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CHILE: ARE THE PARTIES OVER?

Juan Pablo Luna and Rodrigo Mardones

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When billionaire Sebastián Piñera won the presidency of Chile by a 3.2 percent margin in a 17 January 2010 runoff, he became the first right-of-center candidate to gain election to that office since Jorge Alessandri in 1958. The victory over former president Eduardo Frei of the Christian Democrats (PDC) was also a win for Piñera's National Renovation (RN) party and its more conservative partner in the Alianza coalition, the Independent Democratic Union (UDI). The election brought a turnover of power and marked the arrival of a legitimate and electorally viable alternative on the right after four straight presidential wins by the four-party, center-left coalition known as the Concertación.¹ Coming two decades after the end of General Augusto Pinochet's military dictatorship, the result also signaled the consolidation of Chile's restored democracy and suggested that fresh opportunities for political revitalization lie at hand.

When popular outgoing president Michelle Bachelet of the Socialist Party (PS) formally handed over office to Piñera on 11 March 2010, she and her colleagues could look back on several noteworthy accomplishments. First, they had been decisive in democracy's definitive return, having managed to remove several authoritarian enclaves (such as guaranteed Senate seats) that the military regime had built into the constitution before leaving power. Connected to this dismantling of the dictatorship's legacy had been an end to impunity and the opening of legal cases against suspected human-rights violations.²

Moreover, the Concertación's handling of Chile's export-oriented economy—long one of the most advanced in Latin America—had been

a success. There had been years of sustained growth, balanced fiscal policies, and low inflation. Thanks in part to several free-trade agreements that Chile had joined during this period, unemployment remained comparatively low even as crises rocked the world economy. Finally, the percentage of Chileans living below the poverty line had fallen dramatically, dropping from 44 percent in 1990 to just 13 percent in 2009 as the government systematically put funds into newly devised social policies.

For all its achievements, however, the Concertación also left behind unfinished business. Authoritarian legacies may have been undone, but democracy still requires deepening. Too much power remains concentrated in the executive branch, and a highly disproportional electoral system leaves certain parties with significant vote shares but no seats in Congress. Too many parties lack mechanisms that foster internal democracy, and few can count on broad citizen support. Political disengagement is common, and voting rates have declined significantly since the early days of restored democracy.³

On the socioeconomic front, the Concertación governments were unable to address income inequality, which has remained constant at relatively high levels since 1990, both in comparison to other South American countries and to the levels of inequality typically seen in Chile before the 1973 coup.⁴ The disparities are made worse by what many recognize as socially segmented access to high-quality services in the areas of health, education, housing, public transport, pensions, and public security.

But before pondering the challenges that the new government faces, it will be helpful to review the elections in closer detail. The general election itself took place on 13 December 2009. The presidential contest was a reverse image of what had happened in 2005. That year, Piñera lost a runoff to Michelle Bachelet when he failed to draw enough of those who had cast first-round votes for the other main right-of-center candidate, Joaquín Lavín. The two rightists had actually combined for more votes than Bachelet in the first round, but she was backed by the left-wing *Juntos Podemos* (Together We Can) alliance in the January 2006 runoff and won it with 53.5 percent. Four years later, it was the *Alianza* that was backing a single candidate and the Concertación that was dealing with unity issues as two of its former leading figures—Jorge Arrate and Marco Enríquez-Ominami—ran on other tickets. In the first round, Piñera won just over 44 percent, about 4.5 points lower than the combined rightist total in 2005, but *Frei* and the Concertación cratered—winning an all-time low of just 29.6 percent. Much of the left-of-center vote came back to *Frei* in the runoff, but the 48.4 percent showing that this gave him was not enough to top Piñera's 51.6 percent.

Well aware of the divisions to his left, Piñera mounted a modern campaign focused on positive messages and promises for the country's

future. While pledging to maintain Bachelet's highly regarded social-protection scheme, he focused on two key issues: crime reduction and job creation through economic growth. In both areas, he promoted a new and efficient management style, drawing on his immense success as a businessman. The harsh internal confrontations that had traditionally characterized the Alianza were absent this time, with one exception: The most conservative UDI factions took issue with Piñera's liberal stances on issues having to do with the "morning-after" pill and the rights of homosexuals.

As the runoff approached, Piñera continued his highly professional and seemingly ubiquitous campaign in both the media and the streets, significantly outspending his rival. The tone of his campaign was even more decisively positive than it had been in the first round. With Enríquez-Ominami out of the running, Piñera faced in Frei a foe closely associated with the Concertación's past leadership, and a former president who had left office with the lowest approval ratings of any of the four postdictatorship ex-presidents. This made it easy for Piñera to position himself as the candidate who stood for change and a new direction. Although his image as a successful businessman made him suspect to many, it also appealed to others, particularly young and middle-class Chileans who admired his private-sector career.

In the congressional balloting, the Concertación kept its 52.6 percent majority in the Senate but was unable to hold on to its majority in the Chamber of Deputies, dropping from 54.2 percent of lower-chamber seats in 2006 to an all-time low of 45 percent in 2010. The loss of Concertación seats came in part because of an electoral pact with the Communist Party, which had been excluded since 1990 and had been persecuted for seventeen years before that. The Concertación withdrew its own competitive candidates from a handful of districts, thereby making it possible for three Communist candidates to win seats.

As if to underline the weakness of Chile's current party system, Enríquez-Ominami ran the most successful independent campaign of the post-1990 period, winning just over a fifth of the first-round vote after aiming streams of harsh rhetoric at the traditional politicians of both the Concertación and the Alianza. A further sign of disenchantment with "politics as usual" may have come in the form of 2009's record-high rate of voter abstention: Fully 13.3 percent of registered voters failed to cast a ballot, while the registration rate declined to 63 percent of the voting-age population.

Coalitions and Inner Tensions

In March 2010, the Concertación went from being the government to being Chile's leading minority. Disenchantment with a group that had been in office for twenty years was no doubt a major reason for this

fall from grace. A decade-long series of corruption scandals had not helped, nor had heavy press coverage of crime and public insecurity, or such fiascos as the 1998 electricity crisis (which happened on Frei's watch as president), the 2006 public-education overhaul that sparked mass student protests, and the chaos that surrounded the introduction of Santiago's new mass-transit system in 2007.⁵ By the late 2000s, citizens' confidence in the Concertación's capacity to govern had largely given out.

Neither the Concertación nor the Alianza is a stranger to internal disputes caused by intracoalitional electoral bargains or the personal ambitions of various leaders. In general, the Concertación managed its inner tensions better than did the Alianza, whose showings in elections before 2009 suffered from its lack of internal cohesion and a "cannibalistic" leadership style. As the Concertación's second decade in office wore on, however, its internal squabbles grew worse, due partly to clashing personalities and partly to ideological differences over economic policy.

The ideological conflict triggered an internal schism regarding Chile's market-oriented socioeconomic development model between farther-left and more centrist factions, with the former—known as the "self-flagellants" (*autoflagelantes*)—being more critical toward it than the latter "self-satisfied" (*autocomplacientes*) faction. The split went public in 2002 when Socialist congressional deputy Sergio Aguiló issued a statement openly challenging what he saw as the barely diluted neoliberalism of the Concertación's development model. Since then, an increasing number of Socialist and Party for Democracy (PPD) legislators (known collectively as the "unruly deputies") have echoed his cry.

This ideological confrontation within the Concertación coincided, though not always directly, with the emergence of personalistic leaders out of the milieu of elitism and exclusionary practices that shapes the inner workings of the coalition's major parties. Some of these figures ended up being expelled from the coalition, while others left of their own accord.

Factionalism was particularly visible in Socialist ranks. Among those who left the PS altogether were Senator Alejandro Navarro and Deputy Marco Enríquez-Ominami. Angered by the Concertación's less-than-open presidential-nomination process, Navarro resigned from the PS in December 2008 and formed the Movimiento Amplio Social, which sympathized with Hugo Chávez's "Bolivarian Revolution" in Venezuela. In September 2009, Navarro dropped his own failing presidential bid and backed the candidacy of Enríquez-Ominami, who had left the PS in June 2009.

Jorge Arrate, a former PS party head and cabinet minister or diplomat under three previous Concertación presidents, had been opposing the coalition's policies as head of a dissenting leftist faction since 2007.

In January 2009, he and his “Allende Socialists” left the PS and joined the *Juntos Podemos* electoral pact spearheaded by the Communist Party (PC). Arrate became the pact’s presidential standard-bearer and won 6.2 percent of the vote in the first round—the strongest electoral showing by a leftist from outside the *Concertación* since 1990.

The Christian Democrats and the PPD also witnessed internal conflicts and significant defections. From 2002 to the end of his term in office, President Ricardo Lagos faced a series of corruption scandals that included highly publicized court cases. The most prominent of these centered on payments by the Ministry of Public Works to professionals and external consultants for never-delivered or deliberately overpriced services. The repeated diversion of public monies into campaign coffers was also laid bare. Criticism was intense not only from the opposition but from within the PPD itself. In December 2006, former PPD party president Jorge Schaulsohn was expelled after complaining that an “ideology of corruption” had taken over the *Concertación*. Senator Fernando Flores, an internationally known management guru and political maverick, quit the PPD and joined Schaulsohn in creating the Chile First Movement, which would later back Piñera.

These defections came on top of a split within Christian Democrat ranks that began in May 2006 when Senator Adolfo Zaldívar failed in his bid to become party president (traditionally a springboard to the national presidency) and turned to attacking the *Concertación* from the right on economic policy. In September 2007, he joined Senator Flores in voting with the right-of-center opposition to block the government’s urgent request for funds to unsnarl Santiago’s troubled new public-transit system. By the end of that year, Zaldívar and five deputies had been expelled from the PDC. Together they founded the new Independents’ Regional Party (PRI), which, despite failing to win any seats in the 2009 balloting, stood as another sign of the Christian Democrats’ exhaustion and disarray.

A Dahlian Dilemma?

According to Robert A. Dahl’s classic formulation, the real-world approximation of the democratic ideal that he calls “polyarchy” is present when relatively high levels of political participation and electoral contestation are jointly realized.⁶ As long as these two things go together, all is well. But what if they do not? Dahl himself recognized the potential for a tradeoff between intensity of contestation and extent of participation, and worried that regimes could end up sliding toward either of two suboptimal equilibriums. He called the first, in which there is participation but little competition, “representative hegemony.” The second, in which there is competition but little participation, he referred to as “competitive oligarchy.” Is it possible that Chile is among the re-

gimes in South America that have become caught in this type of Dahlian dilemma?⁷

After experiencing “crises of political representation” that led to the collapse of traditional parties and party systems,⁸ Bolivia, Colombia, Ecuador, and Venezuela seem to have reached a state in which high levels of citizen mobilization and even participatory constitutional reforms are combined with solidly hegemonic presidencies. These countries could be seen as moving toward the Dahlian scenario of representative (or even participatory) hegemony.

In contrast, Chile’s party system is usually praised for its long-term stability and high level of institutionalization, while the country—quite unlike its neighbors—consistently displays very low levels of electoral volatility. According to available estimates of electoral volatility from each country’s transition to democracy up to 2004, Chile’s average volatility in congressional elections stands at 3.5, while the average observed in Bolivia, Colombia, Ecuador, and Venezuela is 27.⁹ In this regard, Chile’s party system could be thought of as resembling that of its fellow Southern Cone country Uruguay, which is also usually portrayed as having an institutionalized and programmatic party system that can boast reasonable levels of electoral participation and legitimacy. According to the 2008 LAPOP survey, for instance, 50 percent of Uruguayans express a partisan preference, while the voting rate exceeds 90 percent.

In Chile, by contrast, participation has declined. As the Table on page 113 shows, in 2009 the share of voting-age Chileans who were registered hit an all-time post-Pinochet low of 68 percent. Nonregistration is especially pronounced among younger citizens. Until recently, the system of voluntary registration combined with mandatory voting (which is changing to mandatory registration and voluntary voting as of 2012) encouraged nonregistration among younger Chileans. Disenchantment with the parties is present among older, already-registered voters, as well as among the young. As the Figure on page 114 illustrates, while younger and older citizens display significantly different levels of declared turnout, they report similarly low levels of partisan attachment. Chile presents a level of overall party identification that is low by both Andean and Southern Cone standards—only 21 percent of Chileans surveyed identify with a party while fully half of Uruguayans do, and the average party-identification rate for all the Andean countries is 26 percent. In Chile, moreover, no one party can claim support from more than 5 percent of the citizenry.

In a feature of Chilean public life that is consistent with global trends, cynicism about parties and traditional politicians abounds and shows no sign of abating. On the contrary, the 2008 LAPOP data suggest that Chileans (along with Colombians and Ecuadorans) are more likely than anyone else in the Western Hemisphere to agree that political parties are not necessary for democracy. Although identification with the Alianza

**TABLE—PERCENTAGE OF REGISTERED VOTERS IN CHILE
(BY ELECTION YEAR)**

Year	Type of election	Abstention as % of registered voters*	Registered voters as % of voting-age population	Registered voters under 29 as % of voting-age population
1989	Pres./Cong.	5.3	89	85
1993	Pres./Cong.	9.0	89	79
1997	Cong.	12.4	83	55
1999	Pres.	10.1	80	45
2001	Cong.	13.7	76	36
2005	Pres./Cong.	12.1	71	26
2009	Pres./Cong.	13.9	68	23

Source: The authors, based on data from the Ministry of the Interior (www.interior.gov.cl), the National Electoral Service (www.servel.cl), and the National Statistics Bureau (www.ine.cl)

*Average of elections for President, Senate, and Chamber of Deputies.

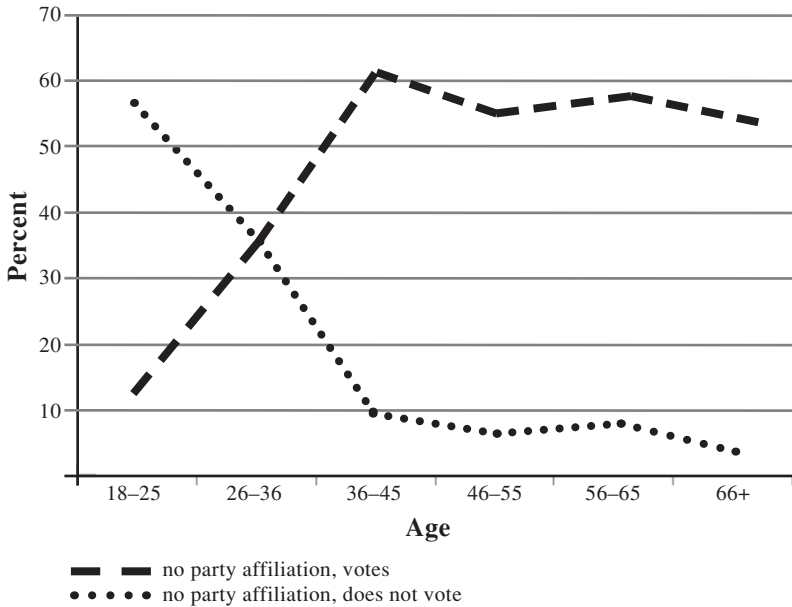
and Concertación reaches about 20 percent for each, the share of those who explicitly refuse to identify with any partisan coalition grew by 30 percentage points between 1991 and 2008.

The 2008 LAPOP data reveal that 45 percent of Chileans—a figure similar to those reported for other Latin American countries—feel that voting is an effective way of seeking change. Yet 31 percent of Chileans—the highest proportion of any public in the region—also say that it is just not possible to exert political influence in the country. In short, there seem to be grounds for arguing that over the years Chile has leaned closer to Dahl’s “competitive oligarchy” scenario. As the recent turn-over of power suggests, there is real competition between the two main coalitions, yet citizen involvement in the political process has declined while cynicism has grown.

It seems clear that this is due at least in part to the parties’ detachment from civil society, which raises the question of how the Chilean party system has remained stable (if not institutionalized) as its links with society have grown looser. The short (and partial) answer is that institutional incentives plus the salience of the authoritarian-versus-democratic divide for electoral competition since 1990 have combined to lend the party system artificial safeguards. By regional standards, Chile’s party elites have a strong say in determining electoral strategies.¹⁰ In fact, the elites are so strong that it is correct to say that they handpick who from each party and coalition will win election to Congress.¹¹

Taking into consideration the constitutional reforms of 1989 and 2005 should not cause us to forget that Chile’s basic law dates from the Pinochet era (1980 to be exact) and leaves the country an “incomplete democracy”¹² that has few incentives to promote political renewal or the deeper rootedness of parties in society. The constitutional changes instituted since 1989 (the abolition of appointed Senate seats, for instance)

**FIGURE—DECLARED ELECTORAL TURNOUT AND
PARTISAN SYMPATHY (BY AGE)**



Source: LAPOP (2008)

have left largely in place the 1980 Constitution that all parties accepted as part of the “transitional pact” in order to assure short-term stability and cooperation among elites once Pinochet’s rule ended. Steps to diffuse power more widely and to reform the electoral system remain un-taken. The last two decades of elections, meanwhile, with their lineups of parties and candidates tightly controlled by party elites, have worked to “freeze” the system at the elite level and further detached it from civil society.

Sensing how badly cut off from ordinary Chileans the party system had become, President Bachelet had fueled her 2005 campaign with messages of subtle antagonism toward old-line party elites, plus a promise to promote a “citizens’ government” (*gobierno ciudadano*); an elusive concept for including citizens’ concerns in policy making. But the promise of a citizens’ government was not realized, as no concrete mechanisms were devised and implemented to accomplish this goal. This was partly owing to the administration’s need for Concertación support in order to get legislation through Congress, and partly because Chilean civil society was so poorly organized.

That poor organization remains and has rendered civil society extremely weak, particularly in relation to the popular sectors.¹³ In particular, trade unions, the student movement, and civil society organizations working around social issues at the national level are very weak.

Gonzalo de la Maza, who founded the umbrella group for Chilean NGOs known as Acción, has often described how surprised he was by the speed with which Chile's social movements—so vital to the recovery of democracy—became dislocated after 1990. Social movements such as labor unions lost influence when the Concertación parties, once in power, turned their backs on them. And organized civil society more generally took a hit when Chile's socioeconomic transformation led to social fragmentation and consolidated the unequal distribution of opportunities, including access to high-quality schooling, health care, and employment.¹⁴

Unfavorable labor laws enacted during the military dictatorship, plus the competitive nature of the government's targeted social-policy funds and programs, also helped to fragment the social sector by pitting groups of potential beneficiaries against one another. Large-scale protests have flared from time to time—among students and disgruntled mass-transit riders, for instance—but such demonstrations have been spasmodic, and have done nothing to turn back the rising tide of social anomie and political alienation. Social movements and civil society remain weak and fragmented.

At the local level, exclusionary practices persist and subnational democratization has yet to advance. Indeed, local- and regional-government reforms have been extremely modest in scope, as regional governors (*intendentes*) continue to be presidential appointees and municipal authorities, though elected by citizens, have little financial and administrative autonomy.¹⁵ Municipal governments have begun a number of participatory initiatives, but these have been largely instrumental and confined to highly specific issues that do not challenge political authorities.¹⁶

Must Chile's electoral stability come at an inevitable cost in the form of low citizen involvement and parties that are cut off from society, or might the recent elections suggest a way out of the country's "Dahlian dilemma"? The dual nature of the challenge is clear: Open the political system to renovation and more citizen participation without placing the nation's stability at excessive risk. The parties should realize that they have a stake in renewing and widening their appeal. Once voting ceases to be mandatory, older citizens may join their unregistered younger neighbors in abstaining at high rates. If the parties do nothing, Chile will consolidate as a low-intensity democracy with room for independent, antiparty movements to make significant inroads in the future.

Early in 2006, President Bachelet named a commission to discuss reforming the electoral system, but its report was summarily quashed and never made it to the floor of Congress for debate. This episode, coupled with the right's continuing attachment to the 1980 Constitution and Chile's unique binomial electoral system,¹⁷ make new reformist attempts seem unlikely under Piñera. Assuming this is true, the outlook for political renewal will likely depend on how parties respond to the

aftermath of this most recent election even as they continue to operate under the existing constitutional framework.

The results of the recent election might induce partisan adaptation processes, even within the constraints induced by the current electoral system. As the election outcome suggests, the old cleavages that structured politics in Pinochet's wake are not what they used to be, and the right has finally found a viable standard-bearer who is thoroughly detached from the dictator's legacy. As generational succession marches on and memories fade or become no more than names in books, the "regime divide" will become ever less salient.

As the regime divide declines in significance, parties remain largely bereft of large and loyal bases, and citizens continue to opt out of voting, a strategically astute politician could spark a realignment of the system. Whether this potential realignment ever becomes a reality will ultimately hinge on what concrete actions the current government and its opposition decide to take. The impressive 20 percent showing of Enríquez-Ominami's independent, antiparty presidential candidacy should also serve as a warning to the established parties that they need to find ways to reconnect with the people.

Could President Piñera turn out to be the author of a strategic political realignment? If he is able to advance his promise of a "national compromise" by reaching out to centrist elements within the Concertación, he might erode the boundaries between the two traditional coalitions far enough to trigger new alignments on both sides of the aisle. This will not be easy, however: The UDI, the farthest-right party in the president's coalition, now controls 37 of 120 seats in the Chamber of Deputies (making it the Chamber's biggest single party) and 8 of 38 Senate seats. Nor has Piñera thus far shown much appeal to any Concertación figures.

On the other side of the aisle, the Concertación is now out of power for the first time ever. It could seemingly go either of two ways. In one, more centrist and pragmatic elements (especially from the Christian Democrats and the Social Democratic Radical Party) could begin finding common ground with Piñera and supporting his policy proposals in Congress. The existing coalitions could then fall into disarray and the path become open for a more radical renewal in which a new center-right pact forms and the center-left parties regroup around a new center of gravity that is somewhat farther to the left.

In the second scenario, the Concertación manages to resolve its internal conflicts and closes ranks in fairly cohesive opposition to Piñera's agenda. Both coalitions survive in much their present form until at least the next presidential election in December 2013. If there is renovation, it will likely be more modest and will hinge more on the rise of reformist leaders within traditional political structures. Parties can make such a turn of events more feasible by opening up their internal structures,

and if they are wise they will do so before some appealing “outsider” candidate comes along to galvanize the public’s widespread discontent with the current “frozen” party system.

Toward a New Social Pact?

According to the Concertación’s defenders, one of its main accomplishments during its twenty years in power was to shift Chilean neo-liberalism in a more “social-democratic” direction.¹⁸ Social spending rose substantially while mechanisms for targeting it improved. New programs such as the Chile Solidario conditional cash-transfer program (inaugurated under President Lagos in 2002) took on the task of eliminating extreme poverty. Critics on the left reply that too much of the social-policy model inherited from the Pinochet dictatorship was left standing. Nonetheless, they are heartened to note the 2006 introduction of guaranteed basic coverage for a growing number of costly illnesses and the 2008 launch of a pension-compensation scheme for women and the poor, even if it will take years to assess the real impact of these measures.

Beyond this controversy, a wide range of observers from the worlds of politics, civil society, and scholarship agree that inequality is the country’s main social problem, far outshading the quality of public education and health care.¹⁹ When Christian Democrat Patricio Aylwin took office in 1990 as Chile’s first elected president since Salvador Allende, Aylwin recognized the need to address the backlog of social needs. As the years of center-left administrations wore on, budgets for social programs grew, but structural constraints left over from Pinochet’s time remained.

In the budgetary realm, despite the pressures for higher spending that typically accompany a democratic opening, the Concertación held tight to the reins and ran surpluses. According to Lisa Baldez and John Carrey, the government’s close control over the budget was aided by such Pinochet-era institutional legacies as the binomial electoral system, the overrepresentation of the right in Congress (owing to the large number of appointed senators), the autonomy of the central bank, and constitutional provisions governing annual budget procedures. Any Concertación tendencies toward fiscal expansiveness were blocked in Congress by the right.²⁰

Working within these institutional constraints, the Concertación implemented the so-called democracy of agreements, which meant that important reforms were negotiated outside of Congress with the RN, the more moderate rightist party. The 1990 tax reform, which increased the value-added tax from 16 to 18 percent, moderately raised business taxes, and redefined income thresholds in order to collect more revenue from wealthy taxpayers, was negotiated and ratified in this way. This reform

enabled the government to increase social spending from 9.9 percent to 11.7 percent of GDP. According to Delia Boylan, the government could have made its tax-reform proposal more radical, but held back rather

than risk threatening business interests or heightening conflict and uncertainty so soon after the initial transition to democracy.²¹

While poverty has been dropping steadily, inequality remains stubbornly high, placing Chile among the most unequal countries in Latin America.

In the medium term, the 1990 tax reform helped to increase the average income of poor Chileans, allowing a significant fraction to rise above the poverty line. Yet the position of the richest citizens has also improved significantly, with the upshot that while poverty has been dropping steadily, in-

equality remains stubbornly high, placing Chile among the most unequal countries in Latin America.²²

To face the inequality challenge, President Bachelet appointed a cross-sectoral, broad-based presidential commission that brought together political, social, and technocratic elites. This Council on Labor and Equity recently agreed on a series of recommendations for achieving greater equity while enhancing economic competitiveness and human capital. During the campaign, the wide popularity of the Bachelet administration's social-protection agenda became evident, and Piñera pledged to maintain it. If his proposed "national compromise" moves forward on this basis, a new and unprecedented social pact could be in the offing.

Against this positive backdrop, however, there remain reasons for skepticism about Chile's ability to further these apparently shared goals. First, the 27 February 2010 earthquake and its aftermath have distorted the policy agenda, forcing issues such as inequality and educational reform to the side and giving priority to reconstruction. A tax reform that President Piñera had proposed—and which would have to be part of the negotiation of a new social pact—is now being framed as necessary to fund an exceptional reconstruction effort, instead of as part of a lasting redistributive compromise. Moreover, in an allegedly pragmatic (or at least ideologically ambiguous) financial-reconstruction package that is now working its way through Congress, tax increases for businesses and other high-income taxpayers have been tied to domestic- and foreign-debt issuance and to the privatization of "unnecessary" state assets, including several publicly owned companies.

Moreover, the unions, popular organizations, and other interest groups that will have to be at the table when any new pact is worked out remain weak and disconnected from even the parties of the Concertación,²³ to say nothing of the Alianza. Early signs from the Piñera administration

are not promising, as its policies seem focused more on boosting economic growth and labor-market flexibility than on promoting equality. The new government has promised to maintain the successful social-policy initiatives of the Concertación era, so significant retrenchment is unlikely. Yet the trend toward social-policy initiatives with a more universal bent—a trend that tentatively began to take hold under Lagos and Bachelet with reforms to the healthcare and pension systems—is likely to freeze. Moreover, new budget constraints created by the post-earthquake reconstruction effort may further limit social spending.

Finally, one must ask how realistic it is to expect unions and center-left parties to sit down at the negotiating table amid such circumstances. If unions and center-left parties continue to act without coordination and as virtual political adversaries, it is difficult to foresee cooperation between Piñera's government and its social and political opposition. The social and political cooperation conducive to the successful negotiation of a new social pact will likely depend on a longer-term realignment in which the political repertoires and social and political bases of the center-right and the center-left are significantly reshaped.

If Chile can find a way to promote participation and renew its party system while remaining stable, it will avoid the snares—seen all too vividly in other Latin American countries' experiences—of “competitive oligarchy” followed by a possible slide toward “participatory hegemony” or the mire of “low-intensity democracy.” In the recent elections, voters willed a turnover of power, suggesting both that the old authoritarian-versus-democratic cleavage is waning and that ambitious politicians may be able to find opportunities for career advancement in the work of promoting political renovation.

An overhaul of the political system might not only foster a more active democracy with more involved citizens and better-rooted parties, but also help Chile to achieve a new social bargain that steers the country clear of the looming development traps set by excessive social inequality and unequal access to basic social rights such as education and health care. The opportunities here are real, but seizing them will mean paying now for future (and hence somewhat uncertain) benefits. Yet if inertia prevails instead and nothing serious is done, elections to come may well threaten the survival of the entire party system. The result could be the demise of the remarkable “Chilean model,” with its promise that countries can have strong economic growth, robust political-institutional stability, and rising levels of social welfare all at the same time.

NOTES

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1. The Concertación consists of Frei's Christian Democratic Party (PDC) as well as the Social Democratic Radical Party (PRSD), the Party for Democracy (PPD), and the Socialist Party (PS) of outgoing president Michelle Bachelet.

2. The second round of constitutional reforms, accomplished in 2005, removed the armed forces as guarantors of the constitutional order and abolished appointed Senate seats as of March 2006. The reforms also ended lifetime appointments for top military commanders and transformed the National Security Council into a presidential-advisory board, all of which limited the veto power that top uniformed officers once wielded with regard to defense issues.

3. For more detail on how Chilean scholars, politicians, and activists see their country's political problems, see Juan Pablo Luna, Rodrigo Mardones, and Rafael Piñeiro, "Condiciones para un Pacto Social en Chile: Disposición de Actores," in Gloria de la Fuente et al., eds., *Estrategias de Desarrollo y Protección Social* (Santiago: Ministerio Secretaría General de la Presidencia, 2009), 53–81.

4. For more detail on the nature and evolution of inequality in the country, see Florencia Torche, "Unequal but Fluid: Social Mobility in Chile in Comparative Perspective," *American Sociological Review* 70 (June 2005): 422–50.

5. Rodrigo Mardones, "Chile: Transantiago Recargado," *Revista de Ciencia Política* 28 (March 2008): 103–19; María Victoria Murillo and Carmen Le Foulon, "Crisis and Policy Making in Latin America: The Case of Chile's 1998–99 Electricity Crisis," *World Development* 34 (September 2006): 1580–96.

6. Robert A. Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1971).

7. For an initial argument on these lines, see Fernando Filgueira and Juan Pablo Luna, "Societies, Social Policies, and Political Representation: A Latin American Perspective," *International Political Science Review* 30 (November 2009): 471–85. The argument was also presented and discussed in workshops organized by the Andean Democracy Research Network, coordinated by Maxwell Cameron. See <http://blogs.ubc.ca/andeandemocracy>.

8. Scott Mainwaring, Ana Maria Bejarano, and Eduardo Pizarro Leongómez, eds., *The Crisis of Democratic Representation in the Andes* (Stanford: Stanford University Press, 2006); and Jana Morgan, "Partisanship During the Collapse of the Venezuelan Party System," *Latin American Research Review* 42 (February 2007): 78–98.

9. J. Mark Payne, et al., *La Política Importa: Democracia y Desarrollo en América Latina* (Washington, D.C.: InterAmerican Development Bank, 2006), 171. The standard deviation observed for the Andean cases, excluding Chile, is 6.6.

10. See David Altman and Juan Pablo Luna's "2009 Expert Survey on Latin American Political Parties," available at www.icp.uc.cl/daltman. For an initial report on this dataset, see David Altman et al., "Partidos y Sistemas de Partidos en América Latina: Aproximaciones desde la Encuesta a Expertos 2009," *Revista de Ciencia Política* 29 (December 2009): 775–98.

11. Peter Siavelis, "The Hidden Logic of Candidate Selection for Chilean Parliamentary Elections," *Comparative Politics* 34 (July 2002): 419–38.

12. Manuel Antonio Garretón and Roberto Garretón, "La Democracia Incompleta en Chile: La Realidad tras los Rankings Internacionales," *Revista de Ciencia Política* 30 (March 2010): 115–48.

13. See Marcus J. Kurtz, *Free Market Democracy and the Chilean and Mexican Countryside* (New York: Cambridge University Press, 2004); Paul W. Posner, *State, Market, and Democracy in Chile: The Constraint of Popular Participation* (New York: Palgrave

Macmillan, 2008); see also Posner's essay "Popular Representation and Political Dissatisfaction in Chile's New Democracy," *Journal of Interamerican Studies and World Affairs* 41 (Spring 1999): 59–85.

14. Gonzalo de la Maza, "Los Movimientos Sociales en Chile," in Paul Drake and Iván Jaksic, eds., *El Modelo Chileno: Democracia y Desarrollo en los Noventa* (Santiago: LOM Ediciones, 1999), 377–405. For details on the socioeconomic dynamics triggered by economic reforms see Alejandro Portes and Bryan R. Roberts, "The Free-Market City: Latin American Urbanization in the Years of the Neoliberal Experiment," *Studies in Comparative International Development* 40 (Spring 2005): 43–82.

15. Rodrigo Mardones, "Descentralización: Una Definición y Una Evaluación de la Agenda Legislativa Chilena (1990–2008)," *EURE* 34 (August 2008): 39–60.

16. Edward F. Greaves, "Municipality and Community in Chile: Building Imagined Civic Communities and Its Impact on the Political," *Politics and Society* 32 (June 2004): 203–30.

17. This arrangement rewards coalition slates. Each coalition can present two candidates for the two Senate and two Chamber of Deputies seats apportioned to each chamber's electoral districts. Typically, the two largest coalitions split the seats in a district. Only if the leading coalition ticket outpolls the second-place coalition by a margin of more than two votes to one does the winning coalition gain both seats.

18. Oscar Muñoz, *El Modelo Económico de la Concertación, 1990–2005: ¿Reformas o Cambio?* (Santiago: Catalonia, 2007).

19. See Luna, Mardones, and Piñeiro, "Condiciones para un Pacto Social en Chile," 56. That diagnostic is based on a series of in-depth interviews with scholars, politicians, representatives of social organizations (unions, businesses, and students), NGOs, think tanks, and international organizations present in Chile.

20. Lisa Baldez and John M. Carey, "Presidential Agenda Control and Spending Policy: Lessons from General Pinochet's Constitution," *American Journal of Political Science* 43 (January 1999): 29–55.

21. Delia M. Boylan, "Taxation and Transition: The Politics of the 1990 Chilean Tax Reform," *Latin American Research Review* 31 (Spring 1996): 7–31.

22. See CEPAL, *Panorama Social de América Latina 2009* (Santiago: CEPAL), 34. Both the primary (.594) and total (.543) Gini coefficients obtained for Chile (2006) at the household level are significantly higher than the Latin American averages for both measures (.555 and .532, respectively). The estimate of total household income includes social transfers. For further details on the overall shape of inequality in Chile—a shape now being affected by the increasing affluence of those in the top income decile—see Florencia Torche's above-cited "Unequal but Fluid: Social Mobility in Chile in Comparative Perspective."

23. Posner, *State, Market, and Democracy in Chile*, 59–60.