). Although the statistics are somewhat deceptive (according to the 2005 UNDP human development index, income distribution between the poorest and richest

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[75] Chilean democracy has gained some characteristics of what Guillermo O'Donnell has labelled 'delegative democracy': strongly individualistic leadership, strong technocrat approach to policy-making, and relatively low horizontal accountability of the executive. However, O'Donnell explicitly excludes Chile from the Latin American 'delegative democracies' (which includes neighbouring countries such as Peru, Bolivia and Argentina) because of its strong and functioning institutions (O'Donnell 1993). Silva's characterisation of Chilean democracy as 'techno-Schumpeterian' seems to be a more suitable one (1998: 87).

[76] Other arguments that Tironi uses to support his claim that Chilean society has evolved in the direction of a United States model rather than a European one are the emphasis on family values, the two-party system, the personification of the political process, and the persistence of conservative and religious values.

[77] It should be noted that civil society may not be as disarticulate as has been suggested in the literature. As Gonzalo de al Maza (2005: 108-9) argues, the number of non-profit organisations in Chile is relatively high compared to the other countries of the region. However, as de la Maza also shows, numbers do not explain everything. Apart from their credibility, they do not reflect the influence or orientation of these organisations. In general, the Chilean civil society organisations tend to focus on the increase of welfare of their own members, rather than on the general well-being of society. Furthermore, most of them are very small. Despite their large number, the Chilean civil society organisations have relatively little influence on the political arena.

quintile falls from 1:20 to 1:10 when social government spending is taken into account), it is indicative that despite all the efforts of the governments of the Concertación and the discursive adherence to the theme, Chilean modernity may have a human face but does not create anything approaching an egalitarian society. As Taylor (2006) argues, the heart of this contradiction lies with the internal logic of the project of the Concertación, which intends to combine a neo-liberal economic model with social justice.

The third contradiction lies in the administration of a neo-liberal economy by socialists. As has been shown, this has led to severe criticism and even allegations of ideological treason from different sides. However, it can also be interpreted as an indication of the willingness of Chile's elites (especially those from the Left) to engage in processes of political learning and to approach new developments with a high level of realism. It also reflects the continuity of Chile's drive towards modernity and its inclination towards progressiveness. The Left, together with the Centre, has taken up the challenge of administering the neo-liberal model, not just because they were forced to by the incumbent regime, but also because they correctly acknowledged its modernising and progressive potentials. Despite its downsides, the Centre and Left have been able to improve the neo-liberal model and transform it into a motor for more integral development and modernisation (Larraín 2005: 376). The projects of modernisation of the Christian Democrats, the Left and the Right individually were unable to create a 'developed' and 'modern' Chile, in which prosperity, equality and freedom go hand in hand. However, under the Concertación the three projects have entered into a mix that has, as Navia has argued, opened the *grandes Alamedas* (central Santiago avenue) that Allende spoke of in his farewell speech:

> Much sooner than later the *grandes Alamedas* will open through which free men
> will walk to build a better society (Navia 2004: 68).

These paradoxes, democracy without participation, social integration without equality, and a neo-liberal economy administered by the Centre-Left, form key elements of the Chilean modernity and keep it 'fixed'. Like a house of cards, they keep each other in balance and the 'model' in place - and, as with the game, if one card is removed, the whole construction may collapse.

Finally, the last contradiction that characterises Chilean modernity is that it generates sentiments of disillusion and *malestar* (disenchantment) regardless of its success. Apparently the 'happiness' announced by the opposition with such fervour and enthusiasm in 1988 has never arrived. As has been noted before, the Human Development Report of 1998 showed that on the level of the population at large the economic model has generated increased insecurity and high levels of anxiety, as the old collective securities have been replaced with individual competition in the market. As a result, large sections of the Concertación have been affected by a form of *malestar,* the sense that their own project is fundamentally flawed and should be replaced by a more radical, maximising one. Although these sentiments are not shared by the Concertación as a whole, they have affected large sections of it. As Tironi put it:

the principal source of exhaustion experienced within the Concertación has been its own disenchantment with the work of its governments and its project (2000: 204).[78]

This sense of frustration among the elites of the Concertación has, on the one hand, allowed the coalition to adapt its project without social or political conflict (see section 6.2.3). On the other, it has laid bare a line of thinking within the Concertación which critics such as Brunner and Tironi have attacked as being anti-modern. Both have argued that the feelings of *malestar* in Chilean society are the unavoidable and harmless by-products of the return to normality after decades of social and ideological conflict (Tironi 2000: 129-133) and of a culture that is adapting to modernity (Brunner 1998a: 26-32). Both have also claimed that the sense of frustration within the Concertación is in fact a form of disenchantment with modernity itself. The *autoflagelantes*, who mainly (although not exclusively) come from the Left-wing of the Concertación, have taken up an anti-modernising, 'neo-conservative', and 'nostalgic' discourse, and seek, in the words of Brunner:

> to slow down or reduce the advances of modernisation in society, which is identified as the source of all the turmoil (1998: 196).

How this sense of frustration with modernity may develop is uncertain. On the one hand, it is clear that the *malestar* with modernity may well be the by-product of a country that has been able, in the course of thirty turbulent years, to solve its fundamental problems and set a firm course towards a balanced model of modernity. On the other, it might be emblematic of the sensation of being locked in an iron cage of modernity, an 'end of history', which does not allow for the promulgation of alternative proposals for modernity. In the end, this sensation may provoke the downfall of the current model and the subsequent formulation of new projects of modernisation. For better or for worse, this might eventually lead to the 'end' of Chile's 'end of history'.

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[78] In this sense, the Concertación runs the risk of following the course of the 'Revolution in Liberty', which, in the words of Alfredo Jocelyn-Holt, was only revolutionary in the sense that it was not able to: 'capitalise on its own results' (Jocelyn-Holt 1997: 97).

Conclusions

Chilean historians and social scientists have traditionally shown a strong inclination to divide the political and social history of their country in the twentieth century into periods that are largely unconnected. This has been in part a result of the strong ideological and political conflicts that have characterised the second part of the century, and which have produced very different and at times even antagonistic political projects. As a consequence, it has too often been assumed that little long-term continuity has been seen in this period.

This is particularly the case with the study of modernity and projects of modernisation in Chile. Jorge Larraín's (2002) influential study on Chile's trajectory towards modernity is a case in point. By arguing that Chile has experienced alternating periods of expansion and crisis of modernity, he fails to acknowledge the elements of continuity that have occurred in this period, especially in the area of modernisation. It is for this reason that I propose a different interpretation, roughly based on the 'multiple modernities' approach that has been put forward by Eisenstadt (2002), Whitehead (2002) and others. Looking at the case of Chile from this theoretical perspective, it can be argued that the Chilean trajectory towards modernity has been characterised by successive projects of modernisation that have been created by different political elites, often with the support of certain sectors of the economic elite. These were the 'Revolution in Liberty' of the Christian Democrat Party under the Frei government (1964-1970), the 'Chilean Road to Socialism' of Allende's Unidad Popular coalition (1970-1973), the 'Silent Revolution' of the military regime of Pinochet (1973-1990), and 'Growth with Equity' of the Centre-Left Concertación coalition governments (1990-2006). All of them have been modernising at the social, political, and economic level, but have put different emphasis on these levels.

These projects of modernisation have been key elements in the formation of patterns of modernity in Chile. Nevertheless, none of them has been able to dominate that process. Rather, like interfering waves, the interaction between the different projects has produced specific patterns of modernity that are different from the original ones (section 1.2). As a result, the continuous interaction between projects of modernisation has produced patterns of what may be labelled 'Chilean modernity'.

The Chilean Trajectory Towards Modernity

Chile's path toward modernity started in the late colonial period. During its long trajectory, Chilean processes of modernisation have acquired characteristics that have remained dominant since. This is, for instance, the case with the attitudes of Chilean elites towards modernisation. These were largely defined in the late colonial period, in two different ways. First, as Jocelyn-Holt (1992) has argued, Chilean local elites came to support modernisation (in this case, the eighteenth-century 'Bourbonic reforms') even when it hurt their direct interests, because they realised that their support could be exchanged in return for a share of power. This pragmatism towards modernity and

modernisation has since then become a characteristic of Chilean elites, who have tended to accept modernisation as long as it did not jeopardise the social order. Second, from its late-colonial beginnings onwards, modernisation became intrinsically tied to the formation of the state and of state institutions. As a result, the engagement of Chilean elites in modernisation has taken place within the framework of the state since then (section 2.2).

Nineteenth-century processes of modernisation also exercised a strong influence on the Chilean trajectory towards modernity. First, modernisation acquired a particularly top-down and even authoritarian character. This was the case during the 'Portalian state', which combined some elements of modern democracy with the maintenance of an authoritarian order (section 2.3). It was also a key feature of the dictatorship of Carlos Ibáñez del Campo (1927-1931), who set in motion a process of state-centred industrialisation, modernised the state apparatus, and gave the middle classes access to the administrative centres, all within the context of an authoritarian order. The top-down character of modernisation in Chile can also be seen in the state-led industrialisation project of CORFO, which was set in motion in 1939, and was once again implemented from above (section 2.5). Second, from the mid-nineteenth century, modernisation became closely associated with science, rationalism and a technical approach. Nineteenth-century liberalism emphasised education and science as the prerequisites for progress (section 2.3). From the 1880s onwards, positivism became a driving force among influential Chilean intellectuals who sought to lift the country to a 'scientific phase', in which reason and rationalism would bring full progress to the country (section 2.4). Under the dictatorship of Ibáñez, the modernisation of society came to be administered by young, independent professionals and technicians, who were strongly guided by values such as efficiency, rationalism and meritocracy. This orientation towards technical and scientific modernisation gained influence with the implementation of the industrialisation project of the CORFO in the late 1930s and 1940s (section 2.5).

By the 1960s, proposals for modernisation showed a clear tendency towards radicalisation. The party system had divided into three sectors of more or less equal strength: the Centre (in this case, the Christian Democrats), the Left, and the Right. All of them had adopted, up to different levels, a strong orientation towards top-down and state-oriented modernisation, as well as an increasingly technical outlook. This was reinforced by the exhaustion of the industrialisation project of the CORFO, and the subsequent need to find an alternative path of modernisation. Simultaneously, the rise of the Left in Latin America, symbolised by the Cuban Revolution of 1959, intensified the political and ideological competition between the three sectors. As a consequence, from 1964 on, the Centre, Left and Right succeeded one another in the implementation of their project of modernisation, oriented toward the re-foundation of the country's social, economic and political structures. In 1990, these projects were followed by the fourth project, that of the Concertación coalition. These four projects share strong

elements of continuity in the main phases of their development: their construction, their implementation, and their legacies.

The Construction of the Projects

All four projects have been based on different doctrinal and ideological interpretations of modernity that were developed by the Centre, Left and Right, and, in the case of the fourth project, by the Concertación coalition. These interpretations were both critical and selective. They were critical, because they were critiques of modernity just as much as they were proposals for it. Apart from criticising the path of modernisation that the country had followed so far (and specifically the previous project of modernisation), they were based on very specific understandings of what modernity should be (and not be) for a country like Chile. For instance, all of them were highly critical of the roles that capitalism and democracy had fulfilled in modernity. Rather than simply rejecting them, though, both projects sought to transform them and create 'alternative modernities' instead (sections 3.1.1 and 4.1.1). Similarly, the project of the Right argued against a modernity that was based on liberal democracy, and proposed an authoritarian (if still formally democratic) alternative (section 5.1.1).

The interpretations of modernity that were used in the construction of the projects were selective in the sense that they emphasised certain elements of modernity and ignored (or rejected) others. This can be seen in the use of the existing examples of modernity that served to orient the projects, such as North-Western Europe or the Socialist world. The projects also placed different emphases on the economic, political, and economic dimensions of modernity. Finally, foreign theories and doctrines have been adapted to the Chilean context. Eduardo Frei selectively adapted the teachings of Maritain, the Left reinterpreted Socialism in order to fit the democratic system, and the Right 'Chilenised' Chicago school neo-liberalism (Chapters 3-5, section 1.1).

Even if all projects of modernisation have been formulated and constructed by political elites, they have not been exclusively political in nature. Chilean elites have shown a strong orientation towards economics, and have been actively supported by influential economists, who have added specific developmental elements to the projects. In the case of the Christian Democrats this was structuralism, for the Left it was dependency theory, the Right used neo-liberalism, and the Concertación used neo-structural approaches in its project. These theories were all new and vanguard theories that had never been put into practice in Latin America before. Their incorporation in the projects of modernisation reflects the importance that has been put on rationalism and science in the construction of projects of modernity. A solid and state-of-the-art economic framework not only served to translate modernising doctrines into direct policy-making, but also contributed to the legitimacy of the project as a whole. Once again, however, selectivity was a key factor. The Christian Democrats, for instance, neglected the emphasis on state-led industrialisation that had been prescribed by structuralism. The UP never sought to fully move out of the paradigm of international capitalism as the radical *dependentistas* had advocated, and the Right deviated from

'Friedmanian orthodoxy' by maintaining relatively high levels of state influence in the economy and by allowing for some level of income redistribution by the state (Chapters 3-6, section 1.2).

In all projects, the ideological and developmental elements were merged into one, all-encompassing programme. These programmes were characterised by their focus on resolving all the main problems in society with one integral approach. They did so by introducing modernisation at the social, political, and economic level. However, the emphasis on these levels differed: the 'Revolution in Liberty' was mainly focused on the social dimension of modernity, while the 'Chilean Road to Socialism' and the 'Silent Revolution' were primarily oriented towards the political and economic dimensions respectively. As a result, they were true projects of modernisation, which intended to fill the gap between Chile and the 'modern world' in a short period of time, but with very different approaches towards modernity itself (Chapters 3-6, section 1.3).

The Implementation of the Projects

In the phase of their implementation, the projects shared a strong focus on the state, technocracy and state planning. Furthermore, their implementation was strongly influenced by the intense competition that took place between the Centre, Left and Right. Finally, all projects have encountered a moment at which they needed to adapt in order to survive.

All four projects have been implemented within the framework of the state. This was not self-evident, as the projects were based on ambivalent positions towards the state. During the project of the Centre, Frei warned against the 'tutelage of the state', while the Left considered the state to be a bulwark of bourgeois interest. The Right argued that the role of the state should be limited as much as possible, so that it could not be used to impose Communism on the nation. Finally, the Concertación was very careful not to disrupt the dynamics of the markets and limited the role of the state to that of regulation. Despite these ambiguities, however, the state has functioned as the main channel for modernisation in Chile. This emphasis on the state as the motor of modernisation reflects the dominant role of the state in Chilean society, as well as a need to maintain control over projects that are as radical and far-reaching as the projects of modernisation in question. Even the military regime, whose project consisted to a large extent in minimising the powers of the state, had to resort to that same state in order to do so.

State-led modernisation has been intrinsically linked to the modernisation of the state itself. All projects have attempted to redefine the role of the state in society, and the state has been adapted accordingly. The Christian Democrats sought to transform the state into the 'director of the common good', while the UP sought to transform it into a 'people's state'. Under the military regime, it was reduced to a subsidiary role. Under the Concertación, finally, it was expanded into a regulating state. Moreover, the need for control over the process of modernisation itself created the need for a state functioning within rationalistic parameters. As a result, the state's institutions have been

subjected to important processes of modernisation, especially under the projects of the Right and the Concertación.

Technocracy and state planning have been two other key elements of the projects of modernisation. As Silva (1998a) has shown, the level of influence they have gained in Chilean politics has been largely defined by the degree of relative autonomy they were able to maintain in relation to civil society and political actors other than the President. Under Frei and Pinochet, the technocrat teams and their planning centres answered mainly to the President only, and were able to strongly influence the decision-making process. Allende showed much less direct interest in the work of the technocrats in his government, and his planning office was subordinated to several other institutions. As a result, the technical decision-making and state planning that had been envisioned by the UP never became dominant. The political elites of the Concertación, finally, had become profoundly technocratised themselves before taking office, and were able to successfully install a technocratic model of governance. The success of this model was a consequence of what Peter Evans (1995) has labelled 'embedded autonomy'. The technocratic elites were able to maintain sufficient distance from civil society to insulate the decision-making process, while simultaneously they did not lose their sensitivity to the demands within society. State planning lost most of its influence under the Concertación, though, ironically because of the strong formal institutional position it acquired in the 1990s, which cut it off from its direct and exclusive ties to the presidency (Chapters 3-6, section 2.1).

The implementation of each of the projects of modernisation was accompanied by an intense competition between the Centre, Left and Right. The projects of the others were strongly influenced by this competition. As a result, in the phase of their construction, development and fall, each of the projects was largely defined by the competition with the others. In the case of the project of the Centre, the 'Revolution in Liberty' produced a process of ideological and electoral competition which provoked a radicalisation of the Left. It also plunged the Right into a profound crisis, after which it would lose most of its pragmatic attitude toward modernisation and democracy. Meanwhile, the competition between the Centre and Left set in motion a process of popular mobilisation that became increasingly difficult to control (section 3.2.2).

Under the 'Chilean Road to Socialism', political competition rapidly radicalised, provoking a process of polarisation that would eventually lead to the breakdown of the democratic system. The Centre made a sharp move to the Right after losing its second split-off to the UP. Simultaneously, the Right turned openly towards authoritarianism. Furthermore, sectors of the Right began to develop the bases for their future project. Eventually, the PDC joined the Right in the call for a military take-over (section 4.2.2).

Political competition under the 'Silent Revolution' caused the sectors of the Left that had gone into exile to undergo a slow process of ideological moderation and renovation, while the Centre, after initially supporting the military regime, became increasingly oriented towards cooperation with the moderate Left. Simultaneously, both the Centre and the Left experienced a profound 'technocratisation'. As a result, the

Centre-Left came to be characterised by an orientation towards centrism, pragmatism, technocracy and internal consensus-seeking. This was reinforced by the realities of the transition, which made it clear that the military regime still possessed broad support among the population and which put several limitations on the process of democratisation (section 5.2.2).

Under the Concertación's 'Growth with Equity', political competition all but vanished. This was largely a result of the project of the Concertación, which included key elements of the project of the Right in their own project. As a result, a general consensus on the country's socio-economic strategies emerged between the Right and the Centre-Left, while the extra-parliamentary Left, which did not share this consensus, remained of little political significance. Consequently, the competition between contesting proposals for modernity, which had characterised the Chilean trajectory towards modernity for decades, ended. Instead, Chile seems to have entered into a Fukuyama-style 'end of history', in which all actors agree on the main course that the country should follow, despite their clear, and at times bitter differences on minor issues (section 6.2.2).

The political competition that took place between the projects of modernisation was at times so intense that minor events came to play relatively large roles. This was for instance the case of the *Naranjazo* of 1964, when the death of a Socialist member of the parliament from the Curicó region turned out to be decisive in bringing the PDC to power. Similarly, the assassination of Commander-in-Chief of the Armed Forces General Schneider in 1970 proved to be a crucial element for the Left's ascent to power, as it was decisive for the PDC's support for Allende's inauguration as President. Finally, a less significant, but still influential, incident was the failed assassination attempt on Pinochet in 1986. This caused the radical wing of the Socialist Party to moderate and join the Concertación, strengthening the Centre-Left in relation to both the Right and the Communist Party (Chapters 3-5, section 2.2).

Even though the competition between the Centre, Left and Right was particularly intense, at least until 1990, this did not mean that no 'intellectual borrowing' took place. The Christian Democrats used monetary prescriptions that had been used by the Right under the Alessandri-government (1958-1964). The idea of the three areas of the economy of the UP came from the leader of the centrist Radical Party, who soon after the elections moved over to the opposition (section 4.1.3). Under the military regime, the adaptations that were made to the economic model after the crisis of 1983-4 largely followed the proposals that had been made by Christian Democrat economists some years before (section 5.2.3). And finally, the Concertación profited greatly from the successes of the neo-liberal model in the late 1980s and appropriated much of the military regime's economic model.

It should be noted that despite the political mass mobilisation that took place in the late 1960s and early 1970s (as well as the early 1980s), Chilean political actors have shown a great propensity to competition within the context of the formal political arena. During the 'Revolution in Liberty', the Christian Democrats moved away from

the political and social mobilisation of the masses when they discovered that it provoked popular unrest. Under the 'Chilean Road to Socialism', the main actors (the PDC and the Left) continued to seek a solution for the political conflict within the institutional order, even when social order was breaking down rapidly. Only when the legal system proved unable to resolve the main conflict between the Centre and the Left did an extra-legal solution (a military coup) become a serious alternative (section 4.2.2). Under the dictatorship, finally, the massive protests that took place in 1983 and 1984 were rapidly abandoned by the Centre and moderate Left when they started to radicalise. Instead, these sectors opted to follow an institutional strategy within the parameters that had been set by the 1980 constitution (section 5.2.2).

All projects of modernisation have encountered moments in which they were forced to adapt under the pressure of popular resistance and the threat of civil disorder. However, this has taken place in very different forms. In the case of the 'Revolution in Liberty', the Frei government was able to 'step on the brake' in 1967, but did not succeed in reigniting the project afterwards (section 3.2.3). Allende, in turn, proved unable to moderate or adapt the project of the Left when the social order was about to collapse, and lost control (section 4.2.3). The military regime, in contrast, was able to slow down its project when it faced mass protests in the period 1983-5. After that, it was able to successfully adapt the project and lead it into a second period of expansion (section 5.2.3). Finally, the Concertación was able to anticipate popular discontent and slowly adapt its project before social unrest could emerge. The coalition followed, so to speak, a 'slow curve' by generating internal debates that created the space for more progressive proposals and government candidates, and this resulted in a gradual move towards a more welfare-oriented state model of modernity (section 6.2.3).

The degree of success of the governments in adapting their projects is largely dependent on their ability to convince their political support groups of the need for a change of course. This is linked to the degree of relative autonomy they have been able to maintain from civil society and political actors, combined with the level of internal cohesion of the governmental forces, and the authority of the President. In the case of the military government, the authoritarian nature of the regime was evidently very helpful in creating such relative autonomy. Still, the ability of the regime to temporarily distance itself from its two main civil support groups and replace them with others was remarkable. The Frei government was able to make a conservative turn, but at the cost of splitting the party, and lost the initiative. Allende proved unable to move away from political pressures by the radicalised sectors of the UP. As a result, the negotiation of an agreement with the Christian Democrats remained blocked. In the case of the Concertación, the relative autonomy remained very high, and was enhanced by its 'embeddedness'. Moderate divisions within the parties of the Concertación actually proved to be functional here. The coalition, which closely followed academic analyses of the political culture of the country, was able to anticipate dissent and start internal debates that eventually provoked a slow change in strategy. A contributing factor here was of course the passiveness of Chilean civil society, which created the space for the

Concertación to search for a new course. However, the main explanation for the successful adaptation of 'Growth with Equity' lies in the academic and technocrat 'metalanguage' the political elites of the Concertación adopted.

The Legacies of the Projects

The projects of the Centre, Left and Right created legacies, some of which strongly influenced the following projects. These legacies, which have developed at the social, political and economic level, have often been intended, but at times have also taken the form of 'unforeseen legacies'. Together, they eventually crystallised into patterns of modernity that became particularly stable, and which have become known as the 'Chilean model' of the Concertación.

In the case of the project of the Centre, the 'Revolution in Liberty' left the important economic legacies of the agrarian reform and the 'Chilenisation' of the copper mines. Additionally, it left a strong legacy in the social area through the inclusion of the marginal urban and rural masses. Even while the *promoción popular* programme was aborted well before 1970, the idea that a society cannot become truly modern if large sections of the population are excluded from society and from state benefits came to be shared by all political sectors. At the political level, an unforeseen legacy of the project of the Centre was the growing social unrest and popular mobilisation it had provoked.

The UP's main legacies in the economic field were the intensification of the agrarian reform and the nationalisation of the copper mines. The remainder of the legacies of the Left, however, were not foreseen or intended. Direct and large-scale state intervention in the economy came to be broadly associated with the economic chaos of 1972 and 1973, including galloping inflation, scarcity of products, and long lines outside the stores. The same applies to the political modernisations of the UP. The mobilisation of the population through take-overs, demonstrations and strikes became strongly linked with the political conflict under the UP and the fall of Allende. As a result, mass participation in politics beyond the ballot box became strongly connected with the rupture of social order and a possible return to the chaos of the 1970s. Even after thirty years, these associations remain strong.

The main economic legacy of the project of the Right consisted of the neo-liberal model. In addition, it confirmed part of the agrarian reform, as only a third of the expropriated land was distributed among the peasantry. At the political level, its legacy took the form of 'authoritarian enclaves' which were maintained after the return to democracy until they were largely abolished in 2003. An unforeseen social legacy of the military regime was the high level of social exclusion, marginality and poverty that it created. Simultaneously, though, the country's social practices and identities underwent a move from collective to individual orientation, from citizenship to consumerism, and bargaining to competition in the market, which, even though they were far from complete by 1990, proved to have become key elements of post-autoritarian Chilean modernity.

Under the Concertación, the interaction of the legacies of the projects of modernisation of the Centre, Left and Right have crystallised into a synthesis. This synthesis consists of elements of all three projects which have produced what has become known as the 'Chilean model'. However, the three projects are represented in very different ways. Furthermore, the representation of each project in the 'Chilean model' has been limited by the presence of the legacies of the other projects.

From the Revolution in Liberty, the strongest element that has come to characterise the model is its interpretation of social justice. The idea that a society cannot develop properly if large sections of its population are socially excluded has been one of the most prominent elements of the post-1990 order. However, the limits of social justice have been set by the projects of the Left and Right. On the one hand, equity in a more socialist sense, meaning the creation of an 'equal society', has not become part of the model. On the other hand, the neo-liberal interpretation of equality, namely equality of opportunity, has come to determine how far the state can go in its social policies. As soon as true equality of opportunity has been achieved, the state is no longer expected to actively interfere.

Little of the project of the UP has survived in the Chilean model. However, this has been compensated for by the strong presence of Left-wing political leaders in the governments of the Concertación. This has allowed the leadership of the Left to rehabilitate at least part of their project and to show their ability to govern responsibly. However, this prominence remains conditioned by limitations that have been defined under the project of the Right: ideological moderation, consensus seeking, technical leadership, and political pragmatism. For the Right, the story is reversed: it has been unable to join government during the last sixteen years, but has seen a large part of its project being continued by the Concertación governments. Here, the limits have been set by the notion of social justice of the Christian Democrats. Neo-liberal reforms and transformations remain highly legitimate, but only up to the point where they start having negative consequences for poverty reduction. Where the free market has clear negative consequences for social justice, it becomes legitimate, and expected, for the state to intervene.

In this way, the projects of the past have generated patterns that have largely come to define Chilean modernity. Like the interference of waves forms patterns that can produce 'standing waves', the interaction of the three projects of modernisation of the Centre, Left and Right has created patterns of modernity that are particularly stable. The reason for this stability is that all three projects hold each other in a tight balance. All three contributors are represented in a 'zero-sum game' manner: gain for one of them necessarily comes at the cost of the others. If one card is removed, so to speak, the whole house might collapse. This tight balance has also produced four internal paradoxes which have come to define Chilean modernity. First, it combines the return to democracy with low levels of political participation. Democracy in Chile under the Concertación has adopted a technical and formal character, in the sense that the democratic model is combined with a highly top-down style of governance. Even while

civil society is far from non-existent in Chile, it plays hardly any role in the political decision-making process. Second, it combines effective and massive poverty reduction schemes with one of the highest levels of income inequality in Latin America. As has been seen, the logic of social justice has become limited by equality on the one hand (social policies should be focused on improving the situation of the poor, not on the creation of an egalitarian society), and by equality of opportunity on the other (as soon as equality of opportunity is achieved, the state should withdraw). As a result, income redistribution beyond poverty reduction clashes with the internal logic of the Chilean model. This results in wide differences in income, even while levels of poverty have been dramatically reduced. The third paradox consists of the neo-liberal model (albeit with a social face) being co-administered by the Left. This allows for government by the Centre-Left, but only as long as this takes place within the limits that have been outlined above: ideological moderation, acceptance of the neo-liberal context, and a highly technocratic, consensus-seeking outlook. A fourth internal paradox lies in the fact that despite the model's clear success in the socio-economic field, it has provoked sentiments of discontent and frustration rather than of happiness. As some have observed, this may well be interpreted as a by-product of modernisation, and as an indication that the country has indeed become profoundly modern.

Concluding, the interaction between the projects of modernisation of the Centre, the Left, and the Right has produced patterns of modernity that are internally paradoxical but very stable. This 'Chilean model' has been able to resolve most of the pressing problems in the country: the integration of the masses, the achievement of rapid and sustainable economic development, and the maintenance of political stability and governability. Nevertheless, it has provoked sentiments of discontent rather than of happiness among certain sections of the population. For better or for worse, this discontent may eventually lead to the termination of Chile's 'end of history'.

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Samenvatting

Concurrerende Moderniteiten:
Moderniseringsprojecten in Chili, 1964-2006

Het 'moderne' heeft sinds de onafhankelijkheid een grote aantrekkingskracht uitgeoefend op Latijns-Amerikaanse elites. Dit is in het bijzonder het geval in Chili, waar de politieke elites een groot enthousiasme voor modernisering en moderniteit aan de dag hebben gelegd. De relatieve stabiliteit van het land en de verhoudingsgewijs hoge mate van ontwikkeling hebben de wens tot het bereiken van de 'volledige modernisering' alleen nog maar versterkt. Blijkbaar wordt de aantrekkingskracht van de moderniteit sterker naarmate die dichter benaderd wordt.

Dit onderzoek richt zich op de manieren waarop Chileense elites hebben geprobeerd hun land te moderniseren door middel van politieke projecten, en hoe als gevolg daarvan specifieke patronen van moderniteit zijn ontstaan. Het zal laten zien dat ondanks de ideologische verschillen tussen verschillende politieke elites, een sterk element van continuïteit kan worden gevonden in de moderniserende aard van hun projecten.

Sinds 1964 zijn er in Chili vier moderniseringsprojecten geïmplementeerd. Het eerste project was de zogenaamde 'Revolutie in Vrijheid', van de Christendemocratische regering van Eduardo Frei (1964-1970). Deze werd gevolgd door de 'Chileense Weg naar het Socialisme' van de socialistische *Unidad Popular* onder leiding van Salvador Allende (1970-1973). Het militaire regime van Augusto Pinochet (1973-1990) zette vervolgens een neoliberale 'Stille Revolutie' in gang. Ten slotte werd vanaf 1990 het project 'Groei met Gelijkheid' ingezet door de zogenaamde *Concertación*-coalitie, onder de regeringen van Patricio Aylwin (1990-1994), Eduardo Frei Ruiz-Tagle (1994-2000), Ricardo Lagos (2000-2006), en Michelle Bachelet (2006-heden). Deze vier projecten waren ideologisch zeer verschillend en zelfs conflicterend, maar deelden tegelijkertijd een sterk moderniserend karakter.

Deze projecten gingen veel verder dan eenvoudige regeringsprogramma's of electorale strategieën. Ze waren gebaseerd op vernieuwende en grondig uitgewerkte politieke doctrines en ontwikkelingstheorieën. Bovendien werden ze niet uitsluitend door regeringen uitgevoerd, maar werden ze mede ondersteund door belangrijke actoren uit de civiele maatschappij. Hierdoor konden ze een bijzonder grote impact krijgen. Het waren echte 'projecten van modernisering', die er op gericht waren om in één stap de kloof met de 'moderne wereld' te overbruggen, gebaseerd op verschillende interpretaties van de moderniteit.

De klassieke benadering van moderniteit en modernisering biedt weinig ruimte voor het idee dat moderniteit locaal wordt geconstrueerd. Traditioneel wordt het gezien als een Europees fenomeen dat bestaat uit processen en instituties als secularisatie, rationalisering, kapitalisme, democratie en industrialisatie, die elkaar wederzijds

versterken. Vanuit dit perspectief zou een land als Chili alleen modern kunnen worden als het deze processen nauwgezet zou reproduceren. Dit is echter slechts gedeeltelijk het geval geweest aangezien modernisering er een ander traject heeft gevolgd dan in Europa. Hierdoor is vanuit dit perspectief het vooruitzicht voor Chili om echt modern te worden somber. Recentelijk zijn er echter nieuwe benaderingen ontwikkeld, die benadrukken dat het 'moderne' lokaal vorm gegeven wordt door de interactie van elementen van moderniteit en traditie. Eén van deze conceptualiseringen is de zogenaamde 'multiple modernities'-benadering, die claimt dat er niet één, maar meerdere moderniteiten bestaan. Moderniteit is dan niet noodzakelijkerwijs een exclusief Europees fenomeen, maar wordt lokaal geconstrueerd, in interactie met externe invloeden en referentiekaders zoals Europa of de Verenigde Staten. Als een gevolg kan een regio of een land eigen sociale, culturele, politieke, en economische structuren creëren die specifieke patronen van moderniteit voortbrengen.

De 'multiple modernities' benadering is niet oncontroversieel. Toch is het een voor dit onderzoek heel nuttig perspectief, omdat het verklaart hoe moderniteit op locaal niveau wordt geconstrueerd. Latijns-Amerikaanse elites hebben volgens de deze benadering sinds de onafhankelijkheid van de regio een zeer sterke hang naar moderniteit gehad, gebaseerd op verschillende interpretaties van het 'moderne'. Vanuit deze interpretaties construeerden ze projecten waarmee ze hun maatschappijen trachtten te moderniseren. Deze elitegroepen bevochten elkaar onderling om de macht en om de mogelijkheid om hun project te implementeren. Wanneer dat lukte, slaagden ze er meestal slechts gedeeltelijk in om hun project uit te voeren, waarna ze vervolgens de macht aan andere elites en nieuwe projecten moesten overdragen. Deze 'opeenvolgende golven van modernisering' creëerden patronen van moderniteit, die niet zozeer het resultaat waren van de achtereenvolgende moderniseringsprojecten zelf, maar van hun interactie, waarin ze elkaar in sommige opzichten versterkten en in andere ophieven. Als gevolg ontstonden er uiterst complexe patronen van moderniteit die uniek waren en karakteristiek voor de regio of het land in kwestie.

In dit onderzoek wordt de 'multiple modernities' benadering toegepast met een bijzondere nadruk op de metafoor van golven. Ieder moderniseringsproject kan gezien worden als een golf die bepaalde sporen nalaat in een maatschappij. Wanneer echter twee of meer golven met elkaar interfereren, vormen ze patronen die anders zijn dan de originele golven. Op deze wijze worden er patronen van moderniteit gevormd door de interactie van verschillende projecten van modernisering. Hiernaast ontwikkelen de projecten zich ook op dezelfde wijze als een golf, in hun constructie (opkomst), implementatie (piek), en neergang (val). In deze drie fases beïnvloeden de verschillende projecten elkaar op specifieke manieren die in deze studie geanalyseerd worden.

In de fase van hun constructie zullen de projecten worden geanalyseerd op hun onderliggende moderniseringsideologie en economische ontwikkelings-strategieën. In de fase van hun implementatie zal er gekeken worden naar de rol van de staat, technocratie, en economische staatsplanning. Tevens zal er gekeken worden naar de politieke competitie tussen de verschillende partijen, die de vorming en ontwikkeling

van de verschillende projecten grotendeels heeft bepaald. Ook wordt de rol van de civiele maatschappij belicht, die telkens een tegenreactie heeft gegeven op de moderniseringsprojecten, waardoor deze aangepast moesten worden teneinde de orde te bewaren. Ten slotte komt de neergang van de projecten aan bod, en de sociale, economische, en politieke erfenissen die ze achterlieten.

In de Chileense geschiedenis is modernisering is een constante factor geweest, ook al heeft het telkens andere vormen aangenomen. Het is voor het eerst een factor van belang geworden in de laatkoloniale periode, toen het koloniale bestuur een zekere mate van rationalisering onderging en er verschillende moderne instituties werden ingesteld. In deze periode verkreeg modernisering twee karakteristieken die zich ontwikkelden tot constanten in de Chileense geschiedenis. De eerste was de bereidheid van Chileense elites om een zekere mate van modernisering te accepteren, zelfs als die tegen hun directe belangen inging, mits ze daarmee hun machtspositie konden behouden. Hierdoor heeft modernisering op een relatief vreedzame wijze kunnen plaatsvinden in de Chileense maatschappij. Ten tweede werd in deze periode de staat onlosmakelijk verbonden met modernisering. Sindsdien is de staat altijd gezien als de belangrijkste motor van modernisering.

Na de onafhankelijkheid, begin negentiende eeuw, behield modernisering zijn 'top-down' karakter. Dit werd vooral duidelijk in de formatie van de zogenaamde 'Portaliaanse staat' (vernoemd naar de staatsman Diego Portales): een formeel democratische, maar tegelijkertijd autoritaire institutionele orde, die uitermate succesvol en stabiel bleek te zijn, en die tot in de twintigste eeuw invloedrijk bleef. In deze orde werden elementen van traditie en moderniteit op een instrumentele wijze met elkaar vermengd, waardoor een zekere mate van modernisering plaats kon vinden zonder dat de sociale orde in gevaar werd gebracht. Tevens kreeg modernisering door de opkomst van het liberalisme een uitgesproken rationalistisch, wetenschappelijk, en technisch karakter. De grote invloed van Comte's positivisme, dat een sterke koppeling maakte tussen modernisering en wetenschap droeg hier ook aan bij.

Tussen 1880 en 1920 veranderde modernisering gedeeltelijk van gezicht. De 'Portaliaanse staat' maakte plaats voor een 'parlementair model' dat zich kenmerkte door een geringere invloed van de president. Tegelijkertijd werden de inkomsten van de nitraatvelden in het noorden van het land aangewend om het staatsapparaat uit te breiden en de bureaucratie te moderniseren. Tevens werd het onderwijsapparaat vernieuwd en uitgebreid. De sociaaleconomische positie van de lagere klassen kwam echter steeds meer onder druk te staan door het *laissez-faire* beleid van de Chileense overheid. Het 'sociale vraagstuk' dat zich hierdoor ontwikkelde, leidde er toe dat de groeiende middenklasse de oligarchische hegemonie steeds meer begon te betwisten, en aandrong op politieke modernisering. Deze toenemende druk leidde er in 1920 toe dat de middenklassen voor het eerst toegang kregen tot de macht. Het einde van de 'oligarchische moderniteit' werd bezegeld door de dictatuur van Carlos Ibáñez del Campo (1927-1931), die de middenklassen, en in het bijzonder professionals, integreerde in het landelijke bestuur. Tevens zette hij een proces van materiële en

economische modernisering in werking door de creatie van talloze staatsinstituties en industrialiseringsinitiatieven.

Modernisering veranderde wederom van gezicht gedurende de economische crisis van de jaren '30, die duidelijk maakte dat de Chileense economie te kwetsbaar was voor invloeden van buitenaf. Om dit tegen te gaan werd een proces van versnelde industrialisering in werking gezet, onder leiding van de staat. Tegelijkertijd werd er een basaal systeem van sociale zekerheid in het leven geroepen. In het begin van de jaren '60 kwam het einde van deze moderniseringsfase in zicht. Het industrialiseringsproject had zijn impuls verloren en was niet langer in staat om de economische groei te genereren die nodig was om de sociale eisen van de lagere klassen te bevredigen. Het sociale vraagstuk werd weer een dringend probleem, aangezien de sociale voorzieningen van de staat zich niet uitstrekten tot de plattelandsbevolking en de marginale massa's in de sloppenwijken. Tegelijkertijd vormde het succes van de Cubaanse Revolutie een bewijs dat een revolutionaire omwenteling een reële mogelijkheid was in de Latijns-Amerikaanse context. De hoofdstromingen van de Chileense politiek (rechts, links, en het politieke centrum) ondergingen een proces van ideologische radicalisering, wat zich vertaalde in een intensivering van hun onderlinge politieke competitie. Het is in deze context dat radicale en vergaande projecten van modernisering werden ontworpen, die vanaf 1964 de Chileense politieke agenda zouden domineren.

Dit ving aan met de 'Revolutie in Vrijheid' van de Christendemocratische Partij (PDC) onder leiding van Eduardo Frei Montalva (1964-1970). Dit project was gefundeerd op twee verschillende doctrines. Aan de ene kant was het gebaseerd op een 'sociaalchristelijke' ideologie die grotendeels was geïmporteerd uit Europa maar die zorgvuldig aan de Chileense context was aangepast. Deze ideologie verdedigde bepaalde elementen van de moderniteit terwijl het andere afwees. Het was een alternatief voor zowel het 'materialistische kapitalisme' als het 'seculiere Marxisme', en had als doel om sociale modernisering te verwezenlijken zonder de morele basis van de maatschappij te verzwakken. Aan de andere kant was het project van de Christendemocraten gebaseerd op een nieuwe, in Chili ontwikkelde economische ontwikkelingstheorie, het zogenaamde structuralisme. Volgens het structuralisme was de enige mogelijkheid voor sociale en economische modernisering een versnelde en duurzame economische groei. Deze groei was echter geblokkeerd door een aantal structurele factoren. Alleen een integrale aanpak, waarin onder andere agrarische hervormingen, industrialisering, en sociale integratie met elkaar werden gecombineerd, zou deze structurele blokkade kunnen overwinnen. Deze twee basiselementen van de 'Revolutie in Vrijheid' werden met elkaar verenigd tot een alomvattend politiek project van modernisering, met als belangrijkste elementen agrarische hervorming, de gedeeltelijke nationalisering van de kopermijnen in het noorden van het land, en een project van sociale incorporatie dat *promoción popular*, ofwel 'bevordering van het volk' genoemd werd.

In de fase van de implementatie werd het project gekarakteriseerd door 'top-down' benadering. Hoewel Frei herhaaldelijk waarschuwde voor het gevaar van een té grote oriëntatie op de staat, werd het project volledig door het staatsapparaat uitgevoerd, dat

voor dit doel ook nog eens aanzienlijk werd uitgebreid. Een soortgelijke ambivalentie kan gevonden worden in de rol die technocraten speelden bij de invoering van de 'Revolutie in Vrijheid'. Aan de ene kant werd hun rol naar buiten toe gebagatelliseerd, vanwege de negatieve naam die de technocratie bij de bevolking had. Aan de andere kant werd het project gekarakteriseerd door de grote rol die technocraten, meestal economen, bij de formulering en de implementatie hadden. Teneinde de complexiteit van hun integrale aanpak te beheersen, gebruikten deze technocraten staatsplanning als het centrale gereedschap in de invoering van het project.

De competitie tussen links, rechts, en het centrum, die al onder druk was gezet door de keuze van de Christendemocraten om zonder coalitiepartner te gaan regeren, werd sterk beïnvloed door de invoering van de 'Revolutie in Vrijheid'. Rechts werd door het project in een diepe crisis gestort, omdat de agrarische hervormingen de traditionele machtsbasis van de conservatieven verzwakten. In deze crisis verloor rechts, dat traditioneel open stond voor een zekere mate van modernisering, zijn tot dan toe pragmatische en gematigde houding. In het geval van links leidde de 'Revolutie in Vrijheid' tot een felle electorale competitie, aangezien de Christendemocraten door hun sociale beleid steun konden verwerven onder de onderklassen van de samenleving, die tot dan toe bijna uitsluitend door de linkse partijen werden bediend. Hierdoor ontstond een felle strijd om de stem van de bevolking in de sloppenwijken en op het platteland, waarbij links en de PDC elkaar in ideologische zin steeds meer overboden. Dit leidde er toe dat de verwachtingen van de bevolking steeds verder werden opgeschroefd. Toen na 1967 de economische groei snel begon af te nemen, vertaalden deze verwachtingen, in combinatie met de intense politieke competitie, zich in toenemende sociale onrust.

In het licht van deze sociale en politieke spanningen hadden de Christendemocraten twee keuzes: ófwel doorgaan met hun moderniseringsproject, met het risico dat de sociale orde in gevaar werd gebracht, ófwel het project afremmen. Frei koos voor het laatste, waarmee hij een breuk in de PDC veroorzaakte. Het bleek echter niet voldoende te zijn, en de laatste jaren van zijn regering werden gekarakteriseerd door sociale onrust en de radicalisering van vrijwel alle sectoren van het politieke spectrum.

De economische erfenis van het moderniseringsproject van de Christendemocraten bestond hoofdzakelijk uit de agrarische hervormingen (die rond 1970 nog in volle gang waren) en de gedeeltelijke nationalisering van de kopermijnen. Op het sociale vlak had het een brede consensus gegenereerd over de noodzaak van het incorporeren van de rurale en urbane massa's. Politiek had de 'Revolutie in Vrijheid' een radicalisering van het politieke systeem ten gevolge die van grote invloed zou blijken te zijn onder het moderniseringsproject van links.

In 1970 kwam de linkse *Unidad Popular* (UP) van Salvador Allende aan de macht. Het project van deze coalitie, de zogenaamde 'Chileense Weg naar het Socialisme', was ook fundamenteel ambivalent ten opzichte van de moderniteit. Het wees het kapitalisme af, en richtte zich op de vorming van een egalitaire maatschappij. De 'werkelijk bestaande Socialistische landen' werden als voorbeeld genomen, maar niet zonder aanpassingen. De nationalisering van het grootste deel van de industriële sector

werd gecombineerd met het behoud van liberale democratie, waardoor een specifiek 'Chileense' combinatie ontstond. Hiernaast werd er opnieuw een vernieuwende ontwikkelingstheorie als basis voor het project gebruikt: *dependencia*, ofwel de afhankelijkheidstheorie. Volgens deze benadering was echte modernisering en ontwikkeling alleen mogelijk door buiten het paradigma van het internationale kapitalisme te treden. Deze elementen werden vermengd in een project van modernisering dat erop gericht was om de politieke, economische, en sociale basis van de Chileense maatschappij te hervormen. De belangrijkste onderdelen van het project waren de intensivering van de agrarische hervormingen, de nationalisering van de belangrijkste sectoren van de industrie, inclusief de kopermijnen, en de herverdeling van de macht door arbeiders controle te geven over de productiesector.

Ondanks het officiële discours, dat de grote rol van het volk in het transformatieproces benadrukte, was de 'Chileense Weg naar het Socialisme' een bijna volledig op de staat georiënteerd en van boven af uitgevoerd project. Hoewel het door sommige sectoren van de UP als een bolwerk van de bourgeoisie werd gezien, was de macht van de staat essentieel voor het volbrengen van het project. Tevens speelden technocraten wederom een belangrijke rol in de formulering en implementering van het project- ook al hadden ze, vanwege hun 'niet-politieke' imago, te kampen met een slechte naam bij de linkse partijen. Staatsplanning werd onder de UP op een hoger plan getild door middel van de invoering van vijfjarenplannen. Door de sterke politisering van het economische beleid en de economische crisis die na 1971 ontstond kon planning echter geen sterke invloed verkrijgen.

Politieke competitie nam extreme vormen aan onder de 'Chileense Weg naar het Socialisme', en was van cruciale invloed op alle sectoren van het politieke spectrum. Voor rechts vormde het project van de UP een figuurlijke doodsbedreiging. De intensivering van de agrarische hervormingen en de nationalisering van belangrijke delen van de industrie betekende een *de facto* opheffing van rechts als een sociaaleconomische klasse. In de context van deze dreiging lieten de conservatieven iedere gematigdheid varen en namen een confronterende houding ten opzichte van de regering aan. Economische blokkades en politiek geweld werden ingezet om een militaire interventie af te dwingen. Uiteindelijk zou dit bijdragen aan de economische crisis die de laatste jaren van Allende's regering kenmerkten, en een autoritaire uitweg legitimeren.

Voor de Christendemocraten was de verhouding met de UP complexer. Rond 1970 was de linkervleugel van de partij aan de macht gekomen, die sympathiek stond ten opzichte van het project van de UP. De verhoudingen verkoelden echter snel doordat de UP veelal buiten het parlement om regeerde en de macht van de staat instrumenteel gebruikte. Uiteindelijk werd het pleit beslecht door een technische kwestie: de pogingen van beide partijen om tot een compromis te komen over de nationalisering van de industrie strandden in een 'grijs gebied' van de parlementaire regelgeving. Hierdoor werd de laatste mogelijkheid om tot een legale oplossing te komen geblokkeerd. Als een

gevolg wendden de Christendemocraten zich af van de UP en creëerden daarmee de noodzakelijke steun van de middenklasse voor een militaire coup.

Evenals Frei werd ook Allende geconfronteerd met de keuze om het project te voort te zetten met het risico om de controle over de sociale orde te verliezen, of het af te remmen en aan te passen aan de politieke realiteit. Even als in het geval van Frei werd Allende onder druk werd gezet door een groot deel van zijn eigen coalitie om het project te intensiveren en een gewelddadige confrontatie met de oppositie aan te gaan. Allende moest een keuze maken tussen een compromis met de Christendemocraten en de radicale krachten in zijn coalitie. Uiteindelijk bleek hij echter niet bij machte om deze keuze te maken, en kwam het initiatief bij de extreme sectoren van zowel rechts als links te liggen.

De 'Chileense Weg naar het Socialisme' liet na de coup in 1973 diepe sporen na in de Chileense maatschappij. Op het economische niveau bevestigde het de legitimiteit van de agrarische hervormingen en de nationalisering van de kopermijnen, maatregelen die niet of slechts gedeeltelijk zijn teruggedraaid door het militaire regime. Aan de andere kant had de economische crisis die plaats had gevonden onder de UP het gevolg dat populisme en staatsinterventie in de economie veel van zijn steun verloor. Tegelijkertijd leidde de sociale wanorde en het politieke conflict die door het moderniseringsproject van de UP waren ontstaan er toe dat volksmobilisatie zijn legitimiteit verloor als politiek middel.

Tijdens het militaire regime (1973-1990) werd er een derde moderniseringsproject in gang gezet, met de steun van verschillende civiele groepen. Dit project, dat door deze groepen de 'Stille Revolutie' werd genoemd, bestond uit de combinatie van een conservatieve Latijns-Amerikaanse politieke ideologie en Amerikaans neoliberaal economisch denken. Politiek bestond het uit een conservatieve en autoritaire orde, die vorm werd gegeven door de zogenaamde *gremialistas*. Argumenterend dat een militaire dictatuur op de lange termijn onhoudbaar zou blijken, stelden ze voor om deze orde in te bedden in een formeel democratisch model. Op deze wijze zou er een 'beschermde democratie' geconstrueerd worden, die, zoals de 'Portaliaanse staat' in de negentiende eeuw, autoritair conservatisme vermengde met moderne democratie, en die geen ruimte liet voor .

Het neoliberale ontwikkelingsmodel dat het project van rechts ondersteunde was geïnspireerd op de economische leer van de Amerikaanse econoom Milton Friedman, die echter werden aangepast aan de locale context. In vergelijking met het 'Friedmaniaanse orthodoxie' behield de staat een relatief grote rol in de economie, bleef economische staatsplanning bestaan, en vond er een zekere mate van herverdeling van inkomen plaats. In combinatie met de politieke ideologie van de *gremialistas* werd de 'Stille Revolutie' een grootschalig moderniseringsproject, waarin een vrije-markt maatschappij werd gecombineerd met een autoritaire politieke orde.

Wederom speelde de staat een centrale rol bij de implementatie van het project, ondanks het ideologische doel van de neoliberale beleidsmakers om de staat zo veel mogelijk uit de maatschappij terug te trekken. Een grote en actieve rol van de staat bleek

echter een vereiste te zijn voor de terugtrekking van de staat uit de economie. Tevens werd de 'onzichtbare hand' van de vrije markt begeleid door een uitgebreid en complex systeem van staatsplanning. Hoewel deze planning niet langer de productieve sector betrof maar zich richtte op de coördinatie van staatsinvesteringen en armoedebestrijding, bereikte staatsplanning in termen van invloed zijn hoogtepunt onder het militaire regime. Het neoliberale project leidde ook tot een sterke technocratisering van het beleid. Waar voorheen politici en advocaten het sterkst werden geassocieerd met de ontwikkeling en vooruitgang van Chili werd nu deze rol overgenomen door economen en ondernemers.

Formeel bestond er geen ruimte voor politieke competitie onder het militaire regime. In hun pogingen om een serieus alternatief voor de 'Stille Revolutie' te creëren, ondergingen de Christendemocraten en links echter belangrijke ideologische veranderingen, die bepalend zouden blijken voor het moderniseringsproject van de *Concertación*. Voor de Christendemocraten bestond dit hoofdzakelijk uit de bewustwording dat een succesvol toekomstig project niet legitiem en succesvol zou kunnen zijn als het niet ondersteund zou worden door een het grootste deel van het politieke spectrum. De partij oriënteerde zich daarom sterk op de mogelijke samenwerking met de gematigd linkse partijen. Tegelijkertijd onderging links een proces van ideologische 'renovatie', dat er toe leidde dat politiek geweld en revolutionaire strategieën werden afgezworen en een meer sociaaldemocratische koers werd ingezet.

Ook het militaire regime werd geconfronteerd met massale sociale onrust en met het dilemma om het project aan te passen of het risico te lopen de controle te verliezen. In dit geval bleek echter de aanpassing succesvol. De regering was in staat om genoeg afstand te behouden van zijn ondersteunende civiele groepen en het project af te remmen zolang de protesten aanhielden. Vervolgens werd het project op een gematigde en pragmatische wijze voortgezet, een strategie die zeer succesvol bleek in de tweede helft van de jaren tachtig.

Hoewel het regime in 1988 in een referendum werd weggestemd, en het democratie een jaar later terugkeerde, bleven belangrijke elementen van het project van rechts bestaan. Op het economisch vlak had het succes van het neoliberale model een brede consensus gegenereerd over de noodzaak van versnelde en duurzame economische groei. De moderne Amerikaansgeoriënteerde consumptiemaatschappij, die in de jaren tachtig zijn entree had gedaan, bleef daarmee een blijvend element in de Chileense maatschappij. Op het politieke vlak slaagde het militaire regime er in om het democratische systeem in verschillende aspecten in te perken, zodat de bewegingsvrijheid van de toekomstige regeringen beperkt bleef, en de conservatieve orde die door de *gremialistas* was ingezet, gedeeltelijk intact bleef.

Het project van de *Concertación* coalitie, 'Groei met Gelijkheid' (1990-heden), kan vanuit twee perspectieven worden geanalyseerd. Het kan aan de ene kant gezien worden als een vierde project van modernisering, dat belangrijke karakteristieken deelt met zijn voorgangers. Aan de andere kant kan het project ook worden geïnterpreteerd als een

synthese van de voorafgaande projecten, een soort eindfase, ofwel een 'einde van de geschiedenis'.

Vanuit het eerste perspectief gezien is 'Groei met Gelijkheid' een moderniseringsproject dat ideologisch gebaseerd is op een 'terugkeer' naar de moderniteit die Chili kenmerkte voor 1973, in het bijzonder in de vorm van het liberale democratische model. Tevens vermengde het elementen van de Europese welvaartstaten en het Amerikaanse economische liberalisme in een specifiek Chileense mix. In plaats van echt een 'alternatieve moderniteit' na te streven, richtte dit project zich meer op een brede interpretatie van het moderne, waarbij de terugkeer van Chili in de internationale gemeenschap een centrale rol speelde.

Wederom speelde een nieuwe stroming in de ontwikkelingstheorie een grote rol in het moderniseringsproject. Dit was het zogenaamde neostructuralisme, dat evenals het structuralisme sociale insluiting, herverdeling van inkomen en een sterke rol voor de staat benadrukte. Het trachtte echter niet de economie op een planmatige manier te besturen. In plaats daarvan benadrukte het de voortdurende beheersing van de macro-economische balansen en een pragmatische en heterodoxe basishouding.

Het project van de *Concertación* was gebaseerd op de claim dat neoliberale groei en sociale rechtvaardigheid geen tegengestelden hoefden te zijn, maar elkaar juist konden versterken. Zonder sociale insluiting zou versnelde economische groei niet duurzaam kunnen zijn, terwijl sociale investeringen alleen verantwoord bekostigd zouden kunnen worden uit de opbrengsten van die versnelde groei. Werkelijke modernisering kon dus alleen plaatsvinden door beide elementen te combineren.

Hoewel dit centrale argument een constante is gebleven gedurende de verschillende regeringen van de *Concertación*, zijn er ook verschuivingen in de interpretatie van de moderniteit en modernisering aan te wijzen. De regering van Patricio Aylwin (1990-1994) legde een sterke nadruk op de integratie van Chili in de wereldgemeenschap, de versterking van de civiele maatschappij, en het afronden van het politieke transitieproces. Zijn opvolger, Eduardo Frei Ruiz-Tagle (1994-2000) legde veel meer nadruk op technologische vooruitgang en de modernisering van de staat. De regering van Ricardo Lagos (2000-2006) behield de nadruk op technologie en moderne communicatiemiddelen, maar bewoog zich tevens in de richting van de vorming van een bescheiden verzorgingsstaat. Onder president Michelle Bachelet (2006-) lijkt deze lijn te worden doorgezet.

Ook in dit project speelde de staat een centrale, maar ambivalente rol. Aan de ene kant werd staatsinterventie gezien als essentieel voor het succes van het project; aan de andere kant mocht de staat nooit de economische groei hinderen. De staat werd nog verder in grootte teruggebracht door middel van nieuwe privatiseringen, terwijl het tevens aan kracht won door een grootschalig moderniseringsprogramma. Door alle niet-essentiële functies af te stoten kon de staat alle aandacht schenken aan sociaal beleid en het reguleren van de markten. Hoewel planning oorspronkelijk een grote rol was toebedacht in dit proces, bleek de creatie van een officieel Ministerie van Planning contraproductief te werken. Het heeft zich vrijwel uitsluitend met armoedebestrijding

kunnen bezighouden. De technocratisering van de Chileense politiek zette zich echter voort onder de *Concertación*. Onder het militaire regime had de oppositie zich noodgedwongen georganiseerd in wetenschappelijke instituten en *think-tanks*, die relatief ongemoeid bleven. Het resultaat was dat de politieke elite van het centrum en links een proces van 'technocratisering' onderging waarbij pragmatisme en doelgericht beleidsmaken belangrijker werd geacht dan het strak vasthouden van politieke principes. De technocratische politieke elite van de *Concertación* ontwikkelde tevens een 'academische metataal' die de oplossing van interne politieke conflicten binnen de coalitie vergemakkelijkte.

Onder het project van de *Concertación* veranderde het proces van politieke competitie sterk. Hoewel de regering door de oppositie fel werd bestreden over ethische thema's en de erfenis van het militaire regime, kwam er aan het eind van de jaren negentig een groeiende consensus aan het licht over de algemene koers die het land zou moeten varen. Over thema's zoals de sociaaleconomische ontwikkeling van het land, het handelsbeleid, of het democratisch model zijn alle politieke sectoren het grotendeels eens. In die zin is er een 'einde van de geschiedenis' ontstaan in Chili, waarin het moderniseringsproject van de *Concertación* door vrijwel alle actoren wordt ondersteund.

Onder de *Concertación* is de civiele maatschappij opvallend kalm gebleven. Hierdoor zou het beeld kunnen ontstaan dat 'Groei met Gelijkheid' niet, zoals zijn voorgangers, een koerswijziging heeft moeten ondergaan onder druk van de publieke opinie. Dit is echter niet het geval. De coalitie heeft het project aangepast aan de wensen van de publieke opinie zonder dat er sociale onrust nodig is geweest om deze kenbaar te maken. Dit werd mogelijk gemaakt door de 'academisering' van de politieke leiders van de *Concertación*. Zij ontwikkelden een grote interesse in wetenschappelijke analyses over de politieke voorkeuren van de bevolking. Toen er in 1998 in academische studies naar voren kwam dat de Chileense bevolking zich steeds meer ongemakkelijk voelde met de neoliberale koers die het land voer, ontstond er in de *Concertación* een intense en levendige discussie over de te volgen strategie. Deze leidde er uiteindelijk toe dat er binnen de coalitie de ruimte ontstond voor een aanpassing van het project door middel van de invoering van een beperkte welvaartsstaat. Op deze wijze heeft de *Concertación* het dilemma tussen modernisering en het behoud van de sociale orde weten te omzeilen.

Vanuit het tweede perspectief is 'Groei met Gelijkheid' een historische synthese van de drie voorafgaande moderniseringsprojecten. Van de 'Revolutie in Vrijheid' is vooral het element van sociale rechtvaardigheid blijven bestaan, in de betekenis dat alle sectoren van de maatschappij toegang moeten kunnen hebben tot de diensten van de staat. Actieve en massale politieke participatie van de bevolking, één van de pijlers van de 'Chileense Weg naar het Socialisme', is echter afwezig in deze synthese. In plaats daarvan hebben vele politieke leiders van de UP een prominente rol gekregen in de regeringen van de *Concertación*. Het omgekeerde geldt voor rechts: een groot deel van de neoliberale agenda wordt nog steeds uitgevoerd, maar de rechtse politieke partijen zijn

sinds 1990 niet aan de macht geweest. Het resultaat van deze mix is een model dat door alle drie de sectoren wordt ondersteund, en dat daardoor uitzonderlijk stabiel is gebleken te zijn.

De moderniseringsprojecten hebben ook op andere wijze patronen van moderniteit gegenereerd die specifiek zijn voor Chili. Naast institutionele moderniseringen, zoals de agrarische hervormingen en de nationalisering van de kopermijnen, bestaan deze patronen hoofdzakelijk uit vier paradoxen. De eerste is dat de Chileense moderniteit wordt gekarakteriseerd door democratie aan de ene kant, en een passieve civiele maatschappij aan de andere. De tweede paradox is dat de sterke nadruk op sociale investeringen niet heeft geleid tot een egalitaire samenleving: ondanks een indrukwekkende afname van de armoede blijft Chili op sociaaleconomisch gebied een van de meest ongelijke landen van Latijns-Amerika. De derde is dat het Chileense model bestaat uit een neoliberale markteconomie die wordt geadministreerd door de voormalige leiders van het project van links en van de Christendemocraten. De vierde paradox van de Chileense moderniteit is ten slotte dat ondanks het grote succes op het sociale, politieke, en economische gebied, het model sentimenten van frustratie en ontevredenheid bij de bevolking lijkt te genereren.

Concluderend kan er gesteld worden dat modernisering een constante is geweest in de geschiedenis van Chili die in verschillende periodes andere gedaantes heeft aangenomen. Vanaf de jaren zestig ondervindt modernisering een proces van radicalisering en intensivering, dat resulteert in de constructie en implementatie van vier vergaande projecten van modernisering. Deze projecten waren gebaseerd op verschillende interpretaties van wat de moderniteit is, of zou moeten zijn. Ze waren kritisch in de zin dat ze tegelijkertijd een kritiek op, en een voorstel vóór moderniteit waren. Ze waren ook selectief omdat ze bestaande voorbeelden van moderniteit aanpasten aan de lokale context, waarbij bepaalde elementen werden benadrukt en andere werden genegeerd. Alle vier projecten werden ondersteund door een nieuwe en toonaangevende economische ontwikkelingstheorie. De prominente rol van deze theorieën is indicatief voor de mate van legitimiteit die wetenschap in Chili heeft als motor voor modernisering. Selectiviteit was echter opnieuw een sleutelbegrip in het gebruik van deze ontwikkelingsmodellen, waarbij bepaalde elementen integraal werden overgenomen, en andere niet. Uiteindelijk werden alle elementen samengevoegd in een integraal project van modernisering dat tot doel had om in één stap de kloof met de 'moderne wereld' te slechten.

In hun implementatie stonden alle projecten ambivalent ten opzichte van de staat, maar richtten zich uiteindelijk volledig op de staat als de belangrijkste motor van modernisering. Zelfs het neoliberale project van het militaire regime, dat grotendeels ten doel had om de staat zoveel mogelijk te ontmantelen, richtte zich op de staat om dit te bewerkstelligen. Tegelijkertijd heeft modernisering door middel van de staat in alle projecten een modernisering van het staatsapparaat zelf met zich meegebracht.

De vier projecten hebben geleid tot een toenemende rol voor technocraten in de Chileense politiek. Hun effectiviteit en invloed werden voor een groot deel bepaald door de relatieve autonomie die ze hebben kunnen weten te behouden ten opzichte van de andere politieke actoren. Hetzelfde geldt voor staatsplanning, een instrument dat het beste lijkt te werken als het een informele institutionele positie combineert met sterke banden met de president.

De politieke competitie tussen de verschillende politieke actoren heeft een cruciale invloed uitgeoefend op de constructie, implementatie, en neergang van de verschillende projecten. Ieder project bracht op een bepaald niveau het volgende voort, terwijl het zelf gedeeltelijk was voorgebracht door het vorige. Alleen in het geval van de *Concertación* lijkt de politieke competitie tot een stilstand te zijn gekomen, een 'einde van de geschiedenis', waarin alle actoren het fundamenteel eens zijn over het te volgen traject van modernisering. De invloed van de politieke competitie betekent echter niet dat de projecten elkaar 'automatisch' en mechanistisch opvolgden: in de context van de felle strijd tussen de verschillende moderniseringsprojecten werden 'toevallige gebeurtenissen' juist extra belangrijk, en konden de balans doen doorslaan naar een onverwachte kant. Ondanks de massale politieke activiteit die plaats vond onder de verschillende moderniseringsprojecten, hebben de verschillende Chileense politieke elites een duidelijke voorkeur voor het formele systeem als arena voor politieke competitie aan de dag gelegd. Alleen in de gevallen waarin het systeem niet bij machte bleek om de bestaande conflicten op te lossen, werd gekozen voor een oplossing buiten de officiële politieke arena.

Alle projecten hebben te maken gehad met het dilemma tussen het behouden van de sociale orde en het voortzetten van de moderniseringsagenda. Het succes van de verschillende projecten in hun aanpassing kan verklaard worden door de relatieve afstand die de regeringen konden bewaren ten opzichte van hun achterban. In het geval van de *Concertación* heeft de aanpassing zelfs kunnen plaatsvinden zonder dat het tot sociale onrust kwam, omdat de politici van de coalitie, door hun academische oriëntatie, gevoelens van ontevredenheid in de bevolking in een vroeg stadium konden signaleren.

De projecten van het centrum, links, en rechts hebben, al dan niet intentioneel, allemaal belangrijke sporen nagelaten in hedendaags Chili. Deze erfenissen houden elkaar in een strak evenwicht. De 'Revolutie in Vrijheid' heeft een sterke nadruk op sociale rechtvaardigheid achtergelaten, die echter wordt beperkt door de neoliberale noodzaak tot economische groei aan de ene kant, en het gebrek aan legitimiteit van massale politieke participatie aan de andere kant. De voormalige leiders van de 'Chileense Weg naar het Socialisme' hebben een prominente rol gekregen in het Chili van nu, maar wel tegen de prijs van een ideologische renovatie. De neoliberale agenda van de 'Stille Revolutie' wordt nog steeds grotendeels uitgevoerd, ook al hebben de rechtse partijen geen deel uit kunnen maken van de regering. Deze agenda vindt echter zijn grens in de notie van sociale rechtvaardigheid van de Christendemocraten: wanneer het economische model tot een toenemende armoede leidt, is het legitiem als de staat

ingrijpt. Op deze wijze hebben de projecten van modernisering die sinds de jaren zestig Chili als golven hebben overspoeld, patronen van 'staande golven' gecreëerd, die uitermate stabiel zijn en elkaar in balans houden. Onder dit 'Chileense model' zijn de meeste fundamentele problemen van het land opgelost: de integratie van de marginale groepen, het genereren van versnelde en duurzame economische groei, en het behoud van politieke stabiliteit en bestuurbaarheid. Tegelijkertijd heeft de modernisering van het land bij de bevolking sentimenten van frustratie en onbehagen opgeroepen. Modernisering heeft in Chili zijn eigen ongenoegen gecreëerd, wat in de toekomst mogelijk tot nieuwe moderniseringsprojecten zal leiden.

Curriculum Vitae

Gerard van der Ree was born on 5 July 1968 in Zeist, The Netherlands. He studied Spanish Language and Literature at Utrecht University, with a special focus on Latin American Studies and International Relations. In 2000 he obtained his MA degree with a thesis on the democratisation process in Chile during the 1990s. In 2001 this thesis was awarded the 'Prins Bernhard Scholarship' of the Utrecht University, which enabled him to do fieldwork in Chile and set up an investigation proposal on Chilean processes of modernisation. In the period 2002-2006 he was a PhD-fellow at the Research School of Asian, African, and Amerindian Studies (CNWS) at Leiden. Apart from his investigation, he has taught courses on modern Latin American history at the Department of Latin American Studies (TCLA) at Leiden University. Additionally, he has given several courses on Latin America at the Leiden campus of Webster University. Currently, he is working on a NWO-project on political participation in Brazil and Chile.