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Chile: from 9/11 to the end of neoliberalism

After the coup against Allende on 11 September 1973, Chile became the laboratory of neoliberalism. Soon, it may finally free itself from its legacy

The *coup d'état* against socialist President Salvador Allende on 11 September 1973 flung Chile into a long, brutal dictatorship under Augusto Pinochet, who implemented far-reaching neoliberal reforms. After this traumatic experience, the country returned to democratic rule in 1989. The following elected governments opted for a gradual approach, adopting measures which, while shoring up economic growth, did not challenge the pillars of neoliberalism erected by Pinochet.

Until very recently, precisely this approach was considered to be a success, vaunted as a model both for other Latin American countries and, not infrequently, for nations across the world. Yet, despite the impressive decline in rates of poverty since the transition to democracy and over three decades of political stability, Chile has now entered into a period in which social conflict and economic tensions are defining its political landscape.

In late 2019, widespread protest and serious rioting extended across the country, with thousands taking to the streets to demonstrate against the various ways in which inequality and the neoliberal model still define Chilean society. In view of the sheer magnitude of the movement, the political class agreed to offer a referendum in which citizens would have the power to decide if the time had come to change the neoliberal constitution and to attempt a complete reconstruction of the country's institutions.

A new constitution for Chile

This referendum took place in October 2020 – and, with almost 80 per cent of the electorate voting for changing the constitution, its result was nothing less than a body-blow for the country's elite. In mid-May this year, citizens were once again called to the ballot boxes to elect

representatives to an assembly charged with drafting the new constitution.

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The Chilean establishment was forced to recognise that it had suffered another serious defeat: the electorate meted out punishments to both the traditional left and right-of-centre parties, as well as most of the candidates who had accepted large campaign donations. These were not elected to the constitutional assembly. Indeed, to the astonishment of academic researchers and political analysts alike, the primary winners of this crucial ballot were new left-wing groupings and wholly independent candidates with a progressive agenda.

Chile is now heading into uncharted territory – at a great speed, as the constitutional process is already in motion and a referendum on whether to accept or reject an assembly draft text is scheduled for the end of next year.

The establishment vs. the citizens

How did a country long considered a model of stability find itself in this situation of heightened uncertainty?

On the one hand, it was the very process of economic modernisation over recent decades that paved the way for the emergence of a progressive citizenship articulating demands for a structural transformation of the existing model of development. In no small part, this impulse has come from younger generations who see themselves as culturally liberal and aspire to live in a broadly social-democratic welfare state.

On the other hand, as elites have remained totally blind to the way society has changed, they have been increasingly unable to understand and adapt themselves to this new reality. The slew of recent scandals discrediting every pillar of Chilean society –corruption scandals in politics, flagrant cartels in big business, and paedophilia in the catholic church – have contributed as well.

As a consequence, Chile has become a case study in alienation between the establishment and civil society; and while a large part of the population now sees the establishment as illegitimate, civil society has proven able to organise and exert pressure to demand nothing less than a new social contract. In this way, the crisis of Chilean democracy is a result

of the fact that the country has an establishment which has proven incapable to respond to citizens' needs. This is particularly the case with respect to big business, which has operated in a profiteering ultra-capitalist logic portraying neoliberal policy as the only road to economic development.

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The constitutional plebiscite was a stress test showing that a large part of the electorate was ready to entrust their votes to new voices – and that they, by extension, are demanding a transformation of the country's elite. Seen from this perspective, there is every reason to argue that Chile is actually experiencing a renewal of democracy. The pressure from civil society and majorities at the ballot box is leading to the gradual configuration of a new political class which could end up in power with a much better connection to the citizens it governs.

Chile as a model for Latin America – again

Of course, this positive interpretation of Chile's process of transformation is dependent on various factors.

First and foremost, even though there are good reasons to hope that the upcoming electoral process will lead to a real change in the make-up of the political elite, it is not at all clear whether the cultural and economic elites are willing to open their ranks to new participants more in tune with wider society. Yet without far-reaching renewal in these areas, Chile will still suffer from a serious divide between its elites and its citizens.

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Secondly, at the end of this year, presidential and parliamentary elections will take place that look set to end in a total fragmentation of the political sphere. At present, it looks almost impossible for the winner of the presidential election on 21 Novemeber 2021 to also have a majority in Congress, and while polling suggests that progressive forces overall are ascending, there is no guarantee that they will be able to come together and establish alliances stable enough to govern the country.

Chilean society has shown its strength, coming together for demonstrations and demanding a transition towards a social-democratic welfare state with stronger environmental protections and more equality between the sexes. Will the elites now prove themselves to be up to the challenge? To a large degree, this question will determine the extent to which democracy in Chile comes out of this process stronger – and whether it will become an example of the democratic game that can be played to limit the role of the market and reconstruct broken social contracts.

Indeed, while we still do not know how the process in Chile will end, there can be no doubt that the final result will have an important impact both in Latin America and, more broadly, across the progressive world. Just as 11 September 1973 was a watershed moment in Latin America and for the global Left, the potential wholesale renewal of Chilean democracy may also become a blueprint for other countries.

Across Latin America, the Covid-19 pandemic has exacerbated existing problems such as the extreme inequality and severe poverty, forcing many nations to rebuild their social contracts and take a first step towards genuinely universal social policy. Perhaps, Chile will pave a way leading from societal mobilisation through institutional reform to, most importantly, a new contract between elites stable enough on which to govern effectively.



Cristóbal Rovira Kaltwasser
Santiago

Cristóbal Rovira Kaltwasser is Professor of Political Science at Universidad Diego Portales in Santiago, Chile. He is the co-author, with Cas Mudde, of *Populism: A Very Short Introduction*, and one of the editors of *The Oxford Handbook of Populism*.