

The two renovations of the Chilean left

By Pedro Isern

DOCUMENTOS

In this document, the author maintains that to understand the renovation of the Chilean Left, it is necessary to emphasize its two historical stages; the second one of them is still underway. The first stage of renovation started after the 1973 coup d'état, when political leaders and followers underwent a slow but profound process of accepting the democratic paradigm.

The second stage of renovation entails the ongoing process of accepting the market economy not only as the 'least worst' alternative but as a valid and necessary one. The main Concertación leaders' thorough understanding of the meaning and scope of the market economy makes the analysis all the more complex. Pinochet's dictatorship made an important part of the Chilean Left revalue the pre-1973 democratic Right. On the other hand, the "Unidad Popular" experience made the democratic Right value the moderate Left and made it willing to build consensus as of 1990. The second renovation of the Chilean Left can only be understood in view of this broad and growing environment of consensus-building.

The Left's transformation towards democracy and market economy is the main basis of the consolidation and deepening of the Chilean model.

Pedro Isern is President of the Center for the Opening and Development of Latin America (CADAL). He has a Masters in Political Philosophy (London School of Economics and Political Sciences), a Masters in Economics and Political Science (ESEADE – Buenos Aires) and is a Bachelor of Arts in Political Sciences (Universidad de San Andres – Buenos Aires). He contributed with the book *Mitos del Milenio. El fin del trabajo y los nuevos profetas del Apocalipsis* (Myths of the Millennium. The End of Work and the New Prophets of the Apocalypse). Buenos Aires: CADAL/TIMBRO, 2004.



Introduction

The starting point of Chile's economic-institutional development is the democratic restoration of 1990 and the ability shown by the "*Concertación de Partidos por la Democracia*" (the coalition in power since 1990) to consolidate and deepen the market economy in that country. Given this definition, it is politically and analytically relevant to determine which of the Concertación's characteristics can help explain the remarkable renovation process of a large sector of the Chilean Left.

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The second stage of renovation entails the ongoing process of accepting the market economy **not only as the 'least worst' alternative but as a valid and necessary one**. The fact that this learning process is still underway does not explain why it is difficult to have a perspective of the phenomena and analyze it properly. What makes its analysis all the more complex is **the main Concertación leaders' thorough understanding of the meaning and scope of the market economy**. Therefore, it is important to try and understand the characteristics and reasons which made the second renovation of the Left possible.

First, a brief description of the first renovation is in order, that is to say, when the Left began to be consubstantiated with democracy.

The Left and Democracy

Five main reasons help us explain the process which made the Chilean Left become democratic: 1) the traumatic economic-institutional performance of "Unidad Popular" (Popular Unity) during 1970-73, that tried to implement "a pacific transition to socialism" under Salvador Allende's presidency; 2) the forced exile, mainly in Europe, of the key leaders of the Socialist Party (PS), MAPU, MIR and the progressive wing of DC, and the consequent process of learning and comparing; 3) the systematic violation of Human Rights during Pinochet's dictatorship, which led those who described democracy as merely a formal expression to value that this "bourgeois institutionality" guaranteed some rights which, in the end, could save their lives; 4) the implementation of a process of economic reforms that seemed mostly positive by the end of the 80s; and 5) the consequent need to articulate an alliance in order to defeat the regime during the presidential elections of 1990. This need to join forces to defeat a common enemy contributed to strengthen the ongoing process of renovation-moderation.

This first democratic renovation of the Chilean Left has been thoroughly studied. Moreover, the fact that most of the literature on the subject refers to this first renovation, even up to the mid 90s, reveals the depth and quality of the second renovation. That is to say, the depth and speed of the conversion of the Chilean Left into a guarantor of a market economy reform surprises and disturbs the observer, who finds it difficult to calibrate not only the magnitude but also the implications of this second renovation. Therefore, the question is: Why have the main leaders of the Chilean Left **understood and accepted** certain precepts of the market economy so deeply and quickly? What has contributed to such a process? Or, to put it differently: Why has the renovation and modernisation of the Left been so traumatic, difficult and, ultimately, a failure in many other countries of the region? Although this is not the topic of the document, we will later make a brief reference to the Argentine experience and the role of the **Peronist issue** in this process.

Consensus Highway

The renovation of the Chilean Left is so relevant because it starts in 1973 and continues to date. In order to understand the extent and importance of the second renovation we have to situate ourselves in 1990. This year witnessed the end of a process of institutional destruction (which began in 1970 and was brutally intensified as of 1973). At the same time, this institutional destruction reflected a growing destruction of consensus that was reinforced as of the 70s².

So as to understand consensus-building since 1990, it is necessary to point out that the period of systematic **denial of the other** went from 1970 to 1990, and not only from 1973 to 1990. This point is analytically important as well as delicate, given that political intolerance turned into systematic violations of Human Rights during the military regime.

¹ For example, Ignacio Walker carries out a thorough analysis of the process in *Socialismo y Democracia, Chile y Europa en Perspectiva Comparada*. Santiago-Chile: Cieplan-Hachette, 1990. A good introductory analysis is Fernandez, A. "Social-democratización y Actores Políticos en América Latina: La Renovación Ideológica de la Izquierda" en Chile in *Revista Sistema*, 103 (1991). Also Loveman, Brian. "The Political Left in Chile, 1973-1990", in Carr, Barry and Steve Ellener, eds, *The Latin American Left. From the Fall of Allende to Perestroika*. Colorado-London: Westview Press, 1993 and Roberts, Kenneth: *Deepening Democracy? The Modern Left and Social Movements in Chile and Peru*. California: Stanford University Press, 1998.

Professor Catherine Hite has written a much quoted book: *When the Romance Ended. Leaders of the Chilean Left, 1968-1998*. New York: Columbia University Press, 2000. The same author has written an essay in the prestigious *Journal of Latin American Studies*: "The Formation and the Transformation of Political Identity. Leaders of the Chilean Left, 1968-1990" 28 Part 2 (1996). However, her focus is on the psychology of the political referents under study, rather than showing the political and philosophical relevance of the transformation.

² See Chart 1, page 7.

As we have pointed out in the introduction, Pinochet's dictatorship made an important part of the Chilean Left value the pre-1973 democratic Right. At the same time, the experience of "Unidad Popular" made the democratic Right value the moderate Left and prepared it for consensus-building as of 1990. **The second renovation of the Chilean Left can only be understood in view of this broad and growing environment of consensus-building.** This is to say, when there are two moderate political actors who have understood the convenience of reinforcing that environment, the modernising process of one of them is made easier since its costs regarding its historical political-electoral base are limited by the **other actor**. When faced by an opponent who was willing to become moderate and consequently widen the extent of consensus, the Chilean Left (and its political expression, the **Concertación**) was able to intensify its conversion towards capitalism because the cost of being criticized by the non-moderate Left was compensated by the (political and electoral) benefit of potentially "capturing" voters positioned in the center of the political spectrum, and whose other moderate electoral option also converged quickly towards the centre³.

To illustrate, we can use a metaphor of a wide **highway** in perfect conditions *vis-à-vis* a narrow road in bad conditions. There may be the same will to move forward and to modernize the vehicle, but the institutional quality of the road is what lets the car attain a higher speed without damaging it. The consensus built in Chile since 1990 have allowed an important part of the Left move towards its second renovation at high speed. This acceptance of the market economy logic and precepts has been, and still is, so profound that its full magnitude has not been appreciated yet. A current example of a consensus-building environment's analytical and political value is the fact that the ideological gap between Ricardo Lagos in 1990 and 2004 is greater than the gap between Ricardo Lagos in 1973 and 1990. The "1990-2004 gap" is larger than the "1973-1990 gap" because the consensus-building environment reinforces the change, creating a **virtuous circle of moderation** among relevant parties.⁴

Towards the end of the sixties, Ricardo Lagos wrote: "The only and true solution is, then, the abolition of private property regarding means of production, and their transfer to the State. As long as private property exists, the laws that are passed will only be palliatives that will never truly eliminate the different forms of concentration... No matter how difficult, this reform must be carried out, since only a deep change of the present economical structure will make every sector of the community develop and progress. History has challenged the current generation to start and direct the organic change of our societies, and it is a challenge that this generation cannot ignore or avoid..."⁵ San Francisco Reyes maintains that "Lagos himself, in a long interview, claimed that the years in exile and the political meetings in Europe were decisive: 'I remember,' says Lagos, 'that in the early eighties, a first meeting of the socialist renovation was held in Chantilly, a little town near Paris. It was a remarkable experience. There were 200 or 300 people coming from all over Europe... This is a chapter that was not written in the cultural history of our country...'"⁶

However, in the eighties the second renovation had not started yet. "...During the eighties, Lagos still showed traces of old socialism, especially in economic matters. In 1983, he declared to be in favor of a socialist economy: '...that the allocation of resources be primarily carried out by the State and not by the market... The State must act as a producer in certain areas of the economy. Our basic wealth must be exploited by the State and its benefits must favour all Chileans.'"⁷

Lastly, it is necessary to quote the end of San Francisco Reyes' historical account of the remarkable Chilean president's intellectual transformation: "When analyzing President Lagos' two most recent books, it is easy to recognize the guiding lines of the renovated socialist thought, that is to say, the liberal thought of the Left: in his book titled *El Libro de Lagos*, he

³ It is necessary to point that there are members of the **Concertación** who are opposed to this growing search for consensus. Their views have become more explicit since the economy began to slow down in 1999. Clearly, the governing coalition is not homogeneous. Eugenio Tironi maintains that "... a large percentage of the political culture of the **Concertación** believes that, currently, hell is represented by the composition of Chile and its myths, not by the past dictatorship. Furthermore, there are people who have started to idealize it, saying that they were better off during the "authentic dictatorship" than in this "fake democracy", or that they would prefer their parents' and grandparents' Chile that they rebelled against during the 60s and 70s, rather than the country the **Concertación** created in its twelve years of government. In fact, critical views of the current system are growing inside the most powerful political parties of the **Concertación**, and whoever does not adhere to them is subject to sarcastic and derogatory remarks." Tironi, Eugenio. *El Cambio está aquí*. Santiago: Editorial Sudamericana Chilena, 2002. p. 87

⁴ It is very important to note that some analysts have different "hermeneutics of consensus". For example, Tomas Moulian and Alexander Wilde acknowledge and highlight the consensus-building that has taken place, but give it a negative connotation. San Francisco Reyes maintains that Moulian "... adds that in the economic field the early Social Christians and Socialists, now in power, have become liberals (pro-free market), with the risk of the rewording of their speeches revealing that *the consensus policy concerns not only the appeasement of the military or frightened businessmen, but the turn of these politicians towards a new cultural field...*" (emphasis added). Moulian, Tomas. *Chile Actual. Anatomía de un Mito*. Santiago: LOM, 1997, quoted in San Francisco Reyes, Alejandro. "Chile y el fin de la historia". *Bicentenario – Revista de Historia de Chile y América*. 1, (2002) p. 37. At the same time, Wilde maintains that "The country's public life since transition has had a certain muffled quality reflective of what might be called a "conspiracy of consensus" originating among political elites but permeating the whole society". "Interruptions of Memory: Expressive Politics in Chile's Transition to Democracy". *Journal of Latin American Studies*. Number 31, 1991.

⁵ Lagos Escobar, Ricardo. *La Concentración del Poder Económico en Chile*. Santiago: Ed del Pacifico, 1973 p. 172. Quoted in San Francisco Reyes, *op. cit*, p. 38.

⁶ San Francisco Reyes, *op. cit*, p. 39.

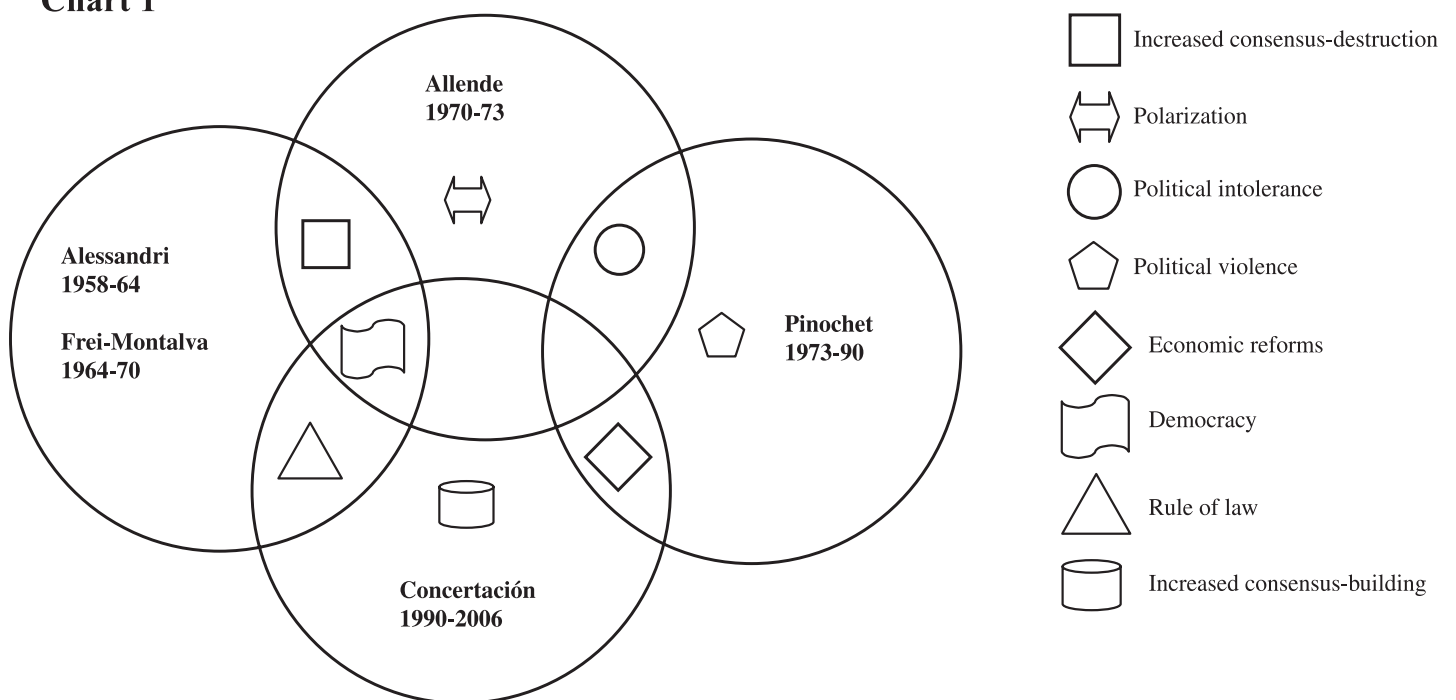
⁷ Lagos Escobar, Ricardo. *Democracia para Chile: Proposiciones de un socialista*. Quoted in San Francisco Reyes, *op. cit*, p. 40.

maintains that ‘...there are two key elements in Latin America: the re-establishment of democratic systems and sound economic management. And the latter is as important as the former. As I once said, a pro-coup general is as dangerous to democracy as a populist Minister of Finance’... In his book *Mi Idea de País*, Lagos believes that the ‘**Concertación** is the political and social alliance which best guarantees the bases of economic growth, due to its commitment with assuring that efficient markets operate freely, as well as its opening up to public scrutiny: the Concertación makes the economic and social options transparent and ensures the stability of the democratically-chosen path.’”⁸

As we have already pointed out, the transformation of Ricardo Lagos’ line of thought is a good example of what a large sector of the **Concertación**’s leaders and political followers experienced. However, other influential sectors of the coalition have their doubts, and in some cases, strongly criticize the course taken by successive governments as of 1990.

We will try to summarize this document in a series of charts and comments:

Chart 1



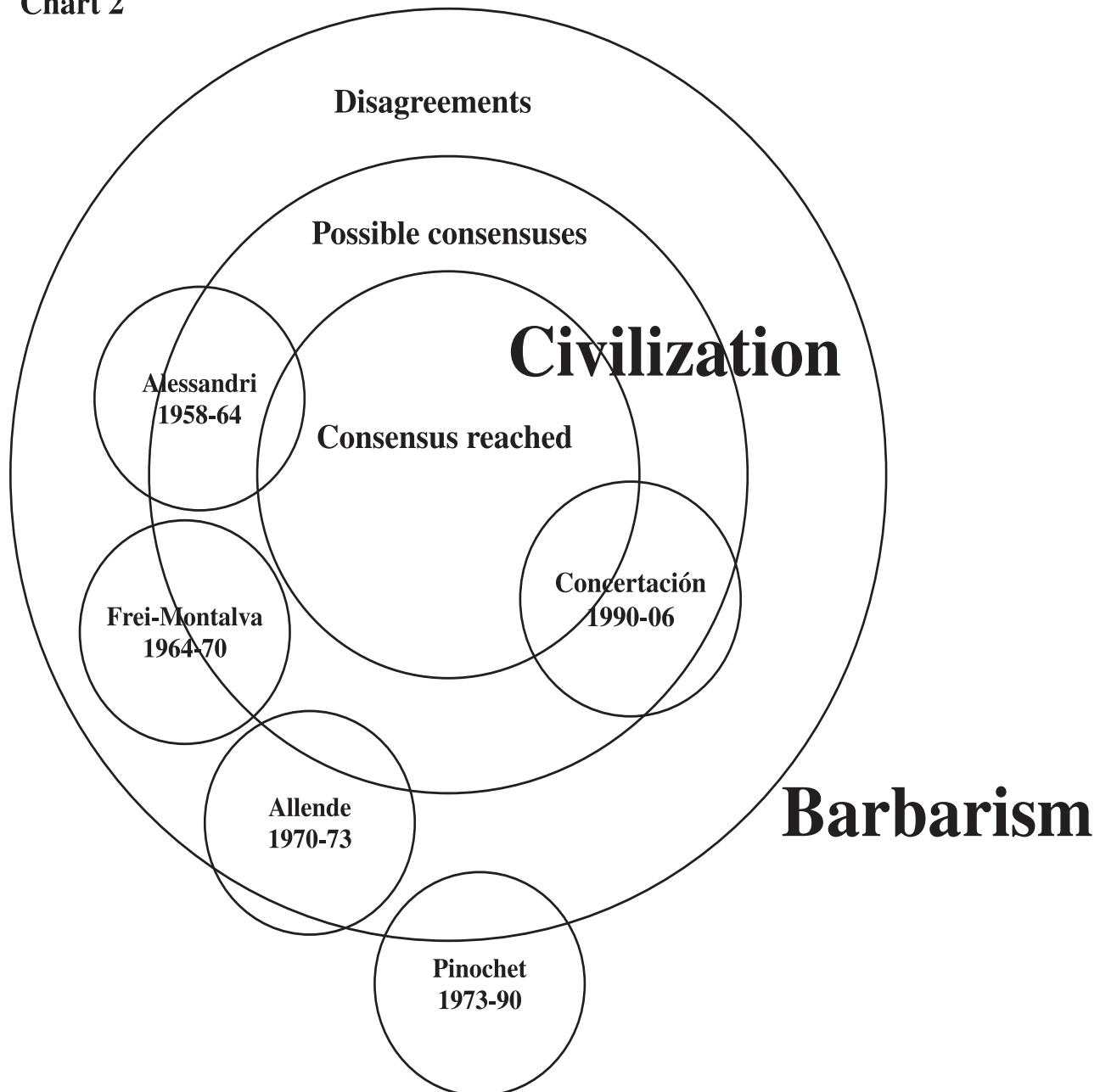
Source: Author’s data.

Chart 1 reflects the systematic process of consensus-destruction that took place in Chile as of the late 50’s, the coup d’état being its maximum expression. Each period’s description is debatable, but what is important is the central issue regarding the role played by the renovation of the Left as of 1990. The period of the Concertación (1990-2004) has four characteristics which help us explain its positive economic-institutional performance: democracy, Rule of Law, pro-market economic reforms and increased consensus-building. The point is that the success of nations seems to reflect the sum of necessary but not sufficient conditions, where making agreements on successful public policies takes time, trial and error and luck. In the specific case of the description made in Chart 1, we can suggest that the four aforementioned variables when acting together in a particular institutional arrangement do not necessarily guarantee the path to development, but the absence of just one of them will most likely block the way.

⁸ Quoted in San Francisco Reyes, *op.cit.* p. 42.

The same concept can be illustrated differently:

Chart 2



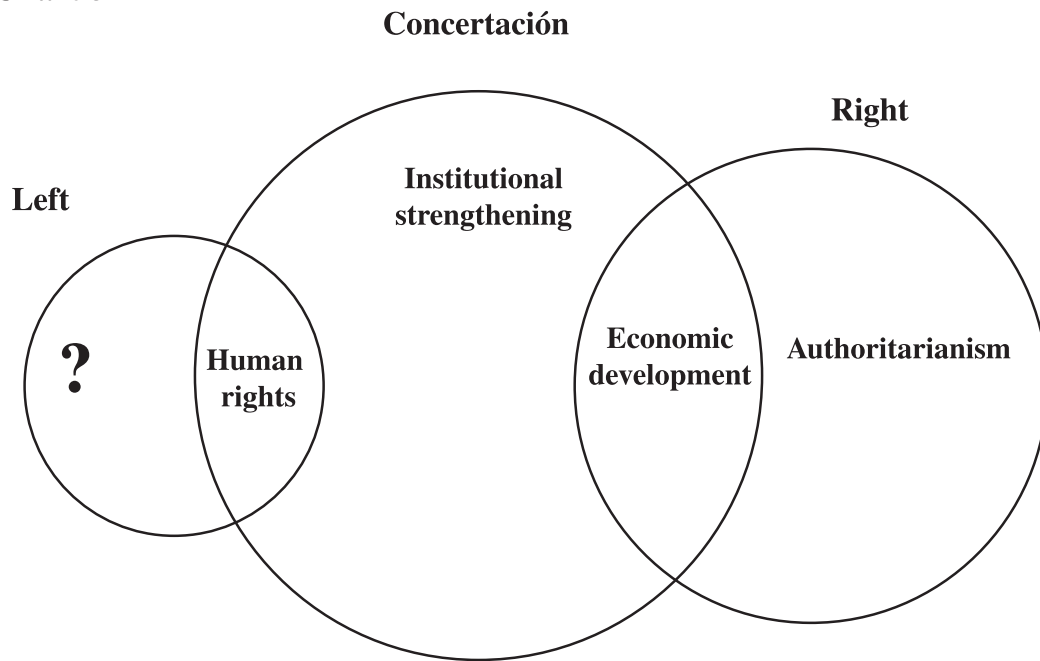
Source: Author's data.

Chart 2 reflects the same process, emphasizing the larger distances between governments and consensus-environments as of the Alessandri administration. Disagreements are reinforced during the Frei-Montalva administration. The Allende presidency institutionalizes disagreements to such an extent that society is polarized and channels of dialogue are closed.⁹

⁹ Again, quoting Ricardo Lagos is symptomatic: "...during the 60s, we were so certain of our truths that we sought to assert them by denying a consensus because, by definition, there could be no agreements with those who were wrong." Lagos Escobar, Ricardo. *Después de la Transición*. Santiago: Ed. B, 1993. Quoted in San Francisco Reyes, *op.cit.*, p. 20.

Charts 3 and 4 analyze the issue from another standpoint: here, we illustrate how the political and intellectual evolution of the Left has contributed to the moderation (and evolution) of the influential Chilean Right. Let's situate ourselves in 1990:

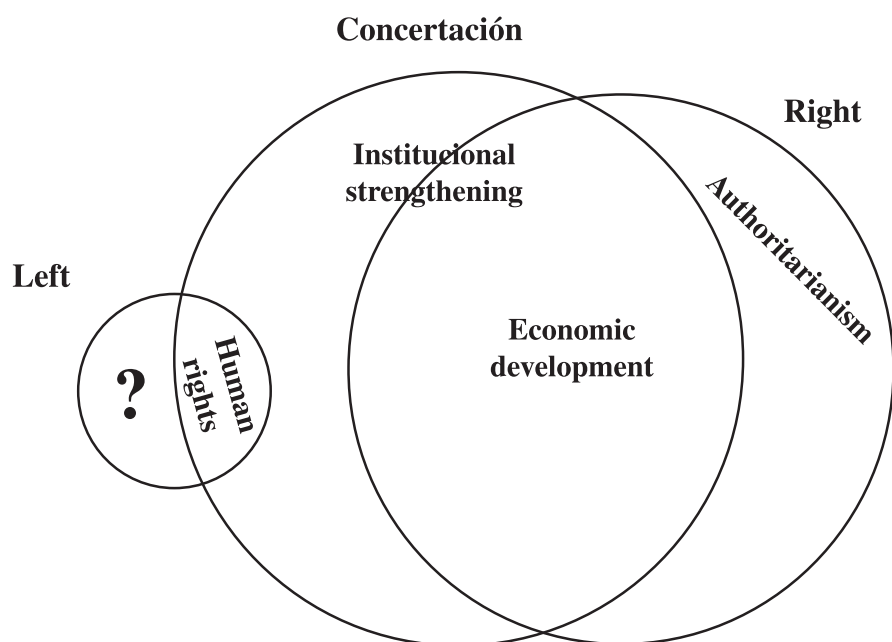
Chart 3



Source: Author's data.

Chart 3 reflects three prevailing situations: to begin with, traces of Pinochetism are still present in an important part of the Right; secondly, this has been changing in a slow but constant way; in third place, paradoxically, the fact that there is still a large sector of the Chilean civil society that is undergoing the democratization process, reflects a problem which is also a great opportunity. The consensus environment has been growing since 1990 in spite of the presence of a sector with traces of authoritarianism, so the evolution of this sector towards a democratic coexistence gives Chile the possibility of considerably increasing that consensus environment in the short term. This situation is unprecedented in the region. We can illustrate this new framework with the following chart:

Chart 4



Fuente: Elaboración propia.

Chart 4 shows how the moderation of the Concertación has contributed to the growing democratization of the Right, and consequently, enlarged the consensus environment.

However, the Chilean Right is still undergoing the democratization process, and this is evident when analyzing the following table elaborated by the prestigious sociologist Eugenio Tironi in 2002:

Table 1
Democratic Loyalty of Lavin's and Lagos's voters (in %)

	Democracy is preferred to any other form of government	A military government is preferred given certain circumstances	It makes no difference	No answer	Total
Lavin	41.2	40.9	15.6	2.3	100
Lagos	85.7	4.4	9.8	0.1	100

Source: Tironi, Eugenio. "El cambio está aquí". Pag 43

Even though a large percentage of the (Right-wing coalition) Alianza Nacional voters have a surprisingly low level of democratic loyalty, we must analyze another table that Tironi elaborated to reflect the consensus-building process.

Table 2
Comparison of values - Lagos' voters (white cells) vis-a-vis Lavin's voters (shaded cells)

	1	2	3	4	
Improve public services	57.3	18.7	8.4	15.7	Lower taxes
	51.3	23.3	11.3	14.2	
There should be more social equality	60.5	17.2	8	14.3	Higher rewards for individual effort
	39.5	22.8	15.2	22.5	
Maintain public order	48.6	18.7	13.5	18.9	Defend individual freedom
	61.6	19.9	7.3	11.3	
Maintain existing public companies	57	17.1	15.7	10.3	Privatize private companies
	42.5	14.8	26.8	15.9	
Defend religious and moral values	32.7	14.8	16.1	36.4	Defend individual freedom
	46.3	24.1	13.4	16.3	
Abortion should become legal	23.5	9.2	21.3	45.9	Abortion should still be illegal
	14.9	3.9	14.9	66.3	
Protect the environment	64.8	20.1	6.5	8.5	Encourage economic growth
	57.8	25.8	7.3	9	
Favor cultural diversity	37.7	19.8	14.1	28.3	Strengthen national identity and unity
	24.8	33.5	9.5	32.2	

Note: Number 1 represents the highest conformity with the statement on the left, and number 4 represents the highest conformity with the statement on the right; number 2 and 3 represent a mild adherence to both alternatives.

Source: Tironi, Eugenio. "El cambio está aquí". Pag 43

The text, charts and tables try to reflect the qualitative importance that the evolution of the Chilean Left has had over the years, to the extent that the Chilean Left (by means of its political expression, the **Concertación**) has become the key institutional player in Chile's success.

The Vicious Circle of the Argentine Disagreement or "the Peronist Issue"

The highway which allowed for the quick second renovation of the Chilean Left and, consequently, the consolidation of consensus in Chile can be contrasted with the incapability of the Argentine political system to begin building bridges and avoid continuous disagreements. The immediate question is: "What systematically thwarts any -implicit or explicit- attempt of basic consensus-building in Argentina, which could serve as a starting point for a larger consensus environment?"

The comparison with the Chilean performance since 1990 sheds light on an idea that can be analyzed in detail in a separate Document: the institutional quality of the Peronist party (the dominant party that is becoming hegemonic) has thwarted the building of a path which would allow for the renovation of a moderate Right and Left. What has happened since 1990 is symptomatic: Menemism-Peronism has co-opted and therefore prevented the consolidation of a moderate Right (that is to

say, **democratic and liberal-capitalist**) capable of becoming a political player of high institutional quality. On the other hand, Kirchnerism-Peronism appears to be the same expression but on the opposite side, that is to say, an expression that is co-opting (and thus preventing) the consolidation of a moderate Left (that is to say **democratic and socialdemocratic-capitalist**)¹⁰ capable of becoming a necessary but not sufficient political player in building an incipient consensus environment. Again, we are faced with the strategic game between political and social players who rationally assume that it is infeasible to implement “free-market” or “socialdemocratic” reforms unless it is done through Peronism. However, this rational short-medium term decision entails the impossibility of consolidating two modern political expressions that can experience a renovation process, mutually moderate each other and, therefore, cooperate. Even though this issue is a digression in the particular topic of this document, the **Peronist issue** is a key point when studying factors that encourage or prevent consensus-building in the region. Stretching the comparison a little further, and considering that Nestor Kirchner and Ricardo Lagos probably had similar lines of thought in 1973, we could say that this picturesque centre-Left expression which rules Argentina today is different to its Chilean “counterpart”: it has not even begun its first renovation (genuine consubstantiation with democracy¹¹), and is thus far from understanding the market economy logic and implications.

Final Remarks

Some consensus-building can take place by action or omission. That is to say, the Chilean Left values a liberal-capitalist democracy because it suffered in hands of Pinochet. The Right re-values the **Concertación** because it lived through the Allende period. Even though there is a historical tradition of consensus-building in Chilean politics, the traumatic 1970-1990 period made the moderate Left and Right commit with the need to find basic starting-point consensus, and made the non-moderate Left and Right suspect they need to become more moderate.

The Left’s process of transformation towards democracy and market economy is the main basis of the consolidation and deepening of the Chilean model. As we have pointed out, its magnitude and depth partly explain the difficult moderation process the Chilean Right has undergone since 1990. When the different Right-wing groups (Armed Forces, businesspeople and important sectors of the civil society) perceived that the Concertación had become a moderate political and economic player, they also started their own moderation process. The exact opposite occurred in the period 1970-73 y 1973-90.

¹⁰ In this line of thought, Elisa Carrió, the leader of a new centre-Left expression, has had a politically and ethically important role in displaying, from a social-democrat standpoint, an attitude towards Kirchner’s government that no relevant pro-free market player had towards Menem’s corrupt government. This last omission will necessarily have (political and ethic) consequences when it comes to building a competitive centre-Right coalition in the short and medium term.

¹¹ Peronists have difficulties in genuinely accepting a democratic game, and an important part of this has to do with the systematic and odd incapability of understanding that they have to let (not even help) presidents of other political parties finish their constitutional mandates.