

Free Markets and Democratic Consolidation in Chile: The National Politics of Rural Transformation

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Military rule in Chile (1973-1989) produced a profound neoliberal reorganization of the national developmental trajectory and was followed by a peaceful return to democracy. However, the surface confluence of economic liberalization and democratization in Chile belies a more complex interrelationship. On the one hand, neoliberalism has been a key factor facilitating democratic transition and consolidation through the rural political base it has provided for conservative elites, thereby increasing their commitment to the national regime. On the other, it has done so in part by limiting vigorous democratic competition to urban areas. In the countryside, neoliberalism has produced levels of atomization, organizational decay, and economic vulnerability so severe as to inhibit autonomous political participation.¹ The lesson here is that democratization and economic liberalization are sectorally differential processes and that these sectoral differences are essential to understanding the relationship between them. Put simply, free markets and democracy are mutually reinforcing at the national level in Chile in part because of the tensions between them in the countryside.

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THE THEORY AND THE THEORETICAL TERRAIN

There is no shortage of arguments as to the theoretical relationship between economic liberalization and the emergence of democratic political regimes. One set of scholars has contended that the former contribute directly to the emergence of the latter. They emphasize that market relations and private property weaken the dominance of the state. Economic power is thus diffused throughout society, limiting the ability of undemocratic leaders to maintain political control.² Olson goes so far as to claim that private contract and property rights are essential conditions for both lasting economic development and democracy.³ Others argue that market organization facilitates socioeconomic growth, which in turn creates a less polarized class structure, an expanding middle class, and improvements in education and social mobility.⁴ This creates a tolerant political culture and the autonomous social organizations essential to democratic governance. But the hypothesized connections between market organization, socioeconomic development, increased levels of social capital, and democratization ought to be examined more empirically. The key issue is when and where are free-market policies compatible with autonomous social organization and participation, and when and where are they not.

Analyses relating economic and political liberalization have normally been focused on the national level, assuming a homogeneity in the social aspects of democratization.⁵ This national focus has hindered the ability of scholars to understand the uneven ways in which democratic consolidation and transition might be connected within a given nation as well as the different ways that neoliberal economic restructuring profoundly affects both processes. An empirical and sectorally disaggregated approach helps to resolve these dilemmas as well as explaining why a consistent overall relationship has not emerged in cross-national studies.⁶

A key starting point here is the important insight scholars have had that the institutional aspects of democratization can be gradual and uneven. Transition may not be immediate or rapid—many resting points exist on the road from authoritarianism through liberalization to democracy.⁷ Thus, different parts of the state can be more and less democratic—for example, the military may retain autonomy and special privileges even while the legislature is elected. Incomplete democratization of state institutions may thus be the price for facilitating the transition to begin with. That is, this very institutional unevenness of democratization is a fundamental reason why it is less threatening to authoritarian elites and therefore more likely to succeed.

My contribution is to suggest that the democratization of social relations can be as uneven as that of state institutions. This unevenness, like the undemocratic islands in the state institutional structure, can serve both to facilitate transition away from authoritarianism as well as to consolidate the emergent competitive regime. In this paper, I outline how the imposition of a neoliberal economic model

in the Chilean countryside produced intense social atomization, peasant quiescence, and a reconstruction of rural conservative dominance. Critical intervening steps include the marked increase in economic dependence of peasants on rural employers, the destruction of previously important sites of social interaction, and the sharp fragmentation of peasant interests. The result is not simply the absence of meaningful rural political participation but the creation of very high barriers to its possibility.

If democracy is “institutionalized uncertainty,” then democratic transition is in part about reducing uncertainty for actors capable of initiating an authoritarian reversal.⁸ In addition to the design of political institutions that advantage the right,⁹ it is important to recognize that the economic transformations undertaken by some authoritarian regimes have caused social reorganizations that have equally profound implications for the practice of democratic contestation. Neoliberal economic transformation in rural, but not urban, Chile has had a chilling effect on political competition. It has created material, organizational, and informational hurdles so severe as to prevent autonomous peasant political participation. Coupled with a strong imbalance in rural socioeconomic power and the dearth of urban allies, it has given the political right distinct advantages in rural electoral competition (and as a result, a strong voice in national legislative institutions). Neoliberalism has thus helped construct rural quiescence and a conservative veto over threatening policies, but paradoxically, it has also facilitated democratization and played a key role in the stability of posttransition political institutions.

THE ARGUMENT AND THE EVIDENCE: ATOMIZATION AND RURAL NEOLIBERALISM IN CHILE

The national-level neoliberal developmental model imposed on Chile with increasing consistency after 1975 had deep atomizing effects on peasants. For them, privatization policies in production and services, combined with deregulation of labor, land, and commodity markets, produced a form of social disarticulation that has stabilized the dominance of the modernized agrarian upper class. In political terms, these reforms have reduced the quantity and quality of posttransition democratic contestation in the countryside by (1) selectively constricting the national policy agenda in ways that exclude issues of importance to the rural popular classes; (2) fragmenting peasant interests and generating high hurdles to their aggregation and political expression; and (3) constricting the access of rural sector workers to alternative understandings of their situation, urban allies, and collective expression of their grievances. Critically, the inability of peasants to self-organize is paralleled by the refusal of reformist (center and center-left) political forces to enter serious rural political competition. The result is conservative dominance.

Sectoral Heterogeneity

My contention is that democratic consolidation in Chile hinges importantly on the unevenness in the associational basis of political participation between urban and rural areas produced by neoliberal economic transformation. This contrasts with arguments that make the claim that social marginalization and disorganization were countrywide products of the military's economic project.¹⁰ It also contrasts with those who, like Oxhorn, have argued that while neoliberalism did disarticulate old mechanisms of political participation, it also opened up new avenues, at least in the urban popular sector.¹¹ He documents the extensive reconstruction of civic organizations and civil society despite the military's attempt to impose an "individualistic authoritarian model for social relations."¹² Concurring, Roberts points out that the opposition—particularly the Communist party—was able to reconstruct some level of organization among students, urban workers, and the informal sector. Notably absent, however, were formerly important peasant organizations.¹³

While some aspects of the general neoliberal model may induce similar urban disarticulation, the political consequences of free-market reforms in the two areas are of decidedly different quality—most particularly in terms of productive relations and social geography. The inherent seasonality of agricultural labor demand, coupled with high real unemployment and the lack of alternative forms of employment, gives rural elites political leverage far beyond anything attained by their urban counterparts.¹⁴ Similarly, marketization in agriculture required the literal destruction of preexisting communities and the social capital they embody (through the process of privatization of the land reform co-ops), which was not generally the case in urban areas.

How, specifically, have neoliberal policies generated atomizing outcomes? Why are the effects of neoliberalism in the countryside different from those in the cities? In the analysis that follows, I examine the rural political implications of neoliberal policies as they are tied to the creation and/or deregulation of four different markets: international trade, productive and social services, land, and labor.

Trade Liberalization and Export Orientation

Between 1973 and 1979, the formerly highly protected Chilean economy was opened to imported goods.¹⁵ Politically, this introduced a substantial class bias to the modernization of Chilean agriculture by generating intrapeasant competition and differentiation that disorganized and depoliticized rural society.

Regionally and by class, Chilean peasants were fragmented by trade opening. Export orientation allowed those with land in the central valley¹⁶ to take advantage of substantial comparative advantages in nontraditional production. Those in the south could not. And even in the central valley, not all rural producers were able to move into export production. Given the substantial capital requirements and long gestation periods necessary for the transition to export-fruit production, peasants

were generally unable to make the adjustment.¹⁷ In general, export crops must utilize expensive imported inputs to meet First World consumer and health standards, which are beyond the means of most small producers.¹⁸ The effort to reorient production tended to put peasant smallholders in competition with each other over access to scarce land and capital and created an incentive to increase their personal holdings—in an attempt to create scale economies—at the expense of distressed neighbors.

The combined effects of prevailing international conditions, full opening to imports, and exchange rate overvaluation after 1979 were entirely predictable. Less competitive agricultural sectors—peasants and southern landlords—suffered mightily. The average production of wheat—Chile's most important traditional crop—tumbled from 10.2 million quintals over the 1976-1979 period to 6.4 million quintals during 1980-1983.¹⁹ Industrial crops (sugar beet, sunflower, and rapeseed) and peasant-produced crops (beans, lentils, potatoes, etc.) suffered major output declines as imports drove down prices. Indeed, between 1975 and 1981, imports of agricultural products surged from a low of \$13.9 million to a total of \$280.2 million.²⁰

On the other hand, capitalist export fruit production expanded markedly in the central valley.²¹ This induced a rapid process of social differentiation, as peasants lost land and frequently were reduced to seasonal wage laborers. The military's own data show that as early as 1978, a mere three years into the privatization of the land reform sector, 36.8 percent of peasant beneficiaries had partially or wholly ceded their landholdings. And the overwhelming beneficiaries of this sell-off were agribusinessmen and urban interests.²²

This was mirrored in substantial new political divisions within and between each of the different strata of the rural sector, making the presentation of unified demands nearly impossible. Within the capitalist class, producers were sorted into traditional and nontraditional sectors by levels of capitalization and geography, in turn leading to splits in their respective representative organizations.²³ Within the peasantry, division occurred between those with land, those in the process of losing land, those permanently employed, and those only able to obtain work on a seasonal basis.²⁴

Privatization

Two kinds of agricultural privatization took place in Chile, involving input-providing enterprises and public marketing boards. These former state monopolies were sold to a small group of private investors at fire-sale prices. This left peasants in a difficult and confusing political situation, as the resultant private oligopolies in the provision of inputs and the marketing of outputs²⁵ led to an unfavorable structure of prices that would require either the intervention of the state or some sort of countervailing collective organization to modify. And the problem became particularly acute as the peso became overvalued between 1979 and 1982.

The governmental approach was foreclosed not only because the Chilean state (under the military) had renounced any substantial regulation of prices but also because it lacked the necessary institutional capacity. Alternatively, to better their situation through the now-dominant market mechanism would have required strong collective organization among peasant producers. The latter approach was impeded at first by the national security policies of the military regime but later on by the differentiation and atomization produced by the neoliberal model itself. Without the state to provide necessary social infrastructure and limit problems of free riding, peasant self-organization was exceedingly unlikely, and the formerly dense network of peasant organizations declined rapidly.²⁶

This left peasants to face the market in a disadvantageous position as individuals. But now the state was no longer obviously “to blame” for the difficult situation facing them, and conservative elites could argue that peasant producers had some interests that were served by the neoliberal model—low tax and regulatory burdens and the cheapening of wage labor. Of course, this further divided the interests of smallholding peasants from those of agricultural wage workers.

Land Market

After the coup, the military found itself in control of roughly 40 percent of the agricultural land of the nation. Rather than re-create the old, inefficient large-holdings of the past, the military chose to privatize the ownership of this land through three mechanisms—sale at auction, partial landlord restitution, and transfer as individual alienable property to peasants. In the end, the reform sector peasantry received just over half (51.6 percent) of the available land.²⁷ The idea behind this program was to create quickly a flourishing land market that would smoothly transfer land out of peasant and landlord hands and into the possession of modernizing capitalist agribusinessmen (for an overview of changes in land tenure, see Table 1). The parcelization of properties among peasant proprietors was not, in the end, designed to stabilize a small-farmer class.

Jarvis finds a basic inconsistency between the way in which land was assigned and the subsequent liberal policies imposed in the agricultural sector.²⁸ To him it seems clear that this new smallholding peasantry was unlikely to flourish. But it is my contention that the military was uninterested in the success of these smallholders. Rather, it sought to (1) create a new stratum of capitalist agricultural entrepreneurs that would displace both the traditional landlords of the central valley as well as what remained of the reform sector peasantry, (2) permanently discourage peasant political activity by directly associating it with the loss of access to land and rapid downward social mobility, and (3) fragment the rural cultivating classes in ways that prevented the formation of broad-based political coalitions and left at least some segments open to cooperation with the political right.

The sell-off to non-peasants of land reform parcels quickly helped to constitute the new capitalist sector. It also destroyed the old community nuclei, as peasants

Table 1
The Reorganization of Land Tenure under Military Rule (percentage of agricultural land in basic irrigated hectares)

Farm Size Stratum	1973	1976	1979 ^a	1986
Minifundio	9.7	9.7	13.3	14.0
Family labor farm	13.1	24.9	29.0	26.0
Reform Sector	40.6	18.1	4.0	3.0
Peasants	63.4	52.7	46.3	43.0
Capitalist farms	36.6	43.4	36.3	31.0
Large agribusiness	0.0	2.9	16.9	26.0
Capitalist	36.6	46.3	53.2	57.0

Source: For 1973, see Luz Eugenia Cereceda and Fernando Dahse, *Dos décadas de cambios en el agro chileno* (Santiago, Chile: Instituto de Sociología, Pontificia Universidad Católica de Chile, 1980), 135. For 1976, see Instituto Nacional de Estadística, *V Censo Nacional Agropecuario* (Santiago, Chile: INE, 1975). For 1979, see Lovell Jarvis, *Chilean Agriculture under Military Rule: From Reform to Reaction, 1973-1980* (Berkeley, CA: Institute of International Studies, 1985), 10. For 1986, see Lovell Jarvis, "The Unravelling of the Agrarian Reform," in Cristóbal Kay and Patricio Silva, eds., *Development and Social Change in the Chilean Countryside: From the Pre-Land Reform Period to the Democratic Transition* (Amsterdam: CEDLA, 1992), 199.

a. These data were calculated by Jarvis working backward from property tax assessments, making the assumption that the value of a basic irrigated hectare was \$78,000 pesos. For a justification, see Jarvis, *Chilean Agriculture*, 10-21.

not receiving land were expelled from the old farms, and even the recipients relocated to an isolated pattern of residence on their individual plots. This social division was compounded by the fact that parcel recipients were in part selected for their apolitical behavior in the pre-coup period—the lesson was that political activism resulted in landlessness. Thus, social differentiation soon set in, even if it was an unanticipated consequence of the national-level economic model. Even those who benefited from individual parcel distribution were not well off. Loss of land was endemic, and this did not reflect a concentration of property within the peasant sector but rather a transfer to outsiders. Only 6.5 percent of land sales were to another reform parcel holder, resulting in a substantial transfer of land back into capitalist hands (Table 1).

As ardent a supporter of liberal economic policies as the World Bank warned that given the inadequate education, experience, access to credit, and inputs on the part of the parcel recipients, they would be utterly unable to compete with large-scale corporate farming.²⁹ Carter and Mesbah point out that even if small and large farmers were able to compete in productivity terms, the frequent and severe economic ups and downs implicit in opening to the world market would have the effect of transferring land to the capitalist sector—farm survival in economic downturns is directly linked to access to credit, and in a market-oriented system, small producers are at an inherent disadvantage.³⁰ Kay notes that by the end of this

process of counterreform, only 5 percent of Chile's peasantry had managed to secure a family farm.³¹

Table 1 shows this dramatic process of land reconcentration. It should be remembered that the aggregated character of this data masks some of the intense social differentiation occurring during this time period. The stratum of family farms (five to twenty basic irrigated hectares) declined between 1979 (the end of parcelization) and 1986, but the extent of decline is masked by the fact that large growers owning more than one agricultural property would be recorded within this category rather than within the large-farm category, as long as each property were of a family farm size. At a minimum, the percentage of agricultural land held by peasants declined from a peak of 63.4 percent in 1973 to 43 percent by 1986.

The parcelization of the land reform properties and the wholesale reorganization of productive relations engendered new social conflicts not simply between those who did and did not acquire land but also between peasant producers and rural wage laborers. Before and during the land reform, rural cultivators were largely insulated from food price inflation. Subsistence food needs either were met through home production or were granted by the landlord as part of the labor contract. In the wake of capitalist transition and marketization, rural workers became responsible for their own food needs. Any increases in the price of peasant-produced foods—those foods most likely to be consumed by rural workers—would be reflected in declining consumption for workers. Previously, rural wage workers were at least agnostic on the issue of agricultural price increases. Given the new market relations, however, they were placed in a direct conflict of interest with peasant producers. Such a conflict of interests could not help but undermine the potential for effective peasant-agricultural worker cooperation or action.

Finally, the opening of land markets led to a wholesale change in both the overall direction and means of social mobility. For rural workers and producers alike during the land reform (1967-1973), there was a generalized pattern of upward social mobility. This was not, however, a function of progress up through the class hierarchy but rather an improvement in the living conditions of the peasantry as a whole. Mobility was collective and upward, largely a product of the pressures that the new, militant peasant unions could apply or the resources that state elites seeking political support could distribute.

After marketization, the position of peasants declined markedly, with the only remaining avenue for social mobility being individual progress through an increasingly differentiated class hierarchy. Depending upon one's starting position (smallholder or landless), the available trajectories were quite different. For recipients of land reform parcels there existed the perhaps likely prospect of downward mobility through land loss, coupled with the conceivable but unlikely eventuality of achieving farmer status through a process of land accumulation and capitalization. The former condition helped cement the risk aversion of these cultivators, while the latter provided them a narrow means of advancement but one

Table 2
The Evolution of Rural Class Structure in Chile, 1972-1990 (economically active population [EAP] in thousands and percentage of total)

Class Segment	1972		1986		1990	
	EAP	Percentage	EAP	Percentage	EAP	Percentage
Agricultural entrepreneurs	35.0	5.1	29.5	3.8	32.0	3.7
Rural professionals and managerial	14.0	2.0	8.6	1.1	14.7	1.7
Peasants, parcel holders, and minifundistas	364.0	52.6	318.5	41.0	375.4	43.1
Permanent wage labor ^a	126.0	18.2	120.0	15.5	128.4	14.7
Temporary wage labor ^a	154.0	22.2	300.0	38.6	321.1	36.9
Total	693.0	100.1	776.6	100.0	871.6	100.1

Source: For 1972, adapted from ICIRA, *Diagnóstico de la reforma agraria chilena, Noviembre 1970-Junio 1972* (Santiago, Chile: ICIRA, 1972). For 1986 and 1990, adapted from Instituto Nacional de Estadística, *Empleo: Encuesta Nacional 1986-1991* (Santiago, Chile: INE, 1992).

a. The national employment surveys of 1986 and 1990 do not differentiate between those employed on a seasonal versus a year-round basis. For 1986, the distribution of agricultural proletarians between these two categories is taken from Sergio Gómez and Jorge Echenique, *La agricultura Chilena: Las dos caras de la modernización* (Santiago, Chile: FLACSO/AGRARIA, 1988), 64. For 1990, the assumption is made that the relative distribution between these two categories is the same as in 1986. This should tend to provide a minimum estimate of the number of temporary workers and a maximum estimate of the permanently employed, given the general consensus that exists as to a continuing shift to the use of temporary workers in the most dynamic sectors of agriculture.

inherently premised upon the misfortunes of other members of their class (those who lost land). It is important to remember that these parcel recipients were selected in the first place in part because of their apoliticism.³²

Labor Market

Until the period of military rule, the Chilean rural sector was characterized by the absence of an efficiently functioning labor market. When hacienda clientelism and the reform cooperatives were replaced by impersonal market-based forms of labor recruitment, class structure was decisively altered. Two aspects of this transformation stand out in Table 2. First, while the share of agricultural land held by the peasant sector has declined since 1973 (Table 1), the absolute number of land-holding peasants has increased slightly. Thus, a tendency toward subdivision and increasingly marginal holdings is at work. Second, the rural wage labor force has increasingly become dominated by strictly seasonal laborers. There has been virtually no expansion of the permanent (year-round) labor force since the coup.

The terms on which this labor market was created in the countryside after 1973, much more so than in the cities, made it an essential mechanism of upper-class influence through the strong vertical dependencies it induced. Initially, this seems unlikely given its impersonal and fluid structure. But in agriculture, unlike industry, there is tremendous seasonality to employment and an effective lack of alternative sources of year-round jobs.³³ Individual workers are placed in highly

competitive relationships with each other. This competition serves to keep wages low, but it also enforces loyalty to growers. Loyalty is then exchanged for small individual benefits such as an extra month of employment as the harvest trails off or a promise of rehiring for the harvest that is to come.³⁴ Competition is often about the stabilization of employment relations, perhaps even the attainment of one of the scarce year-round jobs. Deference and loyalty are the price of access.

In addition to the dramatic increase in the use of wage labor, the precariousness of the labor relation also increased substantially. While official statistics suggest a low agrarian unemployment rate, a wide variety of scholars have suggested that these data mask a much bleaker picture of unemployment and underemployment.³⁵ Estimates of actual rural unemployment have fluctuated between roughly 15 and 30 percent for the 1970s and 1980s.³⁶ Nor has subsequent rapid agricultural growth alleviated the problem. Between 1986 and 1991, the sector grew by over 30 percent, while the size of the wage labor force grew only 4.8 percent.³⁷ Indeed, despite strong sectoral growth, the overall agricultural labor force has increased an average 0.9 percent per year over the decade 1986-1996.³⁸ Disaggregated data show that virtually all this growth was in the peasant/self-employed category, which, given the land losses evident in Table 1, can only reflect rising semiproletarianization. In essence, much of the peasant sector functions as a low-productivity labor reserve.³⁹

At the same time, politically important divisions have been created among different strata of the peasantry. Lingering animosities between landholding *parceleros* and their more politically active companions in the former land reform co-ops (who were denied land during the subdivision process) hinder unified political organization. Similarly, permanent and temporary wage laborers are in substantially different positions and have different future trajectories. And the latter far outnumber the former.⁴⁰ Even among landholding peasants, there are important differences between those who have a long history of production on marginal land and those who were beneficiaries of the agrarian reform and generally have much higher quality land. Finally, beneath all these strata are the rural unemployed and underemployed who find themselves in constant competition with other peasants merely to eke out daily subsistence. And they are increasingly dependent on the limited welfare services provided by the state.⁴¹ These are welfare services denied to all but the most impoverished, but paid for through a regressive taxation system. This has in turn led to the stigmatization of the poor and their political isolation from even slightly less impoverished elements of the countryside.

To summarize, the present organization of the labor market in Chile facilitates the atomization and internal division of the peasantry. As a result, Chilean rural civil society has been called one of the most politically and socially disorganized in the entire world.⁴² Without the organizational infrastructure historically critical to their success (most particularly the peasant unions),⁴³ the political left and

Table 3
Union Density and Strikes in Agricultural and Nonagricultural Sectors

Year	Agricultural Union Density (%)	Strikes	Nonagricultural Union Density (%)	Strikes
1969	31.2	462	14.7	515
1971	38.1	1,047	18.2	1,330
1981	14.8	0	8.6	n.d.
1982	12.1	0	9.1	n.d.
1984	9.0	1	8.8	37
1985	7.1	1	8.8	41
1992	5.4	9	14.7	224

Source: Cristóbal Kay, "Agrarian Reform and the Transition to Socialism in Chile, 1970-1973," *Journal of Peasant Studies* 2, no. 4 (1975): 424; Ministerio de Trabajo y Previsión Social, *Estadísticas de la negociación colectiva* (years 1992, 1991, 1990, and 1989), unpublished data. For agricultural economically active population, Oficina de Estudios y Políticas Agrarias, *Síntesis agro-regional* (Santiago, Chile: Ministerio de Agricultura, 1989-1990); Banco Central de Chile, *Indicadores económicos y sociales regionales* (Santiago, Chile: Banco Central de Chile, 1991).

center have had an extremely difficult time engaging in political competition with the conservative elites who dominate the modern agricultural sector. And with respect to agriculture, neither the center nor the center-left articulates a platform meaningfully distinguishable from that of the right.⁴⁴

AFTER THE TRANSITION: ATOMISM, QUIESCENCE, AND THE COUNTRYSIDE

The evidence for atomization and conservatism among peasants is substantial. First and foremost, the level of union organization among peasants has dramatically declined, almost to disappearance. Second, the political and economic mobilization that was so prevalent before the coup has not returned. Finally, in electoral terms, the countryside shows substantially higher levels of political support for conservative parties than do urban areas.

Several contrasts are important in understanding the level of disorganization present among contemporary Chilean peasants. By early 1971, supported by a permissive unionization law, the level of union organization in the countryside had reached 38.1 percent of the agrarian labor force compared to a national average of 20.6 percent.⁴⁵ Mobilization was substantial, as agricultural strikes numbered some 1,047, while 1,278 large farms suffered land invasions.⁴⁶

The 1973 coup ended most union activity, but by 1979, organization and strikes were relegalized, long before the transition to democracy. Unions were, however, largely not reconstituted in rural areas. Obviously, authoritarian rule was not conducive to unionization, and both urban and rural unions suffered membership declines as a result of the banning of leftist organizations, repression, and economic instability. By 1985, the level of rural unionization had sunk to a mere 7.1

percent of the agrarian labor force. This compared with 8.8 percent in urban areas.⁴⁷ Similarly, there was only one recorded agricultural strike in that year, and forty-one in urban areas. What is interesting, however, is that the end of military rule reversed this trend in urban areas but not in rural ones. By 1992, agricultural unionization had further fallen to a mere 5.4 percent, while urban areas saw a healthy rebound up to 14.7 percent (see Table 3).⁴⁸ Similarly, while there were nine strikes in the countryside, 224 were recorded in the cities. Even under new relatively permissive political conditions, the slide in peasant organization could not be stemmed.

Atomization and disorganization are not, however, the same thing as conservatism. The first indicator of the political preferences of Chilean citizens was the plebiscite of 1988 on continuation of military rule for another eight years. While the plebiscite was defeated nationally by a margin of roughly 55 to 45 percent, the results in rural areas were quite different. In *comunas* (roughly, counties) that were at least 80 percent rural, median support for continuation of military rule was 65.3 percent. These initial differences were preserved in subsequent elections. In the Chamber of Deputies elections in 1989, 1993, and 1997, conservative forces performed better in the least versus most urban *comunas* (at least 80 percent rural vs. 80 percent urban) by margins of 8.3, 5.2, and 8.9 percentage points, respectively. These gaps, while large in the Chilean context of a tradition of stable tripartite divisions of the vote, understate the true urban-rural differences because they are based in aggregated data. Ecological inferences suggest that actual urban-rural differences for the 1997 election were more on the order of 14 percent.⁴⁹

It is important to understand that this rural support for conservatives is not simply a continuation of past trends. When compared with the results of the 1969 House of Deputies elections, we find that in 1969 the right received slightly larger vote shares in rural areas but was far weaker than the reformist centrist forces. Centrist vote shares exceeded 30 percent of the vote in 93 percent of rural (more than 50 percent rural) *comunas*, while the right exceeded this level in only 27.8 percent.⁵⁰ More important, in neither urban nor rural areas does the pattern of strength or weakness of conservative parties correlate between the 1969 and 1989 elections (urban areas: $r = -.08$, $p < .32$; rural areas: $r = +.16$, $p < .10$).⁵¹ Thus, whatever strength the right presently has in the countryside is not geographically distributed along the lines of its historical bases of support and does not reflect the simple continuation of such support.

Does the Rural Sector Really Matter?

The objection could be raised that even if the dynamics pointed out in this paper are present in the Chilean countryside, it is of little consequence for the stability of the national-level democratic regime. After all, the countryside comprises only 15.7 percent of the population and a similar proportion of voters.⁵² Why do rural political dynamics matter at all? The political weight of this sector is

apparent only when understood in conjunction with institutional transformations initiated by the military as part of the project of creating a “protected democracy.”⁵³ Critically, electoral institutions dramatically overrepresent rural voters, making the social dynamics of the countryside take on national significance. The point is the society-centered explanation presented here is intrinsically linked to institutional transformations. While the political effects of the institutional organization of Chilean democracy have been extensively studied, I seek here to link their insights to a society-centered investigation of neoliberalism and its implications for rural social relations.

The posttransition Chilean electoral system, as well as the boundaries of electoral districts, was created after the results of the 1988 plebiscite were known to military rulers.⁵⁴ Rural neoliberalism was not intentionally constructed to produce conservative dominance, but its existence, once recognized, was capitalized upon. Since it was apparent that conservatives had strong support in rural areas, the countryside came to have very heavy weight in legislative institutions. In the first place, the Senate provided for either two or four senators from each of the thirteen regions of Chile, despite enormous differences in their populations.⁵⁵ While this might be justified in a single chamber in an attempt to ensure the representation of regional interests, a similar pattern emerged in the Chamber of Deputies. These electoral districts varied in size up to a ratio of 5.8 to 1 between the smallest and the largest. Meanwhile, the least populous quartile of districts was on average 39.1 percent rural, while the most was only 3.9 percent rural.⁵⁶ Moreover, the boundaries of these districts were fixed in organic constitutional law,⁵⁷ not subject to redistricting. Thus, with further rural-to-urban population movements likely, the overrepresentation of the countryside will inevitably increase.

More important, however, than simply the overrepresentation of rural areas was the way in which the countryside was integrated into the institutions of electoral democracy. Senators and deputies in Chile are elected via a very unusual “binomial” system. In each district, contending political parties (or alliances) propose a list consisting of two candidates for two seats. Each citizen votes for a single candidate. The total number of votes is tallied by list. The first-place list receives one seat, which goes to the top vote-getter within the list. The top vote-getter within the second-place list receives the second seat. Only when the first-place list doubles the vote tally of the second-place list does it receive both seats in a district.

The importance of this system is in the way it amplifies the advantages conservatives have in rural areas. In the simplest present case, the governing Concertación alliance against the right, the center-left would have to win 67 percent of the vote in a district in order to win both seats, the right needing only roughly 34 percent to guarantee parity representation. As substantial rural areas were incorporated into each electoral district, with an eye to preventing “doubles” on the part of the center-left, the weight of the rural sector need not be preponderant in order to

tip the balance heavily toward the right. As the center-left picks up large majorities in relatively underrepresented urban areas, these are partially counterbalanced by conservative advantages in rural areas—and partial compensation is all that is needed to ensure parity representation under the military-designed electoral system. It should be remembered that the electoral rules and districts were designed after the results of the 1988 plebiscite were known—and were used by the military to maximize their advantages. But while this binomial system has been the subject of much discussion, its biases can only be fully understood in the context of an understanding of the social transformations of Chilean society. The system advantages the right largely because of them.

Alternative Explanations

If the rural sector has national importance and is politically quiescent and electorally conservative, is this necessarily a product of rural neoliberalism? Two very different alternative explanations must be considered seriously before the case can be made that free-market economic transformations have undergirded a low level of rural political competition. First, one might understand rural quiescence as the by-product of nearly two decades of very harsh authoritarian rule. Do the legacies of repression—fear and distrust—account for the hesitancy of peasants to mobilize and their tendency to support conservative elites? Alternatively, some might point to the long-term improvement in the agricultural economy. Rural conservatism might reflect nothing more than contentment with an economic model that has produced sustained agro-export growth for more than a decade.⁵⁸

Repression. There is no denying that repression in Chile was designed to disarticulate organized interests and that it was very severe. But if repression is to account for the stark differences between rural and urban politics, it must also have been more severe in the countryside. The evidence for this, however, is tenuous. According to the National Commission on Truth and Reconciliation, peasants and agricultural workers represented about 5.4 percent of the total number of individuals murdered or disappeared by the military, substantially below the number accounted for, for example, by university students.⁵⁹ And this was well below their proportion of the national population. While one can expect some urban bias in reporting such figures—repression in the countryside is more difficult to document—there is scant evidence that rural repression was worse than urban repression, however severe it was. But urban dwellers—workers, informal sectors, students—all managed to reconstruct organizations and enter politics in a mobilized fashion (beginning with the national days of protest in the mid-1980s). Peasants did not. If peasants were differentially unable to recover from the political effects of repression, I contend that it is due to the social effects of rural neoliberalism.

Contentment. Whatever its merit as an explanation of political support for conservatives in the urban areas, contentment is a poor explanator of peasant support for the political right. While the agricultural sector has grown substantially as a result of free-market transformation, it is not the peasantry that has benefited. First and foremost, this growth has been a boom in agro-exports, which are typically not grown by peasants. Second, the wages paid workers on these farms are exceedingly low and have not risen in conjunction with output expansion and enhanced profitability.⁶⁰ Finally, in the agricultural south of Chile, where export production is minimal and the benefits of marketization have not been as directly felt, support for conservatives is strongest! Indeed, viewed as a whole, rural poverty dramatically increased during the course of military rule. By 1987, rates of rural poverty exceeded 53.5 percent, compared to a comparatively low 25 percent in 1970.⁶¹ Alternative measures disagree as to the level of rural poverty in Chile, but they concur in the contention that it increased dramatically under military rule. Contentment cannot explain why peasants, some of the principal economic losers in terms of living standards and access to land during free-market transformation, become some of its most reliable supporters.

If rural conditions have become so poor and peasants are discontented, why haven't national center-left parties, closely matched by the right in legislative representation, taken the political battle to the countryside? Efforts to do so entail serious risks because (1) the reformist agrarian policies required would violate key tenets of the national neoliberal economic model to which all major political forces are committed as part of the pact establishing democratic transition, (2) the increase in uncertainty for the political right would weaken its commitment to the democratic regime, and (3) the social and organizational infrastructure required to reach peasant voters no longer exists. In this context of material deprivation and the absence of vigorous partisan competition, it would be dangerous to conflate peasant quiescence with contentment.

Implications: Transition and Consolidation

Broadly characterized, theorization on democratic transitions, especially of the more common negotiated transitions, has focused on the role of strategic bargaining among a set of elite actors. Typically, this bargaining has been seen as a dispute over the institutional structure of the coming competitive regime—"constitutional choices" in Munck's terms.⁶² I have made the case above that social and economic transformations resulting from neoliberal economic policies can have an equally important effect on the character of the posttransition democratic regime.

Democracy is about an institutional structure in which the rules for the selection of government are fixed and fair, while policy outcomes are inherently uncertain.⁶³ Democratization, however, is often about placing important limits on the range of possible outcomes in a posttransition regime—limits that prevent policy

outcomes threatening to elites capable of reversing the transition. That is, it is about moving toward democracy via somewhat undemocratic means. The restriction of uncertainty can be accomplished through legal-institutional restraints, social reorganization, or by their interaction. We have seen in the Chilean case that the transformations of economic liberalization (both within the state and within the economy) affect both the interests of relevant social actors and their ability to successfully aggregate them. By undercutting the very formation or conception of certain particularly threatening interests, and by making their political articulation extremely difficult, a wide range of policies can be kept outside the agenda of the democratic area, without recourse to obvious institutional restraints. While not the conscious intent of military-era rulers, this has been neoliberalism's practical effect in rural, but not urban, Chile.

But if the electoral rules and the voting are fair and free, isn't that all that's required? In a sense, the answer to this question is trivially "yes." The key, however, is that one cannot judge whether the rules are fair and free in a vacuum. The actual political effects of the "constitutional compromises" made by transition elites cannot be understood without reference to the social basis of politics as it is constructed in different sectors.⁶⁴ Indeed, historical patterns, the distribution of partisan allegiances, and the level and scope of organization all impinge on the effectiveness of any set of democratic institutions. There can be no single institutional recipe that guarantees pluralist democracy, a fact that is highlighted by the wide variety of institutional arrangements, all considered democratic, found in the industrialized West. Whether a particular set of political institutions functions in a democratic fashion depends on its interaction with the social and political context within which it is suffused.⁶⁵

If neoliberal economic and social policies can have the positive effect of facilitating the opening of a transition to competitive politics—through their politically demobilizing and sectorally heterogeneous effects—what influence do they have over the potential for democratic consolidation? This is a complex question that depends heavily on what is meant by *consolidation*. If consolidation simply means the creation of a competitive political system in which highly polarized political conflicts do not emerge, nor are any actors tempted to defect from participation in the democratic regime, then economic liberalization is quite conducive to the consolidation of the gains of political liberalization. If, on the other hand, democratic consolidation means the creation of a political system in which all the important actors must participate in competitive politics, regardless of whatever preferences they might have, then democratic consolidation can be quite substantially at odds with economic liberalization.

Polarized political conflicts do not, however, emerge in the Chilean countryside despite the level of material deprivation. While the institutional rules of the electoral system do not present a formal barrier to participation or mobilization, the neoliberal reorganization of rural society and economy vitiates the potential

for vigorous democratic contestation. Privatization has tended to remove issues of special importance to the peasantry from the national political agenda. Emergent atomistic and competitive social relations have dramatically fragmented rural interests and have rendered their expression through organizational intermediaries very difficult. Finally, political competition requires alternatives, and the access of competing political forces to information outlets in the countryside is highly uneven. The alternative avenues of information dissemination available in the much more dense and vibrant urban civil society simply do not exist in the countryside.

Chile has a competitive political regime that is well on its way to consolidation. But it is a consolidation that depends neither on the ability of other actors (organized labor, for example) to prevent powerful upper-class groups from defecting if policy outcomes turn in unfavorable directions nor on the presence of a “normative commitment” on the part of all important players to democratic relations.⁶⁶ Rather, elites maintain a powerful rural base and thus a veto over threatening policies; they have no reason to defect from the regime.

Democracy and the Paradoxes of Neoliberal Democratization

I make the claim that transformations in rural social relations have had associational consequences so severe that effective democratic competition in the countryside has been undermined. But to make such a claim it is imperative to establish the standard by which democratic practice is to be judged. The approach I take does not assume that any particular level of social or economic equality is part of the definition of democracy.⁶⁷ Including such conditions would raise questions of tautology and would suggest the absence of democratic practice in urban areas—a conclusion at odds with empirical reality. Instead, I emphasize the formation and aggregation of interests.

Democracy and association. It is my intention to operate within the confines of a standard institutional or “procedural” understanding of what democracy is.⁶⁸ This approach, rooted in the work of Schumpeter and Dahl, defines democracy as an institutional arrangement for selecting decision makers through competitive electoral struggles.⁶⁹ Fundamental to this is a combination of political rights—free expression and assembly, universal suffrage, and free competition for office—and political institutions that guarantee accountability of elites—regular free and fair elections. In a masterful simplification, Dahl has reduced this to two dimensions, participation and accountability.⁷⁰

Corollary to this is an emphasis on collective political participation. Lipset has argued that

more important than electoral rules in encouraging a stable [democratic] system is a strong civil society. . . . Citizen groups must become the bases of—and sources of support for—the institutionalized political parties which are a necessary condition for—part of the very definition of—a modern democracy.⁷¹

Similarly, Dahl contends that in democratic regimes all citizens must be able to express preferences “by individual and collective action.”⁷² Linz and Stepan make the development of a “free and lively” civil society their first defining condition of consolidated democracy.⁷³

This formulation of the conceptual core of democracy came in part out of an effort to distinguish it from other political regimes, particularly totalitarian ones. A critical point of contrast that arose in this discussion was the presence in democracies of an “effectively enforced right to form and join autonomous associations.”⁷⁴ Scholars who examined state-socialist regimes highlighted the dominance of the state over civil society as a defining characteristic of authoritarianism.⁷⁵ Perhaps quite reasonably, coming out of the comparison of economically advanced western polities with Soviet-style socialism, the assumption was made that in the absence of state tutelage over associational life, a vibrant and autonomous civil society would emerge. But in the context of less well-institutionalized social and political systems in the underdeveloped world, I argue that this assumption should be treated as an empirical proposition. Thus, my understanding of democracy remains procedural. I add only an effort to verify empirically whether effective rights to participate autonomously exist and to consider not simply state tutelage, but also different patterns of social and economic organization, as a potential threat to such rights.

The point is that the absence of repression or juridical controls over social organizations may not by itself be sufficient to establish the existence of a pluralist democracy. If, as I contend in this paper, under very specific (and not necessarily common) circumstances highly liberal forms of economic organization impede the formation of autonomous secondary associations in the countryside, then the democratic character of political competition is there damaged. It is not the absence of competing groups itself that infirms democracy but the existence of mechanisms that seriously impede the formation and expression of interests.

Associability and neoliberalism in Chile. The impetus for political participation, mobilization, and organization in the rural sector can have two possible sources. It can come from below, in the manner described by O’Donnell and Schmitter as a “resurrection of civil society,” or it can be a product of mobilizing attempts from above by the national-level political parties themselves.⁷⁶ Historically, it was the latter means that brought democracy to the Chilean countryside after 1958.⁷⁷ The difficulty is that such a civil society is too often taken for granted, or scholars presume that it exists throughout a society, when in reality it characterizes only a section of the polity.

Particularly under conditions of a neoliberal socioeconomic model, the organization of autonomous secondary associations cannot be taken for granted. A free-market model that undermines the stability of communities, introduces permanent

insecurity in the labor relation, generates high levels of structural unemployment and underemployment, defines as “private” those decisions most central to the lives of rural workers, and gives agricultural entrepreneurs control over former public services presents a social barrier to the self-organization of peasants. In such a context, the absence of protest cannot be taken to imply satisfaction with the system. Indeed, if the rural upper classes truly believed that rural workers were content with the system, they would not be so vehement in their resistance to changes in labor laws to facilitate peasant organization—after all, legalization is not the same thing as sponsorship.

The agricultural sector also presents special challenges to center-left political parties in Chile. Their a priori commitment to the maintenance of macroeconomic equilibrium and the basic contours of the neoliberal developmental model have given them little room to compete in the countryside. The difficulty is that addressing any of the more important potential grievances of different segments of the rural laboring classes quickly engenders contradictions with the overall developmental model. The sorts of issues (land reform, crop price control, subsidized credit, large-scale unionization, state input provision, marketing assistance, and social welfare provision) that progressive sectors could conceivably (and historically did) use as a wedge into the rural electorate fundamentally challenge neoliberal tenets on the proper role of the state, the absolute commitment to private property rights, sectoral neutrality, and the avoidance of state participation in productive enterprise.

This is a trade-off that neither the Christian Democratic Party nor the Socialist/Partido por la Democracia nexus is willing to make. Both consider the neoliberal model critical to the maintenance of an expanding Chilean economy and are for this reason unwilling to consider its substantial revision. This still allows quite vigorous competition in urban areas, where critical issues seldom directly threaten underlying neoliberal principles, but is untrue of the countryside, where the important issues, if powerfully articulated, would threaten the model. And threats to the model could quickly become threats to the political regime.

So what does this leave? As we have seen above, the balance of economic power in the countryside is dramatically more uneven than it is in urban areas. The barriers to economic and political organization for the rural laboring classes are extremely high. The overall relevance of the national democratic arena for rural workers has been substantially reduced by the privatizing effects of neoliberal economic policy, and the progressive center and left (except the Communists) has been unable to challenge the right’s agricultural policies (i.e., it provides no alternative proposal or alternative source of political information). In this atomized context, the groundwork has been set for electoral dominance by the right and the creation of a socially based veto over threatening changes in national-level policy. This form of outcome insurance may have brought the right into the democratic game, but it has not brought the democratic game to the countryside.

CONCLUSION: SELF-REGULATING MARKETS?
SELF-REGULATING DEMOCRACIES?

It was Karl Polanyi who warned that an economy entirely self-regulated through a system of interdependent competitive markets would be destructive of human society.⁷⁸ At the same time, it has been pointed out that efficient competitive commodity markets cannot exist without the deliberate and continued intervention of the state in their creation, regulation, and administration.⁷⁹ Paradoxically, markets tend toward inefficient and undesirable outcomes in the absence of indirect state regulatory presence—monopolies, oligopolies, and large-scale conglomerate organizations. These insights may also have implications for our understanding of democracy.

Some interesting analogies emerge between a democratic political system and a market economy. Under conditions of democracy, politicians or political parties endeavor to compete in a democratic “market” for votes (the voters are the consumers of democracy). Frequently, the focus in understanding the democratization of society is on ensuring the autonomy of various political actors from the state (the ultimate monopolist in some sense). But in the context of profound economic liberalization, a different type of democratic “market failure” may be more relevant.

I have attempted to show that under conditions of extreme economic liberalization, at least in some sectors of society (in this case, Chilean agriculture), the formation of secondary organizations and autonomous participation in political contestation is quite restricted. But this is a set of restrictions that does not necessarily emanate from direct governmental interference in politics. Rather, it should be seen as a failure of the democratic market itself. That is, the formation of political oligopolies in the countryside is a product of the highly unequal social relations that developed therein as a result of the liberal economic model. But the vibrancy of the democratic market (like any market) is inversely proportional to the degree to which it is distorted by monopolies. The problem here is one of entry costs. The formation of organizations—rural unions, producer associations, co-ops, and so forth—carries substantial individual costs. In this liberal setting, it is especially difficult for popular sector interests to meaningfully aggregate and operate within either the economic or political realm.⁸⁰

There exists substantial consensus on the need for a vibrant network of secondary associations in civil society to undergird and give meaning to democracy.⁸¹ But what cannot be assumed is that, under conditions of autonomy from state domination, such associations will necessarily emerge. Here is where the basis for the “intervention” of the state into the democratic arena can be derived. Obviously, if states intervene to shape the content of political interests in civil society, democracy is voided. But I contend that states can have a positive effect on both the quality and quantity of democracy by intervening in civil society to reestablish competition where political monopoly has developed. That is, without regard to

the ideological orientation of different groups, it may be the responsibility of the state to maintain an institutional infrastructure that encourages the organized representation of interests. Indeed, precisely such an infrastructure has been publicly provided in some U.S. metropolitan areas.⁸² To be effective, such intervention need not be highly invasive and would have to involve universal policies—leaving the state no room for discretion that could quickly become a new form of clientelism.

As Cohen and Rogers have pointed out with respect to the United States, a dense and well-balanced network of secondary associations can improve the quantity and quality of democratic life.⁸³ In addition, it can have the effect of aiding in the consolidation of democratic politics by raising the costs of defection from the democratic regime. But why may the state be essential in generating an infrastructure that supports the formation of autonomous secondary organizations? The reason is that without it, according to Schmitter, “‘liberal’ associability could produce a systematically skewed overrepresentation of dominant class, sectoral, and professional interests.”⁸⁴ This is clearly the result that I find in the Chilean rural sector. In essence, the state must act to prevent oligopoly in the political markets just as it does in economic markets.⁸⁵ This does not threaten their neutrality; rather, it is essential to it.

The point of this paper has been that the processes of economic and political liberalization are closely interconnected but in paradoxical and self-limiting ways. As economic liberalization radically reduces the weight of the state in society, it may well facilitate democratic opening and transition. But at the same time, it forces us to consider more closely the democratic political implications of the privatization of such a large portion of formerly state-directed power. It is from such a perspective that I contend that neoliberal development can produce quite undemocratic social relations, at least on a sectoral level, that require the active intervention of the state to overcome. And only when such barriers are overcome can one say that democracy is fully established.

NOTES

1. This sectoral tradeoff is not unique in Chilean history. In the era before the social reforms of the 1960s and 1970s, clientelism underwrote elite control over peasants. In the present period, impersonal markets have replaced clientelistic landlords as the mediators of rural social control. On the earlier pattern of uneven democracy and its downfall, see Robert Kaufman, *The Politics of Land Reform in Chile* (Cambridge: Harvard University Press, 1972), and Brian Loveman, *Struggle in the Countryside: Politics and Rural Labor in Chile, 1919-1973* (Bloomington: Indiana University Press, 1976).

2. Samuel Huntington, “The Modest Meaning of Democracy,” in Robert A. Pastor, ed., *Democracy in the Americas: Stopping the Pendulum* (New York: Holmes and Meier, 1989), 18.

3. Mancur Olson, “Dictatorship, Democracy, and Development,” *American Political Science Review* 87, no. 3 (1993): 572.

4. See Seymour M. Lipset, "The Social Requisites of Democracy Revisited," *American Sociological Review* 59 (February 1993): 3.

5. For example, John S. Dryzek, "Political Inclusion and the Dynamics of Democratization," *American Political Science Review* 90, no. 1 (1996): 482.

6. For the claim that wholehearted neoliberalism implies authoritarianism in the Latin American context, see John Sheahan, *Patterns of Development in Latin America: Poverty, Repression, and Economic Strategy* (Princeton: Princeton University Press, 1987), 319. For an opposite view, see Carlos Waisman, "Capitalism, the Market, and Democracy," *American Behavioral Scientist* 35, no. 4/5 (March/June 1992).

7. See Guillermo O'Donnell, "Democracy's Future: Do Economists Know Best?" *Journal of Democracy* 6, no. 1 (1995): 24.

8. This formulation is from Adam Przeworski, "The Games of Transition," in Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds., *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective* (Notre Dame, IN: University of Notre Dame Press, 1992).

9. Gerardo Munck, "Democratic Stability and Its Limits," *Journal of Inter-American Studies and World Affairs* 36, no. 2 (Summer 1994): 9-14, considers the case of Chile. Guillermo O'Donnell and Philippe Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies* (Baltimore, MD: Johns Hopkins University Press, 1986), 62, consider the issue of facilitating conservative electoral success.

10. Manuel A. Garretón, "Las condiciones socio-políticas de la inauguración democrática en Chile," in *Documento de Trabajo No. 444* (Santiago, Chile: Programa FLACSO-Chile, 1990), 25, and Manuel Garretón, *El proceso político Chileno* (Santiago, Chile: FLACSO, 1983), 150. According to Eugenio Tironi, "Estratificación social, acción colectiva y autoritarismo," in *Documento de Trabajo No. 66* (Santiago, Chile: SUR, 1987), 1-4, collective protest may still emerge but will largely be confined to poorly organized "expressive uprisings."

11. Philip Oxhorn, "Understanding Political Change after Authoritarian Rule: The Popular Sectors and Chile's New Democratic Regime," *Journal of Latin American Studies* 26 (1994): 741.

12. Philip Oxhorn, *Organizing Civil Society: The Popular Sectors and the Struggle for Democracy in Chile* (University Park: Penn State Press, 1995), 3.

13. Ken Roberts, "From the Barricades to the Ballot Box: Redemocratization and Political Realignment in the Chilean Left," *Politics and Society* 23, no. 4 (1995): 503-4.

14. Cristóbal Kay, "Exclusionary and Uneven Development in Rural Latin America" (paper presented to the 18th International Congress of the Latin American Studies Association, 10-12 March 1994, Atlanta, GA), 9.

15. Indeed, average tariffs declined from roughly 94 percent in 1973 to a uniform 10 percent by June of 1979. See Ricardo Ffrench-Davis, "Liberalización de importaciones," *Colección Estudios CIEPLAN* 4 (1980).

16. There are two principal agricultural regions in Chile, the central valley and the south. The former has a Mediterranean climate suitable for agro-export production. The latter is not internationally competitive; it is restricted largely to the production of grains, meats, and dairy for the domestic market.

17. There has been a clear tendency toward the concentration of agro-export production, especially fruits and vegetables, in properties larger than peasant holdings. CEPAL, *El desarrollo frutícola y forestal en Chile y sus derivaciones sociales* (Santiago, Chile: CEPAL, 1986), 40-41, points out that land devoted to fruit production held on peasant plots of ten hectares or less declined from 19.1 percent of the total in 1975 to 13 percent by 1982,

while 87 percent was produced on midsize or large capitalist farms. Sergio Gómez and Jorge Echenique, *La agricultura Chilena: Las dos caras de la modernización* (Santiago, Chile: FLACSO/AGRARIA, 1988), 112, point out that this is probably an overestimate of peasant holdings, as many of these “small” properties are actually simply the dispersed holdings of a single capitalist entrepreneur.

18. Steven Sanderson, “The ‘New’ Internationalization of Agriculture in the Americas,” in Steven Sanderson, ed., *The Americas in the New International Division of Labor* (New York: Holmes and Meier, 1985), 54.

19. Banco Central de Chile, *Indicadores económicos-sociales 1960-1988* (Santiago, Chile: Banco Central de Chile, 1989), 65.

20. *Ibid.*, 370.

21. Centro de Información de Recursos Naturales (CIREN), *Catástro frutícola nacional: Regiones V a VII* (Santiago, Chile: CIREN/CORFO, 1987), 19; Instituto Nacional de Estadística (INE), *Compendio estadístico* (Santiago, Chile: INE, 1992), 4.

22. Instituto de Capacitación e Investigación en Reforma Agraria, *Análisis de la situación de los Asignatarios de Tierras a junio de 1978* (Santiago, Chile: Ministerio de Agricultura, UNDP, FAO, 1979), 116-23.

23. Patricio Silva, “Landowners and the State: From Confrontation to Cooperation?” in Cristóbal Kay and Patricio Silva, eds., *Development and Social Change in the Chilean Countryside: From the Pre-Land Reform Period to the Democratic Transition* (Amsterdam: CEDLA, 1992); Sergio Gómez, “Evolución orgánica e ideológica de las organizaciones empresariales rurales,” in *Documento de Trabajo No. 323* (Santiago, Chile: FLACSO, 1986).

24. This is contrast to the pre-coup trend toward a homogenization of conditions among rural cultivators. See Alexander Schejtman, *El inquilino de Chile central* (Santiago, Chile: ICIRA, 1971).

25. On the oligopolization of input, credit, and marketing industries, see Fernando Dahse, *Mapa de la extrema riqueza* (Santiago, Chile: Editorial Aconcagua, 1979), and Gómez and Echenique, *Agricultura Chilena*, chap. 5.

26. See José Bengoa, *Historia del movimiento campesino* (Santiago, Chile: GIA, 1983), and Liliana Barría, Luz Cereceda, Hugo Ortega, and Hamilton Aliaga, *El campesinado Chileno: Sus organizaciones productivas* (Santiago, Chile: Instituto Chileno de Educación Cooperativa, 1988). This can be seen in the data on levels of peasant unionization, which declined from 313,700 in 1973 to just over 44,000 in 1992; calculated from Luís Salinas, *Trayectoria de la organización sindical campesina* (Santiago, Chile: Agra Ltda., 1985), and Ministerio del Trabajo, unpublished census of union organization in Chilean agriculture, 1992.

27. Departamento de Economía Agraria (DEA-UC), *Panorama económico de la agricultura* (Santiago, Chile: Departamento de Economía, Pontificia Universidad Católica de Chile, 1980), 25.

28. Lovell Jarvis, *Chilean Agriculture under Military Rule: From Reform to Reaction, 1973-1980* (Berkeley, CA: Institute of International Studies, 1985), 152.

29. World Bank, *Chile: An Economy in Transition* (Washington, DC: Latin American and Caribbean Regional Office, 1980), 191.

30. Michael R. Carter and Dinah Mesbah, “¿Es posible reducir la pobreza rural con políticas que afectan el mercado de la tierra?” *Colección Estudios CIEPLAN* 34 (June 1992).

31. Kay, “Exclusionary,” 7.

32. Peasants who had engaged in leftist political activity during the period of the land reform were systematically excluded from the receipt of parcels in the privatization of the reform sector after 1975 (see Decreto Ley 208 of 1973).

33. This is particularly true for women; see Ximena Valdés, *Mujer, trabajo y medio ambiente: Los nudos de la modernización agraria* (Santiago, Chile: CEDEM, 1992), pt. 4.

34. See Sylvia Venegas, *Family Production in Rural Chile: A Socio-Demographic Study of Agrarian Changes in the Aconcagua Valley, 1930-1986*. Ph.D. diss., University of Texas, Austin.

35. Jarvis, *Chilean Agriculture*, 53, suggests that this is due in part to biases in the rural employment survey.

36. See Carlota Olavarría, *La asignación de tierras en Chile (1973-1976): Sus efectos en el empleo agrícola* (Santiago, Chile: PREALC, 1978), 14; Jarvis, "Chilean Agriculture," 89; and Antonio Corvalán, "El empleo en el sector agrícola: Realidad y perspectivas," in *Documento No. 52* (Santiago, Chile: CIEPLAN, 1976), 22.

37. For sectoral growth rates, see INE, *Compendio*, 99-108; for the economically active population in agriculture (1986-1989), see Dora Carreño, *La década agraria en cifras* (Santiago, Chile: GIA, 1992); for 1991, see Oficina de Estudios y Políticas Agrarias (ODEPA), *Síntesis agro-regional* (Santiago, Chile: Ministerio de Agricultura, 1992), 16.

38. Carreño, *La década*; Ministerio de Agricultura, 1997: *Panorama de la agricultura chilena: Indicadores macroeconómicos* (Santiago, Chile: ODEPA, 1997), 9.

39. Jaime Crispí, *El agro chileno después de 1973: Expansión capitalista y campesinización pauperizante* (Santiago, Chile: GIA, 1980); Emiliano Ortega, *Transformaciones agrarias y campesinado* (Santiago, Chile: CIEPLAN, 1987), 115.

40. Daniel Rodríguez and Sylvia Venegas, *De praderas a parronales: Un estudio sobre estructura agraria y mercado laboral en el Valle de Aconcagua* (Santiago, Chile: GEA, 1989), 151-52.

41. See Pilar Vergara, "Market Economy, Social Welfare, and Democratic Consolidation in Chile," in William C. Smith, Carlos Acuña, and Eduardo Gamarra, eds., *Democracy, Markets, and Structural Reform in Latin America: Argentina, Bolivia, Brazil, Chile, and Mexico* (New Brunswick, NJ: Transaction Publishers, 1994). An example of this is embodied in the state-supplied minimum pension—it provides an income of only \$53 dollars a month, as of 1997. See "La Tercera Edad Envejece, al Igual Sus Pensiones," *El Mercurio* (Santiago), 17 September 1997.

42. María Elena Cruz, transcribed speech in Marianela Armijo and Cecilia Montero, eds., "La agricultura Chilena a comienzos de los años 90: Fortalezas y debilidades," *Apuntes CIEPLAN No. 101* (June 1991), 30.

43. Cristóbal Kay, "The Monetarist Experiment in the Chilean Countryside," *Third World Quarterly* 7, no. 2 (1985): 301.

44. For example, when President Frei outlined his government's goals in the Chilean equivalent of the state-of-the-union address, the only agricultural reforms proposed were to improve insertion into international markets, provision of technical outreach, and some expansion of irrigation projects. No mention of protection, subsidy, land reform, or changes in labor relations was made. Eduardo Frei, *Discurso de S. E. el Presidente de la República D. Eduardo Frei Ruiz-Tagle, en el inicio de la legislatura ordinaria del Congreso Nacional Valparaíso, 21 de mayo de 1994* (Santiago, Chile: Presidencia de la República de Chile, 1994).

45. Calculated from Gobierno de Chile, *Mensaje del Presidente Allende ante el Congreso Pleno* (Santiago, Chile: República de Chile, 1972), 278, 858.

46. For strikes, see Cristóbal Kay, "Agrarian Reform and the Transition to Socialism in Chile, 1970-1973," *Journal of Peasant Studies* 2, no. 4 (1975): 424; for land invasions, see Juan Carlos Marín, *Las tomas* (Santiago, Chile: ICIRA, 1972), 16.

47. Calculated from Ministerio de Trabajo y Previsión Social, *Estadísticas de la negociación colectiva* (years 1989-1992), unpublished data, and ODEPA, *Síntesis*.

48. For rural unions, calculated from unpublished data from the Ministry of Labor. For urban unionization, U.S. Department of Labor, *Foreign Labor Trends* (Santiago, Chile: U.S. Embassy, 1992).

49. Estimates using the approach of Gary King, *A Solution to the Ecological Inference Problem* (Princeton: Princeton University Press, 1997), and allowing for different means across *comunas*, produced the estimate of 14 percent. This is in rough agreement with the results produced using the more traditional approach discussed by Christopher Achen and W. Phillips Shively, *Cross Level Inference* (Chicago: University of Chicago Press, 1995); the modified Goodman regressions produced an estimated rural-urban gap of 12 percentage points.

50. Data are from Javier Martínez and Margarita Palacios, "Tendencias políticas y cambios electorales en las comunas de Chile, 1949-1973," in *Documento de Trabajo No. 113* (Santiago, Chile: SUR, 1990).

51. The 1969 elections were chosen because the alternatives—1965 and 1973—were decidedly atypical. In the former, the right was devastated because of its failure to run a presidential candidate in the 1964 elections, and in the latter, the results were essentially a highly polarized referendum on the policies of the Allende government. The 1969 election most clearly approximates a normal election, with three independent contending factions.

52. Banco Central de Chile, *Indicadores económicos y sociales regionales 1980-1989* (Santiago, Chile: Banco Central de Chile, 1991), 154-55.

53. On "protected democracy," see Augusto Pinochet, "Anoche en Chacarillas: S. E. Indicó Grados Líneas Institucionales," *El Mercurio*, 10 July 1977.

54. The 1988 plebiscite was required under the terms of the military's Constitution of 1980, and it posed the question of whether an additional eight years of military rule should be approved. It should also be remembered that the electoral system imposed by the military was very different from the proportional representation system that prevailed before the coup; see César Caviedes, *The Politics of Chile: A Sociogeographical Assessment* (Boulder, CO: Westview, 1979), for a discussion of the pre-coup rules.

55. The six most populous regions (V, VII, VIII, IX, X, XIII) have four senators, the others two. See Ley Orgánica Constitucional de Votaciones Populares y Escrutinos 18.700, Art. 181. This represented a political compromise, as the military's initial proposal was for two senators per region regardless of population; see Constitution of 1980, Cap. V, Art. 45.

56. Data are from the census of 1992.

57. Such laws require substantial super-majorities in both chambers of the legislature to modify.

58. For example, in the 1983-1988 period, agricultural output surged at an average rate of 7.2 percent a year. Calculated from Banco Central de Chile, *Indicadores económicos y sociales*, 22.

59. Calculated from Comisión Nacional de Verdad y Reconciliación, *Informe* (Santiago, Chile: Ministerio Secretaría General de Gobierno, 1991), 887.

60. See Oscar Muñoz and Hugo Ortega, "La agricultura chilena y la política económica, 1974-88" in *CIPELAN Notas Técnicas No. 98* (Santiago, Chile: CIPELAN, 1990), 30-31. The authors argue that a rural labor surplus trapped in the peasant smallholding sector provides a highly elastic labor supply and depresses wages even as productivity in the agro-export sector increases.

61. Arturo León, "Urban Poverty in Chile: Its Extent and Diversity," working paper no. 8, Democracy and Social Policy Series, trans. Judy Lawton (Notre Dame, IN: Kellogg Institute, 1994), 65.

62. Gerardo Munck, "Democratic Transitions in Comparative Perspective," *Comparative Politics* 26, no. 3 (1994): 370.

63. Adam Przeworski, "Some Problems in the Study of Transitions to Democracy," in Guillermo O'Donnell, Philippe Schmitter, and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Latin America* (Baltimore, MD: John's Hopkins University Press, 1986), 58.

64. O'Donnell, "Democracy's Future," 24, recognizes this point.

65. A telling example of this is the fact that while national political institutions were considered democratic during the heyday of rural clientelism (1932-1958), the practice of political competition in the countryside was not. Few formal barriers to electoral participation existed, but it was nonetheless widely understood that clientelistic practices in the countryside were responsible for the right's overwhelming dominance. Formally democratic institutions in a rural world of deeply clientelistic social relations produced outcomes few considered democratic.

66. For an elaboration of the role of norms, see Stephanie Lawson, "Conceptual Issues in the Comparative Study of Regime Change and Democratization," *Comparative Politics* 25 (January 1993): 194. Dankwart Rustow, "Transitions to Democracy," *Comparative Politics* 2 (April 1970), suggests that such a normative commitment emerges as a type of habituation to the use of democratic competition as a least-worst solution to intractable intra-elite conflicts. Scott Mainwaring, "Transitions to Democracy and Democratic Consolidation: Theoretical and Conceptual Issues," in Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds., *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective* (Notre Dame, IN: University of Notre Dame Press, 1992), 309, similarly highlights the importance of normative commitments to democracy. But a long history of democracy did not prevent Chilean elites from clamoring for a coup almost from the inception of the Allende administration.

67. Very critically, it is neither inequality, nor poverty, nor the empirical dearth of organizations in rural civil society that infirms democracy in Chile (or elsewhere). Many social systems that are ridden with class stratifications and inequalities nonetheless pose few substantial barriers to political expression. And levels of political participation are uneven across the democratic world. What is critical is the potential for autonomous political participation.

68. David Collier and Steven Levitsky, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics* 49 (April 1997): 433-34, point out that while the meaning of democracy is much contested, this is the most widely employed conceptualization.

69. See Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper Torchbooks, 1942 [1947]), 269-73.

70. Robert Dahl, *Polyarchy* (New Haven: Yale University Press, 1971), 3-7.

71. Lipset, "Social Requisites," 12.

72. Dahl, *Polyarchy*, 2.

73. Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe* (Baltimore, MD: John's Hopkins University Press, 1996), 7.

74. Robert Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989), 233.

75. This is true of scholars as politically disparate as Charles Lindblom, *Politics and Markets: The World's Political and Economic Systems* (New York: Basic Books, 1977), 238-39, and Carl Friedrich and Zbigniew Brzezinski, *Totalitarian Dictatorship and Autocracy* (Cambridge: Harvard University Press, 1956), chap. 17.

76. O'Donnell and Schmitter, *Tentative Conclusions*, 48.

77. Fernando de la Cuadra, *Estado y movimiento campesino: trayectoria histórica de su relación* (Santiago, Chile: GIA, 1992), shows how partisan competition had this effect.

78. Karl Polanyi, *The Great Transformation* (Boston: Beacon, 1944), chap. 6.

79. Kiren Chaudhry, "The Myths of the Market and the Common History of the Late Developers," *Politics and Society* 21, no. 3 (1993): 249.

80. On the logic of free riding and the barriers to collective action, see Mancur Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1965).

81. For an overview, see Doh Chull Shin, "On the Third Wave of Democratization: A Synthesis and Evaluation of Recent Theory and Research," *World Politics* 47 (October 1994): 137, and Larry Diamond, "Economic Development and Democracy Reconsidered," *American Behavioral Scientist* 35, no. 4/5 (March/June 1992): 483-85.

82. See Jeffrey Berry, Kent Portney, and Ken Thompson, *The Rebirth of Urban Democracy* (Washington, DC: Brookings Institution, 1993), for a discussion of the way in which five cities have facilitated citizen participation through autonomous neighborhood organizations, including, for example, city-funded organizers, offices, and information dissemination for neighborhoods covering all of St. Paul, Minnesota.

83. Joshua Cohen and Joel Rogers, "Secondary Associations and Democratic Governance," *Politics and Society* 20, no. 4 (1992): 424-26.

84. Philippe C. Schmitter, "The Consolidation of Democracy and Representation of Social Groups," *American Behavioral Scientist* 35, no. 4/5 (March/June 1992): 437.

85. On a similar point, see Philippe Schmitter, "Democracy's Future: More Liberal, Pre-liberal, or Postliberal?" *Journal of Democracy* 6, no. 1 (1995): 21.