Lost in the Long Transition

Struggles for Social Justice in Neoliberal Chile

EDITED BY
WILLIAM L. ALEXANDER

LEXINGTON BOOKS

A division of
ROWMAN & LITTLEFIELD PUBLISHERS, INC.
Lanham • Boulder • New York • Toronto • Plymouth, UK

LEXINGTON BOOKS

A division of Rowman & Littlefield Publishers, Inc.
A wholly owned subsidiary of The Rowman & Littlefield Publishing Group, Inc.
4501 Forbes Boulevard, Suite 200
Lanham, MD 20706

Estover Road
Plymouth PL6 7PY
United Kingdom

Copyright © 2009 by Lexington Books

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of the publisher.

British Library Cataloguing in Publication Information Available

Library of Congress Cataloging-in-Publication Data

Lost in the long transition : struggles for social justice in neoliberal Chile / edited by William L Alexander.
p. cm.
Includes bibliographical references and index.
ISBN 978-0-7391-1864-1 (cloth : alk. paper)
ISBN 978-0-7391-1865-8 (pbk. : alk. paper)
ISBN 978-0-7391-4151-9 (electronic)
1. Social justice—Chile. 2. Chile—Social conditions—1970– 3. Chile—Economic conditions—1988– I. Alexander, William L., 1963–
HN393.5.L67 2009
303.3'720983—dc22 2009020004

Printed in the United States of America

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI/NISO Z39.48–1992.

Contents

Preface vii

1 Introduction: Enduring Contradictions of the Neoliberal State in Chile 1
William L. Alexander

Part I. Private Interests and the Public Good

2 The 1981 Water Code: The Impacts of Private Tradable Water Rights on Peasant and Indigenous Communities in Northern Chile 41
Jessica Budds

3 Intersections or Fault Lines? Chile's Free National Tuberculosis Treatment Program Within a Privatizing Health System 63
Joan E. Paluzzi

4 Confronting Global Corporations: The Strike in Minera Escondida and Workers' Struggles in Contemporary Chile 83
Angela Vergara

5 Globalization Hits *El Trauco*: The Archipelago of Chiloé in the Era of Neoliberalism 97
Anton Daughters

6 Purchasing Patagonia: The Contradictions of Conservation in Free Market Chile 115
Emily Wakild

Part II. In Place, At Issue: Identity, Community, Consciousness

7 Cultural History "Written in the Margins": Political Ecology of Copper and Community in the "Little North" 131
William L. Alexander

8 Builders of the City: *Pobladores* and the Territorialization of Class Identity in Chile 153
Margot Olavarria

9 The Politics of Street Children in Chile 169
Guadalupe Salazar

10 Repatriating Women: Navigating the Way "Home" in Neoliberal Chile 185
Deborah R. Altamirano

Index 199

About the Authors 207

Preface

This book brings together nine scholars who carried out fieldwork-based research in post-dictatorship Chile during the country's long transition to democracy and its on-going adherence to neoliberal economic and social policies. Following the end of the Pinochet dictatorship, struggles for justice and equity worked alongside a pact of compromise and an economic model that brought prosperity for some, deeply fixed poverty for others and social consequences for all. This was a fertile era and setting for social science research into the relationship between poverty, power, and the state in post-dictatorship Latin America. Conflicts and contradictions abound as state policies and practices produce uneven results and are challenged at the local level.

We describe the tension that is experienced as moderate governments in Chile attempt to balance "social and fiscal responsibilities" while vigorously promoting privatization and relying upon market mechanisms to provide for the common good. We examine the ambivalences between reconciliation and justice and the ironies of an ideology of individualism and free access to the marketplace that is belied by the privileges enjoyed by elite interests at the exclusion of the poor and working class. We offer a far-reaching critique of neoliberalism by exploring its effects in a wide range of societal locations. Our collection includes scholars from many different specializations (political economy, natural resources, gender, labor, health, social mobilization, identity, etc.) within the fields of Anthropology (Alexander, Altamirano, Daughters, Paluzzi, Salazar), History (Vergara, Wakild), Geography (Budds), and Political Science (Olavarría). The Long Transition spanned three decades and remained incomplete because of many obstacles in the constitution written during the dictatorship. While the subsequent civilian governments were eventually successful in removing these "authoritarian holdovers," as our work shows, there is still much work to be done in changing those holdovers that keep Chile from righting the wrongs of economic and social injustice.

In what follows, the reader will note that many of our contributors critique widely-accepted assessments of Chile as the exemplar for a number of things to which other developing nations are encouraged to aspire. In the mainstream and financial news presses, Chile has often been heralded as "the model" for: privatized health care and social security; the market-driven Water Code; export-initiatives in commercial agriculture; the role of private interests in environmental stewardship; free trade and open markets; and even held up as the model,

despite much unfinished business, for achieving healing and justice in societies emerging from authoritarian rule.

With the global financial meltdown of 2008, economies the world over—in "developed," "developing," and "underdeveloped" countries alike—are in free market freefall, devastated by the results of deregulation, government indifference or ineffectiveness, and corporate greed. In the years leading up to the present crisis, a growing number of Latin American governments, responding to inequities at home and attempting to pull themselves out of world financial dependency, began to move away from business as usual neoliberalism. No doubt the growing discontent in Chile described in these chapters continues to grow as I write this preface. A book like this written ten years from now might subject a different nation and a different economic model in the region to scrutiny for its failings. In the United States conditions require a rethinking of neoliberalism as the government inches toward nationalization (in practice, if not in name. . .) of certain sectors. Demands increase for reviving governmental responsibilities and for holding accountable those institutions and changing those policies that have placed the middle class at great risk and made the poor more vulnerable. As always, there is opposition to such demands. The future will sort out the populist rhetoric from the structural change but as always the future is unwritten.

What we offer here is a reminder that models are often abstract structures in which real people living real lives and presented with real choices are largely absent. In models devoid of the details that ethnography and field research can provide social costs and resistance can go unrecognized. The clarity gained by shedding light on the impacts of economic policies on specific lives and livelihoods and by asking critical questions can challenge even the conventional idioms, the words used to discuss neoliberal economics and politics in post-dictatorship societies. Intentionally or not, such language conveniently omits details of the struggles for equity, justice, and full participation in all their complexity. We hope to show that in many ways, the often-used term "emerging democracy" is a gloss, an ambiguous phrase that signifies "change" and "consensus" without addressing the critical questions of "transition for how long"? and "participation by whom"? We offer a look at the lives of people whose stories may have otherwise been "lost in the Long Transition."

Several of our chapters were presented as papers in the sessions "Chile in Transition: Social Change, Critical Questions" at the 2005 Society for Applied Anthropology Annual Meetings in Santa Fe and "Neoliberalism in Place, Identities in Places: Political Economy of Space and Culture in Chile" session at the 2005 American Anthropological Association annual meeting in Washington, D.C. I would like to thank SfAA and AAA for providing us with forums to share our research and to lay the groundwork for this manuscript. I would also like to thank Lexington Books staff members Kathryn Funk, Joseph Parry, Melissa Wilks, Jana Wilson, Ashley Baird, and Lynda Phung for their patience, support and guidance in seeing this project through to completion. I am very grateful to

fellow scholars of Chile Paul Trawick, Joel Stillerman, and Lessie Jo Frasier for their participation in our SfAA panel and for recommending some of this book's contributors. My appreciation also goes out to Pauline Curien and Francine Saillant of the journal *Anthropologie et Sociétés* for their generous permission to reprint chapter 9. Finally, a big thanks to Meghan Geagan for the fine painting created specifically for the cover of this book.

William L. Alexander
University of North Carolina, Wilmington

Chapter One

Introduction: Enduring Contradictions of the Neoliberal State in Chile

William L. Alexander

In October 1989, the famed Chilean author and scholar Ariel Dorfman wrote:

> A dictator cannot reign unless he promises eternity. He must guarantee that, no matter what he or any of his cohorts does, he and they will never be held accountable. In that sense, every dictator attempts to abolish time and freeze history. The moment that people can sight his end and begin to conceive a world without him, his power begins to crumble. The erosion that Pinochet has suffered since the plebiscite can . . . be seen as foretelling . . . a day when he is no more than a sad synonym in some dictionary of horror.[1]

These words were written during the exhilarating times shortly before the handing over of political control of Chile by General Augusto Pinochet. After several years of rising protest, the Chilean dictator underestimated the strength of the united opposition and, fully expecting to win, put the future of democracy to a vote as mandated by his 1980 constitution. Having endured fifteen years of military dictatorship, the public responded with a resounding "No" in the 1988 vote on eight more years of one party rule. This began what is commonly referred to as "the transition to democracy" in Chile. The multiparty Concertación coalition has since led Chile through two Christian Democrat presidents (Patricio Aylwin Azócar 1990–1994 and Eduardo Frei Ruiz-Tagle 1994–2000) and two moderate Socialist leaders (Richard Lagos Escobar 2000–2006; Michelle Bachelet 2006–present), but in most ways the neoliberal economic model launched during the dictatorship has sailed on course regardless of who is steering the political ship. In fact, throughout the downturn and slow recovery precipitated by the "Asian Crisis" of 1997–1998, the first major recession after ten years of unprecedented growth, the government stuck close to the doctrine of

open markets and pursues free trade more strongly than ever. In terms of answering for the horrific human rights abuses committed during his rule, Pinochet and his remaining supporters were unable to, in Dorfman's phrase, "abolish time and freeze history" but were successful until recent years in slowing the process of full accountability. If the transition to democracy in Chile did not truly come to an end until the death of Pinochet in December 2006 with 300 criminal charges—ranging from human rights violations to international drug and arms dealing to tax evasion and embezzlement—pending against him, then the Long Transition can be said to have lasted as long as the dictatorship itself.

Growing in prominence worldwide since the early 1980s, the neoliberal economic and political philosophy began in Chile a decade earlier during the Pinochet military dictatorship (1973–1990). Designed to achieve economic development by promoting free-market methods, shifting government responsibility for social services to the private sector and reducing restrictions on foreign investment, neoliberalism rejects state intervention in the economy while favoring private initiatives. Its proponents contend that the net gains acquired under "free trade" and "free markets" offset the social costs that accrue at the expense of the working class and poor. This book looks at those costs. While Chile has fared better than most of Latin America in terms of overall economic growth—an erroneous measurement of quality of life for neglected segments of highly stratified societies—the research offered here supports the view that there has been a long pattern of uneven distribution of the benefits of Chile's "free market miracle" and that much of the equity Chile achieved prior to the seizure of power by the military and the implementation of neoliberal policies has yet to be regained.

In perhaps no other country is the relationship between the state and the economy as ambiguous as in Chile. With regard to neoliberal economics and the disconnect between ideology and intervention, "statism" in Chile has been accurately called a "political chameleon."[2] During the Long Transition, from the Pinochet loyalists of the far right who attempted to shift the discourse from human rights to fiscal responsibility and the activists of the far left who protested that social responsibility has been sold out to corporate class interests, it is without seeming contradiction that opponents from both ends of the political spectrum can point to the persistence of the neoliberal position in order to make political hay. Despite the ideological claim in free market discourse that state intervention hinders economic development, in the Latin American exemplar of Chile, radical neoliberalism was established by a strong, authoritarian state that suppressed opposition to its policies and was heavily involved in the restructuring of the national economy. Since the passing of the dictatorship, the civilian governments have continued the neoliberal model and increased free trade policies while at the same time attempting—with varying degrees of success—to refocus state oversight of the economy. Contradicting its free market claims, Chilean neoliberalism was under Pinochet and to a large degree continues to be both interventionist in economic matters and strongly protectionist for elite interests. In today's open society those hurt by neoliberalism are no longer silenced and the negative impacts of policies are openly debated. With the specter of military

rule removed, economic policy continuity may work against societal stability if concentrations of wealth continue to escalate.

"Chicago Boys" and "Shock Therapy"

In 1970 Salvador Allende won a three-way race for the Chilean presidency with a narrow plurality of just over 36 percent of the vote. Heading the Unidad Popular ("Popular Unity") coalition, the Socialist Allende was appointed president by Congress only after signing a set of guarantees that pledged not to threaten constitutional law with his extensive reforms, which included nationalization of industry—critically, foreign-controlled copper—expansion of agrarian reform and implementation of comprehensive health care and education. Allende's "Chilean Way to Socialism" program was never given a chance to succeed as his administration was stalled by a Congress controlled by the moderate Christian Democrats and constant pressure from a Nixon administration determined to bring down a Marxist government that had come to power through democracy rather than armed revolution. By 1973 Chile was highly polarized, with moderates alienated by the influence of extreme leftists in the coalition and controversial domestic and foreign policies, including Allende's relationship with Cuba. The nation was crippled by hyperinflation, a U.S. boycott, widespread strikes (many fomented by the political opposition), and extreme shortages (some of which were created by capitalists intent on inciting rebellion). The Washington government had a strong hand in orchestrating many of these internal and external economic disruptions.[3] In spite of this chaos, in mid-term elections the Unidad Popular surprisingly gained seats in the Senate, causing the right wing to fear democracy and making military intervention the most viable means of defeating Allende. After an aborted military coup that summer, the writing was on the wall and on September 12th Allende was set to give a speech announcing that a plebiscite would put the future of his government in the hands of a popular vote. Fearing further defeat by democracy, the military right wing unleashed a coup on the day before and Allende died during the siege of *La Moneda*, the presidential palace. Prior to the takeover—which the junta initially justified as an "emergency measure" to save the country from chaos—Chile had enjoyed a political history marked by long periods of stability and democracy. Even coup supporters within the country and abroad who helped created the conditions that led to the overthrow could not have imagined that what would follow would be the establishment of one of the region's longest and most brutal dictatorships.

Once Pinochet consolidated power as commander-in-chief, the government quickly evolved into a single leader dictatorship. He declared a state of siege and began ruling by decree, fully backed by the military and a "National Security Doctrine" with the principal agenda of rooting out and eradicating Marxism by targeting "domestic enemies" through tactics of terror, torture and intimidation. Political parties were banned, democratic institutions were abolished, the media was censored, and Congress was dissolved. These actions were met with wide-

spread international condemnation as the Pinochet regime was diplomatically isolated by governments around the world. However, with foreign policies bound up in Cold War geopolitical maneuvering that largely turned a blind eye to the human rights abuses and authoritarian rule of anti-communist, pro-business governments, the United States and Great Britain maintained relations with the Chilean dictatorship. It was only during the Carter administration that Chile was ever seriously challenged on its record of repression by any U.S. government and relations with the U.S. nearly came to an end in 1976 when an exiled diplomat turned activist was assassinated with a car bomb in Washington, D.C. by agents of Pinochet's secret police. Targeted as part of "Operation Condor," the international clandestine program of terrorism implemented by the southern cone dictatorships to silence their enemies abroad, Orlando Letelier had drawn the world's attention to atrocities happening in Chile by achieving damaging setbacks to the dictatorship: Legislation in the U.S. Congress that tied foreign aid to a government's human rights record had been passed, and the Dutch government had sanctioned Chile by terminating substantial investments.[4] Support for Pinochet from the U.S. and the U.K. was restored in the early 1980s during the Cold War crusades of the Reagan and Thatcher eras.

Shortly after the coup, the military junta set about restructuring the economy. Companies that were nationalized under Allende were returned to private ownership, tariffs were reduced, and government domestic spending was slashed. When the economy remained stagnant, Pinochet gave a group of economists from Universidad Católica (traditionally the more politically conservative of Chile's two main universities) full power to implement the policies they had long been pushing. Trained at the University of Chicago School of Economics in the 1950s and 1960s, steeped in Milton Friedman's advocacy of laissez-faire capitalism, and returning to Chile fully committed to promoting development and fighting communism through extreme free market policies, this group became known as "the Chicago Boys." Given free reign by a state under military control, their drastic policies were justified as a kind of "shock therapy": severely painful but deemed necessary treatment for recovery. The financial sector was deregulated, foreign trade was liberalized, and prices were freed. The central government took a "hands off" approach to social welfare and public services were greatly rolled back. Programs were ruthlessly eviscerated and social security, health care, and education were largely turned over to the private sector. With this "experiment," Chile became the earliest and most acclaimed case of neoliberal orthodoxy put into place in a developing nation in Latin America.

During this time, the economic growth strategy was built upon the twin policies of attracting capitalist investment from abroad and disabling organized labor at home. The process of liberalizing trade and financial institutions was hastened as the government removed limits on the movement of international capital. There was an expansion of "nontraditional" commodity exports made possible by a period of heavy borrowing from international lenders. During the Allende years, Chile, like most Latin American nations, followed import substitution strategies of high tariffs and prohibitions on certain imports in order to

stimulate domestic industrialization. Import tariffs topped 100 percent across a range of import commodities, while copper—the country's main source of wealth since the colonial era—continued to be the principal export. Restrictions, quotas, and licenses disappeared under the dictatorship's open-trade regime and exports of other primary commodities such as timber, fish, and fruit begin to grow. Even when the economy began to rebound, income distribution became regressive and unemployment skyrocketed far into the double digits. Organized labor was immobilized as the Labor Plan of 1979 codified severe limitations to union activity, making collective bargaining and strikes next to impossible.

In 1970, Allende assumed the presidency of a country in which more than 100 U.S. corporations held a collective investment of one billion dollars. As nationalization policies deeply threatened these interests, U.S. Secretary of State Henry Kissinger infamously responded, "I do not see why we need to stand by and watch a country go communist because of the irresponsibility of its own people."[5] Covertly backed by the government in Washington and welcomed by corporate interests in the U.S., the coup allowed the dictatorship to set about serving those interests at home and abroad. Under Pinochet, more than six hundred state-owned businesses were sold and foreign investors shrewdly moved into "global" commodities and service sectors. This was a massive shift of public funds accomplished by a dictatorship accountable to neither congress nor the public. As protection all but vanished, the reliance on trade in the Chilean Gross Product escalated from 35 percent in 1970 to close to 60 percent by 1990, the culmination of a process in which, in the words of Philip McMichael, "Chile was structurally adjusted before structural adjustment became fashionable."[6]

Crises and Miracles

In 1980 Pinochet pushed through a new constitution that gave him absolute power for another eight years. The Orwellian-named "Constitution of Liberty" received a dubious 67 percent endorsement at the polls and formalized military control. Having endured a rececession and economic chaos during the neoliberal "growing pains" years of the mid-1970s, the economy soon collapsed for the second time under his watch. In the midst of an international debt crisis, rising interest rates, and a global drying up of credit sources, the country was enveloped in a deep recession. The chickens came home to roost as the economy staggered under the accumulation of debilitating debt, a towering level of failed domestic loans, and an overvalued national currency. The process of liberalization of trade and financial institutions was hastened as the government removed limits on the movement of international capital. Businesses and banks failed as Chile's GDP plunged by 14 percent and unemployment soared to 33 percent. Suppression of union activity, drops in real wages and subsequent concentrations of wealth in small elite sectors accentuated economic inequality between the buyers and sellers of labor. Unemployment grew along with financial speculation from foreign interests. Domestic productivity stalled, limiting general

capital formation at home. As French-Davis notes, these were trends of underdevelopment, not the market integration and flexibility touted by neoliberal development. Vulnerability to external economic powers deepened and came to a head with the devastating 1982 recession.[7]

There were two very different phases of privatization in Chile: the mad rush of privatization prior to 1982 and the change in policy after the 1982–1983 economic crisis when Chile's private sector was crippled by debt. As a consequence, the state shifted from aggressive market engagement to what Duquette calls a "status quo" policy during which time an "odd non-public, not private sector" was provisionally restored to be gradually re-sold to those entrepreneurs that survived the crash. In its wake, foreign investors (from North America, Europe, and Japan) emerged as powerful new players, especially in the "strategic sector" export companies.[8] In the mid-1980s a macroeconomic program was put into place in collaboration with international lenders that helped the economy regain its footing. In order to foster exports, the peso was undervalued and some tariffs were temporarily raised. Debt relief was offered to select businesses and many of these Chilean firms became spoiled by preferential treatment from the government. Under Pinochet, Chilean private interests took over many state businesses cheaply just prior to the long economic boom that began in the late 1980s and then swiftly expanded them.[9] This entrepreneurial class enjoyed state protection despite party-line lip service paid to "free markets." Portes has emphasized the duplicitous guise of "Chile's neoliberal experiment (that) did not so much 'free' markets as to create them from scratch using the resources of the state."[10] Later, with lower returns and stiff competition, foreign companies have begun to acquire many Chilean firms.

During serious economic downturns governments in developing countries fear a "vicious circle" when their financial institutions collapse and other sources of finance are limited. While prudent regulation is needed during these times of crisis, unfortunately, as Stiglitz notes, there is often pressure, as there was during the 1982–1983 crises in Chile, to heed the voices of the "free marketeers." As a result, unemployment shot upwards of 20 percent and the GNP fell by nearly 14 percent.[11] As enormous levels of resources were transferred and wealth and economic power became highly concentrated among a small group of elites, between 1983 and 1986 the streets erupted in protests that would eventually cut across class lines. Rising levels of poverty and unemployment and the rapid decline in public health services and education were not ideological arguing points but real problems and increasingly the failures and indifference of the technocrats drew fire.[12] During the crises they came to be blamed for the harsher aspects of the "shock therapy," the drastic deterioration of social services, and the overall instability of the economy. This type of instability is particularly regressive—marked by enormous concentrations of "easy profits" made possible by staggering losses absorbed by broad sectors of society. "Pinochet's economists" fell out of favor with the public—even with many who still strongly backed economic restructuring—and notions of their "superior rationality" crumbled, according to Valdes, once it became apparent that "an ideology which reduced

political decisions to mere technical criteria was a dangerous illusion."[13] Public discontent at home and pressure from abroad eventually compelled the dictator to grudgingly permit political opposition and after the rejection in the 1988 plebiscite, Pinochet had no choice but to allow elections.

Exports gained ground in the second half of the 1980s and privatization and debt conversion permitted Chile to cut its debt in half, but the working class reaped few of the benefits. By the time the economy was declared "recovered," wages remained at artificially low levels. The "price tag" or social costs for deregulation of the economy included a high income gap between the rich and the poor and an entrenched underclass. The political right proclaimed the triumph of the economic policies instituted under Pinochet while failing to discuss the extreme financial crises of 1976 and 1982 that devastated the country during that time.[14] Noting that it was not until 1989, after fourteen years of free-market orthodoxy, did per capita output climb back to its 1970 level, Collins and Lear (1995) remind us that the "miracles" were in fact recoveries from severe economic collapses in 1976 and 1982 that brought about "tremendous dislocations" in the lives of the working class as a result of the extreme policies. During this time, income gap disparity escalated: the richest 10 percent increased its portion of national income from 37 to 47 percent; the middle 30 percent's share dropped from 23 to 18 percent; the poverty level rose from 17 percent in 1973 to 45 percent in 1990; and the percentage of those living in conditions of "extreme poverty" more than doubled.[15]

While the regressive trends of the dictatorship were slowed down by the democratic governments and considerable advances were made in cutting poverty and indigence levels during the 1990s, such progress ended with the economic downturn in 1997. Unemployment increased during the slump and efforts to reduce poverty fell to the wayside.[16] The rapidly deteriorating trends set during Pinochet's rule had been halted, but analysts comparing the net balance of income distribution between 1970 and 2000 found that inequalities had deepened and that improvements for which the Concertación took credit were in comparison with income distribution levels during the dictatorship.[17] By measurements of equity, Chile had "lost ground" over the previous thirty years.[18] The impressive reduction of poverty by the Concertación was as Nef put it "simply…a return to the inequity profiles of two decades dearlier."[19] The new millennium governments of Lagos and then Bachelet moved cautiously to make up this ground by addressing extreme poverty at the margins.

Compromise, Reconciliation, and the Long Transition

A number of human rights organizations surfaced in the early eighties, initially providing assistance to victims and families in the form of psychological and legal counseling. The clandestine struggles of the earliest stages of grassroots activism took place in the impoverished urban *poblaciónes* then erupted into street protests during the economic chaos of the early 1980s. The calamitous

economic climate of the second recession had crystallized the opposition, protests proliferated across the country and with ebbing support from the business sector and from within the military, the dictator's grip on power inevitably weakened. The earliest protests were viciously put down by the army but popular resistance mounted and open demonstrations picked up speed, especially after a failed assassination of Pinochet in 1986. The structure of the emerging democracy, as Schneider contends, paradoxically gutted the political resources of the poor and made ineffective their leadership base for continued action: "Forced to compete for the support of the Right; fearful of the mobilization of the Left; and dependent upon the cooperation of business (interests), Right-wing senators, and the military," the moderate coalition "no longer needed grassroots activism."[20] Frazier calls this predicament "the Chilean dilemma" of memory created by a state-controlled process of reconciliation that failed to deliver justice.[21] While the post-authoritarian "pact of silence" on human rights that persisted for a decade is often seen as a result of the historic enmity between the Center and the Left, expressing widespread frustration over the prolonged search for accountability and justice, Hite in 2003 pointedly observed that "explorations of Chile's past over the last decade or more have occurred *in spite* of the political class, rather than because of it."[22]

The first Concertación governments—arguably out of practical necessity in the tenuous early years after the dictatorship—dodged the politics of confrontation and were especially wary of pressuring the Pinochet loyalists through a "popular mobilization" too reminiscent of pro-Allende "popular unity" expressions in the street. In the process, a chasm developed between the political party elites and those grassroots remnants that had blazed the trail for them to reclaim civilian control of the state.[23] By the time that elections were returned through a persistent locally-based social movement from the most impoverished areas of society, Chilean political parties had become moored to the center and detached from grassroots activism.[24] The six-month period between the "No" vote and the first free election in seventeen years was one of cautious tension followed by compromise. It was evident from the beginning that the civilian government would operate under significant restraint, but it also became clear that although Pinochet initially reacted to defeat by refusing to negotiate changes to the Constitution his moves were tempered by others in the military who were obliged to pay attention to those powerful conservative allies in the country who wanted at all costs to maintain the regime's economic policies and to those foreign powers who praised this economic model while demanding that democratic reforms continue.[25] Although the Chilean popular social movements had contributed greatly to the downfall of the military regime, these groups were largely kept out of the behind closed doors discussions between 1988 and 1990. Bickford notes that taking a central role in establishing the truth commission in 1990 and setting the tone of discussions about the past meant that human rights activists—after a flourish of activity leading up to the transfer of power—were isolated once the government was perceived to be vigilant about social justice.[26]

It was not long until the Concertación was seeking approval from the conservative supporters of neoliberalism. As the elections drew closer, negotiations between the two sides proceeded at a fever pitch. For their part, the military rulers agreed to allow—via public approval through another plebiscite—greater political access to all parties and the expansion of the powers of the Senate at the expense of the previously all-powerful National Security Council. Among the constitutionally-mandated limits to its power accepted by the Concertación was the autonomy of the Central Bank. This institution wields enormous power over monetary policy and rates of exchange and interest. After some drawn-out negotiations, it was decided that an independent bank president and four members—two appointed by the government and two appointed by the opposition—would preside over the Bank. This concession by the Concertación surprised many observers who were stunned by the potential influence that Pinochet loyalists might have over important fiscal and spending matters.[27] Occurring on the eve of the December 1989 elections, as Fernandois and Morris put it, this "highly symbolic act of relative convergence" showed that "the opposition accepted the economic policy of the military government as a positive measure and that the entrepreneurs were prepared to cooperate with forces which they had previously feared."[28] The resulting autonomy of the Central Bank and the limits to progressive reform is considered to be one of the more significant "authoritarian enclaves" against which the civilian governments struggled.[29]

In a 1995 study of "the Right and the transition to democracy," Pollack described the problem of the Right as one of learning how to operate as a loyal force of opposition within a democratic framework. Initially, the conservatives having previously enjoyed a privileged position were reactionary when threatened and thus failed to recognize the need to "establish a cultural dialogue" in the new era. The other major problem, however, came from the Christian Democrat's co-opting of many of the Right's economic ideological pillars as its own.[30] The Concertación's continuance of the Pinochet government's economic model and promotion of themes of individual responsibility and "personal liberty" in many ways robbed the Right of the presumed "positive" associations of Pinochet with economic prosperity while saddling it with the "negative" associations of human rights' abuses and other crimes of authoritarian rule. The left wing in Chile faced similar challenges as the Right. As it was apparent from the beginning that post-Pinochet Chile would be governed from the middle, changes to the traditional Left were often discussed in ominous terms of "renovation." Lowden identified the dual problem of the Left as one of "identity"—how should it distinguish itself from the moderate Christian Democrats—and how far its "renovation" should go without moving too far away from its socialist ideals. During this period, future President Lagos claims became "increasingly emphatic that he is not a neoliberal" while stressing that "we are at the end of the process of renovation."[31] At the same time, the Concertación was chided for its own identity crisis wrought by the social complacency of economic good times and the uneasy balance of power between the civilian government and the military. For the first few years of the Concertación government those seeking more

rapid changes in policy were frustrated by a conservative pace no doubt necessary in a country in which the military remained both led by and loyal to Pinochet. Still, prioritizing the maintenance of economic and political stability while neglecting its role as guardian for the welfare of those classes excluded by economic policies left the coalition's identity in the mid-1990s as the "hollow celebration . . . of a defensive vision of order (that is) simply the 'absence of chaos.'"[32] Pledging both political change and economic continuity while ignoring the impossibilities of achieving both, the Concertacíon suffered what Bresnahan calls "political schizophrenia": it could never meet the social and economic justice needs of its long-excluded electoral base and still comply with the demands of its domestic and international capitalist allies, especially when doing so meant the demobilization of labor.[33]

In the early years of the return to democracy, the Right attempted to persuade voters through the elaboration of what Correa calls a "stability discourse" recasting human rights violations during the junta as a justified response to political violence that began during the 1960s move toward socialism. In this distorted narrative, radicalization had made the country "ungovernable," military intervention "saved Chile" from the chaos and was—in an audacious insult to truth and decency—responsible for the evolution of democracy.[34] The Concertación subtly shifted its agenda from a "social mobilization thesis" that sought the widest appeal in the effort to win back the vote in 1988 to the more middle-of-the-road "concertación thesis" that transformed disparate groups into a moderate coalition striving to ensure that Chile remained "governable"—that is to say, free within limits. Walker explained this consolidation of power not as a compromise but as a political policy with "strategic rather than a tactical" motives.[35]

Some early critics of the Concertación's conservative "politics of consensus" and the "limits to elite democracy" identified what emerged in Chile after Pinochet as a combination of neoliberalism and "neocorporatism"—that is, deregulation of the economy but regulation of civil society through an "authoritarian-pluralist" state that retained much of the hierarchy and elite power structure of the dictatorship.[36] This resulted in the Concertación's "one-sided social pact" of uneven concessions and benefits for owners and workers such as wage increases that scarcely kept pace with the cost of living. "The great accomplishment of the Pinochet Right," according to Petras and Leiva:

> "was to convert the opposition to notion that socioeconomic conformity and individual mobility was the basis for political realism . . . from that it was a short step to the Aylwin regime's embrace of supply-side economics, an open door policy for foreign investment and the trickle-down theory of social amelioration macropolicy in Chile that subordinates working-class interests to investor incentives" (Petras and Leiva 1994: 185).[37]

In truth, uncontrolled capital flow in the late 1970s hastened the ruinous 1982 financial crisis that required a massive bailout. During these times, levels of

accumulation of capital by individuals were not high enough to keep pace with the accelerating demands of the economy. In addition, many key public services were underfunded as a means of punishing those not in lockstep with the ruling party. For example, because many teachers and academics opposed the dictatorship, there were extreme cutbacks in funding for public schools. In general, the cut back of public services was so great as to hamstring the state's capacity to provide basic education, health, and infrastructure services. During the early years of his administration, President Lagos frequently made the point that recovering from the 1982 recession had cost Chile half a billion dollars every year—with a balance still due.[38]

"Growth Without Equity"

Between 1970 and 1990 the number of poor more than doubled. The need for adequate housing skyrocketed to an alarming 40 percent of households toward the end of the 1980s. Under the slogan "Growth With Equity" beginning in 1990, the Aylwin administration made positive moves in reforming social and labor policies within the free market framework, affirming its commitment to reduce poverty and pay the "social debt" owed to those left behind. Increasingly social welfare programs were underwritten by tax reforms and poverty levels began to decline during the periods of export-oriented growth. Although a minimum wage was part of the reform package, the government was unable to reconcile its allegiance to export competitiveness with substantial increases in real wages. Ambitious redistributive programs were discussed but not brought to fruition. In 1994, another Christian Democrat Coalition led by Eduardo Frei, son of the 1960s progressive President, vowed to expand Aylwin's programs but many could not be maintained under tight budget constraints during the Frei years. Social spending fell as public resources were drained by the debt contracted to bail out the financial system. Subsequently, progressive reforms were met with stiff opposition by associations of entrepreneurs and the politically rebounding right-wing parties as trickles of the revenue stream initiated by privatization began to dry up.[39]

Even though the Concertación governments reversed the hard line position toward social welfare, a legacy of the dictatorship was that efforts to reduce inequities in wealth and income distribution were seen as standing in the way of the mechanism of the market and were often pegged as unnecessary since economic growth was promoted as the means for curing poverty. Social programs in the 1990s shifted from providing direct subsidies to the "creation of opportunities" as a product of accelerating economic growth. Former Minister Secretary of the President Genaro Arriagada observes that this was insufficient since it did not alter the distribution of such opportunities to ensure that they were available to all.[40] Analysts focusing solely on Chile's aggregate economic expansion in the late 1980s and early 1990s ignored the extent to which that growth was built on the disorganization and low pay of its labor force rather than entrepreneurial

innovation and investment. Also, in the open economy big inflows of capital were increasingly countered by rising outflows and overdependence on exports intensified susceptibility to global economic downturns. As studies by Agacino show, opening the economy by deepening the integration of Chile into the world market through the "easy" stage of exporting raw materials did not lead to the much heralded shift to "secondary stage" of domestic industrial development but instead to a diversification of trade exports that remain dependent on primary inputs, such as mining, agriculture, forestry, and fishing.[41]

The trend of diminishing poverty bogged down for a few years after 1996. While neoliberal "trickle down" may have created employment, these jobs were less stable than in the past and were tightly connected to external factors associated with the market. By 1999, despite a decade of sustained economic growth, almost half of Chilean households still had what many rated as poverty-level household incomes, although by conservative government estimates the official statistic was 27 percent classified as poor or indigent. Both consumer goods and credit were now more accessible, but both were more costly than in comparably developed countries. Little progress had been made with regard to income distribution, with the ratio between the top 20 percent of income earners being still at around fourteen times that of the bottom 20 percent. The top 10 percent possessed more than 40 percent of income while the bottom 30 percent held on to less than ten. As Loveman put it, the "robust economic performance and well-intentioned social policies" of the Concertación from 1990 to 2000 had done little to overcome the arrangement of inequality inherited from the dictatorship.[42] Ten years into the Long Transition and Chile continued to be among the world's most unequal societies with the poorest segment's share of national income on the decline.[43]

The dilemma of state-sponsored neoliberalism in which large segments of society are excluded from the benefits of open markets and conservative fiscal policies is not only a question of equity but a question of sustainability. Ultimately there is a high cost to be paid in reversing the negative effects on public services and social welfare incurred as a consequence of privileging economic elites. Contradicting neoliberal ideology, this privileged treatment of associations of powerful entrepreneurs and landowners and the influence of these elites in the formulation of policy intensified what Silva (1996) termed pro-business "welfare statism" at the expense of "social democracy."[44] Gaining influence during the last years of the dictatorship and flourishing during the transition, this business coalition consolidated its power through free access to the executive branch and a manner of political negotiation that protected elite interests while excluding those whose interests would require substantive changes to economic policy. What resulted was the building of a state that was outfitted to address problems of "extreme poverty" but could never be more than "mildly reformist" in terms of addressing critical labor issues as long as a disorganized workforce and low wages were a foundation of the nation's "comparative advantage" in international development.[45]

In Chile, social policies meeting the criteria of "Washington Consensus"-style market fundamentalism were "tailored to a market-based policy framework"[46] based on growth-led poverty reduction, targeting of specific areas, and private sector management of social services. Solimano (2000), a World Bank consultant, notes that during the 1990s "excessive reliance on commodity-based growth for human development" excluded those vulnerable groups not deriving significant income from market processes, led to political manipulation of benefit recipients, and, not surprisingly, created "excessive differences in the quality of the social services provided by the private sector" relative to income level.[47] The state's continued use of economic growth claims and statistics as a "discursive construct"[48] obfuscates increases in income concentration by putting forth a false image of Chile as a homogenous society in which economic development benefits are symmetrically distributed.[49] In what is in reality a highly stratified society, neoliberal ideology projects the illusion of "market citizens" enjoying equal access and with identical interests, behaviors, and consumerist rationality.

Free Trade and Globalization

Chile's first bilateral Free Trade Agreements (FTAs) were with Mexico and Canada, followed by deals struck with other Latin American neighbors as well as associate membership in MERCOSUR (the "southern common market"). These treaty negotiations have at times led to concessions of control over monetary and fiscal policy and acceptance of terms that threatened domestic producers, along with making the country more vulnerable to both foreign policy entanglements and global economic slumps. Such compromises to national sovereignty—real and perceived—must also be politically negotiated at the risk of antagonizing Chilean citizens as well as other Latin American governments.

In 1993 measures were initiated to promote foreign investment by lowering from three years to one year the amount of time that foreign capital was required to stay in the country before being transferred outside of Chile. During the climate of pro-business prosperity of the early 1990s many domestic business elites scoffed at this dramatic reduction, decrying any residency requirement at all as an obstacle to economic growth. However, subsequent financial crises in Latin America caused many to rethink such positions. When a monetary crisis rocked Mexico in 1994, Chile took further action to control the free transference of capital across its borders. All short-term investors were required to deposit 30 percent of their total finance capital into the Central Bank. As before, global business interests balked at this as free market interference and the law became a bone of contention with Canadian interests as Chile negotiated its first big FTA with Canada. However, when the currency crisis in Asia caused the stock markets in many nations to plummet overnight, international financial pressure against Chile's rules on foreign investment began to soften. Less susceptible to hasty capital flight, Chile's stock market was impacted less than others in the region and the country's requirements on capital began to be seen by many ob-

servers as sound fiscal policy.[50] This modified neoliberalism using state intervention to limit the power of foreign capital precluded catastrophic imbalances like those Chile experienced in 1976 and 1982. But, as the global free trade machine pushed forward, the U.S. and Canada continued to apply pressure and push for Chile's deregulation of the short-term capital flow. The decade of the 1990s wound down and trade negotiations with the U.S. were heating up. As the Asian Crisis worsened, Chile's policy of rebuffing speculative capital was reversed when the Central Bank put into effect a set of reforms that included reducing from 30 to 10 percent the amount of reserves foreign companies are required to retain in the country. As a result, foreign investment in Chile dramatically shot up from 313 million U.S. dollars in 1990 to over two billion dollars in 1999.[51] With foreign investment policies among the world's most permissive, foreign capital and multinational corporations dominate the important sectors of the Chilean economy—from mining to timber to agribusiness to the electric power industry to electronic communications and media.[52]

By this time Chile was exporting about three billion dollars in goods per year to the United States, its largest trading partner. This amount increased greatly after a free trade agreement between the two countries led to the elimination of tariffs on 85 percent of industrial consumer and agriculture products and phased elimination of the rest.[53] However, key provisions—"anti-dumping rules"—remained that protected U.S. farmers and ranchers from surges in Chilean imports.[54] When the Bush administration notified the U.S. Congress in late January 2003 of its intent to sign an FTA with Chile representatives from more than two hundred organizations, corporations, and industrial giants rallied in Washington in support. The Senate Finance Committee agreed to give the legislation high priority and the U.S.-Chile Free Trade Agreement officially went into effect on January 1, 2004.[55] An ecstatic representative of the conglomerate Merck and Company deemed the Christmas season arrival of the agreement "a holiday gift" that would "serve as a basis for other bilateral agreements as well as for new agreements in the WTO."[56] In a visit to California, the Chilean ambassador chose to highlight the FTA as a significant step toward the completion of the Free Trade Area of the Americas, a hemispheric treaty that would create the world's largest free trade zone stretching from Alaska to Tierra del Fuego.[57] At the time, many agreed, including the U.S. Chamber of Commerce, the largest business federation in the world and a chief lobbyist in the FTA coalition, which proclaimed that the Chilean agreement "raises the bar for the Free Trade Area of the Americas Negotiations."[58] Such enthusiasm on the part of these players was premature as—in varying degrees—Latin American governments have begun to reject unfair terms of trade. In recent years, the FTAA stalled and its progress halted by strong opposition from governments across the region—from condemnation as legalized "colonization of the Americas"[59] by leftist governments in Bolivia and Venezuela to rejection by pragmatic progressive governments of Brazil and Argentina calling for structural changes on issues such as subsidies, copyrights, patents, and environmental protection. Despite the proposed treaty's failure and unpopularity across Latin America, in a 2006 interview with a Buenos Aires newspaper, President Michelle Bachelet said that Chile would continue to push hard for the FTAA.[60]

Even many free trade supporters recognize that it is unwise for Chile to alienate other southern cone nations by flaunting its privileged relationship with the United States. The governments of Brazil and Argentina, big exporters of agricultural commodities and recently emerged from severe economic downturns, expressed contempt that Chile gave up too much on the controversial farm subsidies and protectionist antidumping laws. In response, one Chilean official in 2003 used questionable judgment in dismissing these concerns as resentment. This is the problem, he said, of being "a good house in a bad neighborhood."[61]

The FTA ratification vote by the Chilean Congress passed but not without rancorous debate. More than two hundred thousand farmers in southern Chile who specialize in the production of wheat, beets, and beef and dairy products for the domestic market joined with labor unions, environmental protection organizations, and associations of small business owners in a campaign against the agreement. Like many others around the world, they felt sold out by their government's acceptance of unfair advantages enjoyed by U.S. farmers whose subsidized below-cost grain exports drive down the global price of the commodity and greatly weaken the position of the competition in the developing countries whose governments are unable to wage a subsidy war with the United States. To combat this disadvantage, from 1983 until 2003 Chile held a "price band" to stabilize wheat and sugar import prices. Such adjustments were set according to the average international price of commodities over a five-year period. If the price of an imported product falls to a low level in relation to the price band, then tariffs are set higher. Treaty negotiators on the U.S. side demanded that the price band be abolished in the FTA. Although a sticking point for a long time, Chilean negotiators caved in at the final round in December 2002 in exchange for eventual removal of tariffs on products from both countries. Many Chilean farmers were outraged because their government had long promised to protect the price band and although the phasing out of the protection was supposed to give growers time to convert production to other profitable commodities the organization South Agriculture Consortium (CAS) testified that options other than wheat, sugar beets, and dairy products are limited in the environment of southern Chile. Those standing up for the southern farmers expressed legitimate worries that the elimination of tariffs will lead to the flooding of Chilean markets by inexpensive farm goods from the U.S. and as the government's budget continues to fall short in meeting new social programs, participants in the unprofitable sectors will be left to wither on the vine.[62]

In the first two months of 2003, FTAs were also completed with the European Union, the European Free Trade Association, and South Korea.[63] The agreement with South Korea immediately eliminated tariffs for nearly 90 percent of products exchanged between the two countries and under the terms of the accord, Chile did away with duties on more than 2,300 products or about two-thirds of its imports from South Korea, the most significant items being automobiles, industrial machinery, and technology products such as cellular phones and

computers. In return, South Korea was required to cease customs duties on more than two hundred agricultural products form Chile, as well as most Chilean manufactured goods.[64] South Korean farmers—resenting not being granted the same attention as other special interest groups in their country—hit downtown Seoul with a massive protest on June 23, 2003 that led to a riot and clashes with police as protestors blocked the main roads leading into the city. A coalition of farmer's associations expressed urgent concern over the opening of local fruit markets to Chilean products, fearing a chain reaction that would push the disadvantaged Korean farmers into competition with vulnerable farmers in other sectors.[65] Chilean Foreign Affairs Minister Soledad Alvear, at the forefront of negotiations and considered then to be a leading presidential candidate in 2006, was immediately guaranteed by officials in South Korea that despite the fierce reaction the agreement was "not at risk." Alvear herself discounted the significance of the violence with an understated but very telling observation: "When this happened in Chile (the economy was "opened to the world"), there was no democracy and this probably impeded protests. . . ."[66] Free Trade Agreements with China and Japan were ratified in 2006 and 2007.

Soliciting economic favor with the North can be a double-edged sword politically when the United States government brings its influence to bear over controversial issues. During the FTA negotiations, the Lagos government had to consider its relationship with the U.S. by measuring the response of supporters at home. This became a discomfiting position in 2003 when Chile joined Mexico for a two-year post on the United Nations Security Council as one of ten "non-permanent" members while the Bush administration geared up for its invasion of Iraq. A majority of Chileans opposed the war but Lagos was cautious of provoking the United States prior to the ratification of the trade agreement. Mexico and Chile both backed alternatives to war, causing the U.S. to withdraw its resolution. On the eve of the invasion in March of that year, Washington hastily dismissed an eleventh hour plan put forward by Lagos that specified five disarmament conditions for Iraq and a deadline for meeting them but included no war ultimatum. In response to Lagos' measured defiance, some pro-war lawmakers in the U.S. were hesitant to vote in favor of the trade agreement with Chile.[67] Ultimately Washington opted to reprimand the Chilean government with a gesture. The trade pact was delayed as a means of expressing disappointment for lack of support for the war. Although the falling out was played down, many observers noted symbolic differences in the finalization of the deal that the U.S. struck with Singapore at the same time. The signing of the Singapore FTA was given grand exposure with a White House ceremony in early May, while Chile was made to wait several weeks at a far less conspicuous event in Miami.[68] Secretary of State Colin Powell in a later visit to Santiago said that although the administration was "disappointed that Chile was not able to support us," he was hopeful that ongoing good relations with Chile would serve to advance the FTAA negotiations.[69]

As mentioned, when financial crisis hit Asian economies in 1998, Chile, because of its strong export orientation, was vulnerable to what is called the "contagion" of recession. The country's dependence on commodity exports continues to make it vulnerable to slow growth in the economies of its industrialized trading partners. With nearly one-third of its exports going to Asian countries, Chile was hit hard—especially when the recession reached major trading partner Japan. During the depths of the crisis the price of copper bottomed out as all of Chile's external trade balances precipitously waned.[70] Having grown accustomed to high growth rates that averaged more than 7 percent a year in the ten years prior to the Asian Crisis, Chilean companies fattened by the flush times deemed anything less than this standard to be a disaster. After plunging by 17 percent in 1999, exports began a modest rebound but the recovery of the domestic economy lagged, bringing rises in unemployment and foreign debt.[71] The recession was intensified by a devastating drought that ravaged both agricultural and hydroelectricity production. Rationing through "rolling blackouts" of electricity was an embarrassment and a cause of political concern for the Coalition government of Eduardo Freí as the public grew dissatisfied. By 2000 the Asian markets and copper prices improved, the Chilean economy stabilized and by the following year the government could once again point to a 5 percent growth in GDP. The following year's global downturn cut this rate in half and the earnings from those exports actually decreased by 5 percent in comparison to the previous year. Foreign investment fell off dramatically across all of Latin America but was especially sharp in Chile as new mining projects were suspended as a result of weak prices for copper.[72] While Chile's future looked brighter in comparison to the economic turmoil coming to a head in Argentina and Brazil; at home voters expressed their dissatisfaction with domestic economic prospects. Joblessness had doubled following the Asian crisis and in 1999 the first Socialist president since Salvador Allende took office.

"Third Way" Socialism?

The third consecutive Concertación president took office in 2000 after Ricardo Lagos won by a narrow margin in an election runoff. Having previously served as education and public works minister, there were high hopes that the new president would reverse the neglect of social services. This coalition leader was also confronted with increasing pressure to complete the transition to democracy by removing the last vestiges of the dictatorship. As Lagos promoted "socially responsible, fiscally conservative" policies it was neither reneging nor backpedaling since during the presidential campaign he promised nervous moderates that if elected he would "govern as a Christian Democrat" and not as a Socialist.[73] In an effort to humanize continued reliance on the impersonal forces of the market forces to provide for the common good, "The Third Way" is sometimes described by its supporters as "neoliberalism with a human face." Adherents believe that while there is an important role for state regulation in remedying "market failures" and providing basic social services such as healthcare and education, even in those areas it is held that there should be "some mimicking of

the market" through competition and the running of profit-minded enterprises.[74] Opponents say that it is simply a centrist ideology hiding the same old right wing market principles of deregulation, decentralization, and limited taxation; that in substituting true socialism for capitalism with a smattering of socialist programs it continues to privilege corporate and multinational financial interests over those of the working class and poor and mainly serves the political purposes helping Social-Democrats recoup lost political power.[75]

The most famous academic architect of the Third Way is Anthony Giddens, renown sociological theorist and adviser to former British Prime Minister Tony Blair.[76] John Gledhill (2005) sharply takes Giddens to task for his dismissing of equity as simply an "obsession" of Third Way critics,[77] a fixation that is irrelevant in recognizing the real success of economic policies as long as "minimal safety nets are in place to protect (individuals) unable to defend themselves against market-induced change."[78] The following chapters in our book support Gledhill's concern that equity is hardly a trivial matter in both ethical and practical terms. The "normalization" of inequality—"disappearing the poor"[79] as he calls it—and the acceptance of entrenched poverty does matter and when deeply stratified societies split into acrimonious factions as a result of "unmet social needs" and state protection of the privileged class newly won democratic rights may again be put at risk.[80] Like Gledhill—whose example looks at post-PRI decentralized Mexico—and others working in Chile,[81] my fellow authors and I contend that such inequity and the diminished ability of labor to organize and effectively protect itself against state-protected corporate greed are matters of great consequence, especially in societies in which the state had recently enjoyed total political power.

Lagos initiated an ambitious program called *Chile Solidario*, which aims to be a safety net for the poorest families in the country. Job creation was put at the top of the agenda and an "employment contingency fund" was established as the first stage in plans for a full-fledged unemployment insurance system. Healthcare reform was promised, including a program to provide medical services for the two-thirds of the population unable to pay for the private system. Additionally, Lagos vowed in the 1999 election to revive labor reforms, particularly in the rural sector. After Pinochet lifted a ban on unions in the 1980s the greatest indictment continued to be the deplorable conditions of temporary agricultural workers, which make up the majority of the country's rural labor force.[82] Conditions for temporary workers had greatly worsened as Chile's job market struggled to recover from the recession inherited by Lagos. Sixteen-hour days and lack of basic facilities were common, with the majority of the more than four hundred thousand rural workers women with families. Initially, Lagos limited his promises to help temporary workers with modest goals such as training in the wearing of protective clothing during spraying and temporary child care during harvest seasons.[83] However, in January of 2002, Chile finally updated its labor laws to provide seasonal workers in fruit harvesting with new employment protection under a reform measure that was hailed by workers' advocates and scorned by agribusiness. At long last, temporary workers were given official

employment status and subcontractors are now required to register the workers they recruit and provide them with contracts. The new provisions make them eligible for social security and extend their right to collective bargaining, from which they had long been excluded even after Pinochet restored the right to permanent workers. Beginning in 2005 the official work week was reduced to 45 hours and there are restrictions on overtime and new protections against union persecution.[84] Still, the agricultural industry is very difficult to police and as there are a meager number of inspectors for more than twelve thousand fruit farms in Chile, there is still plenty of opportunity for exploitation by vineyard owners. Also, because of rigid social security laws temporaries are often hesitant to sign contracts because doing so may jeopardize the benefits they have through their spouse. Many in the private sector see the labor reform along with other welfare programs as obstacles to growth that are at odds with the acceleration of the free trade agenda.[85]

The first two Concertación administrations led by moderate Christian Democrats made efforts to reduce poverty but did nothing to change the economy's basic market-driven direction. Lagos put forth new social and poverty programs but expansion of free trade and export-oriented market integration policies were high on his government's agenda. As the cliché goes, politics (and especially coalitions) always "make for strange bedfellows." With a Socialist for a president, a MIT-trained conservative economist for an economic minister, and a Harvard-schooled former IMF bureaucrat for a finance minister, the Lagos government would have seemed especially strange in the past, but this was business as usual in what Agacino calls "the mature counterrevolution" phase of institutionalized neoliberalism in Chile's civil administration.[86] Like her predecessor, current President Michelle Batchelet is a disciple of the "Third Way" touting both "fiscal and social responsibility."

In recent years, the growth rates have returned and poverty rates have declined with increased social spending to help the destitute and most-needy. Troubling matters of equity, however, remained unresolved and often unrecognized. The economy slowly began to recover after 2003 and by 2006 Chile was the only country in Latin America to grow beyond 5 percent of its GDP.[87] According to official statistics, the first thirteen years of Concertacíon governments reduced poverty from 38.6 to 18.8 percent and the level of extreme poverty from 12.9 to 4.7 percent, impressive figures well ahead of the average levels in Latin America as a whole.[88] However, as mentioned previously, there are other sets of numbers in the areas of inequality and income distribution that show the country continues to rate quite poorly. World Bank development indicators in 2005 ranked Chile as fourth in Latin America and twelfth in the world in terms of income inequality. That Chile fares worse than many much poorer African countries—including Zambia, Nigeria and Malawi—should come as a surprise to those who focus solely on growth rates and state poverty markers as evidence of Chile's success. The country's inequality of wealth and income distribution is slightly worse than it was a decade ago. In 2005 the poorest 10 percent of Chileans accounted for 1.2 percent of the GDP (down from 1.4 percent in 2000) while

the richest 10 percent controlled 47 percent of the GDP (up from 45 percent in 2000).[89]

The aim of *Lost in the Long Transition* is finding through ethnographic detail and local-level analysis a deeper understanding of such structural inequality that goes beyond the statistics and indicators. Numbers never tell the whole story and they can often be used to support seemingly contradictory claims. Escobar, for one, argues that the neoliberal model of a flexible labor market of unprotected workers renders employment statistics an ineffective indicator of poverty as lower real wages leave large numbers of Chilean workers and families unable to satisfy their basic needs. With temporary, underpaid, unprotected workers, the labor market for the working poor has shifted from what he calls a "mechanism of social integration" to an "instrument of the reproduction of poverty."[90] Since the 1990s, precarious employment and low wages, rather than unemployment, are the principal causes of poverty.[91]

Private Interests and the Public Good

As a woman elected to the top office of a socially conservative country, the daughter of an Allende general killed in the coup, and as a returned exile and torture survivor, Michelle Bachelet appeared to represent a new era. Early on, her administration faced growing popular discontent over normalized inequality. The first political crisis of Bachelet's presidency was the largest student demonstration in Chile in several decades. From April through June 2006, nearly a million students went on strike and marched to protest government neglect of public education as a result of privatization. Beginning with a 1990 law that went into effect on the last day of the dictatorship and drastically shrank the role of the state while transferring management of schools to private companies and local municipalities, schools in Chile suffer from vast imbalances in funding and infrastructure. The students shut down the schools to protest the elimination of bus passes, expensive mandatory test fees, and the sorry state of decaying classrooms in poor districts. After several weeks of intense activities and negotiations, many of the student demands were met with promises of reform and increased funding.

A year later in August 2007, United Workers Central (CUT), the country's largest labor union, called a day of action to draw attention to the widespread inequalities of neoliberal Chile. Thousands of people—fishermen and farmers along with factory workers—in cities across the country participated in actions and demonstrations, some of which were met with violent reactions from riot police on the streets of the capital. Like the school protest, organizers contradicted the claims of national prosperity by highlighting the disproportionate burdens carried by the poor and working class. For example, wage disparity between factory floor workers and management in Chile is 200-to-1, compared to an 8-to-1 differential in most developed countries.[92]

Such concerns are explored in Part One of this book through other specific examples of problems that arise when neoliberal policies create or escalate inequity and threaten the public good. A key assumption of neoliberalism is that the free market is the most efficient mechanism for the production and distribution of all goods and services. It is the philosophy behind widespread privatization of previously state-run industries, proliferation of tax breaks and incentives for businesses, and the shift to individual ownership and commodification of resources previously held in common and managed by communities or under the trust of the state. This view is fixed in faith in an unencumbered access to the marketplace to provide cost-effectiveness, competition, and innovation, resulting in lower prices and more choices for the consumer, greater profits for the successful entrepreneur, growth for the economy and greater benefits and opportunities for all. Despite evidence to the contrary, the "everyone benefits" fiction persists. One might observe that like religious orthodoxy, the idea of the free market as an impersonal, god-like force inspires religious-like fervor in its proponents. A more cynical view would see adherence to neoliberalism in more materialistic terms.

When the market fails to deliver and distribute fairly and equitably critical goods and services that are essential for health, welfare and even the *opportunity* for life and livelihood, the risks are real and not just political positions based on philosophical differences. For such common good necessities, there are ethical and practical imperatives in guaranteeing that all citizens have such access. If the state fails to provide this, it fails to live up to its part of the social contract and is not acting in good faith. Thus, many question the prudence of opening up to dynamics of price volatility, market manipulation, and access exclusion—outcomes driven by the profit maximization actions of favored private and corporate interests—such resources and rights to which all people should be entitled by virtue of membership in society. In our examples, these rights, resources, and obligations which must be protected include: access to water and marine resources, adequate health care, workers' rights and security, protection of livelihood niches, and the conservation of wilderness in national parks. Goals of sustainability and stability are implicit as our examples call for protection of economic, environmental, health, and cultural resources for both present and future citizens. Ironically, while entrepreneurship and competition are pillars of the free market model, uneven access to such public good resources limits the ability of those in the less-privileged segments to fully contribute to the social and economic life of the country. Such a market is revealed to be something other than free.

In chapter 2, Jessica Budds presents our first case with a study of the commodification of water rights in peasant and indigenous communities in the northern part of the country. In a policy environment promoting the free market approach to natural resources, rural communities struggle to protect their traditional forms of resource management. Budds demystifies Chile's Water Code, frequently promoted as the model for other countries to follow, showing that decentralized management in a deregulated open market subjects this precious

resource to the same kinds of price and market manipulation (speculation, monopolization, etc.) to which any trading commodity is vulnerable. Far from "open" the market in reality becomes quite "narrow" and this can have devastating results in an arid region like northern Chile where access to water is in fact priceless.

Medical Anthropologist Joan E. Paluzzi demonstrates in Chapter 3 how those who depend on public health services—which, as she shows, are the majority of Chileans—have experienced diminished access as a result of privatization. Her work focuses on the diagnosis and treatment of tuberculosis to illustrate inequities between the public and private systems and recounts how medical workers, patients and the popular media challenge the neoliberal discourse on public health care reform. The assessment of these stakeholders that Chile's national health system is enduring more than a quarter century of "crisis" stands in stark contrast to the claims of international lending institutions that support the country's medical privatization efforts as the preferred method of deliverance in Latin America. The condemnation of medical "fee-for-service contracts in the public sector" is both grounded in first-hand experience and informed by a worldview that adequate healthcare is a human right that should be guaranteed regardless of ability to pay. If one of the benchmarks for "development" is the state's political will and economic ability to provide for its citizens basic health needs, then this study of the susceptibility to and spread of tuberculosis in the twenty-first century provides an especially urgent example.

The health care theme continues as the line between "rights" and "benefits" is considered in Chapter 4 by Angela Vergara. Like the school protests, another serious confrontation with neoliberalism in Chile during the first year of Bachelet's government occurred during a copper strike at the private multinational Minera Escondida. Settled on August 31, 2006 with the signing of a new contract that included in addition to a pay raise, improved health coverage and educational resources for miner's children, the strike was viewed by many as a voicing of public grievances against accepted practices designed to reduce labor costs and promote "efficiency" and "flexibility" in the private sector. These widespread tactics include extensive use of lower-paid non-union subcontractors, hostility toward organized labor, unfair labor practices, work site health risks and government indifference in service to global profitability. Today's labor leaders call for changes to the "antiunion character" of the revised Labor Code. The historian Vergara looks at "what is left" of the once powerful copper unions, highlighting their shifting strategies in response to violent suppression under the Pinochet regime and isolation and exclusion during the recent civilian governments. In today's climate, worker gains and benefits are likely to be identified as a hindrance to the country's viability in the world market. Organized labor worldwide faces this vulnerability as workers struggle to protect their jobs and hold on to living wages in a transnational playing field in which advantage goes to the countries with the lowest labor costs and the least worker protection.

Drawing upon ethnographic fieldwork and personal testimonies collected on the archipelago of Chiloé in southern Chile, in Chapter 5 Anton Daughters describes how industry deregulation and export-oriented national development initiatives in commercial fishing affect the lives and livelihoods of small-scale fishermen and artisans. The results include ecosystem degradation of the ocean commons, the squeezing out of local producers, and the erosion of cultural norms rooted in cooperation and community consciousness. Daughters' chapter illustrates that globalization, neoliberalist policies, and the accompanying ideological shift toward individualism can bring about cultural as well as economic and environmental change. However, as in many places around the world, the forces of globalization encounter the fierce resistance of local culture—in this case, Chilotes' strong sense of independence and persistence of community traditions and ideals.

Environmental protection is also at stake in the final contribution to Part One. In Chapter 6 Emily Wakild examines the controversial role of entrusting the private sector with the management of national parks. A firestorm erupts over a national park built in southern Chile by a U.S. entrepreneur/environmentalist and what emerges from the debate are competing views of wilderness as a protected resource, which many see as part of a national patrimony to which present and future generations are entitled. The questions raised here are relevant in areas all over the world where environmental stewardship efforts and conservation initiatives have been taken up by or handed over to private enterprises. An examination of the environment as protected space that transcends commoditization as property, this conclusion to our section on "Private Interests and the Public Good" links nicely with our charting of other contested terrain in Part Two.

In Place, At Issue: Identity, Community, Consciousness

Part Two of the book explores some of the spatial and cultural dimensions of what might be called "the Neoliberal Project in a reemerging democracy." We measure the reach of neoliberal policies in post-dictatorship Chile by exploring contested ground in a range of geographic and societal locations and socioeconomic niches. Presenting further examples of fieldwork conducted throughout the country, we survey the cultural spaces where identity formation is negotiated within the framework of transition to democracy and economic restructuring. We look at the margins, the frontiers, and the liminal spaces where individuals and communities experience "transition" and "reform" as processes—the effects of which are uneven, incomplete, often ambiguous, and frequently challenged. Not simply filling in the ethnographic details of a historical materialist thesis, we seek an active political economy in which cultural production, individual expression, and socioeconomic structure come into dynamic formation.

Analysis of a single major commodity and the environmental, economic, social, and political impact and influences of its production is one way to bring such convergences into sharp focus. In the first part of chapter 7, I provide an overview of the importance and meanings of copper and its production, examin-

ing this commodity as a symbol of national sovereignty, as a source of revenue for the military, as a key site of labor struggles, and as means of both wealth and dependency in neoliberal Chile. This attention to the relationship between the country's most important export commodity involves issues of *control* and reveals examples of the contradictory nature of neoliberalism in Chile—including the use of state power to claim command over this vital resource and to attract foreign investment by controlling domestic labor. In the second part of the chapter, I place within this macro-level context ethnographic details and findings from my earlier fieldwork in an agricultural community in north-central Chile. There copper and the history of mining loomed large in the formation of these communities and their changing relationship with the Chilean state. Copper mining led to the environmental degradation of this now semi-arid region and the resulting competition for water and limited resources. It also shaped the development of class consciousness among community wage labor migrants, which led to both conflict and community cohesion during the tumultuous political shifts of the late twentieth century and beyond. Along the way, I sketch out a political ecology of the agricultural communities, one that addresses contemporary areas of interest in this growing subfield. These include critical analysis of global-local articulations, the nature of community, and issues of place-based identity formation and contestation. Using copper as a starting point and setting allows me to consider the "frontier" expressions of comunero culture and identity as more than a "cultural history written in the margins" of the Norte Chico but as dynamically articulated with the historical and economic development of the region and the nation.

Next we move to the urban space where the poor work to find housing and to create communities. In Chapter 8, political scientist Margot Olavarría asks how, as neoliberalization of the state weakens trade unions and grassroots participation in democracy, do struggles for adequate housing and a sense of community in urban areas fit into contemporary processes of class consciousness. Like Vergara in chapter 3, she looks at changes related to the diluted power of unions as well as the co-opting of grassroots organizations by mainstream political groups. Olavarría argues that from a worker's perspective the familiar results of economic reform—lower wages, reduced security, and fewer jobs as a result of deindustrialization—along with the increased need for housing has shifted the dynamics of class consciousness. As the urban poor fight for safe and affordable homes and the sense of place, belonging, and dignity that comes with fair access to housing, neighborhoods are becoming the space where the most relevant class processes are played out and where individuals take action informed by awareness of their socioeconomic position. Olavarría's work is important in light of key sites of resistance that emerged before and during the Long Transition: While the Pinochet opposition sprang from the streets of the impoverished barrios[93] and the grassroots advocacy groups bravely brought pressure against the regime, many later found themselves marginalized by the civilian governments' "market approach" to political participation and democratic reform.[94]

"It's not a crime to be poor" is a slogan with some currency among advocates for the homeless and working poor in the United States. In defining the domains of citizenry and enforcing the boundaries of membership through politico-legal practice, the state draws a line that simultaneously includes and disenfranchises. Beneath the surface principles of civil society membership, there are qualitatively different classes of citizenship, some of which are born of poverty and stigmatized as outside of the bounds of legal protection, existing in a shadowy limen where poverty becomes a crime. Guadalupe Salazar, in Chapter 9, surveys such social and topological dimensions of a street culture that at times is literally situated "underground." While focusing on youths congregating and living in a drainage tunnel in the capital of Santiago, her paper addresses the broader question: How do the urban adaptation strategies of the homeless signify a socially ambivalent position fraught with consequences involving citizenship and criminality? Her setting provides a powerful portrait of street life positioned in a subaltern—and subterranean—societal space.

The return of democracy in Chile in 1989 opened up the possibility for "the return" of thousands of people worldwide who had been exiled during the Pinochet dictatorship. While exile imposes a multitude of challenges, it is often on the return that exiles face even greater challenges and greater risks. Chapter 10 centers on the experiences of three women exiles from Montreal who repatriated to Chile soon after the restoration of civilian government. It considers how these exiles, some who spent more than a decade outside of their country, negotiate a new social space and reintegrate into a society that has undergone dramatic social, political, and economic restructuring since their forced departure. Deborah Altamirano considers the multiple forms repatriation takes, the ways in which it is gendered, and the extent to which the social and economic policies imposed during the neoliberal experiment have impacted and mitigated their experience of return. In her work we see the importance of recognizing that the unifying "silence" of both oppressive dictatorship and cautious reconciliation is deceptive as underneath it are individual histories with different experiences and different positioned relationships with the state relative to these various identities, roles, and statuses. For these women, coming home meant confronting a society in a state of flux—between authoritarianism and democracy, between the need for social stability and the need for social justice—which meant navigating the tension between their identities as women, activists, and citizens.

Public Space and Social Memory

As the Long Transition slowly drew to a close, Allende's image was revived and becoming iconic. His Unidad Popular rendered in the minds of many supporters as a memory of either a doomed utopia or a dream unfulfilled. At times public expressions of memory served as vehicles of protest against neoliberalism. In 2003, Chilean opponents to unfair free trade policies and globalization responded by making headlines at the World Trade Organization protests in Can-

cun Mexico with a solemn ceremony on September 11, the thirtieth anniversary of the coup. Back home, during that week in Chile, thousands participated in events that included for the first time official tributes to Allende. In a September 10 ceremony Lagos unveiled a plaque on the spot where Allende perished after jets attacked the presidential palace, renamed a meeting room in the palace after him, and paid homage by reopening a side door that had been sealed for thirty years. This was a highly symbolic moment—that of a Socialist President returned—as Lagos himself was the first person to walk through this door since Allende's corpse had been taken through it. Several thousand people attended a solemn tribute in the capital's Constitution Plaza organized by the "30 Year, Allende Lives" committee and the Chamber of Deputies held an official mass to mark the day.[95]

Despite this historic show of reconciliation, the political powers in Chile remained clearly divided as there was much dissention within the ruling coalition over these celebrations. Right-wing opposition parties boycotted the events. The leader of the moderate Christian Democrats did not attend the mass and many of the party's leaders expressed objections. Former President Aylwin complained that it wasn't fitting "that the former adversaries of the Allende government should be asked to attend an act in honor of a government we thought was a bad one."[96] At the same time, Pinochet himself attended a very different ceremony along with four thousand of his supporters commemorating the military coup. He donated his presidential sash to the Pinochet Foundation, whose purpose is to honor the dictatorship. In another symbolic act, the head of the military made a visit to Pinochet's home before attending ceremonies at the Military School to commemorate the deaths of anti-Allende forces during and after the coup. As if to underscore the points being made, a cabinet minister of Pinochet's government complained about "the campaign organized by Marxist sectors to deform historic facts" and a former military leader and current senator publicly defended the coup, ominously suggesting that the military should "wake up and take action" to guarantee immunity for human rights crimes.[97]

Public space can be a powerful—and at times contested—symbol in the social memory. In 1990 the new government chose to celebrate democracy's return by a massive festival in the National Stadium. The site was picked as a place of both transformation and remembrance, as the stadium where thousands were detained during the weeks after the coup long stood as a grim reminder. Looking back at the media coverage of the at times chaotic carnival-like atmosphere, some even criticized the televising of the spectacle because opponents of democracy in a society still uneasy with such public displays could interpret the expression of "consensus" and "extreme openness" as one of "disorder" and "a spirit that tolerates anything."[98] On September 12, 2003, this same stadium—after years of petitioning by supporters—was renamed the Victor Jara Stadium after the martyred folk singer who was himself executed there and who has since become a symbol of protest against repression and tyranny in much of Latin America. On the ruins of Santiago's most infamous interrogation and torture center, the Villa Grimaldi Park for Peace was inaugurated in 1997 in memory of

the victims and as a symbol of the vigilant pursuit of justice. On the cover of our book is a painting by Meghan Geagan which incorporates a view of a statue of Allende now standing behind La Moneda with the Ministry of Justice in the background. Underneath this statue are Allende's widely reproduced last words to the nation spoken over the radio just prior to the attack: "I have faith in Chile and in its destiny."

Ending Authoritarian Enclaves

This destiny remained unrealized in the Long Transition as "the institutionalization of counterrevolution," in Nef's observation, meant that Chile would continue to offer "the paradox of a legitimate government presiding over an illegitimate state with authoritarian enclaves."[99] Elements of authoritarianism in the Chilean constitution long delayed the completion of the transition to democracy, proving to be very difficult for the civilian leadership to remove. This is problematic for a country struggling to put the horrors of the past behind it while attempting to live up to the ideals of democracy, especially as justice for victims of the dictatorship remains long overdue. In the political arena, the mainstream parties attempted to distance themselves from the nightmare of the authoritarian state while associating themselves with the lauded prosperity of the economic model. Civilian reformers were frustrated in their attempts to change many dictatorship holdovers such as those that gave lifetime senate seats to former officials, prevented the President from firing military leaders, loaded the courts with reactionary judges loyal to the armed forces, and provided amnesty for human rights crimes committed during the dictatorship. The constitution permitted four of the nine non-elected senators who sit alongside the thirty-eight elected members to be retired military commanders. It placed Pinochet in Congress as a Senator for life when he stepped down as military head in 1998. Negotiations were bogged down in the debate about the Constitution's binominal electoral structure on which there was scant agreement. Under this system each constituency elects two representatives to each house—a system that for all intents and purposes insures the return of one candidate from each of the two main coalitions. As constitutional changes required a two-thirds majority, persistent right wing opposition thwarted efforts to remove undemocratic aspects.

The 1996 final report by the National Truth and Reconciliation Commission, which had been established in 1991 by Aylwin, placed the number of killed or disappeared at 3,197. The Commission acted as a conduit for the testimonies of victims' families ostensibly to aid investigations and grave exhumations. However, the Report was often disparaged for its "limited scope" and "uncritical treatment" of the military as it confined its concerns to the dead and disappeared and provided no investigation into the hundreds of thousands of the Junta's tortured, detained, and exiled. Called by some as an instrument of "truth but not justice" for failing to facilitate prosecution of these crimes, this report, while providing much crucial information, was symptomatic of the exchange of "jus-

tice for stability" during the 1990–1998 period that Requa called "The Bitter Transition."[100]

After his defeat in 1990, Pinochet continued to head the military until 1998 during the period of a delicate balance of power between the armed forces and the new civilian government. His entrance as an 83 year-old Senator was met with protests in the streets and on the Senate floor, where a fight that broke out was replayed on national television. His tenure as a Senator, however, was short-lived, due not to pressure at home but to the initiative of a foreign government and the work of the international human rights movement. Having come to London to undergo back surgery three weeks earlier, Pinochet was arrested in his hospital bed on October 16, 1998 two days after a court in Madrid issued a warrant for his arrest for the deaths of Spaniards in Chile (An additional warrant issued a few days later added charges of torture and hostage-taking). A passionate diplomatic, legal, and political struggle ensued between Spain, Great Britain, and Chile that kept him under house arrest for 503 days. In the end, Chile, insisting that justice would be served at home, succeeded in arguing that his deteriorating health required that he be sent back. In January 2000, British Home Secretary Jack Straw ruled that Pinochet was unfit to stand trial. On March 2 he was set free and human rights activists awaited the response of the Chilean judiciary. By this time, his conservative appointees on the bench were in a minority and, as Burbach has observed, the "Chile Pinochet returned to was not the same Chile he had left sixteen and a half months before."[101]

Even while Pinochet was evading prosecution at home, the pursuit of justice abroad greatly altered law and politics in Chile as an open and confrontational debate began to emerge in public. The political parties of the Right, looking to the presidential election in December 1999, largely dissociated themselves from the fray. Chile's diplomatic strategy to convince the British government to hand the former dictator back included a promise to bring him to justice in Chile. Returning in December 1999 to a Chile "free of Pinochet" for the first time since he himself escaped the country shortly after the coup, journalist Marc Cooper writes in his "Chilean anti-memoir" of the exuberant atmosphere in the streets of Santiago during a campaign finale event for front-runner Lagos while the ex-dictator was in confinement thousands of miles away:

> The flapping flags, the pounding music, the heat of the crowd as it chants, dances, and cheers all seem lifted from those days in the early Seventies when . . . equal and sometimes greater numbers of Chileans rall(ied) in these same streets around President Allende."[102]

While such public expressions of liberation were real as well as reminiscent, the spirit was fleeting. The initial arrest of Pinochet electrified the human rights movement but the subsequent slow pace of justice dampened responses to this bold initiative, perhaps confirming that until justice could be served it is social memory of the past that would be the "primary battleground for the constructive articulation of human rights."[103]

Upon relinquishing power, the dictatorship left in place a 1978 Amnesty Law that protected military and police from prosecution for human rights crimes committed between 1973 and 1978, the period during which the majority of the atrocities occurred. It was during his confinement in Britain that Pinochet first faced charges for the actions of an infamous army squad that wrought terror in the wake of the military takeover. Having secured Santiago, he dispatched his officers to the provincial towns to eradicate opposition to the coup. Between September 30 and October 22 of 1973, a "Caravan of Death," as it became known, of military helicopters crossed the countryside to sweep up, torture, and execute leftists, activists, and political opponents. The technique of terrorizing the population through disappearances ultimately turned against its perpetrators as the crime of kidnapping of the "disappeared" was subsequently declared an "ongoing offense" and exempt from amnesty. Buoyed by public and government support and the "persona non grata" status of Pinochet, judges in Chile slowly but persistently chipped away at the amnesty shield and eventually more than 300 retired officers were either in jail or facing charges. At the end of 2000, the judge assigned to his case indicted Pinochet as architect of this "official act of savagery" that Kornbluh says "clearly established the character of the regime . . . to take vengeance on nonviolent, civilian supporters of democratic governance . . . (and) to weed out 'soft' commanders."[104] To the surprise of many, Pinochet was now placed under house arrest in his own home in January 2001. Despite the thousands who perished and the tens of thousands who endured torture, the 90+ disappearances from the "Caravan of Death" were for the majority of the Long Transition the "first and only indictment for the (human rights) crimes he committed as dictator of Chile."[105] Layer by layer of protection that Pinochet had made for himself was stripped away. The Supreme Court lifted his parliamentary immunity, forcing him to stand trial. With his immunity shredded, only humanitarian concerns saved him from prosecution when in July 2001 an appeals court disqualified him from trial due to "moderate vascular dementia." Shortly thereafter, he had announced his retirement from government and public life. When the decision was confirmed by the Supreme Court, it seemed certain at the time that he would never face trial.

In recent years, the curtain of silence and denial regarding the Chilean coup has likewise been pulled back in the United States. In September 2000, the Central Intelligence Agency released a report entitled "CIA Activities in Chile" that brought into partial light the details of what had been a poorly kept secret for more than a quarter of a century. The agency acknowledged for the first time that it had been in contact with coup members and that the CIA was part of an operation to manipulate the Chilean media against President Allende and in support of the inevitable coup. It was revealed that in 1970 the agency paid $35,000 (in "humanitarian aid") to a group of coup plotters who had murdered Army Commander Rene Schneider. After the military takeover, the CIA provided active support to the junta and a number of the designers of the systematic murder and torture of civilians were agents or contacts of the CIA or U.S. military. Within a year of the coup, American operatives were aware of Chile and Argen-

tina's "Operation Condor" to export terrorist activities against the "communist threat" throughout the hemisphere and it was disclosed that the commander of Pinochet's secret police General Manuel Contreras was being paid for service to the CIA during and for a long after the time that his agents were carrying out the Letelier car bombing in Washington, D.C.[106] The Lagos government kept a cautious distance from these legal developments while quietly pushing for enforcing accountability, steadily seeking a more active role in the effort to deal with past human rights abuses. In a televised announcement on August 12, 2003 Lagos issued an official proposal to assist those suffering from the long-term consequences of torture and to transfer cases under review in military courts to the jurisdiction of the civilian system. Other more controversial proposals included giving protection from prosecution to those accused who provide information to the courts and to grant reduced or commuted sentences to those facing charges who offer substantive information on the fate of the disappeared.[107]

As in other parts of Latin America, such as Argentina and Guatemala, which suffered under brutal regimes, the price for the return to civilian rule was a blind eye to the pursuit of justice. It has often been said that Allende was an idealist who could not see that he was forcing change too fast, but three decades after the military coup justice for its victims until recently moved at glacial speed as long as the pact of silence between elites in post-dictatorship Chile endured. In 2004, another official commission was established to address the shortcomings of the previous one. The testimonies of 35,000 political detainees was heard and the ensuing report concluded that torture was a systematic policy funded by the military budget and carried out in more than 1,000 detention centers throughout the country. Neither the army nor the police denied the sobering evidence that torture was routinely practiced and for the first time the army itself apologized for these abuses breaking the previous policy of blaming the horrors on particular officers and individuals. Shortly after, the navy acknowledged that a training vessel was long used as a center of torture. In addition, more than twenty-seven thousand of these confirmed victims have been made eligible for a largely symbolic small pension as compensation for their suffering, although the public response has been a push for prosecution of the torturers.[108]

Significant steps began in 2004, when in October the Senate finally voted to do away with, upon expiration of their terms in March 2006, the nine non-elected block of senators "designated" by the armed forces. Additionally, the President's right to fire military commanders was restored and the "senator for life" position for ex-presidents was abolished. These important changes passed and became law the next year. The promises of a fully democratic Chile were finally realized. Social and economic justice, however, for those whom Winn and others called "victims of the Chilean Miracle"[109] remains delayed.

Concluding Remarks

Until such strides constituted a real breakthrough, democracy in Chile was incomplete. For Latin American sociologist Manuel Garretón writing in 2003, continued use of the word "transition"—whether referring to democracy or market economics—is specious and highly suspect in light of the current realities of political and economic practice. This "double transition" myth had run its course: The current system of governance was moving neither forward nor backward but was consolidated and static, while the market model as an integrated, self-sustaining system had broken down under globalization and the rippling effects of the Asian crisis.[110] According to Garretón, the problems of a state disarticulated from society are not economic but political and institutional, requiring not another self-proclaimed "economic miracle" but a "giant political and institutional leap" toward strengthening the state, reforming the political system and ultimately leading to the "generation of social actors and autonomous will of citizens."[111]

Reviewing the early years of the return to democracy, Angell and Pollack wrote of the "danger that Chile is not yet free from its historical predilections for experiment in utopianism" and warned that in the era of the Concertación the "utopia is market liberalism and conversion of so many advocates of state intervention to free marketeers is . . . perhaps too drastic."[112] The state in Chile continues to play a role in promoting "pragmatic neoliberalism" that is a modification of the "radical neoliberalism" of Pinochet in which, as Borzutzky puts it and as has been discussed above, "the invisible hand of the free market genie required the very visible hand of the state to transform the existing economy and society."[113] Before an interventionist state disingenuously preaching non-intervention in the economy could put the University of Chicago's theories into practice, Chilean neoliberalism, as Bresnahan trenchantly oberserves "was born in blood."[114] Rather than marvel at the level of consensus today within Chile over the export market approach as remarkable in light of the country's authoritarian past, we must consider—perhaps uncomfortably—to what extent this consensus is *because of* that past.[115] Policy makers in Latin America could also use the Chilean example to reconsider the heavy reliance on export-driven development and to consider, as Oppenheim has written, that "opening one's market to the world is one thing, applying market mentality to social policy is another."[116] Recession, unemployment, and rigid inequity in income distribution force one to consider if today's policies are promoting true social and economic stability or merely reproducing ideological continuity.

With death at age ninety-one, Pinochet finally succeeded in avoiding trial. Those loyalists who for years supported the ex-dictator in his evasion of prosecution always found reassurance that his abuse of power was never for personal gain but to "save Chile from communism." This image of the patriotic "non-corrupt dictator" was shattered when in late 2004, it was discovered that Pinochet and members of his family had used aliases and false passports to establish numerous offshore companies and international bank accounts, including ones in

the U.S., in order to hide nearly thirty million dollars in assets. A significant step forward occurred in June 2005 when the Santiago Appeals Court voted to strip Pinochet's parliamentary immunity from prosecution for crimes associated with the revelation of the secret bank accounts. These criminal charges included fraud, extortion, tax evasion and misappropriation of public funds. As the charges mounted, many devoted followers and allies within the conservative ranks withdrew their support and expressed outrage at the extent of his corruption and the irreparable damage that it had done to the country.

In late November 2006, Pinochet was placed under house arrest once again, this time for two kidnappings in 1974. At his birthday celebration two days earlier, he publicly acknowledged for the first time the "abuses" during his rule, but maintained the defiant position insisting that force was necessary to preemptively crush a full-blown civil war the Left was plotting. In two weeks he was dead and shortly thereafter apologists began the work of restoring his legacy by releasing to the public a six-page letter he had written a few years earlier reasserting the patriotic motives for his actions and pitiably bemoaning the recent "distortion" of this history.[117] The dictator was denied a state funeral on the grounds that his government was not legitimate but as former commander-in-chief was instead given a full military funeral. The streets were divided with spontaneous expressions of celebration, scorn, protest, and grief. At the public viewing, the grandson of Carlos Prats, Allende's Commander-in-Chief who was murdered in exile in Buenos Aires by Chilean secret police in 1974, spat on the coffin and was attacked by Pinochet supporters.[118]

Like Lagos before her, Bachelet is a "different kind of Socialist" in Latin America. In the opening speech at a 2006 gathering in Santiago of 300 Socialist leaders from 100 countries, President Bachelet confirmed her commitment to free trade and globalization by urging her fellow progressives to take a "realistic" approach: "Let's admit, comrades, modernity and globalization are not an imperialist invention. . . . They are realities and it is up to us to turn them into opportunities."[119] At the same time, she continued her pledge to temper the negative effects of neoliberalism on the lives of the poor and disadvantaged:

> "Our rival is not economic modernity. . . . Our rivals are the forces that oppose social progress and seek an accumulation of wealth that excludes many. . . . We face the challenge of realizing the dream of improving people's lives by removing the social, economic, and ethnic barriers that until now have excluded too many human beings from the benefits of progress."[120]

In such rhetoric the road to development via free trade economics is a "given" in modern, globalized Chile and to deny this is seen as unrealistic, nationalistic, or bound to an outdated ideology. Progress is now measured in small increments and comes not in changing the socioeconomic structure, but in somehow making the system work with equity. It harkens Bill Clinton's "We can do better" campaign slogan of 1992 and Tony Blair's later refashioning of "New Labor" in the UK. Both defended free market capitalism while boosting the role of government in addressing inequities at home. Bachelet's realism is clearly a long way from Allende's idealism and seeking this balance between conservative fiscal policies and a progressive social agenda is not just rhetorical as there is some optimism that she can expand Lagos' moderate gains on domestic issues of poverty, education, and labor reform. But the wild, wide swings of the political pendulum of the final decades of the previous century have been replaced by much more modest shifts of Chilean "Third Way" Socialism in the now not-so-new millennium.

During the "No"! campaign in 1988 Ricardo Lagos bravely appeared on national television to point an accusing finger at the military rulers of the country. Cynics might say that under Third Way leadership his finger shifted to point at the neoliberal blueprint, not in accusation but in endorsement. While Pinochet finished his days languishing in ignominy in his estate, shamed by the events of the past several years, but free from prosecution until the very end, he may have well become Dorfman's "sad synonym in some dictionary of horror" but his figure has yet to be completely erased from the textbook of economic development in Latin America.

Notes

Parts of this chapter were presented at annual meetings of the American Anthropological Association (Chicago, 2003; Washington, 2005) and the Society for Applied Anthropology (Dallas, 2004; Santa Fe, 2005; Vancouver, 2006). I would like to thank my fellow participants in these sessions for their insights and suggestions as I refined this work.

1. A. Dorfman, "Epilogue: October 1989." in *Chile From Within*, ed. S. Meiselas (New York: W.W. Norton & Company), 121.
2. E. Pang, *The International Political Economy of Transformation in Argentina, Brazil, and Chile since 1960* (New York: Palgrave Macmillan, 2002), 172.
3. J. Nef, "The Chilean Model: Fact and Fiction." *Latin American Perspectives* 30, no. 5 (2003): 16–40.
4. J. Dinges, *The Condor Years: How Pinochet and his Allies Brought Terrorism to Three Continents* (New York: The New Press, 2004), 7.
5. P. Aguilera and R. Fredes, eds., *Chile: The Other September 11* (New York: Ocean, 2002), ix.
6. P. McMichael, *Development and Social Change: A Global Perspective*, 2nd ed. (Thousand Oaks, CA: Pine Forge Press, 2000), 156.
7. R. French-Davis, *Economic Reforms in Chile: From Dictatorship to Democracy* (Ann Arbor, MI: University of Michigan Press, 2002), 52.
8 M. Duquette, *Building New Democracies: Economic and Social Reform in Brazil, Chile, and Mexico* (Toronto: University of Toronto Press, 1999), 84.
9. Economist "Chile Economy: A Dimming Star." *Economist* 359, no. 8220 (2001): 30–31.

10. A. Portes, "Neoliberalism and the Sociology of Development: Emerging Trends and Unanticipated Facts." in *From Modernization to Globalization: Perspectives on Development and Social Change*, eds. J. T. Roberts and A. Hite (Oxford, UK: Blackwell, 2000), 353–372.
11. J. E. Stiglitz, *Globalization and its Discontents* (New York: W.W. Norton and Company, 2002).
12. J. Valdes, *Pinochet's Economists: The Chicago School in Chile* (Cambridge, UK: Cambridge University Press), 271.
13. J. Valdes, *Pinochet's Economists*, 272.
14. L. Oppenheim, *Politics in Chile: Democracy, Authoritarianism, and the Search for Development*. 2nd edition. (Boulder, CO: Westview Press, 1999), 268–269.
15. J. Collins and J. Lear, *Chile's Free-Market Miracle: A Second Look* (Oakland, CA: Food First Books, 1995), 243.
16. R. French-Davis, *Economic Reforms in Chile*, 208–209.
17. R. Agacino, "Chile Thirty Years After the Coup: Chiaroscuro, Illusions, and Cracks in a Mature Counterrevolution" *Latin American Perspectives* 30, no. 5 (2003): 41–69.
18. R. French-Davis, *Economic Reforms in Chile*, 183.
19. J. Nef, "The Chilean Model: Fact and Fiction." *Latin American Perspectives* 30, no. 5 (2003): 16–40.
20. C. L. Schneider, *Shantytown Protest in Pinochet's Chile* (Philadelphia: Temple University Press, 1995), 201.
21. L. J. Frazier, "Subverted Memories in Northern Chile." in *Acts of Memory: Cultural Recall in the Present*, eds. M. Bal, J. Crewe, and L. Spitzer (Hanover, NH: University Press of New England, 1999), 105–119.
22. K. Hite, "Breaking the Pacto de Silencio: Memories of Defeat, Contemporary Politics, and the Chilean Political Class in the 1990s." Institute of Latin American Studies Historical Memory Workshop, October 16–17, 2003, www.sas.ac.uk/ilas/sem_memory_Hite.doc (accessed November 7, 2005).
23. Schneider, *Shantytown Protest in Pinochet's Chile*, 200–201.
24. McMichael, *Development and Social Change*, 156.
25. J. Fermandois and M. A. Morris, *Democracy in Chile: Transition and Consolidation 1987–2000* (London: Research Institute for the Study of Conflict and Terrorism, 1995), 6–7.
26. L. N. Bickford, "Preserving Memory: The Past and the Human Rights Movement in Chile" in *Democracy and Human Rights in Latin America*, eds. J. A. Peeler and E. C. da Silva (Westport, CT: Praeger, 2002), 9–30.
27. A. Angell and B. Pollack, "Introduction" in *The Legacy of Dictatorship: Political, Economic, and Social Change in Pinochet's Chile*, eds. A. Angell and B. Pollack (Liverpool, UK: Institute of Latin American Studies, University of Liverpool Monograph Series, No. 17, 1993), 1–12.
28. Fermandois and Morris, *Democracy in Chile*, 6–7.
29. S. Borzutzky, *Vital Connections: Politics, Social Security, and Inequality in Chile* (Notre Dame, IN: University of Notre Dame Press, 2002), 198.
30. M. Pollack, "The Right and the Transition to Democracy." in *Neo-liberalism with a Human Face?: The Politics and Economics of the Chilean Model*, ed. D. E. Hojman (Liverpool, UK: Institute of Latin American Studies, University of Liverpool Monograph Series No. 20, 1995) 20–38.
31. P. Lowden, "What is Left of the Left in Chile"? in *Neo-liberalism with a Human Face?: The Politics and Economics of the Chilean Model*, ed. D. E. Hojman (Liverpool, UK: Institute of Latin American Studies, University of Liverpool Monograph Series No. 20, 1995) 50.
32. Lowden, "What is Left of the Left in Chile?," 96.
33. R. Bresnahan, "Chile Since 1990: The Contradictions of Neoliberal Democratization." *Latin American Perspectives* 30, no. 5 (2003): 3–15.
34. S. Correa, "The Chilean Right After Pinochet" in *The Legacy of Dictatorship: Political, Economic, and Social Change in Pinochet's Chile*, eds. A. Angell and B. Pollack (Liverpool, UK: Institute of Latin American Studies, University of Liverpool Monograph Series, No. 17, 1993), 164–174.
35. I. Walker, "Political Alliances and the Role of the Centre: The Chilean Christian Democratic Party" in *The Legacy of Dictatorship: Political, Economic, and Social Change in Pinochet's Chile*, eds. A. Angell and B. Pollack (Liverpool, UK: Institute of Latin American Studies, University of Liverpool Monograph Series, No. 17, 1993), 175–184.
36. J. Petras and F. I. Leiva, *Democracy and Poverty in Chile: The Limits to Electoral Politics* (Boulder, CO: Westview Press, 1994); Nef, "The Chilean Model," 23.
37. Petras and Leiva, *Democracy and Poverty in Chile*, 37.
38. N. R. Morales, "Chile: No Future Without a Past." *La Monde Diplomatique*, November 2002. mondediplo.com/2002/11/10chile (accessed November 7, 2005); I. Dauner, *Chile: In Search of a Second Wind* (Fountainbleau France: INSEAD, 2002), www.hec.unil.ch/ocadot/CASES/Chile2.PDF (accessed August 20, 2007).
39. Petras and Leiva, *Democracy and Poverty in Chile*, 167–180; Collins and Lear, *Chile's Free-Market Miracle*, 259–268.
40. G. Arriagada, "Social Policy Under the Frei Administration." in *Distributive Justice and Economic Development: The Case of Chile and Developing Countries*, eds. A. Solimano, E. Aninat, and N. Birdsall (Ann Arbor, MI: University of Michigan Press, 2000), 184–194.
41. Agacino, "Chile: Thirty Years After the Coup," 57–60.
42. B. Loveman, *Chile: The Legacy of Hispanic Capitalism*, 2nd ed. (Oxford, UK: Oxford University Press, 2001), 343–346.
43. Bresnahan, "Chile Since 1990," 7.
44. E. Silva, *The State and Capital in Chile: Business Elites, Technocrats, and Market Economies* (Boulder, CO: Westview, 1996).
45. Silva, *The State and Capital in Chile*, 224–234.
46. A. Solimano, "Beyond Unequal Development: An Overview." in *Distributive Justice and Economic Development: The Case of Chile and Developing Countries*, eds. A. Solimano, E. Aninat, and N. Birdsall (Ann Arbor, MI: University of Michigan Press, 2000), 17–36.
47. Solimano, "Beyond Unequal Development," 33.
48. Bresnahan, "Chile Since 1990," 8.
49. Agacino, "Chile: Thirty Years After the Coup," 50.
50. Oppenheim, *Politics in Chile*, 246–247.
51. Pang, *The International Political Economy*, 173–174.
52. J. Cademartori, "The Chilean Neoliberal Model Enters into Crisis." *Latin American Perspectives* 30, no. 5 (2003): 79–88.
53. California Chamber of Commerce, "Chilean Ambassador Highlights Benefit of Free Trade Agreement." *CalChamber* (Jan. 10, 2003), www.calchamber.com/documents/acf1bc5.htm (accessed October 27, 2005).
54. A. M. Veneman, Statement by Secretary of Agriculture Ann M. Veneman on the Conclusion of the U.S.-Chile Free Trade Agreement, Dec. 11, 2002.

55. *Export.gov*, "U.S.-Chile Free Trade Agreement www.mac.doc.gov/chileFTA/FTAinfo.html (accessed November 7, 2005).
56. *Global Business Dialogue*, "Not Can Do, But Done: The U.S. and Chile Sign an FTA" www.gbdinc.org/pdfs/PR%2002–04%2012111.pdf (accessed October 27, 2005).
57. *San Diego Union-Tribune*, "Chilean Trade: Good for California" January 12, 2003.
58. U.S. Chamber of Commerce, "U.S. Chamber Joins in Launch of U.S.-Chile Free Trade Coalition." January 29, 2003 www.uschamber.com/press/releases/2003/january/03-11.htm (accessed January 4, 2004).
59. E. Morales and B. Dangl, "Legalizing the Colonization of the Americas." *ZNet* November 26, 2003 www.zmag.org/znet/viewArticle/9482 (accessed June 6, 2007).
60. *MercoPress*, "Bachelet: Joining Mercosur Would be 'Backstepping'." March 23, 2006 www.mercopress.com/vernoticia.do?id=7529&formato=HTML (accessed June 6, 2007).
61. *Economist* (US.) "Trouble with the Neighbors: Can Chile Stay Different?" 364, no. 8282 (2002): 30; G.Gonzalez, "U.S. Anti-dumping laws—a hurdle to Free Trade in Americas." *Third World Network*, April 27, 2001 www.twinside.org.sg/ (accessed May 1, 2005).
62. *Feedstuffs*, "Chile Loses WTO Price Band Appeal" May 21, 2007 J. Langman, "Chilean Farmers Protest Trade Pact." *Miami Herald* June 11, 2003.
63. *La Tercera*, "Fruit Exports to Europe Increase after FTA." March 2003 www.stat-usa.gov/stemplate.nsf/vwNav/MRD_IMI_007 (accessed January 4, 2004); *ProChile* (Export Promotion Bureau), "Chile Continues its Search for Open Markets" January 31, 2003, http://www.ChileInfo.com (accessed April 21, 2003); *Swissinfo*, "Trade Pact with Chile" June 27, 2003.
64. *Korean Times* "South Korea-Chile FTA Moving Forward." June 12, 2003 times.hankooki.com/ (accessed September 2, 2003).
65. K. Sung-jin, "Farmers Reject Korea-Chile FTA." *Korean Times* June 11, 2003 news.empas.com/show.tsp/20030611n02670 (accessed September 2, 2003).
66. *MercoPress*, "Rioting Against Chile-South Korea Free Trade", June 23 2003 www.falkland-malvinas.com/Detalle.asp?NUM=2311(accessed May 2, 2004).
67. J. Langman, "Free Trade a Dilemma for Chile." The Washington Times, June 16 2003, washingtontimes.com/world/20030616-093356-9141r.htm; E. M. Lederer, "Chile Proposes Compromise Plan on Iraq." *Associated Press* March 15, 2003; *Economist* (U.S.) "Seeking Inspiration." 366, no. 8314 (2003): 38.
68. *BusinessWeek*, "Chile Has a Clear Export Strategy." June 16, 2003 www.businessweek.com/magazine/content/03_24/b3837073_mz015.htm (accessed September 2, 2003).
69. U.S. State Department press release "Powell Press Briefing, Santiago Chile" June 12, 2003.
70. Pang, *The International Political Economy*, 173.
71. Cademartori, "The Chilean Neoliberal Model Enters into Crisis", 80.
72. Economist (U.S.) "A Dimming Star." 359, no. 8220 (2001): 30–31.
73. A. Reuss, "Thirty Years of Chilean Socialism." *Dollars and Sense Magazine*, Jan./Feb. 2001 www.dollarsandsense.org/archives/2001/0101toc.htm (accessed September 2, 2003).
74. P. Arestis and M. Sawyer, "Neoliberalism and the Third Way." In *Neoliberalism: A Critical Reader*, eds. A. Saad-Filho and D. Johnston (London: Pluto Press, 2005),177–183.
75. J. Gledhill, "Disappearing the Poor?: A Critique of the New Wisdoms of Social Democracy in an Age of Globalization." in *The Anthropology of Development and Globalization: From Classical Political Economy to Contemporary Neoliberalism*, eds. M. Edelman and A. Haugerud (London: Blackwell, 2005), 382–390.
76. A. Giddens, *The Third Way: The Renewal of Social Democracy* (Cambridge, UK: Polity, 1999); A. Giddens, *The Third Way and its Critics* (Cambridge, UK: Polity, 2000).
77. Giddens, *The Third Way*, 100; M. Edelman and A. Haugerud, "Introduction" in *The Anthropology of Development and Globalization: From Classical Political Economy to Contemporary Neoliberalism*, eds. M. Edelman and A. Haugerud (London: Blackwell, 2005), 339.
78. Edelman and Haugerud, "Introduction," 339.
79. Gledhill, "Disappearing the Poor."
80. Bresnahan, "Chile Since 1990," 7.
81. J. Paley, *Marketing Democracy: Power and Social Movements in Post-Dictatorship Chile* (Berkeley, CA: University of California Press, 2001); V. Frank, *The Labor Movement in Democratic Chile, 1990–2000* (Notre Dame, IN: University of Notre Dame Press, 2003); P. Winn, *Victims of the Chilean Miracle: Workers and Neoliberalism in the Pinochet Era* (Durham, NC: Duke University Press, 2004).
82. M. Saveedra, "Chilean President Revives Labour Reforms in Bid to Win Votes" *World Socialist Website* www.wsws.org (accessed October 27, 2005).
83. *Economist* (U.S.), "What Help For the Temporeras?" 358, no. 8209 (2001): 41–42.
84. *International Labor Organization* (ILO), "Labor Standards Update: New Rights for Chile's Farm Workers" www.us.ilo.org/archive/ilofocus/2002/spring/0203focus_12.cfm, 2002 (accessed October 27, 2005).
85. *InternationalReports.net* "President Ricardo Lagos Escobar: Socially Responsible Growth." www.internationalreports.net/theamericas/chile/2002/presidentricardo.Html (accessed November 7, 2005).
86. Agacino, "Chile Thirty Years after the Coup."
87. European Commission, "Chile Country Strategy Paper 2007–2013," 12 ec.europa.eu/external_relations/chile/csp/07_13_en.pdf (accessed June 1, 2008); *ECLAC* (Economic Commission for Latin America and the Caribbean) "Estudio Económico América Latina y el Caribe 2004–2005", ECLAC, August 2005.
88. European Commission, "Chile Country Strategy Paper 2007–2013," 14
89. European Commission, "Chile Country Strategy Paper 2007–2013," 14; Cademartori, "The Chilean Neoliberal Model Enters into Crisis," 82.
90. P. Escobar, "The New Labor Market: The Effects of the Neoliberal Experiment in Chile." *Latin American Perspectives* 30, no. 5 (2003): 79–88.
91. Collins and Lear, *Chile's Free-Market Miracle*, 267.
92. MercoPress, "Hundreds Arrested in Santiago de Chile Labor Protest," August 30, 2007, www.mercopress.com/vernoticia.do?id=11225&formato=HTML (accessed June 1, 2008).
93. Schneider, *Shantytown Protest in Pinochet's Chile*.
94. Paley, *Marketing Democracy*.
95. C. Porteous and F. Ortiz, "Chile Reopens the Door on its Bloody Past," *The Age*, September 11, 2003, www.theage.com.au/articles/2003/09/10/1062902114711.html?from=storyrhs (accessed November 1, 2003).
96. H. Tobar, "Allende Revival Stokes Animosity in Chile." *Los Angeles Times*, September 11, 2003, articles.latimes.com/2003/sep/11/world/fg-chile11 (accessed December 29, 2003).
97. M. Trigona and F. Pierucci, "30 Years Since Chile's Military Coup, Allende Lives" *Center for International Policy: Americas Program*, americas.irc-online.org/pdf/articles/0310allende.pdf (accessed November 1, 2003).

98. R. Merino, "Culture Microclimates." in *Chile in the Nineties*, eds. C. Toloza and E. Lahera (Stanford, CA: Stanford University Press, 2000), 661–681.
99. Nef, "The Chilean Model," 31.
100. M. Requa, "The Bitter Transition 1990–1998." in *The Pinochet Affair: State Terrorism and Global Justice*, ed. R. Burbach (London: Zed Books, 2004). 77–94.
101. R. Burbach, *The Pinochet Affair: State Terrorism and Global Justice* (London: Zed Books, 2004), 123.
102. M. Cooper, *Pinochet and Me: A Chilean "Anti-Memoir"* (New York: Verso, 2002), 116.
103. R. S. Hillman, J. A. Peeler, E. C. da Silva, "Conclusion." in *Democracy and Human Rights in Latin America* (Westport, CT: Praeger, 2002), 217.
104. P. Kornbluh, *The Pinochet File: A Declassified Dossier on Atrocity and Accountability* (New York: The New Press, 2004), 164–165.
105. Burbach, *The Pinochet Affair*, 49.
106. Kornbluh, *The Pinochet File*, 503–507; Cooper, *Pinochet and Me*, 135–136.
107. *Human Rights Watch* "Discreet Path to Justice? Chile, Thirty Years after the Military Coup." September 2003 www.hrw.org/backgrounder/americas/chile/ (accessed December 29, 2003).
108. C. O'Hara, "Chile's Tortured Past" *Worldpress.org* December 5, 2004, www.worldpress.org/Americas/1988.cfm#down (accessed January 15, 2005).
109. Winn, *Victims of the Chilean Miracle*.
110. M. A. Garretón, *Incomplete Democracy: Political Democratization in Chile and Latin America*. (Chapel Hill, NC: University of North Carolina Press), 173.
111. M. A. Garretón, *Incomplete Democracy*, 177.
112. Angell and Pollack, "Introduction," 11.
113. Borzutzky, *Vital Connections*, 201.
114. Bresnahan, "Chile Since 1990," 3.
115. Oppenheim, *Politics in Chile*, 268.
116. Oppenheim, *Politics in Chile*, 267.
117. L. Rohter, "After Death, A Campaign to Praise Pinochet" *New York Times*, December 27, 2006, www.nytimes.com/2006/12/27/world/Americas/27pinochet.html ?r=1&fta=y&oref=slogin (accessed January 15,2007).
118. A. Dorfman "Spitting on the Dead Dictator" *Los Angeles Times* December 17, 2006, www.latimes.com/news/opinion/sunday/commentary/la-oe-dorfman17dec17,0,2352773.story?coll=la-sunday-commentary (accessed April 1, 2007).
119. *International Herald Tribune*, "Chile's Bachelet Says Socialists Should Take Advantage of 'Reality' of Globalization, Not Fight It" Associated Press, November 6, 2006, www.iht.com/articles/ap/2006/11/06/america/LA_GEN_Chile_Socialist _International.php (accessed December 29, 2006).
120. *International Herald Tribune*, "Chile's Bachelet Says Socialists Should Take Advantage of 'Reality' of Globalization, Not Fight It."

Part I

Private Interests and The Public Good