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SIX YEARS OF MILITARY RULE IN CHILE

A Rapporteur's Report

Arturo Valenzuela  
Duke University

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Introduction

To the surprise of many observers, the military coup that overthrew President Salvador Allende in Chile on September 11, 1973 created a remarkably durable military regime in a country long characterized by democratic government. Indeed, the government of General Pinochet has been not only the longest-lasting military regime in Chilean history, it has also become the single longest-lasting government in the nation's history. At the same time, this government has also proven to be the most revolutionary in Chile's history, transforming politics and society in a far more profound and far-reaching manner than the socialist Popular Unity coalition. Pinochet and his advisors not only have sought to reverse the policies of the reform administrations of the 1960s and 1970s but have dramatically altered economic, social, and political traditions and practices going back several generations. In the economic sphere, the junta has reversed the long-standing policy of government protectionism of domestic industry and direct government ownership and participation in productive activities. The success of the government's economic advisors in opening up the Chilean economy to the world market and applying laissez-faire economic policies domestically has been widely noted in international financial circles at a time when other governments, notably in Britain and the United States, are also experimenting with more orthodox economic policies.

In the social sphere, the junta has extended the implications of laissez-faire economics by significantly reducing the government's role in health, welfare, and education and encouraging the privatization of many activities that had been handled by state agencies for more than half a century.

Finally, government policies have dramatically altered Chilean political practices going back to the mid-nineteenth century. The once-powerful Chilean congress has been closed. Political parties--the central actors in Chilean politics--have been banned or severely restricted. Other organizations, including the powerful professional and business associations which supported the 1973 coup, have seen their influence and privileges significantly reduced. New labor legislation has curbed the remnants of Chile's highly organized labor movement. At the same time, while the junta has adopted a new constitution which ratifies the enormous personal power of General Pinochet, now officially president of the republic, the government has not moved to create new political institutions or movements to replace the traditional ones. The hope is that transformation in the economic and social sphere will eventually have indirect political implications by



undercutting the social base of the political parties, particularly those of the left.

Ironically, in the face of the copious scholarly literature on the three years of the Allende government, seven years of transformational military rule have been sorely neglected by scholars. There are no systematic studies of the regime, of its global policies, and of the consequences of those policies. This is surprising because the Chilean case is important not only in itself, but also for its relevance to our understanding of broader issues of political economy and political sociology. Chile has been at the forefront of recent thinking about the problems of transitions to socialism, and about the rise and breakdown of democratic regimes. It has also been at the center of the debate over the rise, and character, of authoritarian regimes, and the tie-in between political authoritarianism and certain kinds of economic development. Its application of monetarist and neo-monetarist policies raises questions about the viability of such policies not only in developing societies but in developed ones. It raises questions as to whether such policies can be applied without the draconian features of a dictatorial regime that denies elementary civil and political liberties. Finally, the Chilean case is important to the current discussion of the prospects for transition back to democracy, or redemocratization, in Latin America.

In order to better understand the Chilean phenomenon, and how it informs many of these intellectual concerns, scholars from Latin America, the United States, and Europe were invited to an international workshop at the Woodrow Wilson International Center for Scholars in Washington, D.C. in May of 1980. Thirteen papers were presented by specialists drawing upon recent first-hand research done in Chile itself. Other participants included experts on Latin America and Europe, in order to explore comparative implications of the Chilean case. The workshop was divided into four sessions: the economy; key policy areas (such as health, education, agriculture, and copper); the military and the state; and political oppositions. These were followed by a concluding session summarizing the proceedings and discussing the theoretical implications of the Chilean case.\*

The purpose of this report is to provide a general account of some of the most significant themes raised in the workshop discussion. As such, it does not pretend to be a verbal summary of the debates nor a consensual report of those taking part. Rather, it is an attempt to distill some of the principal issues of the conference, emphasizing broad areas of agreement or disagreement. Although the report cannot do justice to all of the diverse and subtle arguments presented in a large meeting, an attempt has been made to attribute particular points to their proponents.

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A list of papers presented at the workshop and a list of workshop participants appear in the appendix of this report. Papers are available from the Wilson Center as part of the Latin American Program's Working Paper series. Revised versions of the papers will be published in a forthcoming book edited by Arturo Valenzuela and Samuel Valenzuela.

## The Economy: New Monetarism and Privatization

Chile has been hailed in many circles as a pure and consistent example of the application of monetarist doctrine to a situation of high inflation and chronic balance-of-payments problems. In fact, the Chilean model is not a classical monetarist one after all. Workshop participants agreed that the Chilean model can be thought of as a variant of the classical monetarist school--a "new monetarism" which emphasizes the opening up of the domestic economy to the international economy. (Fishlow) Private property markets, and competitive advantage on a world scale, are the fundamental means for allocating resources and achieving economic development. The model is consequently based on the assumption that there is little need for government intervention or the setting of national policy. Internal prices are dependent on world prices and exchange rates rather than economic decisions. This automaticity is viewed by the regime as equivalent to neutrality in that no particular group or sector is favored over another. Thus, there is no distortion of the incentive structure through state action, encouraging a new wave of entrepreneurial activity. (Fishlow, Lüders)

The actual neutrality of the model was sharply questioned by most participants who noted that the government has intervened in many ways in the economy through such devices as tampering with relative prices at a time when real wages were falling, strict control of labor, subsidies of private groups able to buy state-owned industries at bargain prices, etc. And it is clear that the radical economic restructuring which took place in Chile could not have been undertaken except by a military regime intent on imposing its policies through the threat, or use, of force. Without recourse to popular consultation, the government has upset over fifty years of Chilean public policy based on a near consensus that private return does not equal social return, an assumption widely accepted by most economies. But it is not only the neutrality of government action which is questionable, but also the assumption that world prices themselves are neutral and unaffected by such things as price supports and the social policies of other countries. (Fishlow) Assumptions such as those which hold that reduction of consumption will automatically lead to investment and that the elimination of controls will lead to competition may not be borne out in reality when so many other factors, including institutional ones, must be taken into consideration. (Seers)

Most of the discussion of the economy, however, dealt not with the assumptions behind the Chilean economic model, but rather with its successes or failures. There was agreement that the military government has been successful in a number of areas. Inflation has come down dramatically, fiscal deficits have been reduced, and nontraditional exports have expanded. In addition, the government and the Chilean private sector have succeeded in attracting foreign loans and generating a balance-of-payments surplus. (Foxley) While these indicators suggest a dramatic improvement in economic fortunes--one that has received praise at the International Monetary Fund and in international banking circles generally--the workshop also examined the implications of more problematic indicators, which raise serious doubts about the overall viability of the model. These concern the ability of the Chilean economy to sustain long-term growth, with an acceptable trickle-down effect, and the consequences which government policies have had on the social plane.

The Open Economy: Growth and Investment. The immediate effect of the "shock treatment" given the Chilean economy in 1974, through the rapid reduction of all tariffs, was to lower output dramatically. The reduction in trade barriers was far more important in affecting the unprecedented decline than the world economic crisis spurred by the oil embargo. (Foxley, Ffrench-Davis) It is clear that the opening up of the Chilean economy in such an abrupt fashion responded more to political than economic considerations, as the economic team sought to implement its policies before they could be reversed or questioned by other sectors in the government. (Ffrench-Davis)

Participants debated the effect of the opening on productivity. One participant held that the effect was severe, with productivity levels only beginning to recuperate in 1979 and 1980. The percent change in value added in 1979 was only 94 percent of that of 1970 and 93 percent of that of 1974. In the period 1974 to 1979, the percentage change in growth of the gross national product was only one half of what it had been historically; the fall of industrial output was particularly severe. (Ffrench-Davis)

This analysis of declining industrial productivity was questioned by one participant who argued that the industrial sector is growing compared to 1970 and that industrial exports are growing much faster than total exports (33 percent versus 10 or 12 percent). In 1960-69, only one industrial sector (paper and cellulose) had a significant export component. In 1969-79, this was true of seven industrial sectors, all of which have spurred industrial growth. Industries in general were not severely damaged by the country's opening up to the international economy. (Lüders)

Other participants agreed that domestic industries had in fact anticipated the reduction in tariff barriers (which might be taken as an indication that domestic firms were not so inefficient after all). However, they also noted that the industrial sector was able to cushion the impact of foreign competition with significantly lower labor costs resulting from both a decline in real wages and decreases in employment. By the same token, access to cheap international credit and a shift by many producers away from manufacturing and toward import development also contributed to softening the blow. (Foxley, Ffrench-Davis, Arriagada)

But, although Chilean industries seemed able to buffer themselves from international competition, the long-term prospects for that sector under the junta's economic model were still questionable. Increases in industrial growth during the 1978-81 period can be attributed to the enormous underutilization of resources with the sharp downturn of the previous years. Likewise, while labor productivity appears higher, this is due to the substantial layoffs, and not to improvements in capital investment. Thus, given the same levels of capital investment, productivity for society as a whole is in fact lower. (Ffrench-Davis)

This low level of investment is the Achilles heel of the model, according to its critics. Investment in 1980 was still only three percent of GDP. (Foxley) And investment in equipment and machinery was below 1970 and 1974 levels. Government figures differ because of changes introduced in the calculation of the indicator. (Ffrench-Davis) Although increases in industrial exports have been one of the successes of the

regime, their further growth is threatened by the fixed exchange rate, which has led to a significant overvaluing of the Chilean peso and increases in the negative balance of trade. Furthermore, it was noted that most of the industries involved in agricultural exports had previously been in the public sector so that export success is only partially a result of new entrepreneurial activity. (Vergara) In many cases, that success is the result of previous investments by the state. The crux of the issue is whether the current recovery is merely a cyclical one following a sharp downturn--and thus temporary--or whether the upturn in the Chilean economy marked the beginning of a period of expansion at higher than historical rates, benefiting the vast majority of Chileans. (Seers)

Distribution and Concentration. The benefits of the model--their division between a privileged few and the rest of the population--was another major theme of the discussion on the Chilean economy. The available evidence suggests that the trickle-down effect has been negligible. Twenty percent of the population consumed 60 percent of all consumer goods, while consumption of basic food products by the bottom 20 percent of the population fell by 20 percent. (Foxley) As with figures on growth and productivity, it is crucial to indicate the base year. Do the figures on the deterioration of the distribution of income gloss over the sharp downturn of the 1972-73 period? (Levy) In fact, real income increased rapidly in 1971, stabilized in 1972, and began to lose ground in 1973--although the figures were only slightly lower in 1973 than they were in 1970--so that the downturn comes after 1973 and is accompanied by a severe increase in unemployment figures. Indeed, since the model is dependent on a large profit margin over time, it is unlikely that distribution-of-income figures would improve substantially. (Fishlow)

There was agreement that the model has led to a substantial concentration of economic power in the hands of a few groups and individuals, although participants disagreed on the implications of this concentration. One view held that concentration has always been a feature of the Chilean economy, and that the relative strength of economic groups has changed throughout Chilean history. What is significant today is that while there may be more monopoly power in Chile today, it is not a burden on the economy or society because local groups have to contend with foreign competitors. And, in any event, a monopoly in the private sector is preferable to one in the public sector--the pattern that existed previously. (Lüders) Others disagreed with this analysis, noting that with economic power comes social and political power, as monopoly groups control the mass media and have access to decision-making circles. (French-Davis) Furthermore, competition from foreign goods may not temper local monopolies since the export-import business is often handled by the very same firms. And the strong tradition in Chile of state enterprise, rather than providing for a public monopoly, was in fact an important countervailing force to private economic groups, a countervailing force which has now disappeared. Competition is limited by the internalization of decision making of enterprises and financial groups with very close ties, foreign and domestic. (Arriagada)

Privatization: Economy and Society. The Chilean economic model has gone much further than a simple reduction of tariff barriers and an opening up of domestic industries to the world market. It has also involved



a sharp curtailment of state involvement in a wide range of other policy areas, including education, health, and social welfare. And decisions in each of these areas flow out of the general economic model, not from a concern for each individual sector. (Winn) In medical care, the relatively successful system of socialized medicine is being undermined by the encouragement of private health care.

In education, public education is being restricted, and the government has provided new incentives for the expansion of private education at all levels. The new university legislation provides for subsidy of students at private as well as at public universities, with universities being forced to compete for the best students in order to qualify for state support. Privatization has been accompanied by a significant reduction in the growth of the educational system and by new educational schemes aimed at creating a new type of citizen. (Echeverría)

Agricultural policy also follows directly from the economic model. Important interest groups in agriculture have not been influential in the decision-making process, although decisions have favored groups such as those organized by the SNA (National Agricultural Society) who benefit directly from the accumulation process favored by government action. Peasant and worker groups have been excluded entirely from the decision-making process and have suffered from repression and a decline in living standards. While much of the land is in the hands of old landowners, it would be misleading to suggest that the rural economy has reverted to what it was before the experiments in agrarian reform. Land is now being exploited much more systematically in a commercial fashion, with new export markets in mind, by an agrarian bourgeoisie quite different from the old latifundistas. And the land market is open to new sectors via capitalist expansion. Departing from the neutral tenets of the model, large private profits are being made in the heavily state-subsidized forestry sector, one of the most dynamic sectors in agriculture. (Crispi)

The areas in which the government has resisted privatization are the utilities, transportation, oil, and copper, where nationalistic sentiments in the military have prevented the economic team from withdrawing state ownership. In copper, the state copper corporation has done quite well, increasing production significantly, partly through greater labor discipline and a reduction in real wages. However, the economic team has prevented the state copper corporation (CODELCO) from expanding further and seems intent on turning over any new initiatives in the copper field to private enterprise. And, for all intents and purposes, the copper industry has been managed very much like a private firm, although the state has not permitted it to reinvest as much of the profits as company managers would like. Such policy restrictions have annoyed those working in the public firms because the same policymakers who have implemented these investment restrictions have also criticized the firms for not performing as well as they should. (Fortín)

It is clear that privatization policies so far benefit only a minority of Chileans. The policies are highly regressive in social terms. The real winners have been a small group of entrepreneurs who have reaped enormous wealth. Some elements of the middle class have been able to share in the economic prosperity, although there is evidence that a large

portion of the middle class has seen its standard of living decline in real terms as goods and services have become more expensive. Restrictions in the educational system, in particular, would seem to signal a narrowing of opportunities of upward mobility, which had been expanding in the last two decades. (Winn, Echeverría, Scott)

### The Polity: Dictatorship and Opposition

Pinochet, the Military, and the State. The Chilean regime can be most appropriately characterized as a military dictatorship. It has few of the trappings of a more developed authoritarian regime, lacking the latter's degree of institutionalization and plurality of groups. (Linz) The regime is strong because the armed forces have been, so far, cohesive and disciplined, and General Pinochet has been skillful in consolidating an unrivaled authority among his military colleagues. In this task, he has been aided by the perception among the military that the coup was a war--that repression was a professional responsibility aimed at eliminating the last of the internal enemies. (Orrego) The military perceived that they were directly threatened by the left (however ill-founded that belief appears in retrospect). Even today, little is known about what was going on within the armed forces during the three months prior to the coup. (Garretón) The extent of the repression and the complicity of the armed forces in general in the large-scale arrests and tortures which followed the coup in turn contributed to further cohesiveness among officers who feel that they are in the military government together and must remain united. It is known that Pinochet has told fellow officers that if he fell, they would fall with him. (Arriagada)

The key role of Pinochet in post-coup Chile makes the Chilean case quite unique in Latin America. In the military governments of Brazil, Uruguay, Argentina, and Peru, the high command reserved to itself the right to name new presidents in a more or less institutionalized manner. In Chile, Pinochet has lasted the entire period as the country's ultimate authority. Indeed, from a position of relative weakness (he joined the conspiracy only two days before the coup), he has succeeded in consolidating strong personal power by skillfully using the system of promotions and the emergency measures instituted to purge the armed forces--measures which have become permanent. (Arriagada) In no other country in Latin America, except for Paraguay, does the chief of state combine his role with head of the army. Ironically, his strength is in large measure the product of Chile's long democratic tradition, in which the civilian president retained more power over the military than was the case elsewhere in Latin America. With his official assumption of presidential duties after the ratification of the new constitution, Pinochet has managed to accede not only to the formal powers of the presidency, but also to much of its historic symbolism.

It is clear that Pinochet has been able to consolidate his own authority to an impressive extent--but our knowledge of the military remains sketchy at best. Little research has been done on the institution. It appears monolithic, and yet it undoubtedly has important divisions and cleavages. The conceptual distinction between the military as institution and the military as government--however difficult to make empirically--offers important insight into the Chilean case. In Peru and

Brazil, the military-as-institution eventually prevailed over the military-as-government. (Stepan) Potential problems exist in the legacy of resistance on the part of the navy and air force to the army's dominance. The conflict with the air force came to light over the firing of General Gustavo Leigh from the junta, while the navy was particularly upset over the government's handling of the Philippines incident, when President Marcos disinvited Pinochet while the latter was enroute for an official visit. (Muñoz) Problems may also arise if the same values of professionalism and discipline that Pinochet has so successfully used to reinforce his own position are used against him as officers come to perceive that his methods have contributed to a decline in professional values and camaraderie and threaten to undermine the cohesiveness of the institution. (Arriagada)

While little is known about cleavages within the military, scholars also lack systematic knowledge of how decisions are made. We need to know more about the role of the office of the secretary general of the presidency, about the functions of the administrative reform commission, about the interaction between the executive and the military junta. (Zalaquett)

Not only is the Chilean case different from other dictatorial or "bureaucratic authoritarian" regimes with respect to the primacy of one leader, it differs from its counterparts in the extent to which the military has accepted the economic model which has led to privatization of the economy. Indeed, in Brazil, the doubling of state enterprises after 1964 was an important element in maintaining military support for the Brazilian "revolution." Given the fact that the military ideology in Latin America is generally skeptical of laissez-faire economics, support by Chilean officers for the economic team is anomalous. However, to the extent that the dismantling of state intervention is understood as a crucial step in the process of depoliticization of the society, the antistatist view of the Chilean military appears less paradoxical. In Chile, the institutions of the state were so closely intertwined with the political system, the political parties, and the efforts to bring about socialism, that a policy of laissez-faire seemed logical in meeting the overall goals of the military to crush the left, demobilize society, and dramatically change the Chilean polity. (Garretón, Stepan, Arriagada) And, since in Chile state enterprises were tied much more closely to the national budget and to the ministry of finance than in countries such as Brazil and Mexico, they were not only more suspect but also easier to curb. (French-Davis) Finally, the economic team was able to convince the military that its model would guarantee the armed forces far larger economic resources, and the military has in fact fared well, with larger salaries and new equipment. (Arriagada) There is evidence that military expenditures have more than doubled since 1974. (Vergara)

Without minimizing the importance of the military's acceptance of a radical free-enterprise model--one should nevertheless remember that the state sector of the Chilean economy still remains larger than that of any country in Western Europe. The top eight firms in Chile were state firms in 1970, and remained state firms in 1980. (Stepan) Much of the country's transportation system, including port facilities and all of the utilities, in addition to the petroleum company and the copper mines nationalized under Allende, remain in state hands, even though in many ways they are being forced to operate as private firms and are losing many of their

traditional advantages. (Fortín) In fact, there is a lively and continuing debate within the armed forces between those who are skeptical of the antistatist bias of the economic team and are attempting to reverse or at least hold the line on privatization, and those who are willing to defer to the economic team on economic matters.

Regime Institutionalization and the Question of Legitimacy. In evaluating the Chilean junta, it is important to look not only at the structures of the regime--the legal and institutional mechanisms which it has created in order to govern the country--but also at its relationships with society (the extent of support and opposition that the regime elicits from important forces in civil society). (Stepan) In looking solely at the structures, one can see a significant amount of consolidation, in particular with Pinochet's growing ability to centralize power in his office and to maintain a close control over the military constituencies. The adoption of a new constitution and the new modernization of reforms have given the regime the appearance of permanence it enjoyed in the more ad hoc period which preceded the adoption of the new fundamental law.

However, in focusing on the relationships between the regime and civil society--and in particular on the regime's international and domestic support groups--it seems clear that the regime has not succeeded in enlisting strong support. (Stepan, Chaparro) Internationally, the regime has remained isolated like few other military governments in Latin America. The destruction of Chilean democracy and the strong international ties of the Chilean civilian political elite have made Pinochet something of an international pariah. As a result, the regime has had little international credibility, aside from the credibility it has gained from its economic policies. The election of Reagan may change this situation somewhat--but the regime will continue to have difficulties in other areas of the world, particularly in Europe. (Muñoz, Wilhelmy)

In the domestic sphere, groups opposed to the government retain a degree of unity and strength such that the regime has not been able to gain new adherents and, indeed, may have lost some early supporters, particularly among small business organizations and professional groups. The government has resisted the entreaties of some of its strongest advocates to generate active political support through the formation of a mass party or alternative mechanism of mobilization. Efforts to create a pro-government union movement have been a decided failure, despite new labor legislation and the courting of several labor figures.

The rejection of corporatist solutions is not surprising. The government came into power with no real plan except one of depoliticizing and demobilizing society. It has resisted efforts at mobilization for fear that they may have counterproductive results. (Stepan, Remmer) Furthermore, corporatist strategies are antithetical to the economic goals of the regime--which are aimed not at controlling entrepreneurs but at giving them a free hand. (Schmitter) Authoritarian formulas would also have somewhat displaced the armed forces from their central position in the political system, and would have implied self-limiting institutional structures which Pinochet is not prepared to accept. The strong limitation on professional associations (colegios), a logical consequence of the regime's displeasure with organized groups, can become a source of comfort for the opposition as well as the government. (Linz)



Indeed, the low level of political development and institutionalization of the Chilean regime is one of its most striking characteristics. (Linz) The government remains fundamentally a military regime with strong support in the military institution and broad but shallow support in civil society. Under such circumstances, the regime may be quite durable if it succeeds in avoiding a major crisis or becoming enmeshed in "unsolvable" problems or "contradictions." At present, it does not appear that the government faces such a crisis. (Linz, Schmitter, Garretón)

While the government may have relatively weak support across the board, is it legitimate? There is strong reason to believe that because of its long political traditions, the normative structure of Chilean society is democratic. If congruence of regime form with societal values were the defining characteristic of legitimacy, the Chilean regime would clearly not meet the test. However, legitimacy in the Weberian sense does not involve conformity with preexisting values of the population. Rather, it involves obedience and support and an internal cohesiveness among elites--a belief that they should rule. A political arrangement is legitimate when someone not party to it will come to its defense in times of crisis, or when there is a lack of clear alternatives, fear of coercion, and self-interest. Some, such as the industrialists, will support the regime even if it violates their normative values and hurts short-term interests if it will serve them in the long term. Support is also a product of the perception that there are no real alternatives; to be successful the regime must be able to manipulate the conception of alternatives. (Schmitter)

What may further weaken the range of alternatives in Chile is the general absence of widespread organized violence in the country's political tradition. Since the opposition is not perceived as a violent alternative--or appears incapable of providing such a threat--the regime has a measure of security that may not be found in other countries, such as Argentina. (Fortín) This, however, may be changing, with the increasing violence of the last 15 years and the continuing resort on the part of government security forces to violence. In a country where half the population is under 15, the recent climate of violence is bound to have an impact. (Arriagada)

While the regime may not enjoy more active support than it did at the time of the coup, its fate is dependent not only on the degree of support or toleration among the population, but also on the perception of viable and realistic alternatives. A major theme of the workshop was the situation of the Chilean political opposition and its prospects for structuring a viable alternative in a future transition to democracy.

Regime and Opposition: Two Perspectives. One of the important characteristics of the Chilean system is that the boundary between the regime and the opposition is much more rigid than it has been in other authoritarian regimes or situations. Only the Church appears to provide something of a bridge. As a bunker-type regime, the Chilean is much simpler than others, containing few elements with which the opposition can establish channels of communication. In principle, this reduces the chances of an early transition to democracy. A more complex authoritarianism could provide possibilities of more bridge elements between government and opposition. (Linz)

But while communication between government and opposition in the Chilean case is particularly difficult, how viable is the Chilean opposition in the first place? The key role of the Church as an opposition force, despite some of the ambiguous relationships it has had with the government, illustrates how circumscribed Chile's traditional political parties have been. From key actors in the political system, they have been relegated to a subsidiary role. (Smith) Even the labor movement, which was so closely controlled by the parties, seems to have taken on a more prominent role as an opposition force. (Barrera)

Two somewhat contradictory perspectives on the situation of opposition groups emerged from the workshop discussion. The first argued that the coup and subsequent military government changed the Chilean political system fundamentally, undermining the viability of the traditional party system. In Chile, this analysis held, the elimination of the political arena had a profound and lasting effect precisely because of the close articulation of civil society through the political system. In Argentina, by contrast, civil society has historically had a greater independence of political institutions and structures. By dealing a severe blow to political parties and political leadership, the Chilean military eliminated far more effectively the potential challenge to its authority than its Argentine counterparts did using similar measures. A massive labor strike, such as the one which occurred in Argentina, is simply out of the question in Chile. (Garretón) And not only were the parties and political structures severely damaged by governmental repression, but the political crisis which led to the 1973 coup marked a profound and prior decomposition and collapse of the political system. (Garretón, Orrego)

Finally, the revolutionary changes instituted by the government's economic policies and its privatization measures have begun to introduce profound transformations in the social structure of the country with important ramifications for traditional partisan alignments. (Garretón, Echeverría, Remmer, Fortín) The decline in domestic industry affects the support base of the parties of the left. And the policies favoring rampant consumerism, with greater availability of credit made possible by external borrowing, have introduced a false notion of prosperity which has captivated not only the middle classes but elements of the lower class. The dismantling of state structures and institutions enhances the importance of the private sector and contributes to cementing loyalties and interests in that direction, through such schemes as investing pension funds in the financial markets. Even the privatization of education, accompanied by curricular reforms that significantly transform the content of education by denigrating the traditional political system and exalting the military government and the free-market system, may have the effect of transforming political loyalties among newer generations. (Echeverría) In general, privatization schemes in education, labor, health, etc., can be seen as attempts at social engineering with the objective of atomizing society and thus preventing the resurgence of political structures which can threaten the regime. (Arriagada)

A second perspective held that the party system, and particularly the underlying partisan attachments of a population divided into broad and relatively well articulated political tendencies, has considerable resilience and durability. In the short run, the curbing of the traditional

party system with its close linkages to civil society has had a more profound impact in Chile than in Brazil and Argentina, where those linkages were more tenuous. However, because the Chilean political system had deeper democratic roots extending into the civil society, this second interpretation argued that it will be much harder to create a new political order in Chile. The party system, particularly at the grass-roots level, has only been suppressed, not eliminated. The Spanish case, which at the time of the republic featured a far less developed party system than Chile's, suggests that it might take more than several generations to completely eradicate long-held partisan alignments and political practices. (A. Valenzuela and S. Valenzuela)

In fact, while parties have been severely restricted, with only the Christian Democrats capable of exercising the functions of a semi-legal opposition, there is considerable evidence that the parties continue to play a key role in civil society. Although the government has taken few steps to build a pro-government civic or partisan movement, in an effort to develop new organizational space, elements tied to the traditional political parties have by and large been successful in capturing that new space. This phenomenon has been seen in elections at the universities, where despite strict rules to "depoliticize" the process, students have chosen leaders affiliated with opposition parties. (S. Valenzuela) Likewise in the labor movement, union leaders identified with traditional parties have moved in to occupy leadership roles under the new labor legislation. At the same time, the illegal union federations have made considerable headway in consolidating worker allegiance, while the pro-government federation has enjoyed only token support. (Barrera) The historical experience of Latin America has shown that heavy-handed control mechanisms aimed at labor have simply not worked. Governments simply create new spheres for group activity with unanticipated consequences. (Collier)

The success of the economic model should not affect underlying partisan loyalty. There is no comparative evidence to suggest that a perception of well-being leads to an erosion of historical party attachments. In fact, Spain suggests that there may be a reverse correlation between economic success and regime support in authoritarian regimes. As prosperity increases, the population is less willing to accept the dictatorship. (Linz) Examples from Europe, however, may be misleading if there is a much more dynamic class transformation taking place in Chile than in Europe. (Schmitter) So far, however, the evidence is not clear that there has been a fundamental shift in class relations in Chile--and indeed the growing polarization of income distribution in Chile, rather than de-accentuating partisan loyalties, may contribute to maintaining them. (A. Valenzuela)

Likewise, if prosperity does not ensure greater loyalty to the regime, efforts at indoctrinating the population through changes in the curriculum and the introduction of patriotic and civic exercises may also fail to produce regime support. In fact, such efforts are slow, and comparative evidence suggests that they may have the opposite results from those intended. (S. Valenzuela, Linz)

Problems of Regime Transition. Whether or not the party system has undergone profound structural transformations, it is nevertheless clear that the process of transition to democracy will be a very difficult one. It is one thing to say that parties may emerge after the demise of the regime in similar configurations as before; it is another to say that they will play an active role in the regime's demise. (Schmitter) The Christian Democrats and Communists have succeeded better than other parties in maintaining a degree of presence. The Christian Democrats have suffered less overt repression and they have been sheltered by the umbrella of the Church, an umbrella which has also been useful to other parties. The identification of the Church with an opposition party rather than with the regime differentiates it significantly from other authoritarian cases, particularly in Europe. (Linz) The Communists, in turn, have been able to survive better than their allies on the left because of superior organization and previous experience with underground strategies and their continued organizational strength in the unions. (S. Valenzuela) In the short run, because of their semi-legal status, the Christian Democrats have had a greater advantage in surviving the policies of the government; in the long run, however, they stand to lose more as other parties perfect underground survival strategies. (A. Valenzuela) With a democratic opening, however, the Socialists, currently without the organizational skills of the Communists and with severe internal divisions, are bound to reemerge as an alternative to the Communists or Christian Democrats, as they have done in Spain. (Winn, Arriagada) The right, however, is bound to suffer the loss of some of its electoral support given its identification with the authoritarian regime--voters who may strengthen the Christian Democrats. And yet, the right will continue to be a force in the Chilean party system. (S. Valenzuela)

While individual parties have in varying degrees been able to resist the efforts of the junta to destroy the traditional political system, successful opposition to the regime involves a measure of unity of purpose across the ideological divisions of the opposition. Unity has been extremely difficult to obtain. However, in comparative perspective, Chileans may have been more successful than their counterparts elsewhere. The Committee of 24, with representatives from all of the political parties and the task of drawing up an alternative constitution to the official one, is a unique organization. (Linz, A. Valenzuela, S. Valenzuela) Even so, agreement is difficult. A consociational strategy such as that of Venezuela or Colombia is more problematic given the fact that parties represent such different classes and have such profoundly different ideological positions. (Stepan) Thus far, it seems that in Chile, despite some efforts such as those of the Committee of 24, the past is still very much alive. This means not only weak support for the regime, but also great difficulty in overcoming the bitterness that led to the coup in the first place. (Linz, Garretón) And since the regime is providing a socioeconomic as well as political program, it is incumbent on the opposition to provide a well-articulated socioeconomic alternative as well, which makes the task of reconciliation even more difficult. (Winn) Should they fail to redefine the issues and achieve new unity, the old leaders may be overwhelmed by new leaders with a different agenda, as in the Basque country. (Linz)



Consensus on a return to democracy is further complicated by the problematic situation of the political right. Chile's democratic institutions had historically been supported by the Liberal and Conservative parties. During the Popular Unity government, the right took an openly critical stand against democracy--its "disorders" and its "unsatisfied demands." This phenomenon has undoubtedly led to the creation of a group which will always long for the present period of tranquility after democracy is re-instituted. (Orrego)

And, unlike the Christian Democrats who worked together with the right in opposition to the Allende government, the parties of the right dissolved themselves after the military came to power. The right no longer needed a party as it became in effect the party of the government. (S. Valenzuela) This in turn means that while a few individuals who belonged to rightist parties could contribute to opposition dialogue in forums such as the Committee of 24, there is no viable organized voice for rightist opinion. Thus there is no "moderate" element in the government which can negotiate with the opposition as in Spain, reinforcing the division between government and opposition. (Linz) The existence of stable factions of blandos and duros in the government is something of a fiction. There is no fundamental disagreement which threatens crucial elements of the regime. (Garretón) The disappearance of a viable rightist party raises the possibility for Chile of "Argentinization"--an unstable political regime, in which a conspiratorial right allies with the armed forces against democracy. (A. Valenzuela) The right seems to accept the regime's expectations of a conservative order, which will result from the success of an economic model that will dictate a more authoritarian political model. This means that in Chile, at least in the short run, there is a process that rejects any form of democracy. (Garretón)

### Conclusion

Although the regime faces difficulties in its long-term economic policies and in institutionalizing itself, such problems in themselves will not move Chile back toward redemocratization. The failure to fully institutionalize a military regime does not necessarily mean that that regime will be short-lived or that a transition back to Chile's historical commitment to democratic institutions and procedures will be easy.

It should be noted, in conclusion, that much of the workshop concerned the voluntaristic element in social change, with most participants discussing the importance of groups, individuals, and ideology. The determinism so characteristic of scholarly analysis of the origins of authoritarianism in Latin America and the Third World was found less revealing in this explanation of the nature of a particular authoritarian or dictatorial regime and its future prospects. Although some participants argued that concerted application of the current economic model in a country such as Chile would have important political ramifications, it was not clear that those changes would necessarily ensure the survival or maintenance of authoritarianism itself. The economic determinism which has been at the center of the debate on the advent of exclusionary regimes in Latin America seems to be less important for our understanding of the dynamics of such regimes and their downfall.

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List of Papers

- Arriagada Herrera, Genaro. "El marco institucional de las Fuerzas Armadas"
- Barrera, Manuel. "Política laboral y movimiento sindical chileno durante el régimen militar"
- Chaparro, Patricio. "El proceso de toma de decisiones en el contexto político militar-autoritario chileno: un estudio de dos casos," with Francisco Cumplido
- Crispi, Jaime. "El agro chileno después de 1973: expansión capitalista y campesinización pauperizante"
- Echeverría, Rafael. "La política educacional y la transformación del sistema de educación en Chile a partir de 1973"
- Fortín, Carlos. "The Copper Policy of the Chilean Junta"
- Foxley, Alejandro. "Toward a Free Market Economy: Chile, 1974-79"
- Ffrench-Davis, Ricardo. "Políticas de comercio exterior en Chile, 1973-78"
- Garretón, Manuel Antonio. "The Chilean Military Regime: An Interpretive Assessment"
- Muñoz, Heraldó. "The International Relations of the Chilean Military Government: Elements for a Systematic Analysis"
- Smith, Brian. "Old Allies, New Opponents: The Church and the Military in Chile, 1973-79"
- Valenzuela, Arturo and Samuel Valenzuela. "Political Oppositions under the Chilean Authoritarian Regime"
- Vergara, Pilar. "Las transformaciones del estado chileno bajo el régimen militar"

## APPENDIX

List of Participants

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 Fred Levy, The World Bank  
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 Rolf Lüders, Banco Hipotecario de Fomento  
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