

CHAPTER 13

Chile

LEARNING OBJECTIVES

- Identify how the three levels of analysis interact in Chile.
- Use theoretical propositions to understand political and economic development in Chile.
- Explain how and why political and economic development in Chile differs from other Latin American countries.

TIMELINE

1818	Independence from Spain
1891	Civil war
1924–1932	Civil-military rule
1970	Election of Salvador Allende
1973	Allende overthrown and military government installed
1978	Political amnesty decreed
1989	Democratic elections
1998–2000	Augusto Pinochet under arrest in Great Britain
2005	Constitutional reforms passed
2006	Michelle Bachelet elected; Augusto Pinochet dies
2010	Sebastián Piñera elected

In 2010, billionaire center-right politician Sebastián Piñera was inaugurated president of Chile. He was exultant, with his characteristic broad smile, as he had wanted the presidency for years and it marked the end of twenty years in power for the opposition coalition, the Concertación. His inauguration was literally rocky, since aftershocks of the recent massive 8.8 earthquake shook

visiting heads of state. It was an important moment in Chilean political history, because a candidate of the right had not been elected for more than forty years. At a national level, Chileans had decided it was time for a change.

In many ways, Chile is a country of extremes, though politically in recent years it has found moderation. From a symbolic point of view, geography offers a poignant picture. A very slim country wedged between Argentina to the east, Peru to the north, Bolivia to the northeast, and the Pacific Ocean to the west, Chile includes the bitterly cold South Pole and the driest place on earth in the north (the Atacama Desert). In political terms, Chile has periodically enjoyed some of the most stable periods of democracy in Latin America (including the present) while also experiencing one of the most infamous dictatorships (1973–1990) of the twentieth century. Economically, Chilean policy makers have experimented with socialism but also with a style of capitalism that



Map of Chile

surpassed any other country in the Western Hemisphere and generated positive macroeconomic outcomes but also high levels of economic inequality. Given its economic success in recent years, although it relies heavily on commodities—particularly copper—it does not fit well with dependency theory and defies easy generalization.

Historical Roots of Political and Economic Development

The seeds of stability, albeit of an avowedly elitist kind, were sown in the years following independence from Spain in 1818. For over a decade afterward, the country suffered intense and bloody internal warfare. Under the influence of the conservative Diego Portales (an individual of critical political importance despite never having been president), a new constitution was ratified in 1833, which would launch Chile on a path of political constancy enjoyed by very few other Latin American countries. With the perceived threat of indigenous peoples (the Mapuche) in the south, political elites came together at the national level more quickly than elsewhere. As in many other countries, throughout the eighteenth century the split between Liberals and Conservatives was a hallmark of politics, but from 1831 until the civil war of 1891 Chilean presidents alternated power much more peacefully than elsewhere.

International factors are also central to understanding Chilean political and economic development. As noted in Chapter 2, border disputes with Bolivia and Peru led to the War of the Pacific (1879–1883), which had important and far-reaching consequences. The result was an economic boom for Chile, and humiliation for Bolivia and Peru. The issue of ocean access remains a highly relevant issue in Bolivia today, while current disputes over fishing rights based on land boundaries remain a bone of contention between Chile and Peru.

National Divisions in Chile

Chilean politicians were keenly aware of the potential wealth in the barren north, which further raised the stakes for policy decisions: What should the state's role be in extracting and taxing? What should the role of foreign investment be? The Liberal-Conservative split in Chile eventually led to armed confrontation that also changed the nature of executive and legislative power. President José Manuel Balmaceda, associated with the Liberal Party, became embroiled in bitter struggle with a more conservative legislature, which denied funding for his projects and refused approval of his ministerial choices. When in 1891 he attempted to enact a budget without congressional approval, the conflict expanded to civil war, with the opposition led by the navy and parts of the army (and even joined by discontented nitrate workers). When it was clear that his side would lose, Balmaceda committed suicide.

The long-term result was that Congress took extensive control over politics. Rhetorically, this meant saving the country from the tyrannical whims of

the president, but in practice it entailed constant changes of cabinet and little leadership. This era is generally labeled the “Parliamentary Period” but that is a bit misleading. In a true parliamentary system, the executive has the authority to dissolve the legislature, but in the Chilean case the president held no sway over Congress. This state of affairs was especially problematic because the early years of the twentieth century were marked by economic uncertainty, urbanization, and labor unrest (based in part on the booms and busts of the nitrate industry). Further, as late as 1920 only 5 percent of the population voted, and the political system was dominated by landowners and political machines.¹ The average Chilean had no say, and autonomous local political organization was suppressed.

World War I wrought more change from international actors. Historically, Great Britain and Germany had invested heavily in Chile, but they were being replaced by investors from the United States. Global demand for copper was also growing. After the war, however, copper prices dropped and the country went into a depression. Given urbanization and labor activism, this is also the period when in 1912 the Socialist Workers Party, which would later become the Communist Party, was formed. This is an example of local leaders with common political goals coming together to form a national-level party. Into this situation blazed Arturo Alessandri, who won the presidency in 1920 on a platform of reform. Like his predecessors, he faced a Congress that routinely blocked his decisions. In 1924, the army created a junta, made demands for political change, and ultimately prompted Alessandri to resign and leave the country for Italy.

Military Rule in Chile

Military intervention of this type was rare in Chile, particularly when compared to the rest of the region. The armed forces considered themselves the ultimate saviors of the nation (the “Patria”) but for the most part remained out of politics. After the War of the Pacific, flush with victory and funding, the Chilean army began receiving extensive training and arms from Prussia, a close relationship that would last until Germany’s defeat in World War II (not surprisingly, it also meant that many Nazis fled to Chile).

This period of military activism was marked by national conspiracy and intrigue. A second coup in 1925 brought Alessandri back to Chile. He named a commission to write a new constitution, which was ratified a few months later. The 1925 constitution, which remained in effect until it was suspended after the 1973 coup, shifted political power back toward the executive. The presidential term limit was expanded to six years, and Congress’ authority to fire cabinet ministers was revoked. Furthermore, the president had the ability to enact budgets if Congress balked, which ended decades of precedent. It also officially separated church and state, which served to dissolve that long-standing difference between Liberals and Conservatives.

A new constitution, however, did nothing to alleviate the political crisis in the country. Colonel Carlos Ibáñez del Campo, who had played an important

role in the 1924 coup and was a rival of Alessandri's, was minister of war and pressured Alessandri to resign, which he did once again not long after the constitution went into effect. Although he would not run for the presidency until 1927 (when he won with 98 percent of the vote), Ibáñez remained the most powerful political figure in Chile. Under his presidency, the country became increasingly authoritarian, with suppression of labor, attacks on opposition politicians, and extensive use of decree power.

Part of his support rested on economic growth, which was slowly petering out, and of course would then be hit by the global crash of 1929. The price of nitrates, which had been a consistent source of revenue, began falling when European companies engineered synthetic substitutes. International influence came in other ways as well. Before Ibáñez became president, the government had contracted the services of Princeton Professor Edwin Kemmerer, foreshadowing the high level of U.S. involvement in the Chilean economy forty years later. Kemmerer, known as the “Money Doctor,” advised many governments, mostly in Latin America. His advice for Chile, as for other countries, was to adhere to the Gold Standard, create an independent Central Bank, and maintain balanced budgets. These measures encouraged foreign investment, but the combination of falling nitrate and copper prices (which had been a major source of revenue since the nineteenth century) and debt, followed later by the crash of the U.S. stock market, brought on depression and renewed political strife.

As Ibáñez was weakened by adverse economic conditions, the opposition—including many military officers—became more vocal, and violence in 1931 finally prompted the president to resign (he later received an amnesty and in 1952 once again was elected president). The next seventeen months were tumultuous, with coups, countercoups, rapid changes of government, and even a self-proclaimed “Socialist Republic” under the flamboyant leadership of Colonel Marmaduke Grove, which lasted only 100 days. A presidential election in 1932 brought Alessandri back to the presidency and ushered in forty-one years of uninterrupted democratic rule in Chile.

CHILEAN POLITICAL INSTITUTIONS

Last constitution: 1980, amended in 2005

Unitary system with fifteen regions

Executive: Presidential, four-year term; runoff of top two candidates if no majority is reached; one nonconsecutive reelection is allowed

Legislative: Bicameral; lower house is the Chamber of Deputies (120 members) and the upper house is the Senate (38 members)

Judicial: Supreme Court with no influence over legislation; Adversarial judicial system

Contemporary Politics in Chile

In the post-1932 era, several political and economic developments emerged. First, political parties split along three main ideological lines—left, center, and right—with clear social class differences that eventually led to serious conflict. The Socialist (created in 1933 in the wake of the short-lived Socialist Republic) and Communist parties represented the core of the left, and with effective local organizing made important gains by appealing to voters who felt disconnected from national politics. The old Conservative Party splintered, with several different parties occupying the center. The middle was occupied by the Radical Party until perceptions of corruption splintered it in the 1950s. In its place would eventually coalesce the Christian Democratic Party, founded in 1957. The right (particularly the United Conservative Party) would fuse with like-minded Liberals, though they would not form a unified party—the National Party—until 1966. This confusing stew of parties was summed up nicely in a 1932 newspaper article:

The Socialists of today are the Radicals of yesterday and the Liberals of the day before yesterday. The vanguard has changed in name, but the nature is the same. As much can be said of those stigmatized today as oligarchs; they are the same ones that yesterday were Conservatives and the day before yesterday Ultramontanes. Between them both is the centre, which today is Radical and yesterday was Liberal. The names change: humanity does not.²

No matter the name of a given party, in this tripartite environment the center became the anchor, which in part accounts for why Chile did not experience dictatorship. Chileans and outside observers alike believed that democracy would endure forever. As the author of a widely read guide to Latin American politics wrote glowingly in 1941, “Chile is as democratically minded and governed as any state in the Americas.”³

Another important political reality was that the military leadership was chastened by the debacles of the late 1920s and early 1930s, and consciously stayed out of politics. Historically, civilians had shown very little interest in defense issues, and therefore a tacit *modus operandi* came about, whereby the military was left to develop its own doctrines and perceptions of security threats, and in return it would not meddle in political affairs. In fact, the armed forces became proud of their noninterventionist stance. The advent of the Cold War, however, represented a serious problem for this arrangement. For as the Chilean left gained an important foothold in democratic politics at both the local and national levels, the military was left to its own devices, which opened the door to international influence, particularly the United States. Its developing military doctrine displayed antidemocratic features, combining anti-Communism with geopolitical theory, which portrayed the country as a living organism and the military as the surgeon, ready to cut out cancerous Communist tumors.

Economically, international copper prices began to improve in the 1930s and would rise even more after the onset of World War II. Alessandri increased tariffs and subsidies, and Chile embarked on a project of import substitution industrialization (ISI). To facilitate the state’s relationship with business, in

1939 the government created the *Corporación de Fomento de la Producción* (CORFO), a state-run economic development agency that is still in place.

Labor unions in Chile increased their political influence during this period, which reflected the growing connection of political parties to the local level, down to factories. It would also entail growing class conflict. In 1936, the Workers' Confederation of Chile (CTCH) became the largest union in the country, but until the 1950s there was no united labor organization. In 1953 the United Center of Chilean Workers (CUT) brought the major unions together and lasted until the 1973 coup. Throughout the mid-twentieth century, local influences were extremely important. Although Alessandri sought to control labor, overtime unions and activists became more independent of the state. This would eventually represent a threat to elite interests. Nonetheless, rural unionization remained illegal.

In the post-1932 period, Chilean democracy grew in fits and starts. On the one hand, it expanded when women were granted the right to vote in 1949 (illiterates were denied the right until 1970). On the other hand, the 1948 Law for the Permanent Defense of Democracy outlawed the Communist Party and set up banishment areas for those the government considered subversive. It provided legal cover to ensure more labor compliance and would not be repealed for a decade.

Theory and Politics of Chilean Development and Democratic Breakdown: Local, National, and International Influences

From a modernization perspective, Chile in the 1960s should have been a clear case of successful development. Chileans had imbibed capitalism, albeit with a strong role for the state, democracy had persevered for several decades, and even by Western-defined values, was “modern.” We should have expected democracy to continue, but the 1973 coup crushed it. For an explanation we are better served by Guillermo O’Donnell’s concept of bureaucratic-authoritarianism, as the decline of the ISI model sparked popular sector discontent.

Given Chile’s democratic institutions, labor found expression in well-organized political parties on the left. The Chilean state was an active player in the economy to varying degrees over time. In the 1950s and early 1960s, for example, Carlos Ibáñez and Jorge Alessandri (son of former president Arturo Alessandri) were periodically forced to reduce spending as a means of combating inflation.

In the 1960s, international influences in Chile reached all new highs, particularly from the United States. The copper industry was dominated by U.S. companies such as Anaconda and Kennecott, which combined controlled the four largest mines in the country. From the perspective of dependency theory, this was a classic case of exporting a valuable raw material—largely in the hands of foreign interests to boot—and then importing finished goods. Dependency theory would predict that the core would do whatever possible to maintain the arrangement, and indeed the copper companies were dismayed by labor agitation and began complaining to the U.S. government of Marxist infiltration.

Further, the Central Intelligence Agency funneled approximately \$12 million to the campaign of Eduardo Frei Montalva, a Christian Democrat who won the presidency in 1964. The United States and the Chilean right were particularly concerned about **Salvador Allende**, a Socialist Senator and physician who first ran for president in 1952 and whose radical message of reform was ideologically alarming.

A declassified memo from President Lyndon Johnson's National Security Council put it succinctly in 1964: "If Allende wins and stays in power, we are in trouble."⁴ On the left, the Cold War also resonated. Under Moscow's direction, the Chilean Communist Party did not become radical, and instead focused on a more moderate strategy that included discussing reforms with the Christian Democrats. The Socialist Party—Allende's party—moved much more sharply to the left by the mid-1960s, showing solidarity with Fidel Castro's Cuba. In response, the right, much of which had supported Frei in 1964 as a bulwark against the Socialists, coalesced into the National Party.

President Frei's strategy was to seek a middle road between political extremes under the slogan "Revolution in Liberty." He enacted land reform, which included expropriation, as a way of alleviating the high concentration of land in very few hands. In practice this meant taking land from owners, repaying them with government bonds, and then redistributing it. He also promoted a variety of policies aimed at the poor, such as education and housing, and even a partial nationalization of copper, because the left was not the only group that resented its domination by foreign interests. However, the right generally opposed his policies, while the left viewed them as not going far enough, reflecting the class difference that became increasingly stark and irreconcilable.

Nonetheless, many people from poor neighborhoods who had always felt excluded were energized and believed that real change was possible. Actors at the local level, therefore, were more active than ever before in Chilean history. The stage was set for the presidential election of 1970, for which the left joined in the *Unidad Popular* (Popular Unity) coalition, which promised a "Peaceful Road to Socialism." The coalition put Salvador Allende forward as its candidate, and he pledged to enact the more radical reforms desired by the left. The right, the fringes of which were increasingly violent, considered him dangerous.

After Allende's election, the intense international pressures to oust him played an important role in his downfall. Nonetheless, a closer look reveals the many national factors that contributed to the fall of Allende's government and his death. He won only a plurality, which meant by law the decision had to be made by Congress. He won 36.2 percent of the total vote, while former president and candidate of the right Jorge Alessandri garnered 34.9 percent and Christian Democrat Radomiro Tomic trailed with 27.8 percent. Despite the fact that the far right and the administration of Richard Nixon wanted otherwise, and the former even tried to kidnap the Commander in Chief of the Army René Schneider and blame it on the left (he was killed in the process), congressional leaders chose Allende after he agreed to constitutional guarantees intended to cement his commitment to democratic rule.

Allende's economic program included full nationalization of the copper industry (passed unanimously because even the right viewed it in nationalist rather than ideological terms), further rural expropriation and redistribution, wage increases, and eventually nationalization of a wide range of smaller businesses. Before long, the Christian Democrats moved into open opposition and extremist groups on the right formed to foment violence and disrupt the administration's policy initiatives, labeling them as communist. The crisis spread to the local level, down to the streets, most famously with women banging pots to protest food shortages and inflation, along with strikes by truck owners concerned that their small businesses might be nationalized.

The U.S. government made it known to the opposition that it wanted Allende removed from power, and did what it could to strangle the economy, such as blocking Chile's access to international credit. The Cold War context transformed local and national labor protests into a global struggle, because the U.S. government saw them as directed by Cuba for the benefit of the Soviet Union. As a memo by National Security Advisor Henry Kissinger put it, under Allende Chile would "become part of the Soviet/Socialist world, not only philosophically but in terms of power dynamics; and it might constitute a support base and entry point for expansion of Soviet and Cuban presence and activity in the region."⁵ How much the United States participated in the coup itself is a matter of long-standing dispute, but there is no doubt that the Nixon Administration signaled in every way possible to conservative elements in the Chilean military that a coup would be viewed in very positive terms.

Perhaps the most critical miscalculation was that of the Christian Democrats, who believed that—based on forty years of an apolitical military—the armed forces would overthrow the government and then immediately work with civilians to call new elections within a short time and reconstruct Chile's tattered democracy. They could not have been more wrong. Contrary to widespread expectations, the military immediately displayed both its brutal tactics and its refusal to set a timetable for restoration of democratic institutions. On September 11, 1973, the armed forces bombed the presidential palace (known as La Moneda, or "the Mint," because that was its function in the colonial era), suspended the 1925 constitution, and began rounding up—and sometimes summarily executing—thousands of political prisoners, many of them in the National Stadium in the middle of Santiago. Allende died in the attack by suicide (he was later exhumed, and in 2012 a court confirmed that he took his own life). Before his death, he made a dramatic radio speech, condemning the coup conspirators and asking his supporters to keep up hope.

We should also consider the role of national political institutions in the breakdown of democracy in Chile. Salvador Allende was elected by a plurality, and even after favorable congressional elections in March 1973, when the Unidad Popular added six seats in the Chamber of Deputies and two in the Senate, like many other Chilean presidents he never had majority support. In a presidential system, however, he did not need to negotiate or compromise to enact policies, and instead sought to circumvent Congress, using executive powers like decrees, to further the Unidad Popular's program. This was exacerbated by the fact that

the Unidad Popular itself was deeply split internally. Political scientist Arturo Valenzuela has argued that a parliamentary system would have been better equipped to handle a polarized multiparty system by creating incentives for coalition building.⁶ Of course, whether or not that would have resolved the crisis peacefully is impossible to say. But as it stood, Allende did not have a simple majority to pass legislation and the opposition did not have the necessary two-third majority to impeach him. The armed forces therefore cut the Gordian knot.

Years of Dictatorship: 1973–1990

The repression was far worse than almost anyone believed possible, given Chile's relatively stable history and the fact that the military intervened far less than in most Latin American countries. However, many within the armed forces had been developing deeply held anti-Communist and antireformist beliefs. After the coup, those that dissented were imprisoned or killed. One of Allende's closest military allies, General Carlos Prats González, fled to Argentina and was murdered there. Air Force General Alberto Bachelet, father of future president Michelle Bachelet, was detained, tortured, and then died in prison. In the first months of the dictatorship, tens of thousands of people were arrested.

The military's self-proclaimed role was messianic, intended to cleanse the nation and deliver it from ideological evil. As mentioned in Chapter 2, Latin American militaries have often displayed such views, and the Chilean case was a perfect example of the "politics of antipolitics." Political parties were immediately banned by decree, and any act or movement that included reference to class struggle or somehow threatened the notion of family was also made illegal.

Transformation of National Political Institutions

The military government's project, then, was to remake Chilean political institutions. The army commander in chief, **Augusto Pinochet**, quickly assumed control and named a constitutional commission, which met from 1973 to 1978, and its work would culminate in the 1980 charter, which remains in place—albeit with major revisions—today. It included a prominent role for the armed forces, which would "watch over" the political system and had broad political prerogatives. Presidents could not fire commanders in chief, the military could force a meeting of the National Security Council, retired commanders in chief could become designated senators, and the language in the constitution was left intentionally vague as to allow the military leadership the right to intervene if it believed civilians were destroying the constitutional order, as the military was deemed obedient to the nation, but automatically to a particular government in power.

All political institutions were revamped. For example, legislative elections now utilize a "**binomial electoral system.**" Each congressional district elects two representatives, but to win both seats a party must get over two-thirds of the total district vote. Given the difficulty of achieving that feat, the second largest party (or coalition of parties) has a better chance of representation. As part of the 1980 constitution, the military government's intent was to protect parties

on the right, which were not as popular as the center and left. Under the military government, Chile became a unitary system, so power is concentrated in the central government (although some decentralization has been taking place more recently) and not in the fifteen regions of the country.

A New Economic Direction

The economic policy of the military government made it stand out even more in comparative perspective. Other dictatorships around Latin America tended to keep the inherited state capitalist model, and initially Pinochet did the same. Continued problems with inflation (over 300 percent in 1975) and sluggish growth led him to turn toward a group of Chileans who were eventually dubbed the “**Chicago Boys.**” These were about 100 economics students who attended the University of Chicago from 1957 to 1970, originating with an exchange with Chile’s Catholic University. One of the most outspoken, Sergio de Castro, became minister of the economy in 1975 and economic strategy quickly became more radically market-oriented.

Under their direction, the government embarked on a series of measures that made Chile one of the most capitalist countries in the world, through privatization of state enterprises (but not all of the copper industry, which was still viewed in nationalist as well as economic terms, just as in Mexico with oil), deregulation, cuts in state spending, elimination of price controls, reduction of tariffs and encouragement of foreign investment and trade. Even *El Mercurio*, the conservative newspaper that supported the Pinochet regime, noted later that during the first four years of reforms, the economy was controlled “by a small and select team that seldom explains its reasons and...does not communicate its decisions in advance.”⁷ The dictatorship, meanwhile, ensured that labor was kept under strict control.

Neoliberal reforms reached into every aspect of life and the regime celebrated them as Chile’s entrance into modernity. One of the most prominent was the pension system, as after intense (and largely closed door) debate the government phased out most of its participation and instead channeled compulsory social security funds into private accounts, administered by Pension Fund Managing Corporations (AFPs), which profit from management fees. The new system was launched in 1981, and although it was often heralded as a hallmark of capitalism’s success, and was even studied as a possible model for the United States, by the twenty-first century it had become increasingly unpopular because of high fees and the uncertainty of the market. Critics also point to the system’s neglect of large sectors of the population: “in order to get a decent pension or a decent health package one needs more than just a positive attitude toward modernity, one needs to be a young male, to have a stable job, and a high income.”⁸

Privatization was also introduced into the educational system, with incentives to create private schools, as well as measures intended to encourage enrolling in private health plans, and for private businesses to build housing. It was, as the government intended, almost the precise opposite of Allende’s economic policies. The essential drawback of these plans, as with the overhaul of social

security, was that they benefited males, the young, relatively well-off, and the economically active.

Politically, the dictatorship outlawed parties, denied the right to strike, crushed labor unions, and targeted anyone associated with the left, especially the Socialist and Communist Parties. To facilitate political control, soon after the coup the government created the Directorate of National Intelligence (DINA), which would be housed in the army and run by Colonel (later General) Manuel Contreras. The DINA coordinated state repression, both nationally but also with an aggressive international presence. Within Chile, it spied on its own citizens, made arrests without warrants, then interrogated, tortured, and sometimes killed its victims at locations scattered around Santiago and other parts of the country. At the international level, Contreras founded “Operation Condor,” an agreement with fellow South American dictatorships to share intelligence and even make abductions on behalf of other military intelligence services. The international reach of DINA also went to Washington, DC, where in 1976 one of its operatives (a U.S. citizen) set off a car bomb that killed former Defense Minister Orlando Letelier and a U.S. citizen colleague of his, Ronni Moffitt. That terrorist attack initiated a slow erosion of U.S. support for the Pinochet government.

By the late 1970s, Pinochet made several moves that consolidated his own position and set a political framework for the future. In 1977 he announced the “Chacarillas Plan,” a vision of a military-controlled government that would gradually (with no specific timetable) provide more space for civilians, but with a strong oversight role for the armed forces. This launched Pinochet’s notion of a “protected” democracy that would be reined in by the watchful eyes of the military leadership. That same year, he called for a referendum condemning President Jimmy Carter, who had criticized the regime’s human rights record. In 1978, he ousted fellow junta member Air Force General Gustavo Leigh, who was outspoken in opposition to Pinochet’s seemingly indefinite role as president, and even of the military’s indefinite running of the government. That year the junta also decreed an amnesty, so that any alleged political crimes committed between 1973 and 1978 could not be prosecuted. Finally, in 1980 the new constitution was approved in yet another national vote, with 67 percent voting in favor and 30 percent against (which itself demonstrated the small but growing opposition to the government). Taken together, all these measures consolidated Pinochet’s personal position and also that of an authoritarian political structure, “protected” from the whims of democratic elections.

What Pinochet could not foresee were the national consequences of international economic crisis. The rapid rise of oil prices in 1979 combined with an overvalued Chilean peso caused a balance of payment problem with a sharp drop of exports. In 1982, inflation hit 20.7 percent (and remained over 20 percent until 1986) and gross domestic product dropped 14 percent from 1981. Meanwhile, in the same span of a year the unemployment rate rose from 16 to 26 percent, and it continued to go up. The government responded with a devaluation (as Sergio de Castro was pushed out in favor of Hernán Büchi, who in 1989 became a losing presidential candidate), an increase of selected tariffs and state takeover of failing banks. For many Chileans, resentment about economic

deprivation fed into local political protest, and the country saw the first major rallies and strikes of the dictatorship, led by labor. Soon thereafter, the still illegal political parties took a more active role. Women were also critical to the effort.

Protest Against the Military Government: Local and National Factors

Women were at the forefront of the political struggle against the dictatorship. The theme of motherhood was central, as an initial rationale for protesting was that the dictatorship, which claimed to be protecting families, was in fact destroying many. The deaths and disappearances of family members was the initial impetus for many women, and also provided justification for political action. Motherhood also provided some measure of protection, since the government was less likely to attack women openly, though of course such protected status had limits. These movements epitomized local action, as they often originated at the neighborhood—the most local—level. Their organizational efforts then provided them with national influence (and international attention), which facilitated a cohesive and organized stand against the dictatorship. This was a slow process, as women were not even sure how to define themselves. Were they feminists, or just activists? As one woman who became politically active in the early 1980s put it, “Ours was, therefore, a very gradual definition as a feminist collective, privately at first and only then publicly.”⁹ One important example of connecting the local to the international is the *arpillera* (see Box 13.1), colorful sewn pictures that depicted suffering and repression, which became a symbol of resistance to the military regime.

This helps to explain *why* women were protesting but does not explain much about whether the efforts were successful. Susan Franceschet has argued that the weakness of Chilean political parties during the dictatorship provides the answer.¹⁰ In the 1970s and 1980s, Chilean social movements were stronger than opposition political parties, which were prime targets for repression. The strength of the women’s movement, which was aided by international attention, and the presence of many different nongovernmental organizations compelled parties to take women’s issues—of all kinds, not simply that related to the dictatorship—into account as a way to attract support. Thus, even after the end of the dictatorship, women continued to work within parties to effect change.

The recognition of the role women’s groups played in defeating the dictatorship was reflected in the creation in 1991 of the cabinet-level National Women’s Service (known by its Spanish acronym SERNAM). Its mission is to promote policies and programs aimed at equal rights and opportunities for men and women and to eliminate gender discrimination. Its first minister, Soledad Alvear, eventually became a presidential contender for the Concertación. There is debate about whether SERNAM has lived up to its promise, in particular because the transition from authoritarian rule also splintered the movement, because no consensus emerged regarding political priorities. Plus, although women did become prominent in politics, their platforms did not place women’s issues at the forefront. Nonetheless, SERNAM remains an important legacy of women’s protests during the dictatorship and, in fact, some key issues have

BOX 13.1

Arpilleras in Chile: The Power of Local Protest

International: An *arpillera* (in English literally *burlap*) is a brightly colored sewn picture to be hung on a wall, which becomes three dimensional as fabric and cloth are applied to it. They were created by poor Chilean women after the coup, as a way to supplement the family income, but then more and more to articulate the horrors of the regime through art. They started originally in church basements around Santiago, but especially through the church and by smuggling them out of the country, their resistance art became known outside Chile, and they received money for material from abroad as well as media attention. This raised the profile of protests against the human rights abuses committed by the government.

National: The women initially found refuge in the Vicariate of Solidarity, sponsored by the Catholic Church, which provided a safe space for the work. They were able to sew messages

and scenes—such as depictions of abductions or torture—that otherwise could not be expressed out loud for fear of government reprisal. The art form subsequently spread and eventually came to the attention of the Pinochet government, which even attempted to confiscate them.

Local: This was protest starting at the most local level, with personal motivations of justice and household income. The women sewing the arpilleras represent an excellent example of how even the most local actions can reverberate nationally and internationally.

Discussion Questions

- Why would art produced at the local level have national and even international effects?
- Can you think of reasons why such local initiatives get started in the first place?

been addressed, such as making divorce legal in 2004 against the wishes of the influential Catholic Church.

At the national level, the economic crisis of the early 1980s helped to forge new ties between the previously antagonistic opposition parties. In spite of arrests, protests were common until 1986, when an assassination attempt on Pinochet led to a renewed wave of repression. Nonetheless, Pinochet remained confident of his popularity, banking on the long-standing argument that he and the armed forces had saved the country from a Communist takeover. Transitory articles of the 1980 constitution required him to hold a plebiscite to determine whether he would remain in office until 1997 or if there should be general democratic elections instead. The announcement of the plebiscite for 1988 was the spark the opposition needed to unite.

That year the Christian Democrats came together with sixteen other parties to form the “*Concertación de Partidos por el No*” (Coalition of Parties for the

No). They were given some latitude to advertise their side (such as signs with the word *No* prominent) but still were harassed and the state-controlled media pushed the government's "Yes" campaign. The energy of the "No" campaign could not be denied, though, as exemplified by the Socialist opposition leader and future president Ricardo Lagos going on a television show and pointing his finger at the camera while lecturing Pinochet on his abuse of power.

Believing he would win, Pinochet allowed the vote to be reasonably free and fair, but the "No" won 55 to 44 percent. Despite concerns that Pinochet might not accept the results, the Commander in Chief of the Air Force quickly acknowledged the opposition's victory and Pinochet felt compelled to accept the outcome. This set in motion a pacted transition, which entailed a period of fifteen months during which fifty-four constitutional reforms were negotiated. As with all such transitions, the military remained protected, but the opposition did receive concessions. For example, the size of the senate increased from 26 to 38 as way to dilute the power of the designated senators, and language about banning "totalitarian" ideas was removed. Elections were then held in 1989. After Pinochet's defeat, the opposition coalition would be changed to "Coalition of Parties for Democracy" and would thereafter be dubbed simply the **Concertación**.

Its candidate was Patricio Aylwin, the Christian Democrat who had initially supported the coup but had since publicly apologized for doing so. He won the election handily, with a majority of 55 percent, compared to the right's candidate, Hernán Büchi, with 29 percent, and independent Francisco Javier Errázuriz at 15 percent. The parties of the Concertación also won 72 of 120 seats in the lower house (the Chamber of Deputies) and 22 of the 38 elected senate seats. On March 11, 1990 Aylwin was sworn in and Chilean democracy began again.

Redemocratization in Chile was almost entirely a local and national process. Certainly, there was a measure of international pressure, as most countries in the region had shed their authoritarian governments and by the late 1980s the United States was no longer supportive of the Pinochet government. The combination of mass protests, increasing disillusion by Chilean business (which considered the regime's poor image as an obstacle to foreign investment), and the new cohesion of the opposition ultimately was most responsible for the results.

The Return of Democracy: 1990 and Beyond

Even the word *democracy* requires some attention. From a procedural point of view, where competitive, free and fair elections decided by a universal electorate determine which representatives will enter political office—a polyarchy—Chile was democratic. Much beyond that, however, was less clear at the time. The pro-military elements of the 1980 constitution have already been mentioned. Oddly enough, the former dictator remained Army Commander in Chief, which he would hold until 1998, and he could not be removed. The military's budget could not be cut under 1989 levels, adjusted for inflation. Finally, the Pinochet government amended a 1954 law guaranteeing the military a share of earnings of the state copper company CODELCO to include 10 percent of all copper earnings. The new civilian government was therefore saddled with a politically influential military.

Further, many Chileans were suffering after years of economic reforms made without any popular participation. The so-called Chilean miracle had a darker side. Inequality was rife: In 1990, the Gini coefficient in Chile was 55.9, among the highest in Latin America, and it would continue to rise (56.1 in 1996 and 57.1 in 2000).¹¹ In 1990 the poverty rate was also 33.3 percent. There was no doubt that macroeconomic stability had been achieved, as overall indicators like inflation and economic growth remained positive. Clearly, though, the benefits of the model were not being felt by a large portion of the Chilean population.

The neoliberal model itself, however, was not immediately challenged. Moderated by repression and years in exile, even many (though certainly not all) members of the Socialist Party, the backbone of the *Unidad Popular*, believed the stability of the model meant it should continue. Perhaps best exemplified by Ricardo Lagos, they espoused a Social Democratic strategy of embracing the market while seeking to soften its worst effects. As he campaigned in 1999 he wrote, “Chile’s development requires that we integrate more and better in the global economy. To do this, we need to increase our competitiveness in a stable and socially just manner.”¹² In practice, this meant increasing the state’s role to a degree within the framework of generally limited state involvement in the economy and an explicit policy of forging free trade agreements with countries around the world (including the United States), which also decreases the state’s scope of influence.

Globalization in Chile thus entails a policy of increased insertion into global markets, encouraging and facilitating foreign investment, and marketing Chilean products (such as wine and fish) abroad. Nonetheless, a significant proportion of the copper industry remains in state hands, and copper revenue is a critical source of export revenue.

Therefore, during the 1990s the governments of Patricio Aylwin and Eduardo Frei Montalva (son of the former president, who was in office from 1994 to 2000) steered a course based on consensus at the national political level. The economic model would remain largely unchanged, little effort would be made to reduce military influence, and the parties of the *Concertación* would endeavor to set aside their differences as much as possible. All remembered the cleavages that had set the events of 1973 in motion. For those who did not feel part of this consensus, however, the refusal to challenge the inherited economic model chafed, which gradually contributed to a decline of support for the *Concertación* and numerous local protests. Nonetheless, this strategy certainly yielded a number of positive results. The governments of the *Concertación* successfully decreased unemployment, curbed inflation, and also brought down the percentage of Chileans living in poverty.

Despite the democratic advances made in Chile, serious social problems also remain. The **Mapuche**, Chile’s largest indigenous group—there are approximately 800,000, or about 5 percent of the total population—have had a complicated relationship with the government. A 1972 law was passed to redistribute land to Mapuche communities but was barely implemented because of the military coup (and the military government gave the land back to the original owners). The *Concertación* addressed indigenous rights in its 1989 platform and passed a new indigenous law in 1993, which established a state

development agency. The National Corporation for Indigenous Development (CONADI) set aside funds for development projects and prohibited the sale of some indigenous lands to nonindigenous groups, though it did allow for land transfer.

This became an issue in 2003, when the state energy company Endesa pushed to dam the Bio-Bio River at an area inhabited by the Mapuche for a major electricity project, arguing that a 1982 law trumped the Indigenous Law by allowing the state to expropriate private property for energy purposes. Presidents Frei and Lagos both agreed, and in 2003 the Mapuche families finally gave up their protests and agreed to receive compensation and land in return for leaving. However, the Mapuche also hold an annual march in Santiago to draw attention to Mapuche rights. For them, the problem is one of nationality, where their very identity is being challenged. One Mapuche organization summed it up as a problem of sovereignty: “This is the root of the problem, the other elements...poverty, marginality, lack of land, etc....are the effects and not the cause of the conflict.”¹³

Legacies of Dictatorship: Human Rights

Another lingering challenge was to address the various legacies of the dictatorship. In the area of human rights, soon after his inauguration President Aylwin created the National Commission for Truth and Reconciliation, which became known as the Rettig Commission for its chair, Raúl Rettig, a respected politician and diplomat. The commission’s task was to provide information on politically motivated deaths during the dictatorship. It released a report in 1991, providing details of deaths and disappearances, counting 2,279 individuals killed for political reasons (as more facts became known, that number would rise to 3,197). As a concession to the restive military, the names of perpetrators were not included, though all evidence regarding crimes was given to the courts.

Given the 1978 amnesty, however, there was little chance that many crimes could ever be prosecuted. Despite some high-profile exceptions, such as the prosecution and imprisonment for former intelligence chief Manuel Contreras, the vast majority of human rights abuses went untouched. In fact, military resistance to investigation led to two high-profile shows of force. The 1990 *ejercicio de enlace* (readiness exercise) and the 1993 *Boinazo* (a phrase referring to the *berets*, or *boinas* that the soldiers wore) were both rooted in resistance to civilian investigations of allegations of military corruption, and constituted public displays intended to force the government to back off. Pinochet’s threats were taken seriously, though by the late 1990s it seemed inconceivable that a military rebellion could occur.

The brake on human rights cases gradually eased, and activists received an unexpected international benefit in Europe. In 1996 a Spanish judge, Baltasar Garzón, had begun investigating the murder of Spanish citizens in Chile and included charges of genocide and terrorism. He called for Pinochet’s arrest, arguing that domestic amnesties did not apply to international law. This call went ignored until Pinochet traveled to Great Britain for back surgery. Citing international agreements, Garzón had the British police arrest Pinochet in his hospital bed. For the next fifteen months, he would remain under house arrest while the

British government (through a special committee in the House of Lords) debated whether he should be extradited to Spain or allowed to return to Chile.

This political hot potato was resolved by claiming he was medically unfit to stand trial, and therefore could return home. This same rationale would be used several more times as Chilean courts deliberated his fate in the face of numerous different cases against him. He died in 2006 without ever being convicted. The aura of impunity embodied by Pinochet, however, was forever dispelled, and the courts became more active in pursuing human rights cases. Thus, the international influence was an important element in sparking greater national judicial activism. Particularly important was a new national legal interpretation of human rights abuses, which stipulated that a “disappearance” did not prove death, but instead could be considered an ongoing kidnapping. This in turn allowed judges to move forward with cases that otherwise would be halted by the amnesty. The irony, however, was that if death was ever proved, then the investigation would cease and the perpetrator would go free.

The Rettig Commission’s report was an important—albeit limited—step toward establishing the facts and confirming the truth about political violence during the dictatorship, but it did not address the even more sensitive topic of torture. No comprehensive effort had ever been made to determine how many Chileans had been tortured but not killed, and it was not something people wanted to discuss much, but the victims’ scars had never healed. President Lagos finally brought the issue to the fore in 2003 by creating the National Commission on Political Imprisonment and Torture, led by Bishop Sergio Valech. The 2004 Valech Report ultimately determined that 28,456 people had been tortured, and it also provided the shocking details of different types of torture techniques.

ANALYZING DOCUMENTS

Torture is a difficult subject for societies to discuss. In Chile there was no national consensus about how to address torture until over a decade after the dictatorship had ended. The Valech Report considers how the nation was divided in terms of that response.

Valech Report, Informe de la Comisión Nacional Sobre Prisión Política y Tortura (Chapter One) (2004)

Consciously or unconsciously, a conspiracy of silence about torture was slowly extended over the country. With the passing of time many believed that even though poor treatment had been common against prisoners of the military government, torture per se had not been massive. However, those who had been tortured—most of the time, also in silence—guarded their memory, the marks, and the consequences of cruel, inhumane and degrading treatment, according to the Universal Declaration of Human Rights, which literally had changed or destroyed their lives.

Others believed it was just and necessary to search for truth and justice in the cases of the detained-disappeared or of executed prisoners, victims of summary or incomplete judgment, or in the so-called emblematic cases of violations of human rights, but that it was wasn’t possible to find justice in the case of victims of political imprisonment and

torture. How would it be possible to prove a torture irrefutably thirty years later? What sense would there be in addressing these issues when the events seemed so distant?

...

Today, months after listening to intimate accounts, whispers, related with pain and even weeping, and seeing the physical and psychological scars, in addition to family and social wounds—some without any possible reparation to restore what has been lost—of so many Chileans who were imprisoned and tortured, we are left with no doubt that this part of the truth obliged us to complete, in the best way possible, the reparation and justice that country owes these brothers, to advance on the always difficult and necessary path of reencounter and reconciliation among Chileans.

More than thirty thousand people have come before us; we have seen and heard them. More than thirty thousand people have dared to bring themselves to our offices or to respond to our calls in the regions. And more than thirty thousand times we have listened to the stupor, the fear, the impotence that still comes from violation of dignity by agents of the State, from whom we expect—or ought to expect—respect for people, protection of the weak and a scrupulous adherence to the law. In this way we've realized, in the first person, that the corruption of power is the worst of all corruptions, because it undermines the essential foundations of credibility that all citizens await from State institutions.

But why the silence of the victims? One can understand that of the victimizers, who in their turn are also victims of their own actions. But why the silence of the victims?

After giving it much thought, we realized that it is a silence based not only on fear, despite so much fear! Also there is an aspect of elemental dignity. It's once thing to present oneself to the family after having been detained. Protestations of innocence are not a burden and there is even some pride for having suffered an injustice or a suffering for a cause one deems noble. It is also human to want to show oneself as dignified and not humiliated. But to lift the veil of torture, humiliation, and of physical and psychological violation, is very difficult to do, even with one's own spouse. And this same understandable silence was deepening the damage of the suffering not shared, of the destroyed confidences, of that which we prefer to put on the shelf of nightmares and to erase the archives of history.

...

We don't wish to prolong this presentation. The pages of the report will explain precisely what we seek to summarize. In the name of all the members of this Commission, of all that have worked with this Commission, or all that assisted generously to fulfill this task—to whom we thank from the heart—we hope that with this shared task will be another contribution to *never again*, which everyone yearns for, and to the firm handshake with which Chile desires to resolve in brotherhood so much pending debt among brothers in the same nation.

Discussion Questions

- In what ways can the local level be affected by torture sponsored by the national level?
- In what ways was the Chilean nation divided with regard to its response to torture?

Source: http://www.gobiernodechile.cl/comision_valech/ (translation by the author)

The Politics of National Consensus

As mentioned, the Concertación was founded on the ideal of consensus and the need to work together as harmoniously as possible. For the Christian Democrats, this meant accepting a presidential primary system in 1999, which was won by Ricardo Lagos, a member of the center-left Party for Democracy (PPD) created in 1988 as an offshoot of the Socialist Party, which could follow similar principles without the historical ideological baggage of the label. In the general election, he failed to win an absolute majority and barely gained a plurality (47.96 to 47.51 percent), but won in the runoff against Joaquín Lavín, a member of the right's Independent Democratic Union (UDI) party and mayor of a wealthy area of Santiago. The coalition had survived the change of presidential party leadership, but the vote totals indicated that its popularity had dropped considerably.

Lagos' six years were marked by solid economic growth, and the president was committed to a number of economic, political, and judicial reforms that modified the economic model to a greater degree. He introduced reforms that increased health coverage, for example. After years of being stymied by the right in Congress, Lagos finally managed to put a package of important constitutional reforms up for a successful vote in 2005. They removed the designated senators, changed the composition of the National Security Council to remove the military's prerogatives, and gave the president the right to fire commanders in chief. With the judicial system, Lagos also worked to change the system from inquisitorial to adversarial, which provided more opportunity for the accused to defend themselves.

Further, the reforms reduced the presidential term from six years to four. Since Bachelet's election, the presidential and lower house elections are concurrent (occurring at the same time). This facilitates greater coalition building between presidential and legislative candidates of the same party, who see mutual benefit in assisting each other and defining key issues they will jointly address.

In the 2005 Concertación primaries, Christian Democrat Soledad Alvear (who had been the first minister of SERNAM) conceded to Socialist Michelle Bachelet. As mentioned, Bachelet's father was arrested after the coup and died in prison. His daughter lived in exile until 1979. President Lagos named her minister of health (where she was associated with Plan AUGE, which expanded health care coverage) and later as the first female minister of defense in Latin America, as she had received a Master's Degree from the Chilean Army War College.

Like Lagos before her, Bachelet won a plurality (45.96 percent) but not a majority against a divided right (with both Joaquín Lavín and Sebastián Piñera running) and then won a very slim majority (53.49 to 46.50 percent) in the 2006 runoff. She also benefited from the continuing investigation into embezzlement by Augusto Pinochet and his family, who were accused of funneling over \$20 million into U.S. banks (particularly the Riggs Bank). This was a thorny issue for the right, which had remained close to Pinochet and his legacy, which was now clouding.

President Bachelet's approval rating was high (63 percent) one month into her term, and her message of reform resonated. However, she immediately faced a host of problems. She had campaigned on a platform of change and had thirty-six specific measures she wanted to introduce, such as elderly health care reform, pension reform, and a change in the binomial electoral system. She had, however, also emphasized her commitment to maintaining fiscal responsibility and a balanced budget, so there were immediately limitations to the scope of reforms that required greater government spending.

During 2006, she faced a major strike by secondary students, who demanded lower fees and a restructuring of the educational system, and quickly thereafter a strike by copper miners for higher wages. These represented local-level efforts to compel the government to make policy adjustments. As a result she shuffled her cabinet mere months after taking office, and although her response was criticized as slow and inconsistent, she reached accords with both students and miners. Then in early 2007, the capital's new transportation system "Transantiago," which had been conceived during the Lagos administration, went into effect and broke down immediately, leaving people stranded and unable to get to work. Later that year, the country's largest union, the United Center of Workers (CUT) launched a strike for increased wages, which included members of Bachelet's own party. A core element in these strikes was the idea that although copper prices were high, the government was maintaining a surplus instead of investing in social programs. The consensus about the benefits of the neoliberal model made it difficult for Bachelet to please her constituencies on the left.

In late 2007, the Christian Democrats expelled one of their own members from the party for refusing to pass a funding bill for Transantiago, which demonstrated the continued fraying of the coalition. In January 2008, Bachelet shook up her cabinet once again, saying she was starting fresh for the second half of her term. By then, her approval ratings had fallen dramatically, hovering around 40 percent. Interestingly, Bachelet became more popular as the global economic crisis exploded in late 2008. Her government had refused to use copper revenue to drastically increase social spending, choosing instead to save it while prices remained high. That proved prescient, because when prices dropped she was able to introduce a \$4 billion stimulus package and provide small payments to the most poor.

Bachelet also continued the pattern of hesitancy toward regional economic and political alliances. She declined to join the Bank of the South, designed by Venezuelan President Hugo Chávez as a counterweight to U.S.-dominated financial institutions. Like her predecessors, she has forged ties with Asian countries, including a free trade agreement with China.

In 2009, Sebastián Piñera ran again as part of a united coalition of the right against former president Frei for the Concertación. Discontent with the latter manifested in an independent candidate, Marco Enríquez-Ominami, who left the Socialist Party. With no candidate gaining a majority, Piñera defeated Frei in a 2010 second round, 52 to 48 percent. It marked a major political shift in Chile, as the right won the presidency for the first time in the postauthoritarian

era. That it occurred so smoothly was testament to the strength of Chilean democracy. Nonetheless, he faced significant opposition because he struggled to address issues like education and environmental protection, so that by 2011 his own approval had dropped precipitously in the face of large national student strikes. The change of government did not mean that discontent disappeared.

After working at the United Nations, in 2013 Michelle Bachelet returned to Chile to much fanfare, and she announced her candidacy for the presidency. Neither coalition has a monopoly on the office anymore. The Piñera administration successfully pushed new laws that made voting voluntary and registration automatic. This will bring more voters who previously felt disenfranchised into the political mix. There is a high number of voters, especially the young, who don't feel attached to either coalition so their support is up for grabs.

Conclusion and Comparative Perspective

Sebastián Piñera's election marked an important moment in Chilean political history, as it demonstrated a clear democratic maturing. After decades, the right returned to power smoothly and democratically. This did not mean there was no controversy or disagreement, but rather that Chilean polyarchy was getting stronger. Yet at the same time, the two coalitions have seen their support dwindle. Even after the close election of 1999, predicting the Concertación's imminent demise has almost become a popular political sport. From an institutional perspective, however, there is still a strong incentive to maintain the coalition, because the individual parties would fare much more poorly in both presidential and legislative elections. The same logic holds for the right.

In general, economic growth has been solid but not spectacular, despite several years of relatively high copper prices. Like other countries that have undergone market reforms, inequality is stubbornly high and underdevelopment is still a major challenge. At the same time, Chile weathered the global recession quite well, and poverty has been consistently decreasing, which has also occurred in Brazil. As local political actors are becoming more politically active, both coalitions must balance the increasing local and national demands with the economic model, which include a small role for the state and a very open economy. The decentralization of a unitary state echoes Colombia.

Chile's pacted transition from authoritarian rule was similar to those that occurred in Brazil and Uruguay, where the armed forces retained considerable political influence, though only in Chile was there a former dictator who continued to be a problem for democratically elected civilian governments. That meant greater military autonomy for a long period than elsewhere. Yet with regard to presidentialism, we see the opposite trend. Unlike Bolivia, Colombia, Ecuador, Venezuela, and Nicaragua, Chile not only maintained prohibition on immediate reelection, but it actually reduced the length of the presidential term.

Economically, like so many other countries Chile is heavily dependent on a primary product, in its case copper. The country's economic fortunes at any

TABLE 13.1 Economic Indicators in Chile, 1991–2011

Year	GDP Growth	Inflation	Unemployment	Poverty Rate	Human Development Index
1991	7.3	18.7	8.2	—	0.880
1992	10.9	12.7	6.7	—	0.848
1993	6.6	12.2	6.5	—	0.882
1994	5.1	8.9	7.8	23.2	0.891
1995	9.0	8.2	7.4	—	0.893
1996	6.9	6.6	6.4	19.7	—
1997	6.8	6.0	6.1	—	0.844
1998	3.2	4.7	6.4	17.8	0.826
1999	−0.8	2.3	9.8	—	0.825
2000	4.5	4.5	9.7	20.2	—
2001	3.4	2.6	9.9	—	0.831
2002	2.2	2.8	9.8	—	0.839
2003	3.9	1.1	9.5	18.7	—
2004	6.0	2.4	10.0	—	0.859
2005	5.7	3.7	9.2	—	0.867
2006	4.0	2.6	7.7	13.7	0.874
2007	4.6	7.4	7.0	—	0.878
2008	3.7	8.9	7.7	—	—
2009	−1.5	−1.4	9.7	11.5	—
2010	5.3	2.5	8.3	—	0.813
2011	6.0	3.0	7.1	—	0.817

Sources: Unemployment: *GDP and Inflation: Preliminary Overview of the Economies of Latin America and the Caribbean*, 1994–2012.

Poverty rate: *Social Panorama of Latin America*. Economic Commission for Latin America, 1990–2012.

Human development index: United Nations, *Human Development Report*, 1990–2013.

given time are therefore deeply affected by its price. However, Chile has gone much farther than any other Latin American country in diversifying its international trade partners and reaching out to Asia. With an influx of foreign investment and a very stable economy, it has enjoyed considerable macroeconomic success. Nonetheless, the increase of protests by workers and students

demonstrates the depth of local popular concern about the national effects of economic policy. This has not been as severe as in Bolivia or Ecuador, but still serves as a reminder about how positive national economic indicators can mask important local problems.

Key Terms

- Salvador Allende
- Augusto Pinochet
- Binomial electoral system
- Chicago Boys
- Concertación
- Mapuche

Critical Thinking Questions

- In what ways has the nature of women's local political participation been different under the dictatorship versus the postauthoritarian era?
- Analyze the conditions that made it easier for civilian governments in Chile to reduce military prerogatives. Can these conditions be replicated elsewhere in Latin America?
- How have domestic versus international factors been more important when understanding political change in Chile?
- What are the main positive outcomes of the Chilean economic model? In what ways has it created problems?
- Discuss the role that presidential government has played in Chilean political crises. To what degree would a parliamentary government likely have changed political outcomes?

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