Latin American and North Carolina

World View and The Consortium in L. American and Caribbean Studies (UNC-CH and Duke University)

Concurrent Session (Chile) - March 27, 2007
Inés Valdez - PhD Student
Department of Political Science - UNC-Chapel Hill
Inesv@unc.edu
Overview of the presentation:

• Brief historical background:
  – Socio-economic structure,
  – Oligarchic/restricted democracy,
  – Party system structure.

• The 1970s turning point:
  – Salvador Allende’s election,
  – Military coup: Augusto Pinochet 16-year rule,
  – Neoliberal Reform.

• Analytical themes:
  – Social, political, and economic costs of dictatorship,
  – Transition to democracy and consolidation,
  – Broader themes applied to Chilean case:
    • Capitalism and democracy,
    • Principles of evaluation of the Chilean model,
    • Market, choice, and unequal societies.
Brief historical background, socio-economic structure:

• Chile had a very minor role in Spanish-American colonial economy.

• After Independence Wars and the War of the Pacific (1879-83, with Peru) it enjoyed an export boom of nitrates (used for fertilizer and explosives) right up to the 1930s, when synthetic fertilizers took over.

• From then on, it was mining (and copper in particular) that constituted Chile’s main economic and export sector mostly developed by foreign investment (Braden Copper Co., Guggenheim family) and by 1920 the industry was dominated by three companies (two of which belonged to the same corporation: Anaconda)
Brief historical background, socio-economic structure (cont.):

- Mining is an activity that tends to facilitate unionization (why?),
- Worker organization started early in nitrate fields,
- Workers were politically active since early in history.
Brief historical background, oligarchic/restricted democracy:

• Oligarchic democracy, i.e. formally universal male suffrage, but in each district committee of largest taxpayers controlling voter registration ➔ keeping it highly restricted.

• After a reformist attempt (by President Arturo Alessandri (1920-1924), elected by middle and working classes) that included attempted pro-labor reform, as well as a social welfare bill a brief period of military intervention and authoritarianism follows (1924-1932) ➔ threat perception (def.)
Brief historical background, oligarchic/restricted democracy (cont.):

- After that: restricted democracy (some voting restrictions--i.e. literacy--still existed) but very competitive party politics (increased polarization right/center/left) and close ties between workers and left and center parties)
Brief historical background, party politics:

- Three-way divide of the political spectrum: Conservatives / Christian-Democrats / Socialists.
- Tendency toward alliances to secure the executive.
- From 1964-on, the goal of center and right is to prevent Allende (Popular Front candidate) to reach office, U.S.A. (through the CIA) already involved in financing Frei’s (Ch-D) campaign (context: Cold War).
Brief historical background, party politics (cont.):

- Frei’s government: Reformist promises, and in fact beginning land reform, and pressure on copper companies (partial ownership, but failure to increase investment and profits still going to the foreign companies), but little progress for labor movement and urban poor.
The 1970s turning point, Salvador Allende’s election:

- Victory with 36.3% (Alessandri 34.9%, Tomic 27.8%).
- Full democracy (enfranchisement of illiterates) under Allende;
- U.S. involvement in attempt to keep Allende from being confirmed by congress; plot failed.
- Goal → democratic transition to a socialist economy; strong reformist redistributive program, within constitutional rules.
The 1970s turning point, Salvador Allende’s election (cont.):

- Intense opposition: business, political right, and US.
- Economic sabotage; scare tactics and communist smear campaigns by media.
- Results: inflation due to ineffective attempts at price controls and shortages and black markets; increasingly open confrontations.
The 1970s turning point, Salvador Allende’s election (cont.):

- Electoral strategy failed (Allende’s vote share goes up in mid-term elections). The alternative: resort to military strategy, i.e. civilian elites actively encouraging military to intervene.
- Prats as commander-in-chief of army and minister of defense: military remaining constitutionalist.
- August 1973 Prats pressured to resign, followed by Pinochet who quickly advances plans for coup ➔ September 11, coup carried out.
The 1970s turning point, military coup, A. Pinochet 16-year rule:

- Military takes over all government institutions (from secretaries (called ministries in Chile) to universities and cultural public institutions).
- Political parties outlawed, as well as all political activity, Allende supporters prosecuted, executed or disappeared (Paine example).
- Heavy repression/human rights violations.
- Complete restructuring of economy, society, and polity.
The 1970s turning point, neoliberal reform:

• “Chicago Boys”: first very radical neoliberal economic program. The economy crashes even before debt crisis.

• Debt crisis aggravates difficulties: extreme economic hardship (record unemployment and banking sector collapse, comparable to 2001 Argentine financial crisis), some reemergence of protests in 1983 and renewed repression

• After 1985: resumption of growth but--in 1988--plebiscite where Pinochet is defeated (the opposition unites) → 1989 elections.
Analytical topics, social, political, and economic costs of dictatorship:

- Electoral democracy with authoritarian enclaves (appointed senators and electoral system).
- Concertación (alliance of center and left parties) highly constrained in reforms.
- Problem of military legacies in constitution.
- Problem of prosecution of military; Pinochet’s arrest in Britain because of extradition request from Spain being breakthrough (local process starts).
Analytical topics, transition to democracy and consolidation:

- Despite strong economic growth, only moderate progress in reducing poverty and none on inequality.
- Why? conservative over-representation in Congress and Senate in particular (veto).
- Non-distributional issues: divorce, abortion, women’s rights (left highly constrained by coalition partner (Christian-democrats) and strong Catholic Church (political constraints binding even for a divorced socialist woman president: ).
- Still: much more stable institutional framework than other Latin American countries (though with slower progress in human rights trials), and initial reforms in electoral system ongoing (type of transition).
Analytical topics, broader themes applied to Chilean case:

- Capitalism and democracy (Do they go together? Contradict each other? Or is it context dependent?).
- Principles of evaluation of the Chilean model (Economic growth or equality?).
- Market, choice, and unequal societies (Example: social security privatization with informal sector and temporal workers... no effective demand that’s required for choice to happen).
Recommended Sources for Further Reading:

- NACLA (North American Congress on Latin America), bimonthly magazine.
- Latin American Perspectives, bimonthly journal.
- Los Angeles Times
- The Miami Herald
Latin American and North Carolina

World View and The Consortium in L. American and Caribbean Studies (UNC-CH and Duke University)

Concurrent Session (Chile) - March 27, 2007
Inés Valdez - PhD Student
Department of Political Science - UNC-Chapel Hill
inesv@unc.edu