

The Pobladores and Local Democracy in Chile:  
The Cases of El Bosque and Peñalolén

by

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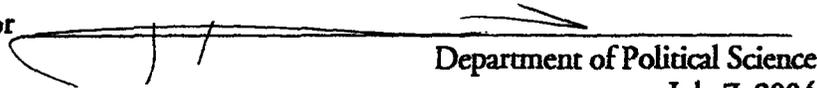
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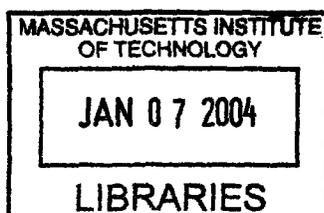


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ABSTRACT

In the 1990's, two state reforms in Chile placed the grassroots organizations of the *pobladores*—the once powerful urban squatters' movement- in a unique position to use their organizational experience in self-government and small-scale service delivery. Decentralization endowed the municipalities with enhanced resources and authority and new decentralized social policies demanded community participation. This favorable context was offset by institutional constraints on the national political system and by the mayor-centric and managerial design of the new municipality, both rooted in the authoritarian era (1973-1990). In addition, social policy was framed by a technocratic logic that discouraged participation.

Two claims guided the investigation of the *pobladores*' incorporation into the local polity. In spite of a common managerial/efficiency driven formula for local administration, the style of governance has a decisive impact on the way in which organized interests are incorporated. Second, social policies are key arenas of incorporation. In-depth case studies were conducted in El Bosque and Peñalolén. These municipalities share demographic and socioeconomic traits, but sharply differ in their model of governance: El Bosque's actively incorporates organized participation, while Peñalolén embraces a managerial approach. From 1994-2000, over a hundred local and central state officials, politicians and grassroots leaders were interviewed. Data on social organizations, voting patterns, laws on decentralization, political institutions and social policies –education, health, and housing– covers the period between 1994 and 2000. The *pobladores*' history is traced from the 1950s.

The findings confirm the different patterns of incorporation fostered by these models of local governance, questioning blanket statements about the virtues of political decentralization. The "managerial elitist" model favors individual participation and technical/centralized decision-making that precludes public deliberation. It hardly engages the *pobladores*' organizations in the local polity and policymaking, fostering organizational fragmentation, selective deactivation and clientelism. The "participatory-deliberative" style combines innovative adaptation of public policies to "fit" the local demand, extensive use of networks and public forums. It generates pre-political spaces that pave the way for the *pobladores*' organizations to scale-up decisionmaking in the local government or along policy networks at higher levels.

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## ACKNOWLEDGMENTS

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## GLOSSARY

- ACLE** Actividades Curriculares de Libre Elección (optional curricular activities)
- AFP** Administradora de Fondos de Pensiones (private pension fund)
- AGCI** Agencia de Cooperación Internacional (Agency for International Cooperation)
- AGT** Apoyo de Gestión Territorial (technical support for community groups)
- Alianza por Chile (Unión por Chile):** Coalition composed of RN, UDI and the UCCP
- CAS** Caracterización Socioeconómica (socioeconomic indicator)
- CAM** Club del Adulto Mayor (Senior Citizen's Club)
- CC** Centro Cultural (Cultural Centre)
- C.D.** Club Deportivo (Sports Club)
- CEMA** Centro de Madres (Mother's Centre)
- CESCO** Consejo Económico y Social Comunal (Social and Economic Communal Council)
- CIASPO** Centro de Investigaciones Aplicadas de Salud Popular (Health NGO)
- CIDE** Centro de Investigación y Desarrollo Educativo (Center for Educational Research and Development, NGO)
- Cieplan** Corporación de Investigaciones Económicas para Latinoamérica (Corporation of Economic Research for Latin America, NGO)
- CIS** Comité Interministerial Social (Inter-Ministry Social Committee)
- CJ** Centro Juvenil (Youth Centre)
- CNSP** Comisión Nacional de Superación de la Pobreza (National Commission for Overcoming Poverty)
- COAPO** Coordinadora de Agrupaciones Poblacionales
- CODECO** Consejo de Desarrollo Comunal (Community Development Council)
- Concertación de Partidos por la Democracia:** Coalition of the DC, PPD, PS, PR
- CONADI** Comisión Nacional de Desarrollo Indígena (National Commission for the Advancement of Native Peoples)
- CONFENATS** Confederación Nacional de Trabajadores de la Salud (National Confederation of Health Care Workers)
- CONFUSAM** Confederación de Funcionarios de la Salud Municipalizada (Confederation of Municipal Health Care Employees)

- CONGRESS** Consejo de Gremios de Servicios de Salud (Council of Health Services' Guilds)
- CORHABIT** Corporación Habitacional (Housing Corporation)
- CORMU** Corporación de Mejoramiento Urbano (Urban Improvement Corporation)
- CORVI** Corporación de la Vivienda (Housing Corporation)
- CUP** Comando Unitario de Pobladores (Unitary Front of Pobladores)
- COU** Corporación de Obras Urbanas (Urban Works Corporation)
- CTCH** Confederación de Trabajadores de Chile (Chilean Workers' Confederation)
- CUT** Central Unitaria de Trabajadores (Workers' Union)
- DC** Democracia Cristiana (Christian Democrats, center)
- DEM** Dirección de Educación Municipal (Directorate of Municipal Education)
- DESAL** Centro de Desarrollo para América Latina (Development Center for Latin America)
- DIDECO** Dirección de Desarrollo Comunitario (Directorate of Community Development)
- DOS** División de Organizaciones Sociales, MSGG (Social Organizations' Division, Ministry General Secretariat)
- EB** El Bosque
- ECLAC** Economic Commission for Latin America and the Caribbean (UN) (Spanish acronym: CEPAL)
- FCM** Fondo Común Municipal (Municipal Fund)
- FECH** Federación de Estudiantes de Chile (National Student Federation)
- FEMUC** Federación Metropolitana de Uniones Comunales (Metropolitan Federation of Communal Unions)
- FENPRUSS** Federación Nacional de Profesionales Universitarios de Servicios de Salud (National Federation of Health Professionals)
- FENTESS** Federación Nacional de Asociaciones de Funcionarios Técnicos de los Servicios de Salud (National Federation of Health Technicians)
- FLACSO** Facultad Latinoamericana de Ciencias Sociales (Latin American Faculty of Social Sciences, international NGO)
- FNDR** Fondo Nacional de Desarrollo Regional (National Regional Development Fund)
- FONADIS** Fondo Nacional de la Discapacidad (National Fund for the Disabled)
- FONASA** Fondo Nacional de Salud (National health Fund)
- FONDEVE** Fondo de Desarrollo Vecinal (Neighborhood Development Fund)

- FOSIS** Fondo de Solidaridad e Inversión Social (Fund for Solidarity and Social Investment, MIDEPLAN)
- FRAP** Frente de Acción Popular (Popular Action Front)
- GIS** Geographic Information System (Spanish acronym: SIG)
- IDB** Inter American Development Bank
- IDR** Inversión de Decisión Regional (Investments decided at the regional level)
- IMEB** Ilustre Municipalidad de El Bosque
- IMP** Ilustre Municipalidad de Peñalolén
- INJ/INJUV** Instituto Nacional de la Juventud (National Youth Institute, MIDEPLAN)
- IRAL** Inversión Regional de Asignación Local (Regional Investments allocated locally)
- ISAPRE** Institución de Salud Previsional (private health insurance companies)
- ISAR** Inversión Sectorial de Asignación Regional (National Investments allocated regionally)
- ISI** Import Substitution Industrialization
- JOCAS** Jornadas de Conversación acerca de Sexualidad (Workshop to talk about sexuality)
- JOCCAS** Jornadas de Comunes de Conversación acerca de Sexualidad (Communal workshop to talk about sexuality)
- JJ.VV** Junta de Vecinos (Neighborhood Council)
- MDP** Movimiento Democrático Popular (Popular Democratic Movement)
- MECE** Mejoramiento de la Calidad y Equidad de la Educación (Program for Improving the Quality and Equality of Education)
- METRO** Coordinadora Metropolitana de Pobladores (Metropolitan Coordinator)
- MIDEPLAN** Ministerio de Cooperación y Planificación (Ministry of Planning and Cooperation)
- MINEDUC** Ministerio de Educación (Ministry of Education)
- MINSAL** Ministerio de Salud (Ministry of Health)
- MINVU** Ministerio de Vivienda y Urbanismo (Ministry of Housing and Urban Planning)
- MIR** Movimiento de Izquierda Revolucionaria (Revolutionary Left Movement)
- MSGG** Ministerio Secretaría General de Gobierno (General Secretariat Ministry)
- MSGP** Ministerio Secretaría General de la Presidencia (General Secretariat for the Presidency)
- NGO** Non Governmental Organization (Spanish acronym: ONG)

- PADEM** Plan Anual de Educación Municipal (Annual Plan of Municipal Education)
- PAHO** Pan-American Health Organization (Spanish acronym: OPS)
- PL** Peñalolén
- PLADECO** Plan de Desarrollo Económico Comunal (Municipal Economic Development Plan)
- PC** Partido Comunista (Communist Party, left)
- PEM** Programa de Empleo Mínimo (national employment program)
- PH** Partido Humanista Verde (Humanist Green Party, ecologist)
- PIIE** Programa Interdisciplinario de Investigación en Educación (Interdisciplinary Program in Educational Research, NGO)
- PMB** Programa de Mejoramiento de Barrios (program for neighborhood improvement)
- PME** Proyecto de Mejoramiento Educativo (Project for Educational Improvement, Mece)
- PMI** Proyecto de Mejoramiento de la Infancia (Project for Childhood Advancement, Mece)
- PMU** Programa de Mejoramiento Urbano (program for urban improvement)
- PNIO** Plan Nacional de Igualdad de Oportunidades (National Plan for Equal Opportunity for Women, Sernam)
- PNSP** Programa Nacional de Superación de la Pobreza (National Program for Overcoming Poverty)
- PP** Promoción Popular (Popular Promotion)
- PPD** Partido por la Democracia (Party for democracy, left)
- POJH** Programa de Jefes de Hogar (employment program for head of households)
- PR** Partido Radical (Radical party, center)
- PS** Partido Socialista (Socialist party, left)
- RN** Renovación Nacional (National Renovation, right-center)
- SCM** State Centered Matrix
- SECPLAC** Secretario de Planificación Comunal (Municipal Planning Secretary)
- SEREMI** Secretario Regional Ministerial (regional offices of ministries)
- SERMENA** Servicio Médico Nacional de Empleados (National Health Insurance Service for Employees)
- SERNAM** Servicio Nacional de la Mujer (National Women's Service)
- SERVIU** Servicio de Vivienda y Urbanismo (Housing and Urban Development Service)

- SIMCE** Sistema de Medición de la Calidad de la Educación ( System to Measure Educational Quality)
- SILOS** Sistemas Locales de Salud (local health systems)
- SNED** Sistema Nacional de Evaluación de Desempeño (National System to Measure Educational Performance)
- SNS** Servicio Nacional de Salud (National Insurance)
- SNSS** Sistema Nacional de Servicios de Salud (National System of Health Services)
- TVS** Taller de Vivienda Social (Affordable Housing Workshop, NGO)
- U.C.** Unión Comunal (County Union)
- UCCP** Unión de Centro-centro Progresista (Union of progressive center, populist Right)
- UDI** Unión Democrática Independiente (National Independent Union, right)
- UNDP** UN Development Program (Spanish acronym: PNUD)
- UP** Unidad Popular (Popular Unity coalition)
- USAID** US Agency for International Development
- WO** Women's Office (Oficina de la Mujer)
- YO** Youth Office (Oficina de la Juventud)



## Chapter 1

### POLITICAL INSTITUTIONS AND COLLECTIVE ACTION

#### 1.1 Pobladores movement, low intensity democracy and local state

In 1990, hopes were running high for social and political rebirth in Chile. After a decade and a half of dictatorship, a center-left coalition (*Concertación de Partidos por la Democracia*) was overwhelmingly elected to lead in a new era heralded as a one of economic growth and social development. Demands for greater social justice run hand-in-hand with hopes for increased social participation, especially for the popular sectors.<sup>1</sup> The *Concertación* announced that the “social debt” left by General Pinochet’s rule –the sharp deterioration of the living conditions and of social services available to the poor and middle classes– was to be paid. Political democracy appeared to fulfill its promise to become an “enabling environment” for potentially enhancing the political clout of the poor and the responsiveness of public institutions.<sup>2</sup>

Along with the declared political will of the *Concertación*, several other factors supported the possibilities of increased welfare and participation for the working and middle classes. First, a fine-tuning of the economy soon unleashed almost a decade of

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<sup>1</sup> I will adopt Philip Oxhorn’s definition of popular sectors as “disadvantaged groups in highly segmented, unequal societies”, characterized by their “limited life chances and consumption possibilities” (Oxhorn, 1995a: 301-2)

<sup>2</sup> For political democracy I will understand a political system where inclusive, fair and competitive elections are held regularly in a context of political and social freedoms (of expression, association and information) and where the elected authorities do not see their areas of decisions constrained by non-elected actors (such as the Armed Forces). For extensive discussion on the concept, see Dahl (1989), O’Donnell (1993, 1996 and 1998), Tilly (1995), Collier and Levitsky (1996) and Munck (1994 and 1996).

sustained growth and low unemployment.<sup>3</sup> Second, an eventual reform of social policies could soundly rely upon the Chilean strong, cohesive, technically capable and neutral state apparatus. Third, advances in state decentralization provided new scenarios to strike a “social pact” between the socially and politically disadvantaged, the state and political actors in order to address legitimate demands for social justice and political participation.

The realities of the negotiated transition soon dashed the hopes for an expanded role for the popular sectors. As the literature on transitions from authoritarian rule predicted, the negotiated Chilean transition imposed tight constraints on the popular sectors’ political clout, placing a cap on social demands and discouraging the mobilization of the popular sectors.<sup>4</sup>

The post authoritarian political system was laden with safeguards against any radical modification of the neoliberal legacy. The realignment of the party system into two coalitions efficiently marginalized the traditional Left (Communist party) from political representation and the governmental process.<sup>5</sup> A ‘modified majoritarian’ electoral system further skewed representation by steadily favoring the second political force—the right wing coalition. In addition, military prerogatives, as well as the presence of non-elected senators and other political institutions, blocked the legislative process and forced the governing coalition to resort frequently to elite accords. This style of policymaking and

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<sup>3</sup> The “structural adjustments”—financial and trade liberalization, privatization, and reduction of the size and functions of the state—had been completed by the early 1990s. Between 1990 and 1996, the GNP grew at an average rate of 6.7 percent a year; the unemployment rate was between 6.5 and 5 percent for the same years (Mideplan, 1996a). This continued until 1998, when the Asian crisis curtailed the growth rate by a third and caused the unemployment to rise.

<sup>4</sup> Karl, 1990; Karl and Schmitter, 1991; Garretón and Espinoza, 1992; Cavarozzi, 1992a; Linz and Stepan, 1996.

<sup>5</sup> These coalitions are the above mentioned *Concertación*, Center-left; and *Alianza por Chile*, Right. The Rightist coalition’s main partners are the Unión Demócrata Independiente, UDI, and Renovación Nacional, RN, accompanied by smaller parties that vary over time. The Right coalition did not have a established name—it has been named Unión por Chile, Unión por el Progreso de Chile and Alianza por Chile. Since 1999, it has maintained the latter name in several elections, so we use this label throughout the text.

governance conspired to build a polity that, although orderly, displayed “low conductivity” regarding the interests of large sectors of the population –a “low intensity” democracy.<sup>6</sup>

However, two state reforms promised to offer the popular sectors a chance to expand this limited context of political opportunities, and perhaps even to undo the deadlocks that burdened the national political system: democratization of local governments and new policy contexts in the subsidiary state. Decentralization had endowed the municipalities with fresh resources and vastly enhanced authority, and a new cluster of targeted and decentralized social policies demanded the participation of the community to enhance service delivery and the efficiency of public action. Both promised to become loci for social participation.

No other popular actor seemed better suited to play a paramount role in these new institutions than the pobladores, or the movement of the urban poor which had been a prominent popular actor since the early 1960s.<sup>7</sup> Unlike other popular actors, the pobladores entered the post-authoritarian era with largely unscathed and, it may be argued, even stronger organizational assets: adding to their previous neighborhood based organizations, new grassroots associations had amassed rich experiences of self government and delivery of social services in response to the authoritarian state’s withdrawal from the social terrain. Almost 11,000 *Juntas de Vecinos* with around a million and a half members, and 6,500 ‘functional’ organizations with an estimated membership of another 200,000, were recorded in the official statistics in 1996.<sup>8</sup> Most of the pobladores’ organizations had

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<sup>6</sup> Mainwaring and Torcal 1998; Scully, 1996; Posner, 1999; Karl, 1990; Garretón, 1992; Cavarozzi, 1992, Linz and Stepan, 1996; Oxhorn, 1995b.

<sup>7</sup> The pobladores are urban squatters that emerged in Chile, as in many other Latin American and Third World cities, as a result of dislocations of late industrialization. Pobladores are defined as: a) people who live in urban zones, b) whose housing conditions are precarious c) their houses are clustered as to form an identifiable living enclave (población) d) these enclaves result either from land invasions or from state granting the land and d) generally, they are located in peripheral urban zones (Chateau and Pozo, 1987).

<sup>8</sup> Statistics 1996: División de Organizaciones Sociales, DOS, Ministerio Secretaría General de Gobierno (*Zona Pública* 11/1996); data for 2000 in Guell and Márquez, 2001:40. In 1999, a UNDP research reported more than 83 thousand organizations of all types along the country; 11,420 of those were *Juntas*

a vast experience in dealing with local issues and service delivery at a small scale, while as the remnants of a seasoned social movement, their leaders were more than acquainted with state agencies and political actors at a national scale.

The first election of local authorities was held a decade ago. Since then, the incorporation of the pobladores' organizations into the municipal space has displayed conflicting trends. The local polity seemed to mirror many of the demobilizing features of the low intensity democracy: in spite of the continued existence of many community organizations, participation in social programs and in the local governments has suffered an overall decline. However, even though the blueprint for local government and public policies is similar across municipalities, a wide variability of the urban poor organizations participation and engagement in local issues was visible among municipalities and/or programs.

These disparities in participation could be attributed to two alternative causes. The 'organizational mix' of the pobladores may differ along municipalities, explaining the differences in incorporation by characteristics of the organizations and their predominance in the local scene. The little available data does not support this possibility, showing instead little variability in the type and number of organizations in urban areas, and a high organizational resilience, in spite of a devastating dictatorship, for territorial (neighborhood) organizations.<sup>9</sup> Preliminary research in 5 poor municipalities in Santiago did not show striking differences in the number or type of organization of the pobladores.<sup>10</sup> Instead, although Chilean decentralization has promoted a common managerial/efficiency

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*de Vecinos* The UNDP data does not include religious organizations, which might push these numbers closer to 90 thousand organizations in 1999 (PNUD, 2000)

<sup>9</sup> Key organizations of the pobladores, such as the Juntas de Vecinos, appear extraordinarily resilient—their number has kept steady or has slightly increased throughout the last decade. The creation of new organizations does not seem to hamper the older organizational fabric, but to diversify it (PNUD, 2000; De la Maza, 2000; MIDEPLAN, 2001)

<sup>10</sup> I conducted exploratory research in the municipalities of La Pintana, El Bosque, Huechuraba, Peñalolén and Cerro Navia.

driven formula for local administration, the style of governance appeared to have a decisive impact on the way in which organized interests were incorporated into the local polity.

In order to analyze and to build an explanatory model of the incorporation of the organized urban poor into the municipal polity in Chile, I conducted two in-depth case studies in Santiago, Chile: El Bosque and Peñalolén. Both poor, urban municipalities were split in the early 1980s from older communes. Today, both share roughly similar populations, levels of poverty, municipal budgets and a history of strong collective action by their pobladores. They sharply differ in their model of governance, which actively incorporates organized participation in planning in El Bosque, and discourages it in favor of a managerial approach to governance in Peñalolén.

Two main contentions guided this inquiry. First, I proposed that in spite of similar institutional blueprints, at least two models of local governance are discernible in Chile. These models, which I would call “deliberative participatory” and “managerial elitist” offer two different contexts for the incorporation of the pobladores’ organizations, and are the main explanation for their differences in participation and “engagement” in the local space.

Second, I contend that the main mechanism for incorporating the pobladores’ organizations has not been conventional political mechanisms, but this incorporation has been effected mainly through public policies, which had been transformed into “pre-political”, deliberative spaces by mediators, which can be political agents, local managers, NGOs, or other arrangements.

This research aims at addressing a set of distinctive but related theoretical issues. First, the incorporation of the pobladores into the municipal space had to be placed squarely in the context of a global reform of the state. The pobladores’ movement was born in the environment of a developmentalist/welfare state and a highly competitive class-based system of political parties. The matrix state-society relations that characterized this period was destroyed during authoritarian rule and replaced by a subsidiary, non-interventionist state. The elaborate mechanisms of incorporation that linked the

pobladores to the former developmentalist/welfare state collapsed. The structures of representation have been greatly damaged, “decoupling” social and political actors. Although new linkages are being established, the mechanisms of incorporation of the popular sectors are yet largely unmapped.<sup>11</sup>

This research can contribute to this task insofar it investigates the incorporation of the pobladores in the context of two key reforms of the subsidiary state: social policies and decentralization. Analyzing the incorporation of the pobladores in context of the subsidiary state’s targeted, technically guided social policies, I found new links developing, but these links (unlike old corporatist links mediated by the parties) are multiple connections that different state agencies establish with multiple groups, fragmenting social identities. This multiple, fragmented relationship is what I call “*microcorporatism*.” Microcorporatism activates collective action, but avoids “scaling up” by curtailing horizontal linkages that may foster interest aggregation; therefore, it solves the problem of control by fragmenting and isolating collective interests.

Second, this research can contribute to assess the political effects of decentralization, another key state reform. Its main findings help dispel the idea that the correct mix of responsible management, sufficient resources and a set of “political incentives” to hold authorities accountable to local constituencies would yield a vibrant and integrative democracy. Unlike fiscal decentralization which success depends on a set of factors relatively impervious to diverse national contexts, the local polity appears extremely sensible to peculiar features of the overall political regime, its institutional design, and to the nature of its internal and external mediations.<sup>12</sup>

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<sup>11</sup> Hagopian, 1998; Agüero, 1998a; Chalmers et al, 1997, O’Donnell, 1996, Garretón, 2002.

<sup>12</sup> Chilean decentralization’s distinct “economic character” may have detracted attention from its political features (Nickson, 1995; 1998; Di Gropello & Cominetti, 1998), but the idea that decentralization and municipalization can be the “instrument” of “good government” was widespread in Latin America, especially at the beginning of the “decentralizing wave” (Campbell, 1991; Reilly, 1995; Peterson, 1997). But, as Borges and Vergara (1999: 61) remind: “Instruments and institutions are not the same thing.”

The Chilean local polity seems to follow the deactivating and mildly marginalizing pattern that exhibits the national level, but the design of local political institutions – mayor-centric and managerial– does not provide for collective representation in government and fosters aggressive clientelism as a preferred linkage between local politicians and social organizations, a destructive element for pobladores' organizations. However, and whereas the dominant trends in the Chilean local polity are microcorporatism and clientelism, this thesis contends that the right set of mediations can turn microcorporatism into networks for social and political reform, by building linkages among social and political agents in public spaces that allow for deliberation. These networks not only can enhance the pobladores' influence in shaping policies to address their interests, but impact the polity by opening deliberative spaces and counteracting clientelism. Therefore, decentralization may open local spaces where different models of local governance coexist, opening new avenues for the incorporation of the popular sectors. In sum: political decentralization does not obey necessarily to one correct formula, nor yields one determined outcome.

Third, this thesis may shed light on the ways in which political institutions affect social capital formation, nurturing or destruction.<sup>13</sup> The two models of local governance examined in this research had strong enabling or disabling effects on collective action, as well as a powerful effect on shaping organizational goals and strategies. In Peñalolén, for example, clientelism had thrown the leadership of the Juntas de Vecinos into revolving political allegiances and created duplicate organizations, alienating the leaders from their constituencies and opening rifts among the Juntas and other types of pobladores' organizations. In addition, this work suggests it may be useful to devote special attention to the organizations that emerge from the breakdown of former social movements. Social

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<sup>13</sup> Robert Putnam defines social capital as the “features of social organization, such as trust, norms and networks of civil engagement that can improve the efficiency of society by facilitating coordinated actions.” (1993a: 167)

organizations are not created equal: past interactions with the political system, the scars and medals of past collective action act as powerful orientation of action.

Finally, the two models for incorporating the pobladores may be a source of potential power for the organized urban poor to advance their claims of social justice and deeper democratization. I concur with Skocpol and Fiorina (2000:15): "from an institutionalist perspective, voluntary associations matter as sources of popular leverage, not just as facilitators of individual participation and generalized social trust."

## 1.2. The macro political and economic context of policy reform

The constraints of the transition, as powerful as they may be, were not the only factors that shaped the Chilean polity. Powerful sociopolitical changes had swept Latin America in the decades of the 1970s and 1980s and underpin the incorporation of the pobladores. This section examines the sociopolitical model associated with Import Substitution Industrialization (ISI), arguing that the collapse of the ISI political economy implied deep modifications in the patterns of social organization and the relations between political institutions and citizens. The consequent erosion of the systems of representation and social organization is partly responsible for the difficulties that social actors have in adjusting to new structures of political opportunities that both democratization and decentralization opened in the region.

### 1.2.1. The political economy of import substitution

As it is well known, the debt crisis in 1982 put the last nail in the coffin of the import substitution model (ISI) that had steered economic development in Latin America for most of the 20<sup>th</sup> century.<sup>14</sup> Following the tenets of the Washington Consensus, Latin

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<sup>14</sup> It is widely acknowledged that, in spite of sustained growth rates, the import substitution model carried imbalances difficult to solve. In Fishlow's words: "First, policy-induced exchange rate overvaluation discriminated against exports (...) making the balance of payments and access to essential imports more precarious. Second, an increase in government expenditures was not matched by increased tax revenues, thus giving rise to larger deficits financed primarily by accelerating inflation. Third, the emphasis upon industrialization frequently occurred at the expense of inadequate agricultural development that left

American governments devoted their energies to opening national economies to international commerce, deregulation, massive privatization of public enterprises and a drastic cut in the public sector's expenditures and size. The market-oriented reforms reduced the former 'developmentalist' state from the main axis to an aid of development, now led by the private sector.<sup>15</sup>

The severity of the adjustment produced a steep decline in the rates of growth and the GDP per capita, which in 1991 was 8% less than it has been in 1980 for the region as a whole. The dislocations fueled inflation, reaching a 1,200% yearly regional average between 1989 and 1990 (Roxborough, 1992:422). Social expenditures sharply fell throughout the Latin America and did not recover until the mid 1990s. The popular sectors, already hurt by the economic crisis, saw their safety net shrank (Cepal, 1995a; Nelson, 1992; Angell and Graham, 1995; Raczinsky and Cominetti, 1994; Ganuza León and Sauma, 1999).

The demise of import-substitution industrialization not only brought about radical changes to Latin America's insertion in the international economy and difficult adjustments for its people, but also eroded the "state centered" sociopolitical matrix (SCM) in Argentina, Brazil, Chile, Uruguay and Mexico, countries that had deeply embraced import substitution from the early 1930s to the late 1970s (Cavarozzi, 1992a).<sup>16</sup> The SCM

significant pockets of rural poverty and hampered development of an ample internal market" Fishlow, 1990:63). These problems had been particularly visible in the most advanced Latin American economies (Mexico, Brazil, Chile, Argentina) in the previous decades, especially when facing the "difficult phase" of ISI: producing durable and capital goods (as compared to the easier production of industrial goods).

<sup>15</sup> Between 1985 and 1992, more than 2,000 state-owned firms were privatized in Latin America. In some countries such as Chile and Mexico, around 90 percent of public enterprises had been divested by 1993 (Edwards, 1995:170). The average protection of tariffs for the region in 1983, which oscillated between 20% (Chile) and 92% (Costa Rica) were lowered between 4% (Mexico) and 21% (Brazil) by 1993 (Ibid: 126). Sweeping reforms of the financial systems were implemented in all countries between 1980s and the early 1990s aimed at deregulating interest rates, eliminating direct credit allocation rules, reducing the reserve requirements of financial banks, relaxing the barriers to enter the capital market, stimulating security markets and institutional investors and creating supervisory legislation (Ibid: 208).

<sup>16</sup> These countries were the core cases of the theory of bureaucratic authoritarianism, which dominated Latin American scholarship during the 1980s. Initially formulated by Argentinean political scientist Guillermo O'Donnell (1973), the theory sought to provide a comprehensive explanation of the political economy of

worked via two mechanisms. The first was a complementary relation between the market and the state, functional to economic growth. The second mechanism related civil society and the state through “bipolar” dynamics of incorporation and control<sup>17</sup>, highly dependent on each country’s political regime. Incorporation was effected through diverse channels, frequently corporatist<sup>18</sup>, which linked social organizations with the state. Political parties mediated these ties in some countries, such as Chile and Uruguay. Clientelism<sup>19</sup>, mass suffrage and charismatic leaders provided additional linkages to the polity in several others.

Under the state-centered matrix, segments of the popular sectors and the middle classes –industrial labor, public workers, professional associations—became organized and mobilized, enjoying incorporation into political and social citizenship (Cavarozzi, 1992:671-2). The expansion of social rights<sup>20</sup> was the center block of incorporation.

ISI, linking through an “elective affinity” the “difficult” stage of ISI and the bureaucratic authoritarian regimes that accompanied this phase. The imperatives of the new phase –producing durable and capital goods– required new patterns of income concentration, capital and technology, which were antithetical with the mechanisms of controlled social pressure that characterized the SCM. Therefore, the political control of labor, popular demobilization and increasing state rationalization (thereby the “bureaucratic-authoritarian” label) appear not just coetaneous, but almost functionally linked. However, O’Donnell stops short of drawing a causal link among the “imperatives” of development and the emergence of bureaucratic authoritarianism. Rather, he points towards specific political factors such as the “perception of the threat” by elites and the military elicited by previous popular mobilizations. Other influential works on the matter are the edited volumes by Linz and Stepan (1978, 1996), Collier (1979) and O’Donnell, Schmitter and Whitehead (1986).

<sup>17</sup> Oxhorn calls this type of incorporation “controlled inclusion” (1995b).

<sup>18</sup> In Schmitter’s (1981:295) words: “the part of the political process to which societal corporatism refers I have called “interest intermediation.” It encompasses both the *means* through which interests are transferred from, aggregated over, and articulated for members to collective decision-making bodies, public or private (*representation*), and the ways in which interests are taught to, transmitted to, and imposed on members by associations (*social control*).” Corporatism is also “a mode of policy formation, in which formally designated interest associations are incorporated into the process of authoritative decision making and implementation. As such, they are officially recognized by the state not merely as interest intermediaries but as co-responsible ‘partners’ in governance and societal guidance.”

<sup>19</sup> Clientelism is an exchange between individuals of unequal power where support (electoral or otherwise) is given in exchange for particularistic favors.

<sup>20</sup> Oxhorn (1998) highlights the fact that Latin America followed a different pattern than liberal democracies in extending rights to their citizens. In the latter, there was a sequence starting with civil rights to political and finally, social rights. Social rights were the first block of Latin American citizenship during the state-centered matrix, in detriment of civil and political rights. The demise of the matrix with the

Political citizenship was expanded under the SCM but it was not the organizational principle of mass politics. Accordingly, the legitimacy of the state and political institutions rested on their capacity for delivering substantive benefits.<sup>21</sup> But the expansion of social rights was limited and uneven, incorporating the segments of the population that were able to exert organized pressure to obtain benefits from the state in exchange for their compliance.<sup>22</sup> For this reason, organized social pressure and state sensitivity to demands failed to significantly enhance social equity by expanding social rights to the most dispossessed sectors in society.

This pattern of successive incorporation fueled by social pressure enhanced both the capacity of the state to harness social conflict and, paradoxically, eroded this capacity in the long run. First, the distribution of social benefits and privileges imposed a heavy toll on public spending in those countries where organized social pressure mounted.<sup>23</sup> Second, the pattern generated multiple layers of granted privileges, without suitable mechanisms for revising or reversing them.<sup>24</sup> The state increasingly resembled a myriad of “bureaucratic rings” linking particular bureaucracies and interests groups/ political actors, making coordination difficult and decreasing state capacity for implementing coherent public policies (Cavarozzi, 1992a and b).

Popular organizations were also shaped by this pattern and tainted by the same combination of strength and weakness. Corporatist organizations derived their strength

implementation of market-oriented reforms eroded social rights, but reinforced political rights. Civil rights are considered still weak in most Latin American countries.

<sup>21</sup>In some countries, “founding myths” such as the Mexican Revolution or Peronism in Argentina provided additional sources of legitimacy. (Cavarozzi 1992a: 9)

<sup>22</sup> This is what Collier (1976) called “segmentary corporatism.” “Corporatism in Latin America institutionalized class inequalities in terms of access to the state and economic resources by creating new, relatively small privileged groups of workers among the popular sectors.” (Oxhorn, 1998: 13)

<sup>23</sup> This is the phenomena that some authors call populism, and that has been singled out as the main culprit of the fiscal deficit and indebtedness of Latin American countries during import substitution phase (see Dornbusch and Edwards, eds, 1991).

<sup>24</sup> This pattern is well exemplified by social security regimes (Rosemberg and Malloy, 1978; Malloy, 1979).

mainly from their linkages to the state and from their capacity of periodically exerting pressure upon it, but the trade-off was their limited autonomy as collective actors.<sup>25</sup> In addition, the segmented nature of the incorporation fragmented the popular sectors. The sectors with lesser political clout—such as peasants or the urban poor—found a difficult road to incorporation, creating frictions among the popular sectors.

### 1.2.2. Decay of the Matrix: Social Actors in Search of a Stage

The market-oriented reforms redefined the state's role and its linkages with social actors. The retreat of the state from production, the redesign of social policies and a new emphasis on managerial and technical criteria for public decision-making simply voided many of the linkages that traditional social organizations had taken decades to weave. This weakened traditional actors, and, especially in the countries where the state had been a major instrument for political and social incorporation (such as Chile), it fueled a defensive stand from organized social actors to policy measures. For the state, this meant a sharp decline of its former capacity of "organizing" civil society; while traditional organizations either withered or faced a very difficult road to organizational reconstruction.

Such erosion coincided with the emergence of a new stock of grassroots organizations that had yet to weave relations with the political system. As known, the 1980's saw the birth of numerous small community organizations, as well as the activation of the third sector (mainly through NGOs) and social movements. These forms of social organization were extraordinarily diverse and heterogeneous, ranging from small groupings born as survival responses to the economic crisis and the retreat of the state from social

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<sup>25</sup> Unlike European corporatism, which balances incorporation and control (Collier, 1995), Latin American corporatism placed the weight unequivocally in the side of control. "(...) Corporatist associations in Latin America remained dependent and penetrated by the state, stunting the growth of civil society" (Oxhorn, 1998: 13)

services, to organized women, native peoples, neighborhood, ecological movements --even new union movements and political parties.<sup>26</sup>

The decay of traditional networks and the proliferation of new sets of interests put extraordinary pressure over the political parties for channeling these into the polity. Few political parties and party systems were up for the challenge since they were undergoing a process of accommodation and redefinition of their linkages to the state, its constituencies and their modes of political action. In addition, authoritarian regimes in certain countries further eroded the relations between the parties, social actors and the state by canceling out politics altogether. Survival imperatives under dictatorial environments challenged the parties' capabilities for renewing its leadership, for ideological discussion and for keeping track of societal transformations (Cavarozzi and Garretón, 1989).

In the midst of economic restructuring, the transitions to democracy in the 1980s and 1990s reinforced the "disembeddedness" of political institutions from civil society.<sup>27</sup> In those countries where transitions involved intra-elite pacts or unilateral elite imposition -- such as Chile, Brazil or Uruguay-- the parties reacquired a privileged role in the negotiations and the following democratic administrations, but their legitimacy as representatives of the interests of the majority of the population was severely damaged. The generalized perception was that the pacts traded political stability by appeasing the military and the economic elites by means of fending off any pressure for income distribution or redistribution (Karl, 1990; Karl and Schmitter, 1991).

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<sup>26</sup> The literature on social movements in Latin America is profuse, and frequently devoted to one actor. For more comprehensive treatments, see Eckstein, 1989; Escobar and Alvarez, 1992 and Oxfhorn, 1995a.

<sup>27</sup> Hurt by the economic crisis and facing simultaneously democratization, some countries opted for what O'Donnell (1992) called "delegative democracies." Delegative democracies elect "presidents-saviors", whom, invested with popular mandate implement a "magical style of policy-making" characterized by sharp policy turns decided upon and carried out ignoring political institutions (parties, Congress, the Judiciary, and practically all interest-representation organizations). Eventual failures are blamed systematically on the "selfishness" of politicians further undermining political institutions (O'Donnell, 1992:12). The persistent ideological pounding on "traditional and corrupt politicians" and the "bloated state" by authoritarian governments --both military and "delegative democracies"-- took an additional toll on

In this context, the parties' attempt to harness representation faltered. Partisan and electoral de-alignment increased electoral volatility and rising abstention rates signaled this trend. By the late 1980s, 44.4 % of Argentines and 80% of Chileans declared to be identified with a political party; by the mid 1990s, only 24.6% of Argentines and 50 percent of Chileans asserted a party identification (Hagopian, 1998: 116-8). In 2002, 27% of Chileans declared they did not vote; only 18% voted and felt allegiance to a party, while 42% voted but did not have party identification (PNUD, 2004: 230).

The demise of traditional parties and the awakening of new organizations in civil society were interpreted by scholars of social movements as impending possibility for deepening democratization by increasing participation and diversity. Some predicted a partial replacement of the representation role of the parties by social movements (Thome, 1989; Evers, 1985; Slater, 1985; Alvarez, 1989). Almost two decades after most of these predictions were made, the parties keep a firm hold on representation in many countries, in spite of the deficiencies of their performances. This should not be a cause of surprise if one keeps in mind that, in spite of their importance, social movements and interest associations are frequently single-issue associations, and they are not suited, as the political parties, for aggregating and channeling interests into national arenas of decision-making. As Hagopian (1998:125) reminds, a diverse set of interests makes democracy more inclusive, not necessarily more representative.

In some countries, however, networks that link social actors and state/political institutions in clusters or specific policy areas have been sprouting in the last decade. These are what Chalmers, Martin and Piester call "associative networks" or "non-hierarchical structures formed through decisions by multiple actors who come together to shape public policy" (1997: 567). Whether or not these networks will indeed fill the representational void left by the political parties --a risky proposition by the authors that need to be historically tested-- at least these networks seem to hold some promise for new ways for

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the legitimacy of many political systems and made extremely difficult the governance of post-authoritarian democracies where political steering was crucial than ever.

reincorporating popular actors into meaningful arenas of decision-making or the “politics of public policy” (Fox, 1997).

Old networks and new forms of social organization are in the process of engaging with the political system. This has not yet resulted in a new and stable system of political representation, as it was foreseeable by the preceding fragmentation of the political parties and the changing nature of the networks articulated around the state. Instead, a combination of the old and the new, rather heterogeneous, seems to prevail (Hagopian, 1998, Garretón, 2002).

### 1.2.3. The remodeled social policy paradigm

*Although most of the Latin American countries were far from reaching a welfare model, a handful displayed social policies that were an effective instrument of incorporation. A major tool of incorporation in the SCM, social policies aimed at the expansion of social benefits were highly susceptible to organized social or political pressure.<sup>28</sup> The redefinition of the developmentalist/welfare state into a subsidiary state decisively changed social policy. In essence, state action was bounded to finance, regulate and design social policies, while the private sector was allowed to provide services. The new criteria for resource allocation called for technical and equitable assignment funds targeted to provide assistance to the needy (Franco, 1995; Cepal, 1995b), reducing the emphasis on universal policies. The paradigmatic shift halted or reduced the social benefits that significant sectors of the population, especially the middle classes, had received in the past (see Chart 1, next page)*

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<sup>28</sup> Critics charged that the developmentalist state's performance in the social policy area was bleak: social benefits favored mostly urban populations, middle classes and organized and relatively privileged sectors of the working classes, ignoring the poorest; that universal programs were plagued by inefficiency since they were unable to detect and address different needs of the population, thus wasting resources; that the dynamics of constant social pressure for new and expanded social benefits contributed decisively to the fiscal deficit and created complex and inefficient systems of benefits that were almost impossible to manage. (Castañeda, 1992; Franco, 1995; Graham, 1994; Dornbush and Edwards 1991)

Chart 1. Social Policy Paradigms

	State-centered	Subsidiary <sup>29</sup>
Institutions (I)	STATE MONOPOLY <ul style="list-style-type: none"> <li>➤ Finances</li> <li>➤ Designs</li> <li>➤ Implements</li> <li>➤ Controls</li> </ul>	PLURALITY OF AGENTS <ul style="list-style-type: none"> <li>➤ State</li> <li>➤ Private (for profit)</li> <li>➤ Philanthropic (NGO)</li> <li>➤ Informal (families)</li> </ul>
Institutions (II)	CENTRALISM	DECENTRALIZATION
Logic of Decision making	BUREAUCRATIC <ul style="list-style-type: none"> <li>➤ Macro strategies</li> <li>➤ "State knows best"</li> <li>➤ Funds assigned administratively</li> <li>➤ User with no choice</li> </ul>	PROJECTS <ul style="list-style-type: none"> <li>➤ Allocation by competition</li> <li>➤ RFP, competitive bidding</li> <li>➤ User suggests</li> </ul> <i>"Innovative capabilities are spread throughout society and must be used" (Social Investment Funds)</i>
Financing (I) Sources of Funding	PUBLIC	CO-FINANCING <i>"Free means that is not valuable"</i> Cost recoup: <i>"who can pay, must pay"</i> <i>[Risk: marginalize the poor]</i>
Financing (II) Funds Allocation	SUPPLY SIDE  LACK OF COMPETITION	SUBSIDIZED DEMAND (Creation of pseudo-markets) Competition Freedom of choice <i>[Does the consumer have enough information?]</i>
Goal	UNIVERSAL SUPPLY (high costs, low impact) Homogenous supply favors those who are organized and knowledgeable	UNIVERSAL SATISFACTION <i>"Differential treatment for those who are socially different"</i>
Priority Criteria and System Expansion	PROGRESSIVE TOP-DOWN EXPANSION (segmentary access) <i>Ergo: "lower social service expenditures means less equality"</i>	THE NEEDIEST FIRST (Tool: Focalization)
Target Population	Middle Classes Organized Social Groups	The Poor
Focus	ON THE MEANS <ul style="list-style-type: none"> <li>➤ Social infrastructure</li> <li>➤ Regular budgets</li> </ul>	ON THE ENDS Impact: amount of benefits that reach the target population, according to the goals.
Indicator	PUBLIC SOCIAL EXPENDITURES	RELATION COST-IMPACT

Franco (1996): 6

The fiscal crisis of the 1980s reduced social expenditures and tied social policy expenditures to the growth rate of the economy. In the mid 1990s most Latin American

<sup>29</sup> Franco calls the state-centered paradigm "dominant" and the subsidiary "emergent."

countries had increased their per capita public expenditures in social services to reach or surpass the early 1980s levels, but the goal of maintaining macroeconomic stability remained untouched.

Targeting and decentralization became major instruments of social policy, bringing sweeping changes in the relation state-civil society.<sup>30</sup> By selecting beneficiaries according to precise parameters provided by poverty indicators, the state effectively isolated itself from organized social or political pressure. Targeting redefined the subjects of social policies as specific clusters of the population with a common set of unmet needs, which sometimes do not even recognize themselves as a social group.<sup>31</sup> Finally, social policy targets the poorest sectors of society, the ones that has been proven to be highly disorganized and ones that are also the most difficult to organize.<sup>32</sup>

The legitimacy of state action, formerly substantive, was replaced by the efficiency of public performance. However, targeted policies hardly elicit political support. Universal social policies provided immediate political gains because they instantly created wide constituencies; targeted beneficiaries are, by their very nature, fragmented and usually the most disorganized sectors of society. Moreover, putting universal polices in the back burner elicited reactions from organized groups, such as sectors of the middle classes and

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<sup>30</sup> Social Funds spread throughout Latin America in the 1980s, usually as emergency programs to deal with the social costs of economic adjustment. Social funds introduced territorial targeting, providing pool of resources for communities. The funds appeared in a first stage as more effective at delivering services than the line ministries, although the ex-post evaluation of the experience shows mixed results (The World Bank, 2000). For targeting, see *ECLAC, 1995b*.

<sup>31</sup> This is a fascinating subject beyond the scope of this research, but worth highlighting. The director of a program for "women head -of -household" told me that in the beginning women did not see themselves as "head-of-households", so they did not apply for the benefits offered by the program. The state agency had to organize workshops with women's organizations in order to "create" this new identity and reaching the group that the state had identified (statistically) as one of the most vulnerable to poverty. A similar case happened with the senior citizens: they organized and have evolved into a social actor mainly thanks to state action targeted to them (*tercera edad*).

<sup>32</sup> Regarding the obstacles and limits of organizing social services' recipients, see Fox Piven and Cloward (1977).

service sector unions.<sup>33</sup> Therefore, the adoption of targeted social policies deepened the “legitimacy deficit” of the state, especially acute after economic recovery in the 1990s was not matched by progress in equity. The income gap grew during the decade in all Latin American countries, with the only two exceptions (ECLAC, 2001:67; see Tables 1 and 2: Annex). It is yet unclear whether the neutral and technical stand assumed by the state in the distribution of social benefits will generate new linkages with the citizenry which still seem to expect a more active public involvement in social welfare and equity issues.<sup>34</sup>

#### 1.2.4. Decentralization: Improving political ecologies?

In the 1980's and 1990's a wave of decentralization, transferring state authority from the central to the sub national(s) level(s) swept across the region. The trend included transfers of responsibilities for service delivery; increasing financial transfers and/or added sources of income for sub-national levels; the election of local/regional authorities and the drafting of new legal frameworks for decentralizing the state. The new placed unprecedented emphasis on the local level, or the municipality, which had been traditionally weak in Latin America (Nickson, 1995, Véliz, 1980; Willis et al, 1999).

The wave of decentralization in the region had its roots in several and mostly unrelated phenomena. Most decentralization reforms coincided with the debt crisis of the 1980's and the fiscal problems of the central state, and were regarded as a means of improving allocation efficiency and reducing financial pressure upon public finances. State decentralization filled also the need for an alternative model to the developmentalist state and its centripetal tendency to concentrate political and economic power, a notion that fit well the neoliberal pursuit of reducing the role of the central state, while opening possibilities for the private sector to participate in service provision. Liberals were attracted

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<sup>33</sup> See Angell and Graham (1995) and Nelson (1992), Murillo (1998), Espinoza (2001) and Martinic (2000).

<sup>34</sup> According to the Latin American Barometer survey of 1997, 66 percent of Argentines, 69 percent of Bolivians, Chileans and Peruvians; 74 percent of Brazilians, 66 percent of Colombians, 80 percent of Ecuadorians, 57 percent of Mexicans, and 65 percent of Venezuelans strongly believed that “the government's responsibility should be to reduce the differences between the rich and the poor.” Quoted by Linz, Lipset and Pool (1998).

to a non-interventionist state that granted greater autonomy to the sub-national units. For the myriad of social organizations and movements that sprouted as a result of the economic crisis and/or the closure of the political space, decentralization represented a new opportunity to participate and to gain influence. Finally, some authoritarian regimes saw decentralization, instead, as a tool for reducing the power of social actors articulated around the state, such as social services unions. In this curious convergence, the push for decentralization succeeded with the added stimulus of multilateral agencies like the World Bank, the Inter-American Development Bank and USAID (Nickson, 1995; Campbell, 1991; Rufián and Palma, 1993; Borja et. al.1989; Cunill, 1991 and 1995).

The process of decentralization of social policies, particularly that of health and education, has been ongoing in a few Latin American countries since the late 1970s and early 1980s (Brazil, Chile, Argentina), with the majority joining the decentralization trend in the early 1990s. Decentralization of social services has been highly dependent on the particular institutional configuration in each country, but most of the reforms share:

- (a) A principal/agent model where the principal (central state) attempts that the agent (municipalities, states or educational/health units) behave according to certain objectives via a system of incentives. The central state retains a great deal of the resources to be distributed to the sub-national levels.
- (b) Solving fiscal problems appear to be the central goal of the “first generation” decentralization reforms, which emphasized fiscal decentralization. In contrast, tackling political problems such as legitimacy deficits, controlling conflicts and deepening democratization seem to inspire the second-generation decentralizers.
- (c) Pure devolution has not happened in any of the decentralization reforms. Even when the central government grants more autonomy of decision to the sub national units regarding policies, these are usually constrained by financial dependency on the central state and restrictions regarding management of human resources. (Di Gropello & Cominetti, 1998).

Expectations indeed run high for fiscal and service-delivery decentralization to improve the quality and coverage of public services, especially in multilateral agencies such

as the World Bank or the IDB. Focusing on specific territories and populations, it was hoped that decentralization would make public policies more attuned to the specific needs; active involvement of beneficiaries was expected to improve programs' performance thanks to better information, increased citizen's control and accountability of local/regional authorities. In addition, state decentralization<sup>35</sup> was thought to expand political competition and to direct participation of organized groups into local/regional government. The inauguration of "new" public spaces was thought to reinforce and/or stimulate the organization of interests in local communities, making democracy more inclusive. Decentralization was hoped enhance the capacity of the political system to process a growing load of interests, and to enhance its legitimacy (Campbell, 1991; Reilly, 1995; Peterson, 1997, Arriagada, 1995; Burki, Perry & Dillinger, 1999).

In spite of heightened expectations of the positive impact of decentralizing on the quality and coverage of public services, the available data shows a mixed panorama: both increases and decreases in expenditures and/or improvement in indicators cost/coverage, paired with negative turns in the indicators costs/quality. There is also not enough evidence to probe whether decentralization has improved or worsened territorial inequities in service delivery and quality. Even more, preliminary evidence suggest that fiscal decentralization may hurt rather than safeguard macroeconomic equilibrium.<sup>36</sup> (Di Gropello & Cominetti: 100-02).

Neither it is possible to make a blanket endorsement or to criticize the impact of decentralization on the political system in different Latin American countries. Some authors have warned about adopting an overly optimistic view on the democratizing potential of decentralization in Latin America, reminding that local elites are in a privileged

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<sup>35</sup> Today is almost "common place" to call de-concentration to the transfer of state bureaucratic authority from the central to subnational levels, and decentralization to deconcentration paired with elected authorities at the subnational levels. See Rondinelli (1989). Willis et.al. (1999: 8) define political decentralization as "the establishment or reestablishment of elected autonomous subnational governments capable of making binding decisions in at least some policy areas."

<sup>36</sup> See Erik Webbel's "Federalism and the Politics of Macroeconomic Policy and Performance" (2000).

position for appropriating resources redirected to the local or regional levels, and that decentralization may worsen corrupt and inefficient state bureaucracies (Hagopian, 1998, Burki et al, 1999; Souza, 1997).

Participation of the population, crucial to improve accountability, has been low in all national experiences. However, studies on decentralization of social services do show a great deal of variability, and some of them point to configurations of agents which seem to be able to achieve the otherwise elusive participation of the people and marked improvements in service delivery.<sup>37</sup> Experiences of local government in Brazil, particularly since the Partido Dos Trabalhadores adopted the local sphere as the launching pad of its “way of governance” which combined efficiency and transparency with social reform, illustrates the potential of decentralization of having a dramatic impact on the polity<sup>38</sup>

### 1.3. Chile: Decentralization and models of local governance

The municipality was not a significant scenario for the *pobladores* in the pre-authoritarian polity, in spite of the fact that there was no other actor with more definite “territorial character.” The reason could be found in the centralist organization of the Chilean polity: after a brief interlude that granted autonomy to the municipalities in the late 19<sup>th</sup> century<sup>39</sup>, the expansion of the Chilean central state in the 20<sup>th</sup> century progressively intruded into areas of municipal control. In charge of administering a deceptively broad set of “communal matters”, which ranged from beautification to local

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<sup>37</sup> The World Bank Group is perhaps the best data bank for “best practices” case studies. Of particular interest are Tendler (1997), Abers (1999) Souza (1997); M. Silva (1998), Rojas (1997), Moreno (1997).

<sup>38</sup> See Avritzer (2000); Jacobi (1995), Bittar (1992), Nylén (1997), Keck (1992), Kinzo (1991). For in-depth interviews with some of the PT mayors and administrators, see Harnecker, 1995.

<sup>39</sup> This was the so called Law of the Autonomous Commune – *Ley de Comuna Autónoma*—in 1891, which granted political and administrative autonomy to the municipalities and reduced the intervention of the central and provincial government to a mere overseeing of municipal decisions. The Law obeyed to political power shifts that effectively curbed the control of the executive over the suffrage at the municipal level. The control of the electoral system granted local elites extraordinary powers in negotiating with provincial and central elites, but it also deepened electoral fraud and bribery (Marter, 1992; Valenzuela, 1977).

economic development<sup>40</sup>, in reality the municipality's jurisdictions, functions and budget were determined by law, and the central government never granted local administrations more than marginal funding and power. By the time the *pobladores* entered the political scene, the municipality in Chile was reduced to being smallest administrative unit of the central state and politically, its lowest governmental body (A. Valenzuela, 1977; Nickson, 1995).<sup>41</sup>

Encroached by the centralized polity and the class politics of the time, municipal politics developed a peculiar brand of "brokerage."<sup>42</sup> As expected, pre-dictatorial political parties constituted the primary network connecting national politics and local demands. The mayor and the councilors —*regidores*— were the main brokers at the local level, while congressmen played this role in the capital, lobbying central state bureaucracy in lieu of his/her local clients (Valenzuela, 1977: xi). In this context, collective action oriented towards the local level was not efficacious for social actors:

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<sup>40</sup> The municipalities were in charge of caring for the beautification and cleanliness of the commune, repairing and maintaining roads, sidewalks and local transportations infrastructure, promoting recreational activities and education, agriculture, industry and commerce in the territory, administering its resources and dictating municipal ordinances regarding matters of its competence.

<sup>41</sup> Until the early 1970s, the municipality was headed by a mayor, elected among municipal councilors (*regidores*) who in turn were elected for a period of four years by popular election. The exception were Chile's largest communes (Santiago, Valparaíso and Viña del Mar) where the President of the Republic appointed the mayor and Concepción, which by being both the provincial and departmental capital was administered by a governor.

<sup>42</sup> Local politics in Chile could be categorized as "clientelistic." But, claims Valenzuela, this was, first, a very peculiar brand and, second, hardly related to the cultural backwardness attributed to clientelistic politics. In fact, local brokers —mayors and *regidores*— channeled both claims with particularistic purposes and categoric goals, extracting resources from the center that benefited both individuals and the whole local community. But in opposition to class/interest politics, the transactions were not collective, but carried on by individuals. In spite of the clientelistic hue attached to individual transactions, the Chilean party system was hardly diffuse and —definitely—non-ideological (Valenzuela, 1977: Chapter 7).

The scarcity of resources, the centralization of the polity and the presence of parties as networks to the center reinforced individualistic as opposed to collective action at the local level. There simply was no incentive at the local level for collective action around programmatic goals when local resources were so scarce. (...) Over time, a pattern of brokerage relations develop to permit local officials to “extract” resources from the center through individualistic transactions.

(Valenzuela, 1977: 167).

Moreover, for urban movements such as the *pobladores*, the proximity to the centers of decision-making and the development of their particular linkages with state agencies probably make even less relevant the “local brokers” as mediating structures for connecting to the party structures and to the central state.

This pattern of relations changed with the authoritarian government. The links of the *pobladores* with the central state and the political parties were severed. Intergovernmental relations were altered; the municipality replaced the central state as a main window for social services and anchored the links with the *pobladores*. The military government set the main pillars of state decentralization. The state de-concentrated by spreading regional ministerial offices; the main financial instrument of regional development, the Fondo Nacional de Desarrollo Regional, FNDR, was put in place in 1975. Health and education services were transferred to the municipalities in the early 1980s, and the administration of several social subsidies was assigned to the municipalities. Mayors and the municipal council, Codeco, steered local administrations for over a decade.<sup>43</sup>

But the authoritarian government left more than a raw architecture for decentralization. In tune with its “foundational” character, the regime attempted not just to exert control over social movements and political elites that were the foundations of the

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<sup>43</sup> See chapter 2.

Chilean SCM, but also to recast the relations between the state and civil society in a lasting fashion.<sup>44</sup>

### 1.3.1. Virginia meets Chicago: A model is born

In the beginning, the Chilean military government seriously considered the implementation of “neo-organicist democracy” in the municipalities, a model that hard-liners<sup>45</sup> wanted to build with an active support for the military government without political parties. CEMA Chile, the central state institution created in the 1960s to link the mother’s centers and the central government, under direct control of the military, reportedly attempted to organize and to mobilize women in the *poblaciones*.<sup>46</sup> Moreover, the original design of the authoritarian government included, along with the mayor, an organ of corporate governance, the Council for Communal Development CODECO, composed of community organizations, local business and municipal bureaucrats. In practice, neither a mass movement in support of the military, nor the corporate councils, became the dominant model in the municipalities. The Codecos were overshadowed by the mayors, suggesting an official choice for discouraging organized participation for fear of unleashing politics (Rehren, 1991)

The model of choice was an authoritarian/bureaucratic alternative, which linked the mayors in a hierarchical chain to the head of state, reinforced their powers, and advanced the notion of a technically guided, de-politicized municipality, main ideas that were to survive regime change. Behind this formula for local administration –which was eventually elevated to a model of governance-- was the neo rightist convergence of the

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<sup>44</sup> Manuel Antonio Garretón (1989) uses this term to refer to the radical transformation that the military carried out in Chile. The project was foundational insofar it sought to recast the model of development and to reinsert Chile into the international economy, as well as destroying the social and political arrangements which characterized the state of compromise, setting in its place a bold model of protected democracy.

<sup>45</sup> Linked to Avanzada Nacional and the former Patria y Libertad, led by Pablo Rodríguez, an extreme rightist group that has been characterized as ‘nationalist and fascist’. (Garretón 2000:61).

<sup>46</sup> See chapter 2.

*gremialismo*, ideologically organicist and authoritarian, and a group of young neoliberal economists, which came to be known as the *Chicago Boys* (Garretón, 2000). These elites were to become the *Unión Demócrata Independiente*, UDI (Morales & Bugueño, 2001; Joignant & Navia, 2003; Navia, 2001).

UDI and the other (renewed) party of the right, Renovación Nacional (RN), favored a technocratic model of governance for the municipalities as a means to depoliticize public decision-making and to achieve social harmony, an ideal treasured by conservative Catholic corporatism. With this new twist, the concept of politics embodied in the authoritarian municipality became close to public choice. Alfred Stepan (1985: 322-3) acutely observed:

In fact, the continuing labeling of the regime theorists as “Chicago Boys” missed important theoretical, historical and political nuances. The Chicago School of economics was most important in 1973-78. In the 1979-81 the “Virginia School” of political economy (Buchanan, Tullock and to a lesser extent, Brunner) had the most impact. The Virginia school was not concerned with a general theory of the market. The major preoccupation was with the “marketization” of the state, with turning the state into a firm, and with atomizing civil society into an apolitical market. For their part, the “Santiago Boys” went beyond the Virginia school in praxis. They represented a new phase in rightist political economy in the world, in that they actually used their privileged positions in the state apparatus to devise and apply a policy package aimed at dismantling, and even restructuring, civil society in accordance with their radical market views.”

In the trademark version of the managerial model of the “new right”, three key aspects can be discerned. First, an economic concept of municipal governance that is akin to the public choice theory of politics.<sup>47</sup> Municipal governance is conceived as a process of supply and demand of public policies, whereby local government (bureaucrats and

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<sup>47</sup> The key works in public choice are Buchanan and Tullock, 1962; Downs, 1957; Olson, 1965. An excellent and comprehensive exposition and critique of public choice can be found in Lars Udehn’s *The Limits of Public Choice* (1996).

politicians) provide policies that attempt to match the self-interested demand of their citizens. Ideology cease to matter: politicians and municipal bureaucrats that want to gain or remain in their posts (elected or not) are the ones who offer the “highest expected utility” policy bundle.

A second main component of the model is the belief that a strong executive is the key to reduce transaction costs in municipal governance. The mayor-CEO (*alcalde-gerente*) should be invested with enough power to react in a fast and appropriate manner to the demands of its citizens and to opportunities (similar to the private business environment. The third element is the notion of citizens’ participation, favoring the expression of individual interests through voting, rather than organized interests that may distort the political process. The authoritarian municipality was, indeed, devoid of partisan politics.

Upon the return to democracy, the *Concertación* did not have a clear view about the model of governance it wanted to plant in the young municipalities. Even though the *Concertación* and part of its support base, like public sector unions, did not like some of the aspects of the processes of decentralization, its course was yet to established to revert it. This realization, as well as the need to contest the Right absolute domination of the local governments pressured the governing coalition to keep its campaign promise of “democratizing” the municipalities and draft an electoral law as soon as possible.<sup>46</sup> The negotiations were not easy, because they entailed a Constitutional reform, so the *Concertación* decided to embark into the development of a sui generis model of local managerialism that emphasized “efficiency”, and to introduce, instead of the CODECO, an elected communal council with candidates from the political parties, and an advisory council which maintain the direct representation of community organizations. The model introduced politics into the local government, but kept unchanged the main features of its authoritarian predecessor: a powerful mayor and a managerial model.

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<sup>46</sup> The outgoing military government had nominated all the mayors.

#### 1.4 The Pobladores Movement and the structure of opportunities

The pobladores movement in Chile is more than a collection of self-contained small organizations of the urban poor that share a relatively recent past of contentious collective action. Its history extends for three decades—from the 1960's to the 1990s—enduring both successful and failed interactions with the state and other actors at different political moments in the history of the country.<sup>49</sup> Social movements refer to “collective challenges by people with common purposes and solidarity in sustained interaction with elites, opponents and authorities” (Tarrow, 1994: 3-4). Today, their community organizations do not amount to a social movement, nor they are engaged in contentious collective action, but they are the remnants the pobladores social movement.

The proliferation of contentious collective action in the last third of the 20<sup>th</sup> century made social movements and revolutions favorite objects of study.<sup>50</sup> Some scholars divide the literature on social movements and collective action into the “strategy” and the “identity” paradigms (Cohen, 1985), although the radical distinction that assumes two “logics of collective action” has been greatly softened during the 1990s (McAdam, McCarthy and Zald, 1996)<sup>51</sup>

The literature on social movements has elaborated extensively on the evolution of cycles of protests and—naturally—has not paid great attention to social actors during periods of quiescence, which is the focus of the present work. Notwithstanding, some of the same key concepts that allow grasping a social movement in action can be used to analyze its success or demise, once its energy has been “absorbed” by institutional politics. The theoretical trademark of political process model, the political opportunity structure, is one of such concepts that stresses the importance of the broader political system in

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<sup>49</sup> The claim here is not that collective action is “created” by political institutions, but that past experiences shape current action through a learning process.

<sup>50</sup> Tilly, 1978, 1985; Lipsky, 1968, McAdam, 1984, Tarrow, 1994; Fox, 1996; McAdam, McCarthy and Zald, 1996; Pizzorno, 1978, Castells, 1983, Offe, 1985, Touraine, 1988, Melucci, 1985,.

structuring collective action, and speaks to the ways and means whereby social movements negotiate their incorporation into the polity (Tilly et al, 1975; Tilly, 1978; Mc Adam, 1982; Tarrow, 1994, 1996; McAdam, Tarrow and Tilly, 2001):

Since movements are born, diffused and processed through the logic of political opportunities, it is the changing structures of opportunity emerging from a protest cycle that determines who wins and who loses, and when struggle will lead to reform.

(Tarrow, 1994: 177).

Mc Adam, Mc Carthy and Zald synthesize the main dimensions of the structure of political opportunities: "(a) The relative openness or closure of the institutionalized political system; (b) the stability of that broad set of elite alignments that typically undergird a polity; (c) the presence of elite allies and (d) the state's capacity and propensity for repression" (1996: 10).

The *pobladores* movement, as we will see in detail in the next chapter, evolved symbiotically with the political system. Until 1973, the *pobladores'* identity and strategies were nested within the polarized spectrum of Chilean politics. The Chilean centralized welfare state and the highly competitive system of class-based political parties decisively shaped the urban poor. In the late 1950s, the state set in motion a wide array of legislation and public policies aimed at incorporating the first squatters. The trade unions, linked to the Communist and Socialist parties, took charge of organizing them. In this period, the *pobladores'* main demand was access to housing. Their main strategy of collective action, land seizures —*tomas de terreno*—was congruent with organized political pressure over the state in order to shape public policies. The Christian Democrats put forward a model of functionally and territorially defined, state-chartered groups, while currents within the Left defined the *pobladores* either as subordinate allies of the workers' movement, or as a vanguard of socialist grassroots democracy.<sup>52</sup>

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<sup>51</sup> The strategy paradigm has developed fully in North America, while the identity paradigm has its most prominent exponents in Europe.

<sup>52</sup> Espinoza, 1988; Pastrana and Threlfal, 1974; Castells, 1983; Leeds and Leeds, 1976.

The structure of political opportunities seemed relatively favorable for the *pobladores'* movement until the early 1970s. The urban poor sacrificed part of their autonomous action by joining a wider popular movement at the far end of a "transmission belt" which connected the state, the political party system and mass organizations. However losing autonomy, this strategy seems to have yielded high returns for the organized *pobladores*: between 1969 and 1973, 55 thousand families, or 10% of the population of Santiago, gained access to the land through invasions (Espinoza, 1988).

The historical pattern of dependency of the *pobladores* on the political system was broken by the authoritarian regime (1973-1990). Amidst repression and a bold shift of the development model, the "modernization" of the state introduced two long-lasting changes: the shift of the welfare to the subsidiary state and decentralization. Housing, which had been the main and unifying demand of the *pobladores*, ceased to be a matter of concern by the state and was transferred to the market. The *pobladores'* main demand, as well as the main tactic in their repertoire of collective action—land seizures—became suddenly outmoded.

The authoritarian state paired repression and exclusion towards the urban poor, together with increased rationalization "technification" of the social policy process, which further insulated the state from political demands. The elaborate fabric of social organizations and political parties articulated around the former state was torn. Most of the communal organizations of the *pobladores* were disbanded between 1979 and 1985.

This closed structure of political opportunities prompted the emergence of new survival responses by the *pobladores* in the form of a vast network of small, multi-functional organizations, with a strong territorial identity and supported by ecclesiastical and other non-governmental organizations. In a political context deaf to demands and a drastic reduction in the provision of social services, most of these organizations aimed at preserving basic living conditions and to maintain an embattled popular identity, menaced by censorship and marginalization. These organizations added a new dimension to the *pobladores* movement insofar they encouraged practices of autonomy regarding the wider

social and political system (Espinoza, 1988, 1985; Hardy, 1989; Chateau and Pozo, 1987; Razeto, 1986; Oxhorn, 1991, 1995; Morales and Pozo, 1987).

These newer organizations of the *pobladores* may not add up to become the ideal type of "new social movement", but they would later prove aloof to political incorporation when democracy returned in the 1990s. Some of these newer organizations were no longer looking up to political institutions as a referent for the movement's action. Instead, as claimed by the students of the new social movements, they were trying to 'push the state away' from the social terrain (Cohen, 1985). By contrast, some of the small single-issue groups found themselves a niche in targeted social policies and programs. But regardless of the interpretation about the role of this newer band of organizations, their emergence within the *poblaciones* enhanced the autonomy of the *pobladores* from the state and political actors, and, as Oxhorn (1995a) remarked, it was a sign of the extraordinary flexibility demonstrated by the *pobladores* movement.

By the mid 1980's, the *pobladores* took upon another task. At the height of the social mobilization that preceded the transition process, the *pobladores* and the anti-dictatorial political parties closed ranks in supporting mass protests. But this relation turned sour when the popular movement perceived that the political negotiations to return to civilian rule would exclude their interests. Divisions in the ruling elite made the negotiated transition a plausible alternative, and demobilization of the popular sectors was actively sought by the political leadership of the *Concertación* coalition for returning to democracy. In the case of the *pobladores*, their means of collective action during the protests (riots), as well as their choice of political allies (the Communist party), greatly undermined their chances at achieving their demands in the post-transition scenario (Oxhorn, 1995b; 1994).

The *pobladores* emerged from the transition with a complex organizational mix, far apart from the unified social movement of the past. Their choices in the transition, as well as the negotiated nature of it, did not result in unified force, in spite of their numbers: by the late 1980s, non-official grassroots organizations surpassed two thousands just in

Santiago, and comprised over 70% of the organized *pobladores* (Urmeneta, 1989, 1990). By the mid 1990s, the former *movimiento poblacional* seem to fragment and mostly remain at the fringes of national politics (Espinoza, 1993).

As stated in the first part of this chapter, over a decade of democratic government by a center-left coalition indeed has created a new context of political opportunities for the remaining organizations of the *pobladores*, in spite of the continued constraints that the subsidiary state poses to the *pobladores'* organizations. The inauguration of local governments, with fresh resources and expanded responsibilities in social areas, plus elected authorities and new bodies to integrate community participation, has expanded the political opportunities of the urban poor. To these we turn now.

### 1.5 Main Hypothesis about the Pobladores Movement and the Municipal polity

As a strategic choice of the transition to democracy, the leaders and technocrats of the *Concertación* steered political reforms and the polity to reconcile the threats of a military comeback, popular demands for democratization, and the alleviation of poverty. The formula, however, would not be an easy one to devise, since it would imply reconciling two clashing desiderata: substantive democratization and managerial efficiency at various levels, and in a broad array of public policy areas.

Prior to 1973's breakdown of democracy, the Chilean political system processed political and structural pressures through a strong state-centered matrix and a vertical system of intermediation led by (class-based) political parties that firmly colonized and captured the public space and activity of organized collective action. The post-authoritarian political order was radically modified and re-designed to avoid direct intermediation by the classic-stakeholders of the political system: the central state, political parties, corporate groups and elites. Once channels of intermediation were cut, low intensity democracy flourished.

The expected "democratization of the municipalities" carried the birthmark of the "political reforms" of the military regime- especially state decentralization and

rationalization- and the contingent constraints of the transition. The *Concertación* would work to institutionalize a decentralized and a fragmented polity that prevented political demands to flare, their “scaling-up” policy-making structures, and increase social mobilization. Municipalization, in such regard, would seek to “democratize” yet by detaching the national political arena from the local one, it intended the political demands would be managed and processed at the local level—within the newly created municipalities. As a (last) link in the state administrative chain, the newly created municipalities displayed many of the technocratic and “managerial” logic that dominated state reform (Garretón, 2003), drastically curtailing the hopes for a budding “participatory” democracy. The *pobladores* movement was strapped to negotiate its future at the local (municipal) level.

However, the ambitious technocratic and demobilizing blueprint deployed by the Chilean central state did not produce homogenous conditions of incorporation at the municipal level. Throughout the 1990s, along with the overall decline of organized participation in municipalities, evidence of collaboration of grassroots organizations of the urban poor in some municipalities piled up.<sup>53</sup>

The growing independence and power of the mayors, which opened space for agency in the municipality, facilitated these divergent outcomes. As it is documented further on in this thesis, national electoral outcomes decoupled from local electoral outcomes and local politician’s growing weight started influencing the national political scene. Although this did not alter *per se* the managerial/elitist character of the municipal government, the divergent trend strengthened the (already considerable) power of the mayor and weakened the political parties’ grip on the local polity. The growing independence of local politicians reinforced the trend—already encouraged by a strong executive—to generate different styles of local governance, which eventually evolved into “models” on their own right.

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<sup>53</sup> Noé et al, 1998; de la Maza, 1998; Programa de Ciudadanía y Gestión Local, 2000.

The modernization of the state and its new subsidiary character has opened a broad spectrum of opportunities for “client” or citizen participation in the implementation of social policies. While these opportunities can be regulated by rigid policy design, they can be also managed by local leaders and organizations to empower and involve people in the local political process and decision-making. Whether or not the participatory space will be shaped to abide to rigid designs, or will become more substantive instances of citizen involvement will strongly depend upon the intervention of the mayor, his/her “cabinet” and the normative values underlying governance. The mayoralty can drive the polity to become clientelistic or micro-corporatist, depending upon how it shapes what can be called the “local offer”, the specific instances of involvement that are unfolding and consolidating as the municipality is trying to implement social policy in a wide range of policy areas.

Who governs the municipality can drive its polity: it is not all determined by municipal codes and laws, or by the budgetary constraints of fiscal decentralization. The institutional blueprint (general laws and regulations ruling municipal administration and government), even equal for all local governments, does not determine equal polities.

Therefore, as it will be argued in here, that there are specific sets of mediations that vary in the municipalities, and that these variations determine differences in the incorporation of the urban poor organizations into the municipal polity. This is the main hypothesis that guided this research.

The municipal governmental design sponsored by the Chilean central state and the technical specifications of “targeting” in the implementation of social policies require articulation within the local space. That is, the “local offer” needs “hands-on” shaping. With the increasingly active (and autonomous) role of the mayoralty, a common and “neutral” design and a template of resources and opportunities provided by the central state and ministries could result in distinct styles or forms of municipal governance. Three factors might be at play.

*Concept of Participation.* The conception of citizen's participation in the polity is a key factor for the way in which the pobladores' organizations would be incorporated in the polity. A "liberal" conception that favors individual expression of interests via voting would be unlikely to incorporate collective interests into key areas of decision making. Pobladores organizations are prone to be regarded as 'interest groups' that carry particularistic concerns, therefore, also likely to be addressed in a particularistic manner (favors, concessions, clientelism). A local polity that recognizes groups as a legitimate representation of particular, but *generalizable* interests (pluralism), would be open to create deliberative forums where these groups may have access to spheres of decision making.

These two notions of legitimate representation would have a strong impact not just on the space reserved for the pobladores' organizations in the polity, but also on the actual engagement or marginalization of the organizations in the local space. As stated in the brief sketch of the pobladores' movement, the pobladores presently display a diverse mix of organizations at the municipal level that reflect their diverse origin and evolution. In this mix it is possible to find old corporatist *Juntas de Vecinos* (neighborhood juntas) and mother's clubs, which originated in the 1960's and 1970's, as well as newer, more autonomous, strongly participatory organizations founded during the repressive 1980's. As shown in the following chart, these organizations have distinctive goals and strategies, which will determine specific interactions with the local polity. For instance, while it is possible for some organizations with strategic goals to accommodate to a regime of particularistic concessions in a polity that discourages their participation as a group, it is difficult to imagine organizations that include among their goals an expansion of the public space to remain linked to such a polity.

**Chart 2** *Main Types of Pobladores' Grassroots Organizations*

Organization	Period of Origin	Relation with state	Goals	Contemporary Strategies
"Traditional"	1960s/1970s State-centered Matrix	Corporatist	To distribute material goods to associates	Pressure, individual/clientelistic linkages with political authorities and state bureaucracies
Social services	1970s-1990s Military Government	Autonomous	Produce public goods, shape areas of policy. Knowledge of areas of public policy and of the policy process	Advocacy, community activism
Cultural/identity	1970s-1990s Military Government	Autonomous	Open a space for discussion and expression, nurture alternative views of sexuality, culture, politics	Expressive /dialogical occupation of public space. Protest

The same concepts can carry to incorporation through public policies, where a polity that favors individual over collective participation would be likely to implement individual expression of preferences over policy alternatives. Groups would be excluded from policy decision-making and possibly incorporated in service co-production. This would likely marginalize social service and identity organizations from establishing linkages with the local government, opting to remain at the margins or to resort to microcorporatist linkages with central state agencies.

*Administration or Deliberation.* The logic of decision making –managerial /technocratic or political/deliberative– is another key factor to determine incorporation. Political and policy agendas could be insulated if they are subjected to technocratic decision making, or they could be open to deliberation, that is, public discussion of alternatives and priority setting. Deliberative spaces have a better chance for incorporating a wider arrange of organizations into the local polity. It must be said that the critical element is the decision to incorporate discussion of a wide array of actors in decision-making as valid and valuable. Managerial emphasis on concentrating decisionmaking

power on a few individuals to attain efficiency has a great impact on deterring organized participation. The exclusionary impact of technocratic criteria for making policy decisions, on the other hand, can be softened by spreading some of this knowledge among community actors.<sup>54</sup>

*Expanded autonomy.* The capacity to create a “local offer” in terms of public policies responsive and tailored to the organizational diversity and demands of the urban poor will be highly dependent on the capacity of the local government to create --but mostly—to adapt policies and programs to fit those demands<sup>55</sup>. The mayor, the municipal cabinet, and local leadership require to articulate a “local offer” of services and policies, which they can orient to foster deliberative practices that translate into substantive decision-making by informed and politically active citizens. By contrast, those actors can promote the creation of various kinds of informational and public expression tools through which clients receive services, generating a model of “choice” among public policy alternatives. The articulation of preferences or aggregation of interests would be made in this process; thereby it needs little intervention of local managers or politicians in “shaping that offer”, except for attracting new resources or programs to integrate the policy menu.

### 1.5.2. Two Models of Governance: Managerial Elitist and Deliberative Participatory

Two models of municipal governance and polity are emerging and consolidating in Chile: (1) managerial elitist; and (2) deliberative participatory. They are part and parcel of the historical process of state restructuring that took place during the authoritarian period (1973-1989), and of the political and social reforms carried by the governments of the

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<sup>54</sup> This is the strategy that has followed the Brazilian Partido Dos Trabalhadores, PT, in opening the budgeting process to the community. See Abers (1997, 1998), Avritzer (2002), Nylén (1998); Jacobi (1998) Bittar(1992), Harnecker (1995).

<sup>55</sup> The municipalities in which I tested this model are poor municipalities, highly dependent on the central state for financing their activities and programs.

*Concertación*. The basic features of the models, which connect the concept of participation, mode of decision making and articulation of the local offer, are illustrated below:

**Chart 3 Managerial and Deliberative Models of Local Governance**

Model	Relationship of Organizations to Municipality	Structure of decision making	Focus of Citizen Participation	Connectedness of Organizations (associative networking)
<b>Managerial-Elitist</b>	Narrow and functional to meet precise goals. (Performance-efficiency)	Mayor-centric. Centralized decision-making and decentralized execution of policies. Strong emphasis on technical/managerial expertise	Mainly individual. Collective input but limited to very specific projects.  Voting	Parceled specialization of organizations.  Little or no horizontalism.
<b>Deliberative-Participatory</b>	Diverse and multi-faceted seeking to create an active public arena.	Mayor-centric. Decentralized decision-making and fully participatory at all stages of policy process. Considers citizen input a major component of policy-making.	Collective deliberation. Both individual and collective input allowed in several stages of policymaking.  Voting	Emphasizes associative interaction and linkages among organizations.  Promotion of strong horizontalism

In order to ensure efficiency and accountability, the managerial model emphasizes a centralized decision-making in the mayor and the technical team of the municipality, and a decentralized execution. This model of functional specialization, hierarchically ordered, can admit community input only at the “ends” of the planning process—for instance, by allowing the community to select among pre designed policy alternatives. This model would encourage a partial incorporation of the pobladores, absorbing those single-issue and corporatist organizations, while excluding the ones that aim at an active participation on policymaking. The managerial style of policy making hardly generates linkages among policies and among agents, thus discouraging spaces of expanded discussion—policy or politics. From the start, the managerial/elitist emphasis on individual participation would automatically question the power of collective identities to represent interests.

A deliberative/participatory model that embraced the participation of organized interests in policy and political decision-making would, instead, offer an open context of opportunities to the pobladores' organizations. Allowing participation in stages of pre-planning, planning, implementation and evaluation of policies involve growing degrees of power divestment of the authorities to share with grassroots organizations. Political and policy agendas open to deliberation, that is, public discussion of alternatives and priority setting a better chance for incorporating a wider arrange of organizations into the local polity, while generating public spaces that combat clientelism and promote horizontal and vertical linkages in the community.

*A case for synergy?*

The study of the incorporation of the pobladores organizations into these models of local government will pay special attention to their incorporation in policy areas. The reasons are twofold. The pobladores is a social actor that has evolved and forged its identity around areas of social/ public policy. Second, as Chalmers, Martin and Piester (1997: 567) claim, new structures of intermediation may be emerging to fill the void left by the traditional ones (parties). The authors define these networks as "non-hierarchical structures formed through decisions by multiple actors who come together to shape public policy. These institutions aggregate preferences into agendas for reform and channel them into arenas of discussion and decision-making." This notion not only highlights the state as a main referent (and potential "partner") for collective action, but also the institutions of intermediation between the state and society, such as political parties, NGOs, sectoral associations or new "associative networks." The authors claim that associative networks have arisen in response to the decay of traditional forms of representation in Latin America, or "disembeddedness" of social actors with respect to traditional political actors and institutions. As we will see later, associative networks, as well as other "microstructures of governance" have acquired greater preeminence in light of decentralized structures of decision-making and the erosion of the traditional structures of interest aggregation and representation (Borges and Vergara, 2001).

### 1.7. Research design, methodological protocol and data sources

The object of this investigation –the incorporation of the urban poor organizations in into the local policy and politics – is a complex and unfolding process. Many clusters of variables exert a mutual and simultaneous influence upon each other. As such, the most appropriate methodological approach is the case study, which is designed to capture comprehensive social phenomena.

The multiple-case study design involved two poor municipalities in Santiago: El Bosque and Peñalolén, where I investigated the incorporation of the pobladores' organizations in the governing bodies of decision-making and in policy areas.

Case selection relied upon the similarity of the cases and their divergence in one feature: the model of governance<sup>56</sup>. El Bosque and Peñalolén are medium to low-income municipalities in the Metropolitan Region of Santiago. Although Peñalolén is almost four times larger than El Bosque, the communes share a comparable budget, the size of their population is similar and they were created during the 1980s as a split from older communes. Both communes also had a history of strong pobladores' organization in the late 1960s and early 1970s, and they have areas of relatively recent settlements that brought greater socioeconomic diversity in the last two decades, although newcomers were diametrically opposed in socioeconomic terms: middle and higher income in Peñalolén, eradicated pobladores or beneficiaries of public housing in El Bosque.

By the late 1990s, Peñalolén was better off than El Bosque in terms of its percentage of poverty and extreme poverty<sup>57</sup>, but their key differentiating feature is their

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<sup>56</sup> I conducted preliminary research in the municipalities of La Pintana, Huechuraba, Cerro Navia, and I selected the case of El Bosque. Peñalolén became "available" in 1996, when mayor Alarcón returned to head the municipality. Peñalolén is a well-known "pilot project" of UDI/RN (Mayor Alarcón is sometimes called the "Lavín of the poor.")

<sup>57</sup> The CASEN survey 1998 puts poverty and extreme poverty levels in El Bosque at 30,8% of the communal population; Peñalolén poverty levels were 10 percentage points lower, at 19.7%. By 1996, both communes were closer in their poverty levels: 27% of the population of El Bosque, and 26% of that of Peñalolén were poor (PNUD, 1996: 177). By 2000, both communes had again gotten closer levels of poverty: 15.7% in Peñalolén and 21.5% in El Bosque (Mideplan, CASEN 2000).

contrasting styles of local governance, that more than distinct, constitute models in their own right. While El Bosque embraces Participatory/deliberative model of local governance, which favors a combination of managerial creativity and organized participation of the community in administration and decision-making, Peñalolén in turn shines as a model of managerial efficiency that relies on the periodic consultation to the voters to prioritize the public municipal offer. Not surprisingly, the mayors who have led their respective municipalities for most of the last decade represent contending political trends in Chilean politics. Sadi Melo, mayor of el Bosque since 1992, adheres to socialism, while Carlos Alarcón, who has led Peñalolén as its elected mayor since 1996, is an independent that embraces the political model of the UDI/RN.

In each municipality, I investigated the incorporation of the *pobladores'* organizations in the governing bodies of decision-making and in policy areas. I focused on education, health, housing and social policies targeted to vulnerable populations. Health and education, aside from being core redistributive social policies, were the first policy areas decentralized. I included housing policy for its historical relevance to the urban poor and social policies targeted to vulnerable groups because they regularly rely on *pobladores'* organizations to carry out their programs. In each municipality, I researched the administrative and political structure of policy-making to determine if and how community participation has been incorporated at the local policy level.

For the core of the research relied on qualitative methods: 85 in-depth individual and group interviews with: 21 *pobladores'* organizations, 6 NGOs, 6 professional associations/unions; 12 municipal officials, 18 heads of social programs at the local level; 12 central government officials and 10 political party officials.

I also gathered complementary data from secondary sources, such as documentary evidence and statistical series on voting patterns and social organizations:

- Data on municipal structure, laws and regulations. Demographic and economic information on El Bosque and Peñalolén, plus other poor municipalities in Santiago. –Subdere, municipal documents.

- **Public policies** especially social policies, including detailed information on education, health, housing and social policies geared towards “vulnerable” groups. Interviews, official documents.
- **Statistics** on the number and type of community organizations (1991, 1992, 1996) per municipality and region. DOS, Segegob; Didecos.
- **Data** on the municipal elections of 1992, 1996 and 2000, plus other national elections –parliamentary, 1993 and 1997; presidential 1993 and 1999. National Electoral Registry.
- **Political party documents** regarding the process of local decentralization.

I conducted field research throughout 1993-2000, with two periods of greater concentration in the municipalities of El Bosque and Peñalolén: 1994 and 1999 for El Bosque, 1999 for Peñalolén. In those municipalities, I found differential patterns of relations between social organizations and political actors/institutions, which resulted in different degrees of influence of community organizations in the local polity.

### *Contents*

This thesis is organized as follows:

The next chapter (2) provides an analytical description of the trajectory of the pobladores movement in Chile from the early 1950s to the late 1980s, in the context of changing structures of political opportunities at the national level. It shows how, until 1973, the Chilean pobladores were incorporated in the policy context of the Chilean centralized welfare and the polarized spectrum of Chilean politics. The state-center matrix yielded high returns for the organized *pobladores* in gaining access to the land through invasions, and to the state via a corporatist arrangement through their territorial organizations (*Juntas de Vecinos*). The structure of opportunities radically changed during military rule (1973-1990): Amidst repression and a bold shift of the development model, the “modernization” of the state introduced two long-lasting changes: the shift of the welfare to the subsidiary state and decentralization. The chapter describes how these

changes affected the pobladores and the emergence of new organizations that enhanced the autonomy of the movement from the state. The chapter concludes with the difficulties the pobladores faced in the post authoritarian polity: Strained links with the parties and with the state, plus the demise of the alliance with other popular actors—in particular the worker's movement—deprived the pobladores the access to the national political scene as they had in the pre authoritarian past.

Chapter 3 explores in depth the Chilean national political system in the 1990s. The chapter describes why and how political elites, pressed by the constraints of a negotiated transition and the fear of a military regression, deactivated social mobilization and purged the public space from debates on income redistribution and popular participation. Besieged by institutional restrictions, political trade-offs and radical changes in the state and the development model, the national polity operates as a “low intensity democracy” that erodes the connections between political and social actors, while discouraging demand making and distributive justice. The structure of political opportunities resulted unfavorable for the pobladores: the parties of the Left that historically carried their demands were excluded from the polity, and their own organizational choice—rebuilding around small neighborhood associations—was not adequate to deal in the national arena. Finally, the chapter describes the modernization of the state, decentralization and its adoption of a managerial-efficiency driven paradigm, fitted to maximize resources, but unfitted for processing political pressures and participatory practices.

Chapter 4 describes state action in the areas of social policies from 1990 to 1999 in the context of the political limits set by technocracy and the strategy of sequential gradualism. The new logic of subsidiary policies and the changes of the relation between state agencies and NGOs are explored. Three key policy areas—education, health and housing—are examined in more detail in order to determine why do they offer a different (more open or close) opportunity structure for the participation of pobladores' organizations. The final section of this chapter discusses new social policies and modalities

of policy implementation, which directly link diverse community groups with myriad local or –more frequently—central state agencies. Microcorporatism incorporates social actors while at the same time exerting control on organizations by circumscribing them within discrete realms and fostering limited competition. In this way, microcorporatism is able to use the energy of social organizations and avoid fostering encompassing organizations that require a permanent readjustment of the mechanisms of incorporation and control.

Chapter 5 is devoted to the local polity. Based on the analysis of voting patterns and interviews to politicians, it shows the local polity's "coming to age" –diverging from national political trends. However, the features of the local polity are not auspicious for the incorporation of the pobladores. The dominant model of local politics and administration, mayoral-centric and managerial, does not encourage social participation in local governance, but strategies of control and clientelism. The interviews to city councilors, mayors and leaders of social organizations paint a bleak picture of the local polity: Mayoral dominance has enhanced political personalism and eroded the programmatic profile of the parties at the local level. The extraordinary concentration of power on the executive forces the remaining local politicians to establish clientelistic links with community organizations, eroding social leadership and opening rifts along the organizational fabric of the poblaciones. This polity does not welcome successful social leaders, as they may become potential competitors to local politicians. Finally, managerial emphasis in local governance tend to place decision making on technical rather than political rationale, subtracting these areas to citizen's participation and discouraging pressure strategies of collective action.

Chapter 6 and 7 are devoted to describe two alternative models of local governance and to analyze the way in which they incorporate the pobladores' organizations. Chapter 6 describes the participatory- deliberative style of governance practiced in El Bosque. This model combines the innovative adaptation of the public policies and programs channeled from the central state to "fit" the local (organized) demand, an extensive use of networks and public forums to coordinate and discuss policy alternatives with community

participation. The most comprehensive of these public forums is the participatory design of the 3-year plan of priorities and investment for the commune, Pladeco. The major achievements of the model of participatory governance advanced in El Bosque is challenging microcorporatism, fostering links among the community, strengthening organization and establishing public spaces that allow for the emergence of a common good and promoting democratization in resource allocation. The pobladores' organizations—including those “aloof” to incorporation such as identity-oriented youth groups—had established links the municipality and/or networks under municipal sponsorship. They maintain their autonomy, and clientelism maintains low profile in the local polity. Most of this deliberative expansion has been achieved via public policy networks.

Chapter 7 depicts the second model, which adjusts to the dominant, managerial blueprint. Implemented in Peñalolén, the managerial model was initiated some 20 years ago as one of the pilot projects of UDI/RN in poor municipalities. The model of governance favors individual participation, discourages intervention in areas of decision-making other than the “extremes” of the planning process (evaluation of results or decision among pre-determined policy alternatives) and exercises a model of central decision making with decentralized execution. The research shows how this managerial/elitist decision-making scheme impairs shaping a local offer of policies and makes irrelevant the use of policy networks. Incapable of penetrating policymaking and policy implementation, most pobladores' organizations do not engage in this local offer, and remain active by selectively tapping on central state funding. The local polity in Peñalolén exhibits the clientelistic features that could be predicted from its institutional design, but clientelism is aggravated by an activist city council that “colonizes” community organizations that lack alternative ways of incorporation, transferring partisan conflict to the social fabric.

Finally, a short set of conclusions is presented in chapter 8. The conclusions reassert the findings that these two models indeed have a differential impact on the incorporation of the pobladores' organizations: the managerial/ elitist model hardly engages

the organizations in the local polity and policymaking, fostering organizational fragmentation and selective deactivation, while the participatory deliberative model presents a fertile context where community organizations can engage in varied and interconnected policy outlets. In El Bosque, the key mediators that facilitated the construction of these networks reconnecting the local state and the organized pobladores was the local municipal team, who had a vision of local democratization and a practice of NGO work with the community.

*Chapter 2*POBLADORES: MULTIFACETED ACTOR, ELUSIVE SOCIAL  
MOVEMENT

The pobladores<sup>58</sup> is an elusive subject. Ever since the first slums started sprouting in Latin American cities in the late 1950's, its dwellers have been defined in diverging ways: unorganized rural immigrants marginal to modernity, collective actor capable of joining the industrial workers in a revolutionary quest. These diverging definitions can be traced in part to the evolving relations of urban poor with the political system. In this chapter I describe the history of the pobladores in Chile and their relation with the political system from the late 1950s to the early 1990s. Throughout this period, these relations have resulted in differentiated modes of sociopolitical incorporation. These successive incorporations have had a two-fold overall effect on the pobladores: they profoundly affected the collective action of the urban poor, and, subsequently, they weighed on their chances of turning their social power into political influence in the present-day municipality in Chile.

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<sup>58</sup> Chateau and Pozo (1987: 23) define the concept "pobladores" as: a) People who live in urban zones, b) whose housing conditions are precarious c) their houses are clustered as to form an identifiable dwelling enclave (población), d) these dwelling enclaves result either from land invasions or from state actions that granted the land to the pobladores and e) generally, they are located in peripheral urban zones."

## 2.1. Chile: State and party power

Chile best exemplifies what could be described as the absorption of civil society by political parties. A myriad of well-organized and mobilized societal units belied a relatively weak civil society due to the dominance of an institutionalized political party system dating back to the latter part of the nineteenth century. Political parties came to be the principal arena for the constitution of new social actors, leading to a situation in which all the other societal interests were subordinated to increasingly narrow partisan concerns. As political parties became polarized around inflexible ideological positions during the 1960s and early 1970s, their political polarization was amplified throughout society by the various social organizations which the parties have created. Ultimately, the parties lost control of the polarization process they had started and societal stalemate was broken by military intervention”

Oxhorn, 1995b: 256.

In Chile, the early development of state capacities was paired with the emergence of a relative modern and competitive political party system, which reflected and amplified the cleavages in society. Since the late 19<sup>th</sup> century, the Chilean state played a privileged role in the management of the revenues generated by the foreign-owned nitrate mines. In turn, this prompted the early growth of a bureaucratic apparatus and made the emerging national bourgeoisie dependent on it for the process of local accumulation. State primacy was further enhanced with the development of public infrastructure (Evans, 1985). By the end of the 19<sup>th</sup> century, the workers linked to mining, the emerging industry, construction and transport, as well as the nascent middle classes –which sprouted out of the enlarged state bureaucracy, commerce and light manufacturing– begun to organize in labor unions, guilds and mutual aid societies.

By the end of the 19<sup>th</sup> century, Chile had a multiparty system structured around the dominant societal cleavage of the time, clericalism and anticlericalism. The Conservative party (1857) and the Radicals (1863), who advocated for the separation of Church and state, occupied the polar positions, while the Liberal party (1857) acted as the center (Scully, 1990; S. Valenzuela, 1995). By the turn of the century, the Democratic Party (1887) aimed at representing the rising popular sectors. In the first decades of the 20<sup>th</sup> century, the “social question” acquired increased importance. The workers had

organized in unions, mutual aid societies, and cooperatives. The Democratic party clamp on the workers' representation was challenged by the Socialist Workers Party (Partido Obrero Socialista, 1912) soon turned into the Communist party, and the Socialists (1932) (J.S. Valenzuela, 1995). The main cleavage in civil society had turned from religious to socioeconomic issues.

While the clerical/anticlerical divisions by no means disappeared in the twentieth century, the principal fault line, especially after the separation of Church and state in 1925, became class differences. (...) these divisions created a party system with major parties that covered the full range of the Left to Right ideological spectrum: Communists and Socialist on the Left; Radicals and Christian Democrats in the Center, and Liberals and Conservatives on the Right”

(JS Valenzuela, 1995:2)

The export oriented economy succumbed to the crisis of the nitrate industry after WWI and the Great Depression, and Import Substitution Industrialization (ISI) took the lead of development<sup>99</sup>. Concomitant with this new development model, a social and political alliance was struck among the middle classes, the industrial proletariat and the industrial bourgeoisie. The alliance consolidated around a project of industrial development led by the state, the expansion of internal markets and a progressive social, economic and political democratization (Pinto, 1970; 1974). This is what Garretón (1989) has called the “state of compromise.”

The dependency of the bourgeoisie on the state meant that it had to deal with the “sociopolitical coalition in which the political center, representing the aggregation of sectors than can be categorized as middle class, could insure stability through a shifting politics of alliances. As a result, the organized popular sectors were able to make room for

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<sup>99</sup> Even though the development strategy that replaced the export oriented economy was ‘inward looking’ – that is, it privileged endogenous industrial development—, Chile never ceased to be an “enclave” economy. The country largely depended on a single export (copper) throughout most of the 20<sup>th</sup> century. However, copper revenues were channeled towards industrial development, rather than to cementing an export economy.

asserting their short –and medium—term claims on society.” (Garretón, 1989:4) The political expression of this new project, the Popular Front (1936) comprised the working-class parties (Communist and Socialists) and the Radicals<sup>60</sup>, which had assumed the role of a flexible broker placed at the center of the political spectrum –Conservatives and Liberals displaced now to the right of it. In 1938, the Popular Front won the Presidency with the narrow electoral victory of Pedro Aguirre Cerda.

This compromise resulted in the effective incorporation of organized labor and the Left into party politics: “by opening electoral and bureaucratic avenues of participation to the organized working class and their representatives, the Radical party-dominated Popular Front governments had the effect of delaying polarization within the Chilean party system, cushioning the impact of working-class party demands” (Scully, 1990: 19).

The state of compromise meant a substantial improvement in the living conditions and the political empowerment of sectors of the working and middle classes. Between 1920 and 1972, social expenditures per capita increased 30 times, while the national income per capita grew only 2.3 times in the same period (Arellano, 1985). Worker’s Insurance was established in 1924 (*Caja de Seguro Obligatorio*); mandatory contributions for retirement and health followed the next year for white-collar workers (*Caja de Previsión de Empleados Particulares* and the *Caja de Empleados Públicos*). A series of “social laws” regulating working conditions, workers’ compensation and unionization were approved the same year, and in 1931 the Labor Code unified them and added new protective regulations. Also, in the 1920s public education received a boost with the mandatory primary education law in 1920 (*Ley sobre Enseñanza Primaria Obligatoria*). Enrollment grew steadily at all educational levels, and in 1953 nutritional and material aid

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<sup>60</sup> Scully (1990a) emphasizes the Radicals’ flexible role at the center, their “positional” interest to take control of the government allowed it to strike alliances with both sides of the spectrum. Scully argued that this cushioned the incorporation of the working classes in the 30’s and avoided the polarization of the party system.

was provided for children in need through the *Junta Nacional de Auxilio Escolar y Becas*. A fund for housing (*Caja de Habitación Popular*) was established in 1936.

Social policies aimed at protecting workers acquired a more universal character since the 1950s. Pension funds expanded to incorporate new categories of workers in the *Servicio de Seguro Social* (1952) while a pension fund was established for white-collar workers. Policies aiming at universal coverage resulted in a national health system (*Servicio Nacional de Salud, SNS, 1952*) that provided free health services to workers and their families; many targeted programs—such as child/mother nutrition—were expanded to cover the majority of the population. By 1968, an estimated 73% of the national population was covered by some social security regime; in 1973, this estimate rose to 77.7% of the population. By 1970, 65% of the population had access to free medical services through the National Health Service, SNS; some 20% to the public and private employee health system (*Servicio Médico Nacional de Empleados, SERMENA*), and 4.5% were covered by the health services of the Armed Forces, also public and free. Ninety four percent of children aged 6 to 14 were enrolled in public primary education, while secondary education enrolled 38% of those aged 15 to 18 (Raczynski, 1994: 19, 32 and 41).

Expansive welfare policies were an important piece the process of substantive democratization --which in other Latin American countries was the result of authoritarian-populist political systems.<sup>61</sup> But these gains by the working and middle classes had a price -- the subordination of popular social actors to the institutionalized channels of the state of compromise in order to reap the benefits of the model:

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<sup>61</sup> For a detailed treatment of social policies in Chile, see Raczynski (1994).

“The backbone of civil society was formed by a system linking social subjects and actors to the state and a network of relationships between the organizations of civil society and political party structures. This backbone’s strength derived from the increasing extension of political participation. Its weakness lay in the limited autonomy of civil society and the latent fragility of support for the political regime”

(Garretón, 1989: 13).

Those sectors excluded from the arrangement, such as the peasants, did not fare as well. The nature of the compromise and its highly political incorporation made difficult for social identities to emerge, unless subordinated to the class-based political parties.

This arrangement set the tone of the state responsibility regarding urban policy and urban movements. Housing problems had an early start in Chile, with the massive displacement of unemployed workers to the cities caused by the crisis of the nitrate industry in the early 20<sup>th</sup> century<sup>62</sup>. In 1914, the Tenant Leagues of Valparaiso and Santiago were born. Throughout the next two decades, the tenant’s organizations organized massive “rent strikes” and successfully pressed for the passing of protective laws for tenants, the reduction of rent rates and the creation of especial housing courts in the 1930’s (Espinoza, 1988). Some of these organizations advanced in the definition of a collective identity with demands that reached beyond the housing situation to include urbanization, social and political demands. The notion of ‘community affairs’ and self-help appeared as a relevant issue and linked the movement to the cooperative movement of the time (Espinoza: 137).

However, the weight of the politics of compromise was to be felt by the renters’ organizations. In 1934, the National Front of Housing fused most organizations, including the Tenant Leagues, and soon the most radical anti-systemic positions were mellowed into

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<sup>62</sup> By the end of 1914 the nitrate mines began to dismiss workers, who first concentrated in northern cities such as Iquique. Fearful of riots, the government provided trains to move them to the center and south of Chile, hoping they would find employment. “Within a few weeks, the population of Santiago grew in several hundreds of thousands people, who were placed in temporary shelters at first, and then left to their own.” (...) “The population of Santiago grew from 330 thousand to more than half a million people between 1907 and 1920” (Espinoza, 1988: 50)

demands to be processed by the legal system within the general framework of the workers' movement platform, led by the Confederación de Trabajadores de Chile (CTCH) and the Communist party<sup>63</sup>. In 1936 the National Front of Housing joined de CTCH and the Popular Front, effectively compromising the autonomy of the renters movement. "The National Front of Housing aborted the opportunity of building an urban popular actor. It denied this possibility by identifying the interests of the urban dwellers with those of the industrial working class. As an organization, it became integrated to the union movement and, through it, to the Popular Front. Even though later it was granted participation in some state offices, it became no more than the 'housing branch' of the union movement." (Espinoza, 1988: 184).

The fate of the tenants' movement is exemplary of the mode of incorporation and control that prevailed in the state of compromise. In exchange for the state's responsiveness to popular demands by passing laws and devising public policies aimed at alleviating the housing problems of the urban poor, the popular movements had to channel these demands via the institutions for incorporation –the unions and the political parties.

## 2.2. The pobladores as a policy problem and a political clientele

The pobladores entered the social and political life in Chile when the dominant sociopolitical matrix associated with import substitution industrialization had begun to falter and major political transformations were unfolding. Spontaneous settlements of vacant land were not unknown in Santiago and other major cities during the 1940's and 1950's, but they never comprised a massive number of people. By 1952, the people living in the then called *poblaciones callampa* (mushroom settlements) amounted to 5% of the population of Santiago, while the dwellers of central city slums (*conventillos*) reached over 29%.

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<sup>63</sup> Indeed the renters demands had been a concern of the union movement –then led by the Federación

By the mid-1950's, increased rural-urban migration, combined with policies of urban renewal and recurrent earthquakes that destroyed part of the central city, steadily pushed people from the *conventillos* and new immigrants to the margins of the cities. Squatters started in 1946 when people displaced from the *conventillos* invaded public land, but the first organized land invasion, *La Victoria*, happened in 1957. Seven years later, the pobladores had come to represent 25% of Santiago's inhabitants (Espinoza, 1988: 247; Pastrana and Threllfal, 1974: 14; Castells, 1983: 200).

The collective struggle for housing refocused from renting into ownership of the land and housing, and the means became direct action—land invasions—, which bypassed the institutional channels set for addressing the housing question. Several political and economic factors combined to redirect the collective strategy of the housing struggle and the emergence of the first pobladores. First, the successful struggle of the tenants' movement in the past decades had devalued renting properties as a revenue source for urban investors, prompting a turn towards new construction (Espinoza, 1988). In addition, the exhaustion of the "easy" phase of the ISI model unleashed persistent inflation, causing a shift in the patterns of investment to face the crisis (Kutsnetzoff, 1975; Espinoza, 1988). The new interest in the building industry appealed also to the state as means of reactivating the economy and of generating employment, as well as lowering the cost of urban labor to stimulate industrial growth (Espinoza, 1988).<sup>64</sup>

Major changes in the political system had also started to unfold. By the end of the 1940's, the political coalition that supported the state of compromise started to falter.<sup>65</sup>

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Obrera de Chile, FOCH) since their beginnings. For a very documented account, see Espinoza, 1988).

<sup>64</sup> The inflation rate jumped from 412% during the 1940s, to 2,089% during the 1950s. The two previous decades (1920's and 30's) inflation had been 30 and 94%, respectively. (Espinoza, 1988: 239) The Chilean Builders Association—*Cámara Chilena de la Construcción*—was founded in 1951.

<sup>65</sup> Several authors have argued that the Radical Party was the centerpiece of the political compromise struck in the 1930's. A pragmatic party, the Radicals devised a flexible system of alliances that appealed to both ends of the political spectrum. Part of the demise of the Radicals and their capacity to play this mediating role started when, yielding to pressure from the US and fearing the stunning electoral power demonstrated by the Communist party, the radical government of González Videla (1946-52) outlawed the Communist

The election in 1953 of Carlos Ibáñez, a late '20s former dictator who ran as an independent on a populist platform, signaled the exhaustion of the traditional compromise struck two decades ago around the Popular Front. By the end of the decade, the Radical party lost its primacy as the center party, essential piece for the brokerage between the Left and the Right-wing parties, to the Christian Democratic Party (*Partido Demócrata Cristiano*), DC. The Christian Democracy, rather than a pragmatic alliance-maker, was an ideological (doctrinaire) party, with clear hegemonic aims (Valenzuela and Valenzuela, 1985; Garretón, 1989, Scully, 1990a).<sup>66</sup>

Once the basis of the traditional political compromise weakened, the political party system became increasingly rigid and polarized. After Ibáñez, three successive administrations represented three different political positions each with their own reform program—the conservative government of Jorge Alessandri (1958-1964); the center-reformist administration of Eduardo Frei, 1964-70 and the ill-fated government of Salvador Allende, representing the Left-wing coalition of the *Unidad Popular* (1970-1973). Cavarozzi summarizes: “The sequence of political events followed a rather repetitive pattern: Every President tried to gain majoritarian political support, but all failed; the failure, in turn, brought about the permanent or temporary eclipse of the President’s party. No party in power was capable of even being a real contender for the Presidency at the next election. This pattern gradually weakened the party system, undermining its capacity to channel and contain social conflicts.” (Cavarozzi, 1991a).

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party in 1948. This naturally strained the Radicals’ relations with the Left. In addition, the Radicals’ flexible coalition strategy progressively earned the party a reputation of political opportunism, a perception compounded by the less than transparent practices when in charge of government, tainted by clientelism and corruption. (See Valenzuela and Valenzuela, 1985; Scully, 1990b; Cavarozzi, 1991a).

<sup>66</sup> Scully argues that the Christian Democrats were a “programmatic” center party, unlike the “positional” center of the Radicals. “A *programmatic* center party is one whose core party identity (or party “profile”) is derived fundamentally from the predominant axis of cleavage within the party system. When a party is formed on the basis of a centrist position on the predominant axis of cleavage and places itself at the electoral center, it will encounter much resistance—both from within the party as well as from without—to playing the role of mediator between the extremes. A programmatic center party enjoys much less freedom to move from pole to pole to make the political bargains and deals that can serve as a lubricant to party competition (1990a: 26).

This major political rearticulation was paired with a six-fold growth of the electorate between 1950's and 1970, adding uncertainty to the party system regarding its constituencies. In 1946, the electorate in the presidential elections was 631 thousand people, or 11% of the population. By 1970, eligible voters for the same electoral contest had swelled to 3 million 792 thousand people, or 36.4% of the total population (Scully, 1990b, table 6). The expansion of the electorate owed to the enfranchisement of women (1949), the 1958 and 1962 electoral reforms that helped to freed captive rural constituencies of the traditional Right by redefining the system of regional party alliances and enforcing the secrecy of the ballot, and the 1970's reform that enfranchised the illiterate and lowered the voting age from 21 to 18 years. (Valenzuela and Valenzuela, 1985; Scully, 1990b)

These changes contributed to increased polarization and competition among the political parties, exactly at the moment when the first *pobladores* made their debut in the political scene. In part, the incorporation of the pobladores followed the traditional patterns of the Chilean polity. The state responded with a mix of patronage, dispensing of political goods and repression: public policies expanded to better provide services to the squatters, while the police curbed land invasions. A housing Corporation, CORVI, was established in 1953; the conservative Alessandri's government issued the DFL 2 in 1959, which created the National Savings and Loans System (*Sistema Nacional de Ahorros y Préstamos*) and offered tax exemptions to the construction industry. The Christian Democratic government, in turn, created the Ministry of Housing and Urban Affairs (*Ministerio de Vivienda y Urbanismo*) in 1965. CORVI remained responsible for construction of low income housing, while several new agencies assumed other of its functions: The Urban Improvement Corporation, CORMU, took charge of land purchases and refurbishing houses; the Housing Services Corporation (CORHABIT) administered CORVI-built housing; and the Urban Works Corporation (COU) built sewer and water systems. The Frei's government launched an ambitious plan that sought to build 360 thousand low-income housing units in a six-year period (Kutsnetzoff, 1987; Castañeda, 1992).

Both the Communist and Socialist parties and the urban branch of the trade unions supported the pobladores' demands and incorporated them into their organizations. The Communist party played an important role in organizing the land invasion that gave birth to the first población, *La Victoria* in 1957. The Left-wing coalition of the time, the *Frente de Acción Popular*, FRAP, and the Catholic Church through Bishop Caro negotiated with the Ibáñez government in order to prevent further police intervention and to offer a solution for the squatters. A Catholic service-organization, the Hogar de Cristo, offered to build low-cost housing in the invaded land (Espinoza, 1988: 269). The relations of the pobladores with the Catholic Church would be a long-lasting one, although splattered by a series of doctrinaire and political changes.

The Left did not have a trouble-free relationship with the newcomers, even if they were unmistakably part of the popular sectors. The Left-wing parties saw the pobladores as a potential but volatile ally, especially after Ibáñez's populist spark. In 1957, a document of the Central Committee of the Communist party described the pobladores as "backward masses of peasants and recent migrants, ten of thousands of women working in the industry, ten of thousands of young workers who were children ten or fifteen years ago (...) who lack enough clarity about the real problems and a tradition of struggle or otherwise experience. These workers form a vast popular mass, a majority of whom voted for Ibáñez" (quoted in Espinoza, 1988: 269). Although the Communist and Socialist parties acknowledged the justice of the pobladores' struggle and opened a space for housing issues in the union structure they controlled, they also harbored serious doubts including the pobladores into the class struggle for societal transformation.

The trend of increasing party competition unleashed by the faltering "compromise" made of the pobladores a prime 'catch'. The Left saw them as their "natural" constituency, while the Christian Democrats, as newcomers into the political scene, sought to enlist them to expand their urban and popular influence. The pobladores were perceived as a popular sector that had not yet established a political allegiance in contrast to, for example, industrial labor, which had developed a long and strong

identification with the parties of the Left. Therefore, it is not surprising that the DC focused its efforts on conquering the allegiance of the urban poor and the peasants –which were beginning to organize<sup>67</sup>. It is also not surprising that the Left-wing parties faced the DC challenge by increasing their activity in the poblaciones. Land invasions soared, with the support of either left or center-wing parties (Espinoza, 1988; Pastrana and Threlfall 1974; Castells, 1983).

It would be a mistake to conclude, nonetheless, that the political parties aimed to establish exclusively a clientelistic relation with the pobladores, as demonstrated by their efforts to include them as an actor with its own script in their project for societal transformation.

### 2.3. Pobladores 2<sup>nd</sup> incorporation: Unraveling compromise and a new territorial and neo-corporatist identity

The pobladores' owe their main organizational structure to the Christian Democrats. Early on the Frei's government (1964-1970) considerable public resources were devoted to establish a network of functionally-based, intermediate organizations to promote self-help and political involvement among the urban and rural poor –who were perceived as marginal to mainstream politics. In a context dominated by the Cold War and the Cuban revolution, poverty was perceived as a major danger for political stability and a fertile ground for communist penetration of developing societies. The public policy response in the 1960s and early 1970's sought to implement programs to incorporate those marginal sectors dangerously excluded from the fruits of development.<sup>68</sup>

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<sup>67</sup> The electoral growth of the DC is stunning: In less than a decade, the DC's share of the electorate grew from 9.4% in the 1957 Congressional elections to 42.3% in 1965 (Scully, 1990b: 35). In party's bet for newcomers into the polity was right on target: "In contrast with 1958, Frei 1964 supporters were predominantly women (62.9%) and included the lion's share of those voting for the first time." (Fleet, 1985: 70)

<sup>68</sup> The emphasis on the marginal character of the pobladores was a variant of the theory of modernization in vogue in the 1960s, which claimed that increasing rural-urban migration was determined by a distorted process of modernization (the model being the modern industrial nations). In late developers,

The *Promoción Popular* (Popular Promotion) program embodied this ideal, providing technical, financial and legal assistance to popular groups' organization (Espinoza, 1988; Fleet, 1985). PP indeed was more than a technical policy instrument for fighting marginality. The main intellectual sources behind the programs were the Jesuit center DESAL, *Centro de Desarrollo para América Latina*, and the Christian Democracy, a modernizing party with clear links to the Catholic Church. The creation of a network of functional organizations informed by communitarian and solidarity principles and vertically linked to the state, strongly resembled what Stepan has called "organic statism."<sup>69</sup>

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demographic trends were distorted by the acquisition of modern technologies that curbed mortality rates, while birthrates did not experience the natural decline associated with modernization. This resulted in a bloated agricultural labor force being expelled to the cities. Moreover, a great deal of this migration was also caused by a demonstration effect of enhanced life-chances in the urban areas. However, urban labor markets were incapable of absorbing the new migrants due in part to their "cultural backwardness" or the lack of the sociocultural and labor skills to be integrated (Eisenstadt, 1968; Germani, 1961). Influenced by the "culture of poverty" (Lewis, 1959, 1965), Catholic Latin American intellectuals developed the theory of "marginality" to account for the roots of poverty. This approach claimed that the poblaciones housed migrants whom by virtue of their rural origins exhibited a cultural and political "backwardness" that prevented their full incorporation into the modern polity (Veckemans, 1966). Even though the culture of poverty approach paired backwardness and political apathy and the theory of marginality claimed the opposite—that migrants uprooted from traditional societies could easily be radicalized in urban settings by a combination of anomie and rising expectations—both approaches converged in recommending that "the marginal masses must be "promoted" by changing their orientation and giving them the necessary skills to cope with the modern world" (Veckemans and Venegas, 1967; quoted in Portes and Canak, 1981: 236).

<sup>69</sup> Organic statism conceives society as an organic whole, composed of strong intermediate associations defined in functional terms, linked to the state that cares for the common good. The state limits its intervention to a subsidiary role. Stepan (1978) claims that this model was devised in Latin America as a response to the hegemonic crisis. The relations of the DC and the Catholic Church could be traced back to its leaders, a group of Catholic University students "that included Eduardo Frei, Radomiro Tomic, Bernardo Leighton, Rafael Agustín Gumucio, and Manuel Garretón. (...) The encyclicals of Popes Leo XIII and Pius XI and the writings of Jacques Maritain and others provided progressively oriented Catholics with encouragement and legitimation (Fleet, 1985: 44). The closeness of the DC and the church was strengthened with the influence of Eduardo Frei that softened the anti-capitalist and pro-poor sentiments to favor a "third road", which emphasized communitarism and the impulse of economic development without threatening private property. Frei's staunch anticommunism also contributed to close links between the Catholic hierarchy and the party (Fleet, 1985). However, J. S. Valenzuela (1995) cautions towards considering the DC as mostly a "clerical" party, but its identity is mostly a center alternative to the Left and the Right of the political spectrum. As such, the party is able to attract non-catholic constituencies.

*Promoción Popular* was meant to be both a central state agency that would lend technical and material assistance to neighborhood organizations, as well as a channel by which functional and territorially defined groups would channel their demands to the state. The program obeyed to the twofold rationality of incorporating “marginal” groups into the political and socioeconomic system, while reaching a potential clientele to the DC party in power. This last goal was consistent with the trend of political competition among political parties. PP allowed the DC to harvest the political benefits of organizing the pobladores and delivering goods through the state. The design of the program, however, broke with the previous modes of incorporation of the compromise state insofar the state took direct charge of the organization of the pobladores (and the peasants), thus bypassing the former primacy of the political parties in organizing civil society. In addition, the program defined new popular groups on functional and territorial terms, departing from class-based identifications.

Thus, *Promoción Popular* enhanced the competing stand of the DC not just by improving its channels of access to the pobladores via the state apparatus under its control, but also by creating an organizational and political space for the new groups which subtracted them from the organizational and political space dominated by the unions and the Left. Consequently, the political opposition to the DC fiercely fought against its institutionalization –PP remained as an executive initiative from 1965 to 1967, but it repeatedly failed to obtain the Congressional approval that would have granted it legal status and adequate funding (Espinoza, 1988; Pastrana and Threlfall, 1974; Fleet, 1985).

However, the DC administration was able to pass the Law of Neighborhood Councils and Other Community Organizations (*Ley de Juntas de Vecinos y Organizaciones Comunitarias*, Law 16,880, 1968) which created territorially based and functionally defined organizations, such as Neighborhood Councils (NC), Mother’s Centers, Sport Clubs and Youth Centers (*Juntas de Vecinos, Centros de Madres, Clubes Deportivos y Centros Juveniles*). Even though the Left characterized the scheme as “pseudo-fascist”, the lack of a viable organizational alternative determined the final congressional approval of the law

(Espinoza, 1968: 344). The pobladores did use the organizational structure. In 1969, the *Consejería Nacional de Promoción Popular* reported that there were 3,500 neighborhood councils with 350 thousand members and 6,072 Mother Centers with 240 thousand members throughout the country. Between 1964 and 1969, PP organized 39,199 workshops, attended by almost 1 million 400 thousand people (Pastrana and Threlfall, 1974: 20 & 139).

But this new organizational scheme did not prevent the pobladores to maintain links with the political parties of the Left and the trade unions, which indeed preceded it. The continued processing of demands through the party system prevented the emergence of an exclusive patronage relation between the state and the pobladores, a possibility that was also weakened by the inability of the DC government to satisfy the growing demands for housing and urban services.<sup>70</sup>

Land invasions shoot up from 13 in 1967, to 35 in 1969 and 103 the following year, in Santiago alone. The pobladores, who represented a quarter of the population of Santiago in 1964, amounted to a third in the early 1970's (Castells, 1983: 200 & 178). The growing number of land invasions was due in part to the continued support of the political parties of this form of collective action. The practice eroded the DC efforts to both gain the undisputed allegiance of the pobladores, as well as to frame their collective action within the new institutional framework for incorporation. By the end of the 1960's, the relations between the pobladores and the Christian Democratic government had become semi-confrontational; the government frequently resorted to police intervention to halt land invasions resulting in violent episodes which sometimes ended with pobladores hurt

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<sup>70</sup> The concerted public and private involvement in housing construction, although significant, fell short of solving the massive need for low-income housing. During the Alessandri government, 182,791 housing units were built (yearly average, 30,465); the DC government built 239,156 (yearly average, 39,859) and the Unidad Popular government built 156,397, with a yearly average of 52,132 housing units. However, the housing deficit was estimated in 454,292; 420,000 and 592,324 housing units for each of those administrations (Kusnetzoff, 1978, tables 1 & 2: 172-173).

or dead, such as in *Herminda de La Victoria* (1967) and *Puerto Montt* in 1969 (Pastrana and Threlfall, 1974: 57-8).

Salvador Allende's government (1970-1973) supported by a coalition of Left-wing parties, the *Unidad Popular* (Popular Unity), UP, deepened the state productive role, while encouraging the process of popular organization and mobilization in order to produce a socialist transformation of society by democratic means<sup>71</sup>. Along with increasing state intervention in economic matters, the enormous political mobilization that became the trademark of the Allende period supported the perception that the state was unable—or unwilling—to control popular unrest and to protect private property. Business actively opposed the government by withholding investments and, increasingly throughout the period, joined social and political forces of the Right to boycott production and distribution. In addition, state policy that called for taking public control over key productive sectors until recently under transnational ownership and operation, strained the relations with the United States, which ultimately played an active role in overthrowing the Allende government in 1973.<sup>72</sup>

The erosion of the political compromise reached its lowest point during the UP government. Politics was displaced from the state and political institutions into the realm of civil society, where every major political force sought to accumulate enough power in order to carry out its increasingly exclusionary project. The extreme politicization of Chilean society was the end result.

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<sup>71</sup> The period of the *Unidad Popular* has been portrayed as an attempt for imposing a radical transformation of the capitalist economy. In fact, many of the measures adopted in the period followed trends of deepening democratization and state intervention in the economy set forth decades before—such as *Agrarian Reform* and the public control of the copper industry. The state's control on the process of accumulation indeed increased, but in enclave economies the prominent role of the state is a given if the main export is under public control. In spite of the very publicized "interventions" and "seizures" of private land and enterprises during the UP period, the great majority of industries and enterprises remained in the private sector. For a complete account of the economy of the period, see Bitar, 1979.

<sup>72</sup> The "nationalization" of the copper mines, which started under the Frei administration, was completed under the UP government. The specter of the Cuban revolution and the many revolutionary movements

From 1970 to 1973, land invasions flourished, with the authorities implicit consent. Invasions were perceived increasingly as an instrument to claim a legitimate right; left-wing political parties and the pobladores closed ranks during these years, and some poblaciones even experimented with new forms of popular community government.

**Table 1 Urban land invasions. Chile: 1966-1971**

	1966	1967	1968	1969	1970	1971	9/71- 5/72	1/72- 5/72	TOTAL 66-72
<i>Santiago</i>	0	13	4	35	103	NA	88	NA	243
<i>Chile (with Santiago)</i>	NA	NA	8	23	220	560	NA	148	959

Sources: FLACSO and Dirección General de Carabineros. Reproduced from Castells, 1983: 200.

It was not unusual for land invasions to be organized with the aid of a particular party, gaining the political allegiance of the newly formed "*campamento*" (squatter settlement). The increased competition was not restricted to the opposition to the UP government, but also mirrored the cleavage among factions in the UP coalition, split between a radical faction that supported the spread of "popular power" to carry on a revolutionary strategy, and another that wanted to proceed with the gradual reform program stated in the original UP government platform.<sup>73</sup>

The UP moderate fraction focused its efforts on raising the pobladores' "consciousness" to join the transformation project led by the industrial proletariat. In this

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active in many Latin American countries, undoubtedly contributed to the US fear of Chile becoming a "new model" for socialism.

<sup>73</sup> The radical position comprised most of the Socialist party, smaller members of the coalition —MAPU (Movimiento de Acción Popular Unitario) and the IC (Izquierda Cristiana or Christian Left)—and the radical Movimiento de Izquierda Revolucionaria, MIR, which was not a member of the UP coalition. The moderates combined a minority fraction of the Socialist party (including President Allende), the Communists and a faction of the Radical party that joined the UP. The difference in these positions reflected those of the Latin American left after the Cuban revolution and the spread of Guevarismo, which questioned the strategy of forming broad, anti-imperialist and multi-class alliances to promote national economic development (the "popular fronts"), to favor instead guerilla-type strategies where popular sectors other than the industrial workers —especially the peasantry and the urban poor—were called to play

sense, the pobladores continued to be defined in relation to the world of production. However, even the most orthodox Marxist could not ignore the territorial character of the pobladores, a feature that became very relevant for implementing government policies aimed at coping with the crumbling distribution of basic goods, such as the Juntas de Abastecimientos y Precios, JAPs.<sup>74</sup> The more radical fraction also strengthened this territorial character by stressing their quasi-militarist strategy of territorial control through the "Comandos Comunales."<sup>75</sup> The strategy of accumulating "popular power" also reinforced a small number of alternative community practices in the poblaciones, which intended to build systems of social relations, justice and local administration that diverged from the "bourgeois establishment".<sup>76</sup>

As it had happened with the tenants' movement in the previous decades, the pobladores had encountered their emerging identity shaped by their interaction with the state and the political parties within a specific historical juncture of polarization of the party system and a growing competition for capturing new constituencies. In a sense, the pobladores were granted a profile in the polity that turned the vaguely defined squatters into organized urban poor whose collective action was framed to aid competing process of societal transformation. Indeed, their autonomy suffered in this process, as Castells (1983: 209) lamented:

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protagonist roles. For the shifts in the concepts of economic development and its influence upon the political strategies of the Left, see Palma (1981).

<sup>74</sup> For a thorough account of the role played by the pobladores in the JAPs, see Pastrana and Threlfall, 1974, Chapter V.

<sup>75</sup> A good summary of the Comandos could be also found in *ibid*, chapter IV.

<sup>76</sup> See, for example, Spence's (1979) account of the "popular courts", or the creation of an alternative justice system in the poblaciones.

..the squatter movement in Chile was potentially a decisive element in the revolutionary transformation of society, because it could have achieved an alliance of the organized working class with the unorganized and unconscious proletarian sectors, as well as with the petty bourgeoisie in crisis. For the first time in Latin America, the Left understood the potential of urban movements, and battled with the populist ideology on its own ground, planting the possibilities of political hegemony among urban popular sectors. But the form taken by this political initiative, the over politicization from the beginning, and the organizational profile of each political party within the movement, undermined its unity and made the autonomous definition of its goal impossible. Instead of being an instrument for reconstructing people's unity, the pobladores' movement became an amplifier of ideological divisions.

The closer relation with the parties entailed a trade-off for the pobladores. On the one hand, the capacity of the pobladores to press for their demands was greatly enhanced by their insertion in the class politics of the moment. Between 1967 and 1972, 321 land invasions in Santiago granted access to the land to almost 55 thousand families –10% of the population of Santiago (Espinoza, 1988: 275). On the other hand, the autonomy of the pobladores suffered with their subjection to the political party goals. However, the complexity and heterogeneity of the pobladores, as well as their emerging territorial identity –in awkward ways aided by the relation with the political parties— allowed the pobladores to survive one of the most challenging stages in their history: a rightist military dictatorship.

#### **2.4 Destruction of the Compromise and Authoritarian Exclusion**

The authoritarian government (1973-1990) brought about radical changes in the structures of representation and of social organization, which grew around the Chilean developmentalist, centralized welfare state and the highly competitive system of class-based political parties. It reengineered the import substitution model into an export-oriented economy. The private sector became the engine of development, while the state kept minimal regulatory functions: opening of the economy to international commerce,

deregulation, massive privatization of public enterprises were the main tasks accomplished in the military regime's first five years.

The elaborate fabric of social organizations and political parties articulated around the former state collapsed. Traditional organizations of the popular sectors such as industrial and public employee unions were, as expected, the most affected. Business organizations, however, were able to overcome the weakening effects of their previous corporatist dependency from the state, and became more cohesive during this period, playing a paramount role in designing economic policy after the 1983 economic crisis (Silva, 1998; Campero, 1991).<sup>77</sup>

#### 2.4.1. From social rights to subsidies

The “modernization” of the state redefined social policies. The former emphasis in redistribution and towards expanding –universalizing– benefits was replaced with targeted assistance to the needy, consistent with the new “subsidiary” principle guiding state action. The “social net” (*red social*) consisted of a group of targeted subsidies that provided direct assistance to the extremely poor, and of traditional sectoral policies –education, health, housing— now transformed by targeting and the privatization of social services. In the words of Tarcisio Castañeda, an insider of the social policies implemented by the military government,

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<sup>77</sup> Silva (1998) argues that Chilean business was able to increase its strength, cohesion and autonomy in part due to the mobilization against the Unidad Popular project in the years before the military coup, but mainly during the military government. The market-oriented economy that the authoritarian government promoted did not demobilize business because extreme neoliberal economic policies enacted in the early 1980s caused massive bankruptcy in the industrial and financial sectors. This situation forced business organizations to propose a program for economic recovery in order to influence the government that, until then, had not paid attention to their proposals. Campero (1991) asserts that large entrepreneurs have acquired an ideological strength, visibility and sense of leadership they did not have before the military episode.

“All of Chile’s social reforms were based on five common principles that defined the roles of the state and the private sector, the main beneficiaries of social programs, and the financing and operation of social programs. First, the government should target subsidies to the poorest sectors of the population rather than to meet the basic needs of the entire population, many of whom can provide for their basic needs on their own. Second, social services should be provided by municipalities and the private sector, which are closer to the beneficiaries than is the central government. Third, financing for social services should be based on services provided rather than on historically based budget allocations. Fourth, subsidies should be given directly to beneficiaries rather than to providers and should be on the form of direct, upfront subsidies (such as vouchers) rather than indirect subsidies (such as lower-than market interests rates). Fifth, the public sector should undertake only those activities that are socially profitable and that no private-sector party is willing to provide.”

(Castañeda, 1992: 13)

Consistent with the shrinking role of the state, public investment in social policies diminished from 22 percent of the GNP in 1970 to around 14 percent in the late 1980s (Raczynski and Cominetti, 1994:32).

The reduction in social expenditures was not uniform across policy areas or even programs. Health, education and housing were most affected by the fall in public investment, in particular new investment and infrastructure maintenance, as well as salaries of the personnel. In these areas, the military government focused its resources on the basic levels (primary health and education).

Two policy areas did not experience significant reductions in fiscal resources: social security and emergency programs and targeted assistance to the extreme poor: “Social expenditures as a whole fell during this period and experienced significant changes of composition. Social expenditures that have a significant impact on the capitalization capabilities of the low-income groups –education, health and housing– suffered an important decline, while the emergency aid programs geared towards ameliorating income loss expanded their budgets” (Raczynsky and Cominetti, 1994: 35-36).

**Table 2 Chile: Fiscal Social Expenditures 1975-1989***(millions of Chilean pesos 1976; base year=1974)*

Year	Health /a	Aid Progr /b	Housing /c	Social Security /d	Education /e	Regional Dev./f	Total Social Exp.	Total Social Exp./g	Total Fiscal Exp
1974	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1975	72.58	203.92	40.85	103.20	75.29	110.63	81.07	75.40	70.71
1976	61.03	289.52	35.99	90.69	76.03	176.96	81.30	78.89	64.65
1977	70.26	263.57	39.43	121.30	92.97	151.59	94.37	87.47	74.14
1978	73.31	335.12	30.38	129.02	93.83	149.16	98.27	90.40	77.60
1979	69.49	218.49	33.28	140.79	97.97	141.36	96.83	85.57	80.22
1980	89.44	388.22	37.23	168.18	103.91	141.45	116.20	102.89	91.49
1981	94.65	750.91	35.87	226.27	124.94	153.05	152.46	133.56	110.46
1982	89.48	922.80	12.76	262.60	127.67	72.26	161.23	135.27	107.71
1983	73.89	1,043.63	24.83	254.76	109.48	56.09	156.77	131.68	103.61
1984	73.04	940.35	38.54	324.60	112.34	43.84	169.51	129.81	109.93
1985	65.45	871.24	43.83	341.21	110.56	24.25	168.27	124.00	113.66
1986	60.90	707.92	44.46	389.38	110.10	69.65	171.42	115.62	118.70
1987	60.31	572.01	51.94	372.08	101.49	106.65	161.00	106.96	117.32
1988	62.95	466.60	74.46	394.85	96.05	125.62	163.90	104.78	123.68
1989	61.22	378.38	50.24	381.23	94.73	105.72	151.90	93.18	116.78

Source: Central Bank, November 1990. ECLAC, 1995: 8.

a/ **Health expenditures.** Includes public financing Ministry of Health and its agencies –SNSS; Sociedad Constructora de Establecimientos Hospitalarios; CONIN and FONASA. b/ **Expenditures in Direct Social Aid.** Includes state contributions agencies of the Ministry of Work (except for the social security funds); emergency employment (PEM); JUNJI, JUNAEB, SENAMI, ONEMI and contributions to Firefighters. c/ **Housing Expenditures.** Includes state contributions to agencies depending on the Ministry of Housing and Urban Development, SERVIU and Metropolitan Region. d/ **Social Security Expenditures.** Includes state contributions to the social security institutions (Cajas) for pensions, unemployment benefits, worker's compensation and the Social security Fund for Public Employees. e/ **Educational Expenditures.** Include state contributions to agencies of the Ministry of Education for all educational levels; CONYCIT, Sociedad Constructora de Establecimientos Educativos and CONATE. f/ **Regional Development Expenditures.** Includes resources allocated to the regions for health, poverty alleviation, housing and education. g/ **Total Social expenditures excluding social security.**

#### 2.4.2. Decentralized social policies

State decentralization –which had made scattered inroads since 1974 with the “regionalization”, or the administrative division of the country in 13 regions, 51 provinces and 335 municipalities--- came to play an increasingly important role in the social policy area, when the administration of primary health and education was transferred to the municipalities starting in 1981. Local administrations were also assigned responsibilities

for allocating targeted subsidies, becoming the centerpiece of the then called “social net”, when the state increased its involvement in granting direct subsidies targeted to the extremely poor. In the late 1970s, the military government devised a “social information system” to target the beneficiaries of the increasingly complex system of social subsidies. The *Ficha de Estratificación Social*, or *ficha CAS*, a socioeconomic- placement index, started to be massively applied in 1980<sup>78</sup>. The municipalities were provided a special structure to administer the instrument, the *Comités Comunales de Acción Social*, CAS (Communal Committees for Social Action).<sup>79</sup>

Decentralization and privatization were also key instruments to transform the traditional core social policies: social security, health, education and housing. The state transferred the provision of services in social security to the private sector in 1981, replacing the distribution-based system for a pay-as-you-go system of individual retirement accounts with mandatory quotas paid by the worker and administered by the *Administradoras de Fondos de Pensiones*, AFPs —private pension funds. The state financed the costs of transferring active workers to the new system, while covering the pensions of the retirees of the old system.<sup>80</sup> This fueled the fiscal deficit in social security to 7.5 percent of the GNP, as compared to less than 2 percent in 1970 (Raczinsky and Cominetti, 1994: 22).<sup>81</sup>

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<sup>78</sup> The CAS was modified in 1984 (CAS II) to improve targeting, and it has been used since then without major changes.

<sup>79</sup> The main direct aid programs were the *Subsidio Único Familiar* (Unified Family Subsidy), SUF, a monetary subsidy per child to families in extreme poverty; the *Pensiones Asistenciales* (emergency pensions) PASIS, for the elderly and the handicapped not covered by other pension systems; the *Programa Nacional de Alimentación Complementaria* PNAC, a supplementary nutritional program for mothers and babies; and the *Programa de Alimentación Escolar* (nutrition for school age children), PAE. The two last subsidies were old universal programs turned into targeted ones.

<sup>80</sup> After 1981, workers did not have the choice of opting for public system —exception made for the Armed Forces, which continued to enjoy their own public pension system up to the present.

<sup>81</sup> For the years 1981-82, public expending in social security was 20 percent higher than 1970 (Raczinsky and Cominetti, 1994: 34-36). The influx of resources to the private sector was by no means minor: in 1990 the total funds accumulated by the AFPs represented 26% of the GDP —a figure that would diminished once the AFP start paying the bulk of pensions in the next decade. (Raczynski, 1994: 63).

Housing, along with social security, was the social policy sector where privatization played the central role. The state retired from its traditional role supplying housing. Per capita public spending declined from 1,385 pesos in 1970, to 404 pesos<sup>82</sup> in 1983 –a 70% decline (Raczynski and Serrano, 1985: 40). Land acquisition for low-income housing, urban services, building and financial intermediation were transferred to the private sector. In addition, the regulation of land markets yielded to market forces (Morales and Rojas, 1987; Kustnetzoff, 1978).

The Ministry of Housing's independent executive agencies in charge of construction, land purchase, and financing (CORMU, COU, CORHABIT, CORVI) were eliminated, and regional Services of Housing and Urban Development (SERVIUs) assumed their restricted functions. The transfer of public functions to the private sector and the restructuring of the Housing Ministry (MINVU) resulted in the reduction of public employees related to housing agencies from 45 thousand in 1973, to about 3 thousand in 1988 (Castañeda, 1992: 125).

Until the early 1980s, the state limited its intervention to assist, via subsidies, the access of individual families to the housing market. From the mid 1980s to the end of the military government, some better-targeted housing programs for low-income people were implemented.<sup>83</sup> However, these were unable to cope with the housing deficit, which, by the end of the military period, had climbed to 1 million 131 thousand homes, affecting around 40 percent of the Chilean households (Raczynski, 1994: 83).

In 1980, the once powerful National Health Service (*Servicio Nacional de Salud*, SNS)<sup>84</sup> was decentralized into 27 autonomous regional units, conforming the National

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<sup>82</sup> Both in 1978 Chilean pesos.

<sup>83</sup> Since the allocation of subsidies relied on the capacity of the family to meet monthly payments, the policy tended to favor the relatively well off among the poor. Until 1984, no more than 28.2% of the subsidies had reached lower-income people (Chateau and Pozo, 1987: 50). For a thorough account of housing policies and programs during the military government, see Castañeda, 1992, chapter 4).

<sup>84</sup> Before the reforms, the public health system had two main units: The *Servicio Nacional de Salud* (SNS) that provided free medical services to the people affiliated to the *Servicio de Seguro Social* and their families, the

System of Health Services, *Sistema Nacional de Servicios de Salud (SNSS)*. The formulation of health policies was entrusted to the Ministry of Health, and the financial administration to a newly created National Health Fund, *Fondo Nacional de Salud, FONASA*. New fee-for-services were established for the public health institutions, and the private sector participation in the health area was encouraged with for-profit health insurance companies—*Instituciones de Salud Previsional, Isapres*, in 1981.

As it happened with social security, the private health system captured the sectors of the population with higher income, younger and healthier. By 1981, only half percent of the Chilean population was covered by ISAPRES; in 1988 this percentage was 11.4%. However, the public health system still served more than 65% percent of the population, the ISAPRES collected more than half of the mandatory health quotas (7% of the taxable income) and absorbed almost 38% of the total expenditures in health. Consistent with this drop in resources the state system of free choice spent 32% less in 1988 than in 1981 (Raczynski, 1994: 69).

The administrative responsibility for the primary health system was assigned to the municipalities in 1981, starting with 35% of the primary services units and transferring the rest during 1987-1988. Health personnel under municipal administration lost their civil servant status, to be considered private employees. As with the transfer of educational services, the primary health sector resulted in a heavy financial weight for the novel municipal governments, in part due to the new system of reimbursement, in part due to the uneasy coordination with other levels of the public health system, under regional or central control (Raczynski, 1994).

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majority blue collar workers; and the *Servicio Médico Nacional de Empleados, SERMENA*, which provided low-cost health care to white-collar workers. From 1979 on, the military government fused both services into the *Sistema Nacional de Servicios de Salud (SNSS)*, composed of 27 autonomous services (Vergara, 1990:247-48). The resources of the public health system were dramatically reduced by a assigning public resources not by operational costs, but by procedures performed, and by encouraging (or forcing) the enrollment of upper-income workers into the privately owned and administered *Instituciones de Salud Previsional, Isapres*.

The main emphasis of the military government in education was set on expanding the enrollment at the preschool levels, given the importance of reaching this cohort for antipoverty programs (Raczynski, 1994). Primary education was also favored in financial terms over secondary and college/university education.<sup>85</sup> The emphasis on the lower educational levels was not paired, however, with increased resources; on the contrary, total government expenditures in education declined from 4.0 to 2.5% of the GNP (Cox and Lemaitre, 1999: 154). At the primary and secondary levels, the military government reformed the former across-the board curricula, establishing a set of mandatory core subjects and a set of voluntary ones.

The administration of primary and secondary schools was put under municipal control. Teachers lost their civil servant status, unions were banned and the teachers' wages dropped by a third in real terms during the 1980s. The military government encouraged an expanded role for the private sector in the education of low-income students, whom until then overwhelmingly attended public schools. Thanks to a per-student subsidy similar to that of public schools, private-subsidized schools, which covered less than 20 percent of the student national population in 1982, served 32.4 percent in 1990, while public education's share of the student population fell from 75 to 58 percent the same years (Cox and Lemaitre, 1999: 157-58).

By all accounts, the combination of the novelty of local and regional administrations and the decrease in resources resulted in a sharp deterioration of health and educational services especially in the poorest areas, thereby increasing inequity (Cox and Lemaitre, 1999; Raczynski, 1994).

As stated in the previous chapter, the social policy reforms brought sweeping changes in the relation state-civil society. The subsidiary state that replaced the welfare

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<sup>85</sup> The percentage of total educational expenditures devoted to the primary level grew from 57 to 78 percent between 1980 and 1990, while the percentages of secondary and college/university education suffered decline, especially the latter—from 38 to 19 percent in the same period (Cox and Lemaitre, 1999: 154).

state reduced state involvement in social policies, transferring the responsibility for service provision to the private sector and retreating from whole public welfare areas that had been defined as social rights. This effectively reduced the exposure of the state as a target of social demands.

By adopting a "technical selectivity" in social policy, the state furthered its insulation from organized social or political pressure. The definition of beneficiaries of social policies became subject to technical criteria according to the precise parameters provided by poverty indicators and proposed goals.<sup>86</sup> Targeting redefined the subjects of social policies as specific clusters of the population that shared a common set of uncovered needs, abandoning the notion of social groups as the main subjects of state attention in social policies. For the urban poor, the state became an elusive and unwilling target.

#### 2.4.3. The urban poor and authoritarian municipality

The state's reduced involvement in social policy recast its former relation with the urban poor. The erosion of the public "safety net" paired with sustained high unemployment rates since 1975 produced a deep deterioration of living conditions in the poblaciones<sup>87</sup>. The housing deficit grew from a little over half a million units in 1970, to 857,600 in 1980 and 1,130,600 in 1987, affecting 27.6%, 36.1% and 39.8% Chilean families. In 1984, it was estimated that almost 60 thousand families were living with other family (*allegados*) in Santiago (Hardy, 1989: 251 and Chateau and Pozo, 1987: 37). The percentage of people living in poblaciones in Santiago increased from 30% in 1970, to 44% in 1988 (Hardy, 1989). By the end of the military government, 41.2% of Chilean

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<sup>86</sup> Even social leaders were compelled to acquire technical knowledge in order to present "viable" demands, a tremendous burden on people with limited resources.

<sup>87</sup> Unemployment, which shot up from 3.8% in 1971 to 14.2% in 1975 and 20.8% in 1983, disproportionately affected the pobladores. According to a survey in poblaciones in Santiago, unemployment affected 52.6% of the head of households in the población 6 de Mayo; and 49% in La Victoria, campamentos Cardenal Fresno and Silva Henríquez. In the latter, if the unemployment numbers were added to those participating in emergency employment programs (PEM and POHJ), unemployment reached a staggering 77.86% (Chateau and Pozo, 1987: 45-6). In 1989, open unemployment in the poorest municipalities was 28.8%, as compared to 9.1% in the richest (Schkolnik, 1989: 418).

families were living in poverty or extreme poverty, as compared to 28.5% in 1969 (Schkolnik, 1989: 419).

Repression was another salient feature of the recast relationship between the subsidiary/authoritarian state and the urban poor. As known, the military government abolished political activity, and persecution, incarceration, exile or death became a somber daily threat for the former social leaders and militants of the Chilean Left.<sup>88</sup> National organizations of the pobladores were banned. Although territorial organizations, such as Neighborhood Councils and Mother's Centers were not destroyed, most of their leaders were removed and afterwards, tightly controlled to impede political activity<sup>89</sup>. Land invasions were halted until the mid 1980s. Two attempts in Santiago (La Bandera, 1980 and Pudahuel, 1981) were met with prompt and harsh state repression.<sup>90</sup>

As a territorially based social movement whose main demands center around "reproduction" (housing, urban services, basic needs, as opposed to the realm of production) the reinforcement of local administration and the local provision of social services had a strong impact on the pobladores' relation with the state and on their collective action. The military government started decentralization early on, but the process proceeded in a piecemeal fashion, which could be understood in the context of disparate but ultimately converging ends. On the one hand, the military government employed decentralization to achieve tighter control over territorially based actors—such as the pobladores—while fragmenting social actors that had achieved a central coordination,

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<sup>88</sup> The ban on political activity lasted until 1987, when the government, preparing for the Plebiscite of 1988—which might have prolonged Pinochet's rule until 1997—passed a law that set up the institutional framework for the participation of political parties (Garretón, 1989b).

<sup>89</sup> Governors of the military regime had the power to remove and replace any member of the neighborhood organizations that they felt not loyal to the regime.

<sup>90</sup> The pobladores had to seek refuge in a church, where they stayed seven months. The government declared that anyone who participated in a land seizure would lose permanently his or her right to public housing (Pozo, 1987: 293).

such as the social service unions of education and health.<sup>91</sup> On the other, decentralization came to fit nicely with the neoliberal advocates of the reduction of the state role in the social area and the privatization of services.

The decree 573 (1973) put the municipalities under governmental control. The Chief of State appointed the new mayors; a Communal Office of Planning and Coordination (*Oficina Comunal de Planificación y Coordinación*) would aid municipal administration, while a Council for Municipal Development (*Consejo de Desarrollo Comunal, CODECO*) was created to channel "community participation." Invested only of advisory functions, the CODECO included territorial or functional community organizations, except for unions. The municipalities received fresh resources in 1979 with the Fondo Común Municipal and newly assigned revenue sources, such as property tax (*Ley de Rentas Municipales, 1979*). A year later, the communal reform created new municipalities while redefined old municipal boundaries, and transferred the administration of primary health and educational services to the municipalities.<sup>92</sup> The Ministries<sup>93</sup> were deconcentrated and established regional offices, *Secretarías Regionales Ministeriales, SEREMIS*. Even though by the mid 1980s the military government had built a new blueprint for local government, including some structures for community participation, these reforms did not acquire a coherent legal form until 1988 (*Law 18,695*).

Decentralization and the new social policy aim towards combating extreme poverty also had a strong impact on housing and upon the historical unity of the poblaciones. In 1975 the government created community-housing committees (*Comités habitacionales, DL 1088*) in each commune, entrusted with designing "social housing solutions." Organized

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<sup>91</sup> "Regionalization—wrote General Canessa, one of its architects—allows the higher authority to deploy a pyramidal organization throughout the national territory, which allows it and to act in the whole country" (*Díaz, 1988:199*).

<sup>92</sup> Seventeen new communes were created in the province of Santiago, adding to a total of 32. The boundaries of the municipalities of the Metropolitan Region (which comprises the provinces of Chacabuco, Cordillera, Maipo, Talagante, Melipilla and Santiago) were redefined and broken down into 51 communes (*Morales, 1987: 372*).

<sup>93</sup> All except for Defense, State and Foreign Relations.

by the mayor and a community council, the Comités sported broad powers to expropriate, sell, rent, build real estate, provide loans and enter legal agreements, with the technical support of the SERVIUS. The Comités targeted two groups: those living in slums that may be upgraded to better housing, and another group that had to be moved (eradicated) to other communes (Castañeda, 1992; Pozo, 1987). In practice, the comités consistently made arbitrary and politically motivated decisions, becoming the first tool for resettling pobladores until their dissolution in 1979, when the SERVIU assumed their functions.<sup>94</sup>

The resettlement program continued, especially focused on poblaciones in well-off communes. The deregulation of urban land markets pushed the prices up; the remaining pobladores were quickly expelled from the now more valuable land. In 1982, data from the population census was used to build a Map of extreme poverty (*Mapa de a Extrema Pobreza*), which revealed the spatial distribution of poverty. Based on it, a Program for Eradicating and Relocating Settlements (*Programa de Erradicación y Reubicación de Campamentos*) resettled whole poblaciones—without the consent of the pobladores—under the rationale that socioeconomic homogeneity would aid the implementation of programs for alleviating extreme poverty (Legassa, 1992:42). Between 1979 and 1985, more than 30 thousand families living in precarious settlements were forcibly removed from relatively well off communes and resettled in peripheral areas of Santiago (Morales and Rojas, 1987:104).

The resettlements did not have all the expected results in terms of poverty alleviation: the poorest municipalities became net recipients of the bulk of the resettled, causing extreme pressure on the meager municipal budgets and on the crime rates in the host communes.<sup>95</sup> But many have argued that the underlying purpose of the resettlements,

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<sup>94</sup> In many cases the pobladores did not possess titles to the land or housing, but in some others, such as Quinta Normal (1976-77) and the población San Luis in Las Condes 1978, they had current ownership of the land, and were arbitrarily expelled (Pozo, 1987: 284-6).

<sup>95</sup> More than half of the total resettlements, or 60 thousand pobladores, were directed towards La Granja, Puente Alto and San Bernardo. Between 1982 and 1984 violent crimes in La Pintana, one of the newly

that is, a tighter control of territorial urban movements, was indeed accomplished. Resettlements broke the historical community ties of many poblaciones, insulated any possible collective action or protests within well defined territorial boundaries, and sent a clear message about the power of the state (Morales and Rojas, 1987; Pozo, 1987; Morales, 1987). In addition, the forced resettlement of entire poblaciones dramatically contributed to the socio-spatial segregation of Santiago, further reinforced by the mentioned creation of 17 new communes in the province of Santiago in 1981, which broke down socio-economically heterogeneous municipalities.

By the mid 1980s, the municipalities had become the stronger link between the state and the urban poor. On the one hand, their salient role in the implementation of social policies provided them an accurate knowledge of the social fabric in their communes especially in the poorest ones, where the application of the ficha CAS (the index for measuring socioeconomic need) was a requirement for applying to any social program, either subsidies or social services.<sup>96</sup> On the other, the municipality became the almost exclusive route to social services for the poor. The selection of beneficiaries and allocation of subsidies, as well as the provision of health, educational and housing services became a municipal function.

All the emergency work and aid programs, as well as the new focalized subsidies that made the "social net", were administered locally. Even though these subsidies and programs were insufficient to cover the mounting needs of the pobladores, their importance for the daily survival of the urban poor should not be underestimated, especially during the economic adjustment where unemployment rates shot as high as 19.2% (1981) and never descended to single digits between 1975 and 1988. For example, the emergency employment programs, *Programa de Empleo Minimo*, PEM, initiated in

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created municipalities and host of resettled pobladores, swelled by 60 percent as compared to the years prior to the resettlement (Morales and Rojas, 1987: 104 and table 5).

<sup>96</sup> In 1985, the Encuesta Caracterización Socioeconómica Nacional, CASEN., a survey for national socio-economic characteristics, started to be applied in order to design and to correct social policy. For a thorough description of the instruments, see CEPAL, 1995b, Ch. IV.

1975, and the *Programa de Jefes de Hogar* POJH (1981) employed 13% of the EAP, or more than half a million workers by 1983. Even though the real wages steadily deteriorated overtime—in 1975 PEM wages amounted to 93% of the legal minimum wage, and only 27% in 1981—these programs not only absorbed unemployed industrial workers; but also many women forced to work for the first time and young entry-level workers (Morales, 1987: 385-387). It should be noted that these programs provided cheap administrative and public works personnel becoming a key resource for poor municipalities with chronically depressed budgets. It is estimated that the state saved 1,341 million dollars thanks to the municipal employment programs (Morales, 1987: 384).

Clientelism was not absent from the government implementation of social programs, and in some cases, there were overt attempts to elicit popular support for the military government. The CEMA (*Centros de Madres*), the Mother's Centers created during the Frei administration, was active in delivering job training, support for producing and commercializing art work, legal aid and housing services, to low income women. Headed by the wife of General Pinochet, Lucia Hiriart, CEMA had more than 230 thousand members in 1983 and 6 thousand volunteers—mostly wives and daughters of the Armed Forces. Between 1973 and 1983, close to 2 and a half million women attended talks, workshops and courses organized by CEMA and the national Secretariat of Women, the cabinet-level institution in charge of gender policies. Volunteers from the Secretaría participated in the resettlements of poblaciones, as well as in the so-called “civilian-military operatives”, which provided health and sanitary services in the poblaciones (Levy and Lechner, 1986). Women in the poblaciones did use CEMA services as a route for obtaining other social services. The same could be said for other programs implemented by the military government for youth and sports, closely overseen by the National Secretariat for Youth and the Sports Directorate, then a dependency of the Ministry of Defense. The Parent Associations (*Centros de Padres y Apoderados*) were put under the tutelage of the Ministry of Education.

There were also overt attempts to use the municipalities to elicit regime support for the Plebiscite of 1988 –which Pinochet eventually lost. In the 9<sup>th</sup> National Congress of Mayors (Viña del Mar, August 10-12 of 1987) a document called “Plan de Acción Cívica Nacional” (Plan for National Civic Action) was distributed and discussed. The Plan instructed the mayors to organize the political support for the regime and to disarticulate the opposition in their municipalities. It proposed easing the regulations for the management of municipal funds to allow the mayors and the municipal team to distribute goods in exchange for political support (PAL, 1991b).

The relation of the pobladores with the new local governments during the military government was a mixture of control and attempted clientelism, but it is difficult to assess precisely how successful these efforts were in light of the absence of data and an overt political space at the time. The few indicators point towards a very limited participation of the pobladores in the institutions tightly related politically to the local governments, such as the Juntas de Vecinos, and a higher rate of involvement with service providers organizations, such as the Mothers Centers, perhaps for instrumental reasons. The statistics of the period accounted for the number of organizations, but not for their membership.<sup>97</sup>

This is not surprising given the tightly controlled spaces for political participation in the early years of the municipal reform. The Executive designated all the mayors until the Law of Municipalities entrusted the CODECO, the Communal Development Council, with their appointment, except for 15 municipalities where the President retained the power to nominate the mayor because of strategic considerations. Half of the CODECO was composed of “representatives of the relevant activities of the commune”, in practice, businesses, while the other half was reserved for community organizations acknowledged by the law –Juntas de Vecinos, Centros de Madres, and Clubes Deportivos.

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<sup>97</sup> In 1988, there were 5,120 neighborhood councils, 6,403 Mothers Centers and 4,592 Sports Clubs throughout the country, who in total represented no more than 0.13% of the Chilean population (PAL, 1991b: 5).

Other pobladores' organizations were not invited to join. None of the representatives of these organizations were democratically elected, but appointed by different local or regional institutions.<sup>98</sup>

However, two lasting changes took place during this period in the municipality. First, the strongly "executive" model of local governance, that placed unfettered power on the mayor, became a defining feature of the local government. Second, and making strategic use of the power conferred to the mayor and the resources at the disposal of the municipalities, a new party, the Unión Democrática Independiente (UDI) started to build a political base of support among the urban poor, a constituency that no other rightist party had attempted to court.

Ideologically, UDI is a mixture of strong conservative Catholicism anti-liberal and "gremialista"<sup>99</sup>, with neoliberal economics. Founded by Jaime Guzmán, a rightist Catholic intellectual who was a principal figure in drafting the Constitution of 1980, UDI was the political group closer to the military regime and its self-declared political heir. The party attracted young intellectuals and technocrats, many of whom, such as Guzmán and Miguel Kast (head of ODEPLAN in the early 1980s) were key figures in forging the legal and ideological framework of the regime, keeping also a strong influence upon the social policy area. Inflamed with religious and political fervor, many of these young intellectuals did not hesitate in working with the urban poor, becoming hands-on mayors in several poor communes. This involvement paid off: 23 of the 48 representatives of the right-wing parties (*Renovación Nacional and UDI*) elected to the Congress in 1990 had been mayors

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<sup>98</sup> The members of the social organizations were designated by the mayor; the ones to participate in the Codeco were selected by the Consejo Regional de Desarrollo, Regional Development Council, COREDE. The CODERE members, in turn, were designated by the Intendente (governor) (appointed by the President) and members of the General Comptroller and the Regional Courts. The mayor was selected by the COREDE from three names presented to them by the CODECO.

<sup>99</sup> "Gremialista literally means "guild member." *Gremialismo* was the term used by the rightist student movement at the Universidad Católica in the early 1960s in their struggle against political parties. It was later employed by right-wing, white-collar organizations opposed to the Allende government, and it became the common label employed by the right-wing sector led by Jaime Guzmán, which was the seed of the UDI." (Garretón, 2000: 339, fn 7)

during the military government. This relation is even stronger for UDI: 11 out of their 14 elected representatives were former mayors (Morales and Bugueño, 2001, PAL, 1992b: 12).

*New Answers for Survival*

The first casualty of the authoritarian restructuring was the “triad” upon which the collective action of the pobladores rested. The closure of the political space voided the parties’ former role of mediators between social actors and the state. Facing intense repression, the reconstruction of the pobladores and that of the political parties became parallel developments. The relations of the pobladores and the worker’s movement were severed, in part because of the fragmentation fostered by the authoritarian closing of the political space, in part because the labor movement itself was severely undermined by major repression, the reorganization of labor relations (labor Plan, 1979) and the relative decrease of the industrial workers caused by the de-industrialization.<sup>100</sup>

Faced with radical economic, political and territorial exclusion, the pobladores developed new organizational practices that challenged the fragmentation and demobilization sought by the military government. Self-help organizations appeared in the poblaciones soon after the 1973 coup as a survival response to partially cope with basic needs—unemployment, food and protection from state repression. Churches—particularly the Catholic Church through the Vicaria de la Solidaridad—contributed material and organizational resources to community kitchens (*comedores infantiles* and *comedores populares*), unemployment organizations (*bolsas de cesantes*) and community workshops.<sup>101</sup>

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<sup>100</sup> The industrial workers’ participation in the labor force declined from 22.3% in 1971 to 7.5% in 1984 (Tironi, 1987: 16); between 1980 and 1985 only 12.1% of the employed labor force was unionized, as compared to 29% en 1971-1972 (Campero and Cortázar, 1988: 126).

<sup>101</sup> In 1985 there were over a thousand non-official grassroots organizations in the poblaciones in the Metropolitan Region. Of these, 46% (503) were organizations for basic consumption needs (community kitchens, food coops); 30 % (338) were workshops; 18% were women’s, health groups and other organizations; while housing (81) and unemployed organizations (8) made up the rest. These organizations comprised mostly women—per example, of 151 workshops operating in Santiago that year, 101 were comprised exclusively by women (Razeto et al, 1986 124-25). In 1987, the number of Santiago’s

Around 1978, and following the realization that the authoritarian exclusion was not to be short-lived, new organizations addressed issues formerly dealt with by the state, such as education, housing, nutrition and health. Many of these organizations did not have links with churches, although many received support from NGOs. These practices and organization can be grouped in two types of strategies: “community development”, focused on strengthening community autonomously from the state, and second, a “survival strategy” aimed at coping with urgent needs such as hunger, unemployment, health –soup kitchens, small community enterprises and the like (Espinoza, 1985). These organizations, informed by solidary principles of mutual help and a defense of a communitarian identity, spread throughout the poblaciones: only in Santiago non-official subsistence, productive and social service organizations grew from 700 in 1984 to 2,260 in 1989, comprising around 15% of all pobladores. (Razeto et al, 1986; Urmeneta, 1989)

## 2.5. Transition and deception

From 1983 to 1986, antigovernment mass protests spread throughout the country, helping to unleash the transition to democracy.<sup>102</sup> Recomposing political alliances for opposing the dictatorship and returning to democracy begun in 1983, when the DC, small fractions of the right and of the left formed the *Alianza Democrática* (Democratic Alliance), while other small center parties, other leftist fractions and the PC and the MIR grouped in the *Movimiento Democrático Popular* (Democratic Popular Movement, *MDP*). The political parties steady regained a center role in the process, but attempts of wide agreement failed repeatedly. Unclear of a long-term strategy, the opposition was only able to agree on Pinochet’s ousting, the creation of a provisional government, and a social mobilization strategy.

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pobladores participating in these organizations was around two hundred thousand, or 10% of all pobladores. Of these, two third were engaged in survival activities. (Campero and Cortázar, 1988: 132)

<sup>102</sup> For an account of the protests, see De la Maza and Garcés, 1985.

The pobladores actively participated in this phase, and still another organizational layer was to be added with a demand-making strategy, aimed at pressuring the state via confrontational actions. Land invasions resumed briefly<sup>103</sup>, the pobladores staged not just protests, but also started to aggregate into more political organizations (*Movimiento Poblacional Dignidad*, *Movimiento Poblacional Solidaridad*, *Coordinadora Metropolitana de Pobladores (METRO)* and *Coordinadora de Agrupaciones Poblacionales (COAPO)*). Each of these organizations were linked to political parties: Dignidad to the Christian Left, Solidaridad to the DC, METRO to the Communist party, and COAPO to the MIR (Espinoza, 1985).

These encompassing organizations appeared to be the adequate response if the pobladores were to participate with their own voice in the negotiations to end military rule. But the re-engagement of the political and the social world proved to be a complex project. There is little discussion about how divisive was the role played by the political parties regarding the more encompassing organizations of the pobladores (Oxhorn, 1995; Campero and Cortázar 1988; Angell, 1991). In part because the parties needed to assert their own identities and their influence over social actors—the extent of which was largely unknown after more than a decade without elections—they tried to control the pobladores movement, impeding autonomous actions. The best-known example is the Comando Unitario de Pobladores (CUP) created in 1986 to ensure the pobladores' participation in the transition process, but brought to its demise by the political parties in 1988.<sup>104</sup>

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<sup>103</sup> 24 land invasions were carried out between 1980 and 1985, involving 51,447 people. Of these, only the first two were massive—Cardenal Francisco Fresno and Silva Henríquez in 1983 mobilized around 9 thousand families; the rest involved usually between 800 and 100 people. 406 pobladores were imprisoned, 2 died and 32 were wounded in these invasions (Morales and Rojas, 1987: 96-97). The majority of the pobladores in Francisco Fresno and Silva Henríquez *tomas* were later dispersed in 25 different communes (Pozo, 1987).

<sup>104</sup> After the meeting to constitute, the directive was torn by partisan infighting, a compromise solution was reached that preserved certain autonomy for the pobladores' movement. However, the attempt by the CUP to organize a mass activity that was not authorized by the top leadership of the anti-dictatorial alliance resulted in the withdrawal of the parties from the CUP, effectively destroying it in 1988 (See Oxhorn, 1991, 1994 and 1995).

The prolonged disengagement of the parties with the pobladores created yet another chasm between them and the political elites of the future Concertación. The pobladores' engagement in the protests had put to work the defensive territorial practices they have developed in years of exclusion. Roadblocks, barricades and resistance to state violence<sup>105</sup> turned many poblaciones in battlefields. In justice, the reaction of the pobladores was consistent not only with the violence that the state displayed against them, but was also in tune with one of the competing political alternatives to end the dictatorship: the mass insurrection, promoted mainly by the Communist party, which had adopted an insurreccional strategy since the early 1980s.<sup>106</sup> The PC's insurreccional strategy relative success in the poblaciones (as opposed to other social actors) reflected its growing influence among the pobladores given the erosion of the industrial workers, the communists' traditional social base (Oxhorn, 1991). In addition, the party's confrontational strategy effectively protected the población from official violence (Schneider, 1988).<sup>107</sup>

Thanks in part to clever government propaganda, the violence of the protests in the poblaciones brought back an almost forgotten view of the pobladores: the marginal masses, whose prolonged exclusion propelled them into unorganized violence<sup>108</sup>. The

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<sup>105</sup> During the protests, the government usually mobilized tanks, helicopters and the police and the army to repress the pobladores. Some of the older pobladores' organizations adapted to support the protests: health groups performed as emergency aid; youth and cultural organizations became key organizing posts for the protest activities.

<sup>106</sup> The PC's adoption of an insurreccional strategy could be traced to a variety of factors: the internal critique of the failure of the UP government to defend itself, the party's evaluation for the nature of the dictatorship and the possibilities of mass insurrection against the regime, the impact of the Nicaraguan revolution, and the systemic exclusion of the party by the Christian Democrats (Scully, 1990b: 44).

<sup>107</sup> The repression of the labor movement had the unintended consequence of enhancing the PC's roots in the poblaciones: "Frequently blacklisted and unable to obtain stable employment, former union organizers became active in organizing the poor in the poblaciones. Since many of these labor leaders were members of the Partido Comunista (PC) this helps explain the PC's marked success in gaining support in the poblaciones since the coup" (Oxhorn, 1991: 87). Schneider (1988) shows that the PC was very successful in defending the poblaciones where they have an organized presence. However, Oxhorn (1995) remarks that this support quickly evaporated when the defense of the población failed (as it frequently happened).

<sup>108</sup> See, for example Arriagada, 1988: 61.

middle classes and the Christian Democratic party, in particular, harbored fears that the radical exclusion of the pobladores would explode in excessive demands and expressive violence. In 1985 Eugenio Ortega, then secretary general of the DC party, warned: "...Up until now no one can imagine the levels of aggressiveness that can be growing in the popular world experiencing such a long process of objective oppression. Its current lack of expression in the face of fear of the [government's] power does not indicate that it does not exist. It can only indicate its expected emergence in conditions of freedom" (quoted by Oxhorn, 1995: 208).

This lack of confidence was compounded by the inroads the military government had made in the poblaciones, organizing the pobladores in Centros de Madres, Clubes Deportivos and Juntas de Vecinos and using the new municipalities as clientelistic devices. These fears were not totally unfounded. As mentioned, the Union Demócrata Independiente (UDI), a rightist party most linked to the military government and its self-declared political heir, owed much of its popular political base to its work in poor municipalities.

The majority of the pobladores did not support this strategy of collective action<sup>109</sup>, nor engagement in protest violence happened in all poblaciones (Schneider, 1988). Far from embracing a project of radical transformation, the majority of the pobladores anxiously expected their political and economic incorporation (Tironi, 1989; Oxhorn, 1991; 1995; Campero and Cortázar, 1988). Even more than economic demands, the pobladores, concluded Tironi based on a poll conducted in 1989, "...are primarily interested in obtaining the protection guaranteed by the rule of law, as well as the opportunities of social integration which a democratic political institutionality offers them" (1989: 431). However, the alternative set of practices they had developed during the dictatorship, and the adoption of a radical political alternative which became marginalized

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<sup>109</sup> A poll conducted in the poblaciones of Santiago in 1985 showed that two thirds of the pobladores rejected the protests because of their excessive violence (Campero and Cortázar, 1988: 145).

within the opposition movement, made them suspicious of volatile behavior in the eyes of the opposition parties' leadership.

The "insurreccional stand" not only strained the pobladores' relations with the political opposition, but also pull further apart the political organizations of the pobladores and their other forms of organization: by 1987 the political organizations of the pobladores would not represent more than 1.5% of the estimated 200 thousand pobladores who were organized in Santiago. (Campero and Cortázar, 1988: 133)

The relations of the pobladores and the political parties of the Concertación were plagued by a sense of distrust also on the part of the pobladores, especially after their involvement in the mass protest movement, which implied very high costs and seemingly little gains for the pobladores. The widespread perception among the pobladores is that the parties, instead of respecting the pobladores' organizational autonomy and helping them attain their goals, "instrumentalized" their organizations in pursuit of their own partisan goals:

The problem is that the parties do not seem to present a trustworthy alternative; my impression is that their main interest is enacting political laws, opening the parliament, so that they could dress up in tuxedos and participate with full honors and medals, take their piece of the pie and then put the people through red tape and make them wait outside"

Poblador leader, quoted in Chateau and Pozo, 1987: 59.

In 1985, the *Acuerdo Nacional* (National Accord) advanced certain transition mechanisms, but the exclusion of the Communist, the precarious right-wing participation and disagreements over the methods to precipitate the transition, made its role largely symbolic. By 1986, a sole reliance on mass mobilizations did not appear to be able to bring down the authoritarian government. That year, the Civil Assembly (*Asamblea de la Civilidad*) displayed a creative attempt of overcoming partisan differences via the participation of social organizations, which were able to put together wide-reaching demands (*El Pliego de Chile*), but were unable to solve the political schisms underlying the opposition (Garretón, 1991:223). The same year, the military government regained the

political initiative thanks to a botched assassination attempt against General Pinochet, ordering the state of siege and unleashing a wave of repression which demobilized the opposition.

In 1987, the government announced a plebiscite in 1988, which may have prolonged the rule of Pinochet until 1997, and launched new electoral laws for the constitution of political parties and the electoral process. In early 1988, acknowledging the inevitability of the plebiscite, the opposition formed the Command for the NO (*Comando por el NO*); an agreement (*Concertación*) center and left-wing parties became the political alliance that later would be the core of the Concertación governments of the 1990s. Following Pinochet's defeat in 1988, the military regime called for presidential and congressional elections in late 1989. The Christian Democratic candidate, Patricio Aylwin, representing a broad left-center coalition, assumed power in 1990.

The pacted Chilean transition imposed additional institutional constraints to the popular sectors' political clout. The political negotiations to return to civilian rule included a cap on social mobilization and popular demand making.<sup>110</sup> In Mainwaring and Torcal's words "This was a quintessential pacted transition, and one of the prices of the pact was that redistributive issues were taken off the agenda." (1998: 17)

The political party scene that emerged in the transition period showed both continuities and discontinuities with the past. The political parties reconstructed following more or less their historical design – a three-way division of the electorate, right, center and left– and the political leadership cadre showed very few new faces. But some things did change. The Right –now composed of two parties, Renovación Nacional, RN, and the already mentioned UDI– emerged as a strong electoral and ideologically aggressive political force.<sup>111</sup> The Left saw the former Unidad Popular Coalition split by the

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<sup>110</sup> Karl, 1990; Schmitter and Karl, 1990; Garretón, 1987, 1992; Cavarozzi, 1992, Linz and Stepan, 1996, Oxhorn, 1995; O'Donnell and Schmitter, 1986.

<sup>111</sup> In the 1989 elections, the Right showed unprecedented electoral support: the combined lists of RN and UDI obtained 33.4% of the votes in the Congress, and 35.4% in the Senate (Scully, 1990b: 42-43).

realignment of its two most powerful parties. The Communists' attachment to an "insurreccional strategy", although subsequently revised and qualified with their participation in the electoral competition, brought major internal tensions and contributed to the party's growing isolation. The Socialist party fragmented in a dozen factions, but finally achieved reunification under two currents, one closer to traditional Marxism, and the other "renovated." A second mayor transformation was the establishment of a system of alliances, a sensible break with the formerly polarized and rigid political system. This cemented two main political blocks: the Concertación, an alliance among the Socialist party, the Partido por la Democracia, PPD, and the Radicals<sup>112</sup>; and the Alianza por Chile, composed of Renovación Nacional and the Unión Demócrata Independiente, UDI.

The transition period, in sum, did not bring great gains for the pobladores. Most of their social energy was invested in the protest movement, which although it helped to unleash the transition, cast the pobladores as "unreliable" political allies" because of the perceived violence of their collective action. In addition, the pobladores' closeness to the Communist party, which maintained a permanent and loyal presence in the poblaciones, attached their political comeback to a political strategy that was eventually doomed. Finally, the political organizations of the pobladores, which could have given them a more visible face in the transition period by conveying their demands and their new profile into the negotiation table, was also disrupted by both the difficulties in the re-engagement between the parties and the social movements, and by the imperatives of a negotiated transition that required to sacrifice autonomous popular mobilization for higher political goals. The pobladores' bet for cashing their social power into political participation was not the right one.

Although the "political face" of the pobladores' was badly disfigured and never came to be, many of the organizations that emerged during the military period, as well as

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<sup>112</sup> The PPD started as an instrument for the Socialist party to participate in the 1988 election which banned Marxist parties. Eventually it was maintained and developed its own identity and electoral base, as a modernizing and moderate social democratic party.

some of the older ones, continued functioning during democracy. Moreover, the identity-maintaining organizations are still alive, in spite of the dire (and many times cynical) predictions of the political class. Oxhorn (1995) convincingly argues that the pobladores did develop a collective identity around the concept of "*lo popular*", that comprised a concept of "neighbor" or *vecino*, or a sense of belonging to a community and the ensuing reciprocity practices; consumption demands, or a set of unmet needs as employment, health, housing, urban services; "life chances" or the right to education and to integration, and finally, a concept of human rights that involve the rights to life, organization and freedom of expression (Oxhorn, 1995: chapter 4). The development of this identity was both a reaction and a creative overcoming of the dictatorial exclusion.

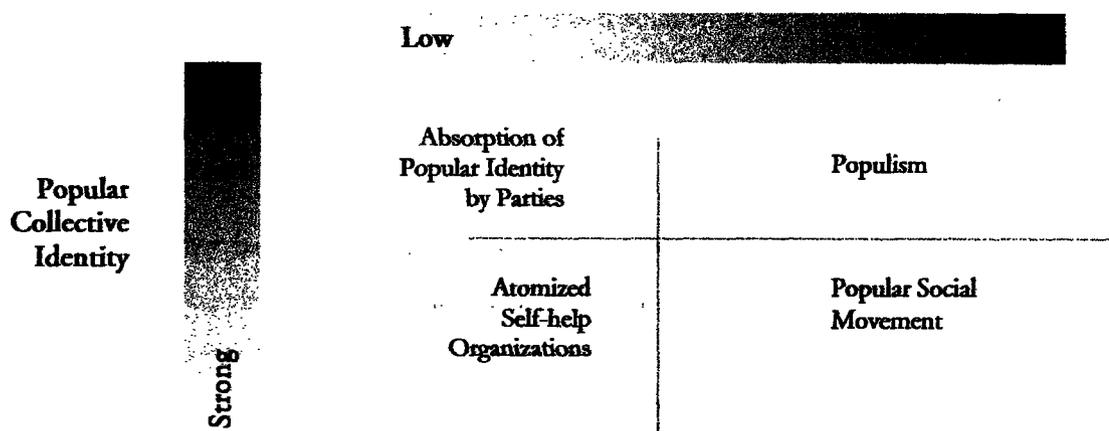
Concurring with Oxhorn, the development of a specific collective identity among the pobladores, and that the radical exclusion that they were subjected indeed reinforced the basic components of this identity. Before the dictatorship, the popular sectors (including the pobladores, the peasants, the industrial workers) had asserted their weight and value not just in the political, but also in the social and cultural realm. This was radically denied by the dictatorship. The fight against this social "invisibility", given the tight control over the public space and the workplace, became naturally the *barrio*, the *población*.<sup>113</sup>

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<sup>113</sup> Being poor in Chile during the late 60s and 70s was not a residual category of "not having", but belonging to a class with particular virtues and values. The tremendous cultural relevance acquired by the popular cultural manifestations attest to this power. The "Nueva Canción Chilena", the murals on the walls, the popular theater, and the discovery of Chile as a rich mosaic of regional and ethnic manifestations involved not just artists of humble origins, but also a whole generation of middle and upper class artists and intellectuals. "Poor, and with dignity" was a popular saying of the times. The rightist dictatorship involved a radical denial of "lo popular." The cultural popular expressions were subjected to a violence that would seem absurd if one does not understand the tremendous symbolic value of lo popular. Victor Jara, a folk singer, was tortured and killed, his hands broken as a terrible symbol of his "crime" —playing his guitar. The Parra brothers were sent into exile, not before Angel Parra was imprisoned and tortured in Chacabuco. The most famous folk ensembles of the time Quilapayún and Inti Illimani—were in an international tour at the time of the coup, so they were not allowed to return. Hundreds of other musicians, writers, actors and artists were imprisoned and sent to exile. As a young sociologist working in the poblaciones from 1979 to 1983, I was able to observe the powerful drive of the people to preserve a sense of identity and value, denied daily by repression, by unemployment, by the official deafness. The maintenance of this identity, then, was a prime objective of the popular classes. And, given the tight control of the public space and the

The organizational diversity and the collective capacity to adapt to the new circumstances speak both of the flexibility of the pobladores and of their heterogeneity – the same characteristics which made the pobladores' previous relations with the state and the political parties complex and full of tension (Espinoza, 1988; Campero, 1989, Tironi, 1990, Oxhorn, 1991, 1995; Schneider, 1990).

**Chart 4 Collective Action**



Oxhorn, 1994:61.

Oxhorn summarizes in chart 4 above the alternatives of the pobladores movement on the basis of two variables: the level of collective action and the strength of the collective identity. Getting high marks in both variables (high level of collective action and strong identity) would characterize a popular social movement, both “connected” to the political system but autonomous such as to define its goals and means. Oxhorn claims that the pobladores movement was on the verge of becoming a social movement by 1987; but that two years later the levels of collective action had dropped, making them prone to populism. It could be argued that today the levels of collective action and the erosion of collective

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workplace, the poblaciones, the barrio, became the “natural” stage for popular culture to be preserved and flourish. For a complete account, see the publications of the Centro de Expresión y Acción Cultural y Artística, CENECA, from 1978 to 1990. In particular, my articles (some co-authored with Rodrigo Torres, Carlos Catalán and Luis Mella) about the popular song and music in the poblaciones.

identity would place the remaining pobladores in the higher quadrant to the left, atomized self-help organizations prone to political clientelism.

Oxhorn's model focus on the relation of the pobladores and the political parties and, from this perspective, these may be the most likely outcomes. But still the relations with state institutions, crucial for the action of former social movements in Chile, may alter the fate of the pobladores. This will be addressed further in separate chapters about the pobladores' organizations in Peñalolén and El Bosque, two municipalities in Santiago.

## 2.6. Summary

Before the military coup in 1973, the Chilean centralized welfare state and the highly competitive system of class-based political parties decisively shaped the strategies and the identity of the urban poor. In the late 1950s, the state set in motion a wide array of legislation and public policies aimed at incorporating the first squatters. The trade unions, linked to the Communist and Socialist parties, took charge of organizing them. Until 1973, the pobladores' identity and strategies were nested within the polarized spectrum of Chilean politics. The Christian Democrats put forward a model of functionally and territorially defined, state-chartered groups, while currents within the Left defined the pobladores either as subordinate allies of the workers' movement, or as a vanguard of socialist grassroots democracy.<sup>114</sup>

In this period, the pobladores' main demand was access to housing. Their main strategy of collective action, land seizures —*tomas de terreno*—was congruent with the organized pressure over the state in order to shape public policies. The "transmission belt" which connected the state, the political party system and mass organizations seem to have yielded high returns for the organized *pobladores*: between 1969 and 1973, 55 thousand

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<sup>114</sup> Espinoza, 1988; Pastrana and Threllfal, 1974; Castells, 1983; Leeds and Leeds, 1976.

families, or 10% of the population of Santiago, gained access to the land through invasions (Espinoza, 1988).

The historical pattern of dependency of the *pobladores* on the political system was broken by the authoritarian regime (1973-1990). Amidst repression and a bold shift of the development model, the “modernization” of the state introduced two long-lasting changes: the shift of the welfare to the subsidiary state and decentralization.

The state redefined its role from a welfare state to a subsidiary state, and with it, the rationale and the nature of public policies. Social rights were obliterated and redefined as selective interventions to aid temporarily the re-incorporation of disadvantaged individuals into productive life. Housing, which had been the main and unifying demand of the pobladores, ceased to be a matter of concern by the state and was transferred to the market. The pobladores’ main demand, as well as the main tactic in their repertoire of collective action—land seizures—became suddenly outmoded. A whole new set of “targeted” social policies largely replaced the old universal programs, creating a myriad programs and new groups of beneficiaries. Third, the authoritarian state paired repression and exclusion towards the urban poor with increased rationalization of its action in the social area. New instruments to measure poverty and to target social programs “technified” the process of selection of beneficiaries of social policies, and made the state inaccessible to political demands.

These changes in the role and the organization of the state paired with the authoritarian closing of the political space had a dramatic impact upon social actors and their channels of representation. The elaborate fabric of social organizations and political parties articulated around the former state was torn. The pobladores faced specific challenges. In addition to repression and the persecution of the movements’ leadership, many of their communal organizations were disbanded between 1979 and 1985. In

Santiago alone, the military government forcibly resettled more than 30 thousand families.<sup>115</sup>

This closed structure of political opportunities prompted the emergence of new survival responses by the pobladores in the form of a vast network of small, multi-functional organizations, with a strong territorial identity and supported by ecclesiastical and other non-governmental organizations. The collective action of the pobladores at the time was geared towards two main objectives. First, at preserving basic living conditions: in a political context deaf to demands and a drastic reduction in the provision of social services, most of the social energy was spent on survival. Soup kitchens and communal pots, community health posts, micro-enterprises and job clearinghouses represented a significant percentage of the grassroots organizations of the urban poor. Second, artistic and cultural groups, women and youth organizations, attempted to maintain an embattled popular identity, menaced by censorship and marginalization (Hardy, 1987, 1989; Razeto, 1986; Espinoza, 1988, 1993; Campero, 1988; Oxhorn, 1991, 1995).

These organizations added a new dimension to the pobladores movement insofar they encouraged practices of autonomy regarding the wider social and political system (Espinoza, 1988, 1985; Hardy, 1989; Chateau and Pozo, 1987; Oxhorn, 1991; Morales and Pozo, 1987). The strongly identity-oriented organizations would later prove aloof to political incorporation when democracy returned in the 1990s. In contrast, some of the small single-issue and strategically-oriented groups found themselves a niche in targeted social policies and programs.

By the mid 1980's, the pobladores took upon another task. At the height of the social mobilization that preceded the transition process, the *pobladores* and the anti-dictatorial political parties closed ranks in supporting mass protests. But this relation turned sour when the popular movement perceived that the political negotiations to return to civilian rule would exclude their interests. Simultaneously, the pobladores' means of

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<sup>115</sup> Morales and Rojas, 1987:104.

collective action during the protests (riots), and their choice of political allies (the Communist party), greatly undermined their chances at achieving their demands in the post-transition scenario (Oxhorn, 1995; 1994).

The pobladores emerged from the transition with a complex organizational mix, far apart from the unified social movement of the past. Their choices in the transition, as well as the negotiated nature of it, did not result in a good “exchange rate” of their organizational capabilities into political power, in spite of their numbers: by the late 1980s, non-official grassroots organizations surpassed two thousands just in Santiago (Urmeneta, 1989, 1990). By the mid 1990s, the former *movimiento poblacional* seem to fragment and mostly remain at the fringes of national politics (Espinoza, 1993).

As stated in the first part of this chapter, over a decade of democratic government by a center-left coalition indeed has created a new context of political opportunities for the remaining organizations of the pobladores, in spite of the continued constraints that the subsidiary state poses to the pobladores’ organizations. The inauguration of local governments, with fresh resources and expanded responsibilities in social areas, plus elected authorities and new bodies to integrate community participation, has expanded the political opportunities of the urban poor.

### Chapter 3

#### LOW INTENSITY DEMOCRACY AND A HIGH-POWERED STATE

The transition to democracy opened a whole new structure of political opportunities for the pobladores. In this chapter, I describe the main features of the “outer ring” of the political ecology in which the organizations of the urban poor operate, that is, the main trends in the political system from 1990 to 1999. The purpose of the exploration of this larger political ecology is to determine the ways and the extent in which public policies have defined and shaped organized social participation, and the limits and definitions that the political system imposes on popular demands making and organizing.<sup>116</sup>

#### 3.1. The Delicate Balance between Restraint and Reform

By 1989, the political landscape had suffered substantial changes. The main parties realigned into two coalitions – the *Concertación de Partidos por la Democracia*, composed of center left parties, and the *Alianza por Chile*, comprising the major parties from the Right.<sup>117</sup> This bi-modal system run counter resilient voting trends of the Chilean electorate, akin to the three-way historical division between right, center and left, but the

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<sup>116</sup> The main sources for this description are original interviews conducted between 1991 and 2000, secondary data collected from state and institutions and pertinent literature.

<sup>117</sup> The Concertación comprises the Christian Democracy (DC), the Socialist Part (PS) and its then “tactical split” and later a party on its own, the Party for Democracy (PPD), and the Radical Party (PR). The rightist coalition had two main partners: National Renovation (RN) and the Independent Democratic Union (UDI). The Communist party and other smaller parties of the left (Christian Left, IC and the former *Movimiento de Acción Popular Unitario*, MAPU) were outside these main blocks, and sometimes joined for electoral contest. The post transition panorama was completed by the Union of Center-Center (UCC), a right populist party built around the figure as its leader, and the Green –Humanist Party (Partido Humanista Verde, PHV). Both these parties gathered a moderate popular support at the beginning of the 1990s, to fade away by the end of the decade.

bimodal realignment was in part the practical consequence of a then newly invented 'modified majoritarian' electoral system, which forced these alliances in order to obtain congressional representation (Siavelis and A. Valenzuela, 1994; S. Valenzuela, 1995; Scully, 1993)<sup>118</sup>. The government pact that gave origin to the Concertación reflected not just strategic considerations, but also a learning process about the dangers of extreme partisan polarization. Chilean socialism had undergone a process of "renovation", embracing unambiguously liberal democracy and acknowledging the privileged role of the private sector in conducting economic affairs, a process that undoubtedly contributed to make possible the alliance with the DC, which was coming back from its own revisited "hegemonic" tendencies (Boeninger, 1997; Orano, 1995).

In the 1989 elections, the Concertación spoiled the continuity bid of General Pinochet, and President elect Patricio Aylwin prepared to lead a new era of economic growth and social development. Several factors appear to put the goal of increasing the welfare and participation for the working and middle classes within reach. First, a healthier economic growth followed a fine-tuning of the economy since 1991, lowering unemployment and increasing the pool of resources for eventual social spending.<sup>119</sup> Second, social policy reform and implementation could soundly rely upon the Chilean strong, cohesive, technically capable and neutral state apparatus. Third, even though traditional class organizations (such as unions) had been weakened, a myriad of local grassroots organizations which sprouted during the authoritarianism were widespread, numerous and relatively active. Fourth, state decentralization opened potential scenarios to

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<sup>118</sup> As Siavelis and Valenzuela (1994: 85) stated, "it is difficult to sustain the proposition that a simple change in electoral law can transform a party system as deeply institutionalized as that of Chile." The authors contend that majoritarian electoral system open a representational gap in a polity still characterized by a multiparty system and a three-way division of the electorate, thereby introducing volatility.

<sup>119</sup> The military government had already set the bases of a market-led, export-oriented development by opening to the economy to international commerce, deregulating and conducting a massive privatization of public enterprises. Between 1990 and 1996, the GNP grew at an average rate of 6.7 percent a year; the unemployment rate was between 6.5 and 5 percent for the same years (Mideplan, 1996). Gross domestic investment and saving rates, at about 25 and 28 percent respectively, are the highest in the region (Aguero, 1998: 66). This bonanza continued until 1998, when the Asian crisis curtailed the growth rate by a third and caused the unemployment to rise to 9.7% in 1999 (Navia, 2001: 3).

address legitimate demands for social justice and political participation in the near future. Fifth, a transition accord with the then major party on the Right, Renovación Nacional, RN, promised to initiate a series of institutional reforms, which may have removed the tight lids that General Pinochet secured over the political system.<sup>120</sup>

There were many obstacles, as well. The authoritarian government had left in place a series of institutional mechanisms geared to ensure the survival of the 1980's constitutional principles and the continuity of the economic model, among them a (unique) 'modified majoritarian' electoral system which skewed representation by steadily favoring the second political force—the right wing coalition.<sup>121</sup>

The electoral system proved to be a formidable obstacle for the Concertación's ability to carry on promised reforms. Achieving a congressional majority was an uphill battle for the governing coalition, a battle that ultimately proved impossible to win. In the next decade, the electoral bias will cost the Concertación 4 Senate and 12 Chamber of Deputies seats in 1989, 2 Senate and 8 Chamber seats in 1993, and 3 Senate and 6 Chamber seats in the 1997 elections (Posner, 1999: 75)<sup>122</sup>. The added weight of 9

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<sup>120</sup> The Concertación negotiated with the military government and political actors of the Right a few modifications of the Constitution (mostly those regarding the ban of political parties, increasing the number of senators from 26 to 38 to "dilute" the influence of the designated senators, and the commitment of the Chilean state to respect signed international treaties—among them, those on Human Rights. However, other constitutional provisions that invested the Armed Forces with a tutelary role over civilian authorities, as well as the electoral laws and other "authoritarian remains" were left to be modified in the future. In addition, General Pinochet dictated series of new laws in the last days of his mandate (October 1989), known as the *Leyes de Amarre*. Among other measures, the package contained a law that prohibited firing public employees and fixed the amount and post of all the ministries and public institutions; transferred to the Codecos the power for nominating the mayors, leaving to the future President of the Republic the nomination of only 15 of the 325 mayors of the country, and laws about the Armed Forces that greatly limited the powers of the future President to nominate the higher officers (for a complete list and explanation of the *leyes de amarre*, see J. S. Valenzuela, 1997).

<sup>121</sup> In essence, the "modified majoritarian" system allows the majority coalition to elect one first representative, but not a second unless it doubles the votes of the second-most voted coalition. For a summary of the post-authoritarian constraints on the political system, see Scully, 1996 and Posner, 1999.

<sup>122</sup> Perhaps the most dramatic case was that of Ricardo Lagos, currently the President of Chile, who lost his senatorial bid in 1989 to Jaime Guzmán, from the UDI. Guzmán was elected with 224,396 votes, or 17.19%, while Lagos lost with 399,721 votes, or 30.62% of the popular vote.

“designated” senators with marked proclivity to the Right, effectively blocked the legislative process and forced the governing coalition to resort frequently to elite accords.

**Table 3 Voting by Pacts in Chilean Congressional Elections 1993-2000**

PARTY/ COALITION	CONGRESSIONAL 1993				CONGRESSIONAL 1997				CONGRESSIONAL 2001			
	Senators		Deputies		Senators		Deputies		Senators		Deputies	
	%	#	%	#	%	#	%	#	%	#	%	#
Concertación	55.48	9	55.4	70	49.9	11	50.5	69	51.3	9	47.9	62
Alianza (Right)	37.32	9	36.7	50	36.6	9	36.3	47	44.0	9	44.3	57
UCC	–	–	–	–	2.6	–	2.1	2	–	–	–	–
PC	4.3	–	6.4	–	8.6	–	7.5	–	2.6	–	5.2	–
PH	0.7	–	1.4	–	2.2	–	2.9	–	0.7	–	1.1	–
Ind/others	2.2	–	0.1	–	–	–	0.7	2	1.6	–	1.4	1
Total Votes	1,874,127		6,738,859		4,239,366		5,795,773		1,732,415		6,144,003	

Data Source: Ministry of the Interior, TRICEL, <http://www.elecciones.gov.cl>

At the beginning of the 1990s the Concertación was aware of the constraints of the transition and the menace of a military reversal, but was also confident of its negotiating capacity and its transition accord with RN for institutional reform. Therefore, the governing alliance adopted a strategy of “sequential gradualism” for carrying on the reforms needed to fulfill its promise of “growth with equity.” In the words of then Secretary of State Edgardo Boeninger, one of the most influential policymakers and intellectuals in the Aylwin administration (1990-1994) “the decision to push forward several reforms had to be reconciled with the strategic option for gradual reform, for not ‘overloading’ the agenda and for discarding social pressure in favor of participation, negotiation and accords” (Boeninger (1997: 388).

The strategy of sequential gradualism discarded social mobilization in favor of the Concertación’s congressional and executive powers and/or its capacity to strike accords with the opposition in order to carry on social reforms. As in the past, popular demands were to be organized by the political party system and channeled through the electoral system. But unlike the past, organized mass pressure and redistribution was excluded from the agenda of the Concertación (Karl, 1990; Garretón, 1992; Cavarozzi, 1992, Linz and Stepan, 1996, Oxhorn, 1995).

One of the first prices of the pacted transition was that redistributive issues were taken off the agenda (Mainwaring and Torcal, 1998: 17). De-emphasizing class cleavages and redistribution not only softened conflict in national politics, but also within the Concertación alliance, made up by parties that, until recently, embraced radically diverging models of development entrenched in class politics (Boeninger, 1997; Weyland, 1997; S. Valenzuela, 1995).

Although redistribution was not the only issue barred from public arenas—human rights, financial wrongdoings committed by authorities of the former regime or their families and questioning the economic model were also unwelcome topics—it was of particular relevance for the popular sectors. Redistribution had been a trademark of pre-coup Chilean politics, as well as a strong identifier of the left and center-left parties. In addition, the deterioration of living conditions of the popular and middle class sectors during the dictatorship had placed social justice in the forefront of the working class' expectations. Excluding redistribution limited their political representation, shrinking the universe of viable popular demands that the parties of the Concertación could push into the reform agenda.

But, as Germán Correa, then Minister in the Aylwin cabinet<sup>123</sup> recalled, the decision to halt redistribution and to demobilize social actors slowly settled among the members of the Concertación working in the government:

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<sup>123</sup> Germán Correa was Minister of Transportation under President Aylwin and Minister of Interior in the first Cabinet of President Eduardo Frei; President of the Socialist party, and is currently the head of the Plan Bogotá to redesign urban transport for the current administration of Ricardo Lagos. He is a sociologist and an expert in decentralization for the UNDP (United Nations).

The Aylwin government made the decision of navigating through the given institutional mechanisms. We knew that during the transition we had to be very conservative and that we could not break away from the former economic model, because democracy was precarious. One should not forget the *boinazos, ejercicios de enlace*<sup>124</sup> that were real menaces to democratic stability, well perceived by the government insiders, but not by the public. The dangers were very real, but there was also a quota of self-repression, expressed in the continuation of the former order.

Germán Correa, interview 1999

### 3.2. An Efficient State

Notwithstanding the transitions straightjacket, there was a positive commitment of the Concertación elite to redress the poor from the economic hardships that the military government imposed on them. Chile's political elite did take into account the popular sector interests when pled to pay the "social debt" (Oxhorn, 1994; Weyland, 1997).

Social policy and improving labor markets, main pillars of the equity-enhancing path that the Concertación traced for its government, were supported in two early reforms—a labor-business pact called *Acuerdo Marco*, and the 1990 tax reform.<sup>125</sup> The tax reform, plus international aid and loans, allowed the Aylwin government to increase social

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<sup>124</sup> During the Aylwin government there were several episodes of tension when the military still led by General Pinochet menaced to rebel if violations of human rights or financial improprieties committed during the military government were investigated. For an account of the most difficult episodes on the Aylwin period, see Otano, 1995 and Boeninger (1997). Even during Frei government, that is, over five years after Pinochet relinquished power, the military kept a vigilant position regarding their members and their families being brought to justice. In 1995 the military made a symbolic display of power by delaying the incarceration of General Contreras, the head of the DINA (Intelligence Agency) under Pinochet and found guilty of ordering the assassination of political opponent Orlando Letelier in Washington. The government did not budge to the pressure and eventually Contreras was jailed, but was careful in not stirring further sensitive issues. A proposed constitutional reform project that included human rights was quietly withdrawn from the legislative agenda because of delicate situation. The handling of General Pinochet's arrest in London on human rights charges in 1998 is illustrative of the caution exercised by the government regarding these matters. The government argued against an international trial, defending the "sovereignty" of Chile to judge its citizens, but ultimately declaring the aging Pinochet "mentally incapable" to stand trial.

<sup>125</sup> However, the "virtuous cycle" of reform seemed to stall after a promising start. Neither new tax reforms to be effected in 1994, nor a new labor code, have been enacted to date. For labor, see Angell, (1991), Díaz (1997) and Campero (1998); for tax reforms and social policy, see Marcel (1999).

spending by 17% without creating macroeconomic imbalances. The two governments of the Concertación increased social spending and designed a series of innovative social programs to live up to its promise of “growth with equity” (Vergara, 1993 and 1996, Cepal, 1995, Martin, 1998). By 1993, social expenditures had returned to its historical level of 15% of the GNP, even if the per capita expenditure still lagged as compared to 1970 (Vergara, 1996).

**Table 4 Public Social Expenditures, Chile: 1990-1997**

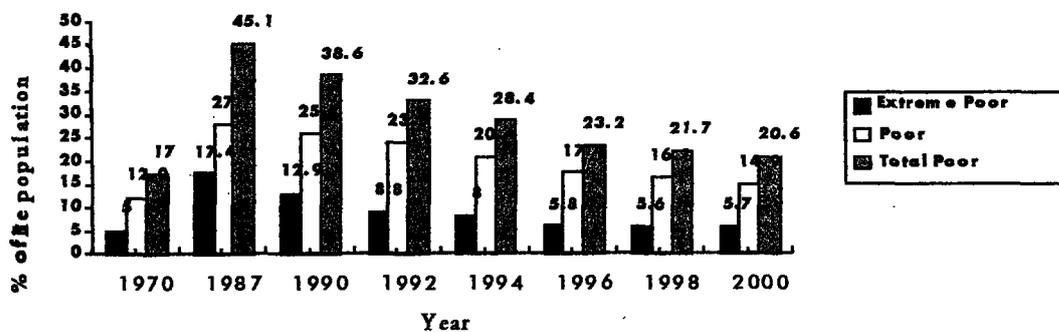
(US\$ millions of 1996)

	Education	Health	Housing	Social Security	Other	Total
1990	1.154	904	478	2.904	485	5.925
1997	2.316	1.838	875	4.203	1.011	10.243
Variation 90-97	100,7%	103,4%	83,2%	44,7%	108,7%	72,9%

Data Source: Ministerio de Hacienda, Dirección de Presupuesto

Combined with sustained economic growth and low unemployment, social policies lowered the poverty rates from an all-time high of 45.1 percent of the population in 1987, to 20.6 percent 2000:

**Graph 1 Rates of Poverty and Extreme Poverty. Chile, 1970-2000**



Data Sources: 1970-74 Mideplan (1996); 1996: Encuesta Casen 1996. 98-2000: Feres (2001).

These policy achievements were not an easy task for the Concertación. The promised institutional reforms had lagged behind<sup>126</sup> and with the binominal electoral system firmly in place, the Concertación found almost impossible to gather the required majority to effect the reforms without the consent of the Right. As a result, the reform strategy had to rely on two pillars: negotiating accords and technocracy.

Strengthening state capacity to boost the efficiency of state action became key for the strategy of sequential gradualism. Rebuilding the public sector capacity was a key reversal from the policies of the military government, especially the reforms of the late 1980s that, paired with cuts in public spending and reduction of tax rates, seriously affected public functions (Marcel, 1999: 291).<sup>127</sup>

The regulatory capacity of the state was greatly enhanced by both new legal and administrative norms and by professional and highly trained bureaucracies, especially those in the economic and financial areas. By 1996, the *World Competitiveness Report* ranked Chile 5<sup>th</sup> among 45 countries for government, mostly because of the strength of public finances and appropriateness of its regulatory mechanisms (Marcel, 1999: 268). The modernizing-technocratic trend accentuated in the second government of the Concertación –the modernization the state became a trademark of the government of Eduardo Frei Ruiz Tagle (1994-2000). A reform of the judiciary was initiated in 1995. At the end of 1994, the newly created *Comité Interministerial de Modernización de la Gestión*

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<sup>126</sup> Successive attempts at gathering the required votes for the institutional reforms failed when the RN could not discipline its own senators. (Boeninger, 1997; Agüero, 1998).

<sup>127</sup> Marcel (1999) contends that some of the measures geared to restructure the state role from producer to regulator during the military government did not result in net gains in efficiency. Although the withdrawal of the state from productive functions may have been justified from a theoretical point of view, in practice it generated a net loss of capital and highly trained personnel for the state. Second, the restructuring of state functions has not resulted in more effectiveness in areas such as private insurance in social services – pensions and health, for instance– or natural monopolies, plagued by the low autonomy of the regulatory agencies and by the strength of the corporate lobby.

*Pública* launched a set of initiatives for improving the quality of public services and the efficient management of resources and personnel.<sup>128</sup>

### 3.3. Careful approach to decentralization

In the 1990s, the second-generation decentralizers from the Concertación took upon the task of building the basic structures for decentralized governance and the network of inter-governmental distribution of responsibilities. The design called for a “mixed decentralization logic”, which opened different spaces for local autonomy. The central state delegated to the municipalities the responsibility for administering education and health services under a principal/agent model, which allows little room for municipal differentiation in service provision in order to preserve equity among different territories. The regions, instead, were granted a greater autonomy in promoting and designing plans for regional development.<sup>129</sup>

As explained Mario Marcel<sup>130</sup>, “Chilean decentralization is based on Oates’s theorem: the provision of public services should be at the lowest possible level where the

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<sup>128</sup> The Comité Interministerial de Modernización de la Gestión Pública was created at the end of 1994 to improve the quality of public services. The results were remarkable in terms of shortening the time for obtaining certificates, permits, etc; especially in remote places. In addition, a growing amount of services is being offered through e-government (for example, filing taxes). In 1996, Chile was the 4<sup>th</sup> country with the lowest public expenditures as a percentage of the GNP in the world. The number of public employees has been almost leveled for the past ten years, with a 47 percent productivity increase (Secretaría General de la Presidencia, 1997; Ministerio de Hacienda, Dirección de Presupuesto, 1997). For a complete panorama of the reforms in public administration in Chile, see Marcel (1999) and Ramírez (2002).

<sup>129</sup> In Chile there is a third level of administration, the provinces, between the municipalities and the regions. The provincial level has received very little political attention (provincial governors are designated administrators) and it lacks major funding sources of its own. In practice, the provincial level acts a coordinating body for some sectoral programs –such as education and some Fosis initiatives.

<sup>130</sup> Marcel is currently budget director for the government of president Ricardo Lagos; he was Executive Director for Chile and Ecuador at the IADB; Budget Sub-director and Undersecretary of Education during the Frei government, Undersecretary of the Office of Rationalization and Public Function of the Budget Office during the Aylwin government. He has, in his words, a “panoramic view of decentralization from the central state perspective. I was involved in drafting of the Constitutional reform in 1991, in the Law of Regional Governments, in the reforms to the Municipal Budget Laws, in the Law for the Teacher’s Statute; in the design of primary health financing, in the negotiations with the teachers, the employees of the municipal health system, and the municipal employees” (interview 2000).

benefits of those goods and services are distributed. So from the fiscal economic point of view, decentralization is justified to increase efficiency of the state<sup>131</sup>.”

Chilean decentralization is one of the few in Latin America that conforms to what Nickson has called the “economic model”<sup>132</sup>, whereby efficient delivery of services is the primary goal for decentralizing. The central government ultimately decides the allocation of services and distributes responsibilities among tiers of government. Local governments, in this model, are put under the strict supervision of the central state, and usually fulfill the role of “local administrations” (Nickson, 1998: 2).

Decentralization was carefully approached by central state agencies to avoid opening a hole in their painstakingly crafted conservation strategy of public resources, key to the Concertación ability to fulfill its agenda of growth with equity. The municipal elections of 1992, and the law for regional governments the following year were definite building blocks to establish local and regional governmental levels to effectively decentralize the state. In 1993, regional governments were granted administrative, financial and technical autonomy and their main function was defined as promoting economic regional development<sup>133</sup>. However, these new institutions were far from able to

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<sup>131</sup> The classic texts in fiscal decentralization are *Fiscal Federalism* (Wallace Oates (1972) and *The Theory of Public Finance*. (Robert Musgrave, 1959) According to Oates’ decentralization theorem, providing a local public good through decentralized means always yields greater welfare: “A public good should be provided by the jurisdiction having control over the minimum geographic area that would internalize the benefits and costs of that provision” (Oates, 1972). For an incisive view of the issues involved in public finances and the role of the state, see Oates (2000) commenting of Buchanan and Musgrave’s positions. For Latin American works on fiscal decentralization, see Aghón and Edling (1997) and Aghón (1996).

<sup>132</sup> British utilitarian thinking provides the rationale for the model (Nickson, 1998: 2).

<sup>133</sup> The head of the regional government (*Gobierno regional, Gore*) is the *Intendente*, nominated by the President of the Republic. The Gore’s second institution is a regional Council (*Consejo regional, Core*) composed of a variable number of members elected by the municipal councilors in each region. Two councilors are elected in each province, and then the regions up to one million inhabitants add ten councilors, and 14 those regions over a million inhabitants. The regional councilors are elected for a 4-year period, and can be reelected. The Core’s has normative and overseeing functions, and decides upon the allocation of decentralized investment. Decentralized offices of the different sectoral ministries (*Secretarías regionales Ministeriales, SEREMI*) joined the regional cabinet (*Gabinete Regional*) along with the provincial governors, to coordinate services and programs and to lend technical support to the Gores (Subdere, 1994: 28-30).

handle the bulk of policies and programs managed by the central state, thus the latter kept strict control on regional finances, because, as Marcel (interview 2000) reminds, “when the reform was made, there was very little previous experience that would indicate whether the regions would be able to manage a substantial level of investment. The ISAR<sup>134</sup> were created as a compromise --funds were assigned to the regions for specific programs, but the central government, via ministries, was responsible for the execution of the project.”

Non-elected regional authorities<sup>135</sup> have contributed to tip the balance towards the central government institutions in the battle for control of the regional investment. “There is enormous pressure on these funds, but regional governments are accountable to the central state, not to the people of their region or commune” explained Jaime Gatica, former head of the Regional Division of Subdere and regional expert (interview 1994).

Fiscal decentralization did not alter substantially the financial preponderance of the central state --by 1998 the central government was still responsible for over 90% of the public income and over 80% of the expenditures of the public budget:

**Table 5 Participation of Territorial Levels in Public Finances (%)**

	<i>Participation in the Budget/Public Income</i>				<i>Participation in the Budget /Public Expenditures</i>			
	<i>National</i>	<i>Regional</i>	<i>Local</i>	<i>Total</i>	<i>National</i>	<i>Regional</i>	<i>Local</i>	<i>Total</i>
1990	93.4	0.1	6.4	100	87.3	1.3	11.4	100
1991	93.2	0.2	6.5	100	87.1	1.4	11.5	100
1992	93.1	0.2	6.7	100	85.1	1.5	12.4	100
1993	92.9	0.2	7.0	100	85.7	2.6	11.7	100
1994	93.0	0.2	6.8	100	84.3	2.8	12.9	100
1995	92.6	0.1	7.3	100	84.0	2.9	13.1	100
1996	92.2	0.3	7.5	100	82.9	3.4	13.7	100
1997	92.1	0.2	7.6	100	82.7	4.1	14.2	100
1998	91.6	0.2	8.1	100	81.0	4.8	14.2	100

Source: Subdere, 2001b: 51

<sup>134</sup> ISAR stands for *Inversiones Sectoriales de Asignación Regional*, or Sectoral (ministerial) Investment Allocated Regionally.

<sup>135</sup> Currently there is a law amendment under congressional consideration to allow for the direct election of the regional council.

However, under central supervision, regional governments had been entrusted as main “portals” of public investment: they assign the resources of the *Fondo Nacional de Desarrollo Regional*, FNDR, or the National Fund for Regional Development, and decide upon which specific projects would be financed by the sectoral funds ISAR (from the line ministries) in the region, as well as which territories (and municipalities) would receive resources IRAL, (*Inversión Regional de Asignación Local*, Regional Funds Assigned Locally) in the region each year. In addition, regional governments can strike financial accords with one or more ministries or services to carry out mega projects that surpass the financial capabilities of the region (*Convenios de Programación*)<sup>136</sup>. By 2002, decentralized public investment (IDR)<sup>137</sup> amounted to over 47% of the total public investment, up from around 14% in 1989:

**Table 6 Public Investment Decided Regionally (IDR) Chile: 1989-2002**  
(millions of Chilean pesos, 2002)

	FNDR	ISAR	IRAL	CP	Other	IDR(*)	Public Inv.	%IDR
1989	62,877	-	-	-	-	62,877	452,892	13.88
1990	58,008	-	-	-	-	58,008	424,895	13.65
1991	64,285	-	-	-	-	64,285	569,369	11.29
1992	76,883	18,379	-	-	-	95,262	704,764	13.52
1993	93,860	76,700	-	-	-	170,560	868,090	19.65
1994	107,889	88,784	-	-	-	196,673	946,188	20.79
1995	118,828	95,222	-	-	-	214,050	1,001,345	21.38
1996	127,579	91,875	23,031	9,829	-	252,314	1,135,114	22.23
1997	141,780	94,955	26,103	56,020	19,444	338,302	1,268,723	26.66
1998	170,024	108,637	23,446	115,644	35,661	453,362	1,357,204	33.40
1999	157,764	85,580	23,246	88,995	34,943	390,528	1,050,728	37.17
2000	151,610	80,901	31,931	11,569	47,015	423,026	956,231	44.24
2001	173,933	83,522	31,661	114,327	63,929	466,722	1,008,631	46.27
2002	183,296	78,040	24,247	113,226	18,834	517,643	1,092,900	47.36

Source: Subdere, 2001a.

<sup>136</sup> A description of these funds can be found in Chart A1, Annex.

<sup>137</sup> IDR stands for *Inversión Descentralizada de Decisión Regional*. Comprises all the financial instruments (funds), both from the regions and from the sectoral funds (ministries) that require the approval of the Concejo regional (CORE) to be allocated to specific investment projects.

### 3.3.1. Municipalities

In the strictly demarcated web of intergovernmental responsibilities, the municipalities' main assignment was social services, and resources flowed from the central state to the local administrations: Between 1990 and 1998, local budgets have more than doubled, from about 500 thousand million pesos, to over a billion. The municipalities have also increased greatly their own resources thanks to progressive reforms to the Law of Municipal Revenue.<sup>138</sup> Educational and health transfers grew 108 and 91% between 1992 and 1998, respectively. The FCM, Common Municipal Fund, grew 126% between 1992 and 1998, from 98 thousand to 221 thousand million pesos<sup>139</sup>. In 1997, the municipalities managed a total of 1.4 billion pesos; by means of comparison, the public budget for that year was 7.8 billion pesos (Schilling, 1999: 3).

About a third of the total municipal income come from central-government transfers or earmarked resources for managing services such as education and health, or paying subsidies. The principal/agent logic draws a basic set of constraints, impairing the municipal governments' potential for designing social programs cut to fit the needs of their local constituencies. Health and education illustrate the predicament of local governments.<sup>140</sup> In education, overall objectives, curriculum design and organization of the educational activities are matters decided at the central level.<sup>141</sup>

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<sup>138</sup> *Ley de Rentas Municipales*, N° 19.338, 6/12/1995.

<sup>139</sup> Subdere, *Fondo Común Municipal*, 1999. The *Ley de Rentas Municipales* created the FCM in 1979. It is a redistributive fund currently composed of 60% of the property tax (65% for the 5 richest municipalities), 50% of the motor vehicle permits and 65% of some business permits issued by the most affluent municipalities, plus other minor sources of revenue. Ninety percent of the Fund is distributed according to criteria of relative poverty (10%), population (15%), percentage of property exempt from taxes (30%), income per capita below the national average for three consecutive years (35%); 10% is distributed equally among municipalities. The remaining 10% of the FCM is allocated according to efficiency and emergency situations.

<sup>140</sup> Local governments established municipal corporations to carry on these administrative tasks. Personnel management was initially a municipal matter, because the teachers and health personnel lost their status of public employees and became subjected to the labor code for the private sector, but this situation changed in the Concertación years with two labor statutes for health (1994) and education (1991, modified in

**Chart 5 Municipal Functions and Funding Sources in Chile**

<i>Category</i>	<i>Specific Functions</i>	<i>Funding Sources</i>	<i>Funding Category</i>
<i>General Administration</i> <sup>n</sup>	General functioning of the municipality Promotion and regulation of community activities	Land Tax	Tax and operational revenues
<i>Urban Regulation</i>	Building, transit and transportation regulation Urban Planning	Motor Vehicle Tax Permits for Commercial and Professional Activities	
<i>Public Services</i> <i>Social Services</i>	Risk Prevention and Emergency Management Environmental Protection Street Cleaning Park and garden Maintenance Water Drainage Street Lighting Employment and Training	Other Operational Income Municipal Fund	
<i>Public Services</i>	Garbage Collection	User's fees	Fees
<i>Investment in Infrastructure</i>	Street Construction and Repair Community infrastructure	Own Resources FNDR Program of urban Improvement (PMU) ISAR –Housing and Public Works IRAL(*)—PMU/Fosis	Closed transfers without co-financing  Open transfers with co-financing
<i>Social Services</i>	Sports and leisure Social Assistance Administration of Schools Administration of primary health Building Public and basic housing Cash subsidies	Transfers DIGEDER Social Fund FOSIS Educational Subsidy Health Subsidy Program for Neighborhood Improvement (PMB) National Budget	Open transfers without co-financing  Debt External Funds

Aghón (1995: 105), based on Marcel and Espinoza (1994). (\*) Modified to include the Regional Investment of Local Allocation, IRAL (*Inversión Regional de Asignación Local*) created in 1996.

1995), which returned these workers a public employee status. Even though labor relations were re-centralized, some flexibility in personnel management was granted to the municipalities by a 1996 reform.

<sup>161</sup> Educational decentralization did take place, but at lower level than the municipality: the school.

In spite of the fact that this largely administrative role has softened in the immediate past years, the central state's ministries and agencies decisively shape the municipal offer in services.<sup>142</sup> The municipalities do have access to resources that can be used for projects of local interest, which are channeled through the regions via the modalities FNDR, ISAR and IRAL.<sup>143</sup> In average, about half of the municipal income come from the municipalities' own resources:

**Table 7 Chile: Sources of Municipal Income (%)**

	1991	1992	1993	1994	1995	1996	1997	1998
Investment dividends	1	1	2	2	1	1	1	1
Land Tax	5	3	8	7	8	8	9	9
Transit permits	4	5	5	5	5	4	4	4
Licenses	7	6	6	6	7	7	8	8
Garbage Collection	1	1	2	1	2	2	2	2
Other Services	4	5	5	5	5	5	5	5
Fees and Fines	2	2	2	2	2	2	2	2
FCM	21	21	21	17	19	19	18	19
Own resources	45	49	50	45	49	49	50	52
Transfers	4	5	6	8	7	5	7	6
Other Income	10	11	10	10	9	9	8	8
Educational Subsidy	12	30	29	32	31	32	11	30
FAPEM/municipal health	5	5	5	5	4	5	4	4
Drinking water subsidy	0	0	1	1	1	1	1	1
TOTAL	100							

Source: Subdere 2000b: 55.

<sup>142</sup> Since 1995, municipalities were invited to draft a Municipal Educational Plan (*Plan de Educación Municipal*, PADEM (Law 19.410, 1995) along with educational actors such as teachers, school administrators and local parent centers. Although primarily a planning tool for municipalities regarding educational budget, personnel requirements, and enrollment forecasting, the PADEM may foster greater municipal involvement in educational policymaking. Another policy initiative of the Ministry of Education which may reinforce this trend is project Montegrande, which enlisted the municipalities in selecting the schools and in organizing relevant educational and community actors for turning one local high school into a leader of educational innovation (José Weinstein, director of the Montegrande project, interview 1998). A few richer communes, such as Las Condes and Santiago, have shown greater initiative in the educational area. For example, Las Condes transferred the administration of some of its schools to the teachers; and founded a school, La Puerta, for "problem" students expelled from other schools. However, municipal educational experiences have also happened in poorer communes such as Peñalolén, where fundraising among the private sector allowed replicating the Las Condes' model school for problem children.

<sup>143</sup> A detailed description of these funds is in Chart A1, Annex..

However, income generated by the municipalities is highly unequal among communes. By 2000, the four richest municipalities in the country –Santiago, Las Condes, Providencia and Vitacura— concentrated 31% of all the income collected by 342 municipalities; almost 40% of all the commercial permits are paid to the same municipalities (Subdere, 2000c: 4). Overall, the 10% richer municipalities received 47% of the total municipal income (without transfers); the 10% poorer, only 1.1%:

**Table 8 Concentration of Municipal Income. Chile, 2000v**

<i>Income Category</i>	<i>Income per capita (deciles)</i>									
	1	2	3	4	5	6	7	8	9	10
<i>Income w/o FCM (%)</i>	47.0	12.2	12.7	8.5	7.3	3.8	2.6	2.6	2.2	1.1
<i>Transit permits (%)</i>	38.5	13.0	14.5	8.3	8.9	3.9	3.5	3.6	3.6	2.2
<i>Business Permits (%)</i>	49.1	13.4	11.7	7.7	7.4	3.8	2.2	2.1	1.6	1.0
<i>Land Tax (%)</i>	53.6	10.8	11.5	8.4	6.2	3.3	2.4	1.9	1.3	0.6

Data Source: Subdere, 2000c.

The compensatory mechanism in place, the FCM, reduces this unequal distribution of resources, but the differences are still sizable: in 1997, the income of the richest 1% municipalities descended from almost 70% with the application of the FCM, but still these municipalities concentrated over 50% of the total municipal income. On the other extreme, the 10% poorer municipalities saw their share of the municipal income boosted from 0.2% to almost 2%:

**Table 9 Distribution of Municipal Income, 1997.**

<i>Income Category</i>	<i>Income per capita (deciles)</i>									
	1	2	3	4	5	6	7	8	9	10
<i>Income w/o FCM (%)</i>	69.1	14.0	5.8	3.7	2.6	1.9	1.3	0.9	0.5	0.2
<i>Income with FCM (%)</i>	50.3	19.4	7.6	5.6	3.7	3.4	3.2	2.6	2.3	1.9

Data source: Subdere. In: Schilling, 1999:3.

The following table depicts the disparities in the amount of resources that poor and affluent municipalities can invest in their communities:

**Table 10 Municipal Investment in Selected Poor and Affluent Municipalities**

	<i>Available resources for community services &amp; local development</i>		<i>Total Expenditures</i>		<i>Dependency on the FCM</i>	<i>Population</i>
	<i>Total \$</i>	<i>Per Capita</i>	<i>Total \$</i>	<i>Per Capita</i>		
<i>Santiago</i>	19,805,670	130	57,049,646	248	1%	229,663
<i>Vitacura</i>	10,301,676	122	17,502,149	208	2%	84,238
<i>Providencia</i>	13,046,570	120	29,600,415	273	1%	108,573
<i>Las Condes</i>	24,435,561	108	35,673,351	158	2%	225,682
<i>Cerro Navia</i>	3,464,889	21	4,736,659	28	68%	166,613
<i>San Ramón</i>	1,927,654	19	3,116,335	31	65%	101,623
<i>Lo Prado</i>	1,685,955	15	3,125,275	27	63%	114,972
<i>La Pintana</i>	4,140,005	18	6,341,158	27	68%	236,435
<i>El Bosque</i>	3,228,423	17	4,549,687	24	78%	190,607
<i>Lo Espejo</i>	1,940,005	17	2,545,046	22	96%	116,512
<i>Linares</i>	1,306,636	15	2,337,811	28	39%	84,957
<i>San Bdo.</i>	4,547,782	19	7,919,933	33	29%	241,910
<i>Onalle</i>	1,715,449	18	2,955,278	31	45%	94,854
<i>Quilpué</i>	2,102,727	18	4,534,052	38	35%	118,857

Source: Subdere, 2000c: 5.

Poor communes, in fact, have a double constraint. As all local governments, they are bounded by the distribution of responsibilities assigned by other tiers of government: they have to administered ear-marked transfers from the central and regional level, and they have to abide by regional development plans that set their main investment priorities. But as long as the majority of their budgets is made up from these transfers, the ability of the municipal government to draft and carry on independent initiatives that respond to the needs of the community is seriously impaired. Mayor of Cerro Navia Cristina Girardi (interview 1998) illustrates the predicament of poor communes:

Cerro Navia, a commune of 180 thousand people has 4 thousand million pesos assigned by the FCM; Santiago, one of the richest communes, has 45 thousand million pesos. With those 4 thousand million pesos we can only do garbage collection, pay education and health and maintain public lighting. Only 70 million are left for working with the communities. Mayors of rich communes can do management; here we simply can't.

Cristina Girardi, interview 1998

In sum, the central state's assignment of responsibilities and powers to the different levels of government had proceeded in an extremely cautious and hierarchical fashion, transferring the provision of services on the premise that decentralized units would provide them more efficiently, but safeguarding public finances from potential destabilization. This has limited the power of decentralized units, but, at the same time, the flow of resources and areas of influence has been increasing in both the regional and the local level, exerting pressure for decentralized units to enhance their managerial capacities. For elected municipal authorities, this pressure is compounded by the organized demands of their local constituencies.

### 3.3.2. The Growing Role of the Local State

The Concertación's social agenda depended a great deal in stretching the efficiency of state to compensate for the meager resources at the state disposal, given that alternative ways of increasing state revenues, such as taxes or "redistributive" measures, would have unleashed political mayhem in the post transition polity. Technical excellence in the delivery of services and innovative program design are key characteristics of the central state action, and the municipality, as the last link in the policy chain, was subjected to a similar logic. Decentralization reforms were set within the framework of state modernization<sup>144</sup>, but unlike other modernizing measures, transferring resources to the local state presented heightened risk of fiscal destabilization.<sup>145</sup> Local bureaucracies, plagued by low wages and usually less qualified than other state employees, were ill prepared to assume increasing responsibilities and managing complex systems, such as primary health and education.

The need to overcome the poor managerial capacities of municipal governments was a diagnostic shared by every actor concerned with the decentralization process, including the mayors.<sup>146</sup> Julio Ruiz, head of the Municipal Department of Subdere<sup>147</sup>,

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<sup>144</sup> The results of these changes are described in more detail in chapter 5).

<sup>145</sup> Interviews Germán Quintana, Mario Marcel (2000) and Jaime Gatica (1994).

<sup>146</sup> Interviews Julio Ruiz, head of the municipal division of Subdere (1994, 1998), executive directors of the Asociación Chilena de Municipalidades (Achimú) Giorgio Martelli (1994) and Mario Rosales (1998);

defined his institution's action in the municipalities as "guided by two principles: institutional change and management. The trademark of the Aylwin administration was decentralization as power redistribution; the Frei administration's focus is to achieve efficient management and quality services", concluded Ruiz.<sup>148</sup>

Solutions were quickly implemented. With the aid of Subdere, municipal governments strengthened their administrative and managerial capacities through a comprehensive program, Profim<sup>149</sup>. Collaboration of the municipal association<sup>150</sup> and central state agencies has been fruitful in the area of technical training. In the issue of financing social services<sup>151</sup> a "tense cooperation" was struck between the central government and municipalities.

The political opening in the municipal sphere has done little to ease apprehensions in central government's circles, where the widespread perception is that clientelistic practices are common in the municipalities, and that this may easily lead to wasted resources. Mario Marcel (interview 2000), asserted:

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mayors Cristina Giradi, Cerro Navia (1998); Sadi Melo, el Bosque (1994 and 1998) ; Carlos Alarcón, Peñalolén (1999).

<sup>147</sup> *Subsecretaría de Desarrollo Regional*, Under secretariat for Regional Development, dependent on the Ministry of the Interior.

<sup>148</sup> Interviews 1994, 1998, 1999.

<sup>149</sup> The Programa de Fortalecimiento Municipal (Profim) has trained personnel, emphasized strategic planning and created an electronic network and data base for municipal use (Julio Ruiz, *Zona Pública* 5/95; Subdere, 2000)

<sup>150</sup> In 1993, 341 municipalities joined the Asociación Chilena de Municipalidades, (ACM). It promotes municipal associativism, represents its members vis-a- vis the central government, lobbies in the Congress and lends training and technical assistance to its members.

<sup>151</sup> After several adjustments in the formula for estimating the transfers destined to finance education and health, the municipalities and the government had some standoffs, occasionally with threats of "returning" the services to the central government. For examples, see *Zona Pública* 24/ 1997 and *El Mercurio*, 13 de mayo de 1997. The primary health services of a whole region (XI) were devolved to the central government administration, before a law prevented this devolution in 1996 ((Julio Ruiz, 1998).

The internal government structure of the municipalities has not changed substantially. There is a great degree of power concentration in the mayor, similar to that in the Pinochet's years when the mayors were seen as political operatives of the dictatorship. Second, the idea of "closeness" with the community at the local level not necessarily fulfills our ideal. Physical closeness allows a greater opportunity for political clientelism. I believe that today more clientelism at the municipal level than at the central level, as well as corruption problems that are under control at the central level.

I believe that decentralization won't go forward if the problems of local governability are not solved. The central government would not be prone to transfer more responsibilities if that means more pressure for resources, or to assume responsibility for corruption or inefficiency. The central government has a risk-averse perspective. And there are important risks in decentralizing if the mechanisms to manage those risks are still not in place.

#### **3.4. Technocratic Rationality, Efficiency and Eroded Public Legitimacy**

State action in social policy abided by principles of fiscal restraint and technocratic rationality and increased the efficiency of social programs with intra-state coordination and stricter criteria for ex-post and ex-ante evaluation. However, progress in improving the standards of living and social services (health, education, training, human development) lagged behind the achievements in modernizing the state financial and regulatory capabilities of the economy (Marcel, 1999). Enhanced technocratic rationality translated in stronger performance of state institutions, especially at the central level, but the political legitimacy of the policies suffered. Technocratic decision-making insulated important decisions from public discussion. Former minister Correa:

The tremendous weigh of the ideological conservatism started impregnating everything: we (inside the government) started to assimilate certain policies and "ways" such as the search for efficiency and technocratism that extinguished social concerns.

Germán Correa, interview 1999.

Claims for participation of interested parties, such as the health and educational workers in their respective policy areas were largely discarded as undue pressure of interest groups, equated to any other corporate or business interests.<sup>152</sup> Two high officials of the Aylwin government remarked, when asked about direct participation of social organizations in areas of public policy, “there is no space for co-government.”<sup>153</sup> Mario Marcel wrote:

“...democratic administrations encountered strong corporate resistance to lower the costs of the pension funds, enhance the transparency and coverage of private health insurance, and improve regulation of the power sector. In other cases the same corporate pressures have triggered backsliding in the privatization and decentralization processes. An example of this is the recentralization of labor relations in education.”

(Marcel, 1999: 287).

The “off-limits” boundaries set for public policies was sharply contested –and continued to be criticized– by organized popular actors, as this quote from Manuel Bustos, then President of the *Central Unitaria de Trabajadores*, CUT, illustrates:

Government authorities think that (...) participation in decision-making would be co government. We (CUT) emphatically assert that we are not interested in challenging governmental authority; we do not aim at co government (...) We believe that participation (...) means to listen the concerned parties and to really take their opinions into account; it means that decisions should not be made only on the basis of technical considerations, but taking into account the practical knowledge of those who have experienced the problem.

Manuel Bustos, Seminario Participación Social, 1994<sup>154</sup>.

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<sup>152</sup> This exclusion probably has not applied in the same degree to business associations, that have maintained a permanent input in decisions regarding labor markets, policies of employment and training and economic policies. Regional councils for economic development –*Foro de Desarrollo Productivo*—set up a permanent instance of cooperation between public and private actors in the economic sector. Of course, this closeness has done little to dispel the sense of exclusion of the popular sectors.

<sup>153</sup> Interview with Guillermo Campero, high-level advisor for the Ministry of Work (July 1991) and interview with Julio Ruiz, head of the Division of Municipalities, Subdere (April 1994).

<sup>154</sup> DOS 1994: 89.

The erosion of legitimacy was compounded by the need of negotiating accords with the opposition, which increased the public perception that important decisions were not aired in public but resolved behind close doors.

In addition, and in spite of the improvements in employment and social policy throughout the 1990s, Chile has remained as one of the most unequal countries in the world—in 1996, the poorest 20 percent of the population received 4.1 of the total income, while the richest 20 percent received 56.7 percent<sup>155</sup>. The income distribution gap has contributed to the public perception that the “rules of the game” are unfair. In 1998, a UNDP country report found that 80% of Chileans perceived an increase in social aggressiveness, 81% thought that Chile was non-equalitarian and 70% that the Chilean society was unjust (UNDP 1998:52). The perception that opportunities for success were not equally distributed was widespread, but more acute among the poor and the people identified with the Left, as table 11 shows:

**Table 11 Perception of Opportunity Structure According to Political Party Identification and Socioeconomic Level. Chile, 1999.**

	PARTY IDENTIFICATION (*)					SOCIOECONOMIC COHORT				TOTAL (%)
	%					%				
	UDI	RN	PDC	PPD	PS	ABC1	C2	C3	DE	
<i>Everyone has the same opportunities</i>	22	20	15	10	16	26	15	17	13	16
<i>NOT Everyone has the same opportunities</i>	76	78	84	89	83	69	84	80	86	82
<i>Doesn't know/answer</i>	2	2	1	0	2	5	0	2	1	2

Source: Barómetro CERC, July 1999. Reproduced from Hunneus, (2000: 7).

(\*) UDI & RN belong to the Right coalition; while the DC (center), PS and PPD (center-left) belong to the Concertación.

<sup>155</sup> Data from Mideplan, Casen'96. Inequity in Chile (the Gini coefficient for 1996 was 0.57) is largely explained by the extraordinary concentration of income in the richer 20 percent, and, specially, from the 96<sup>th</sup> percentile to the top. If the last quintile is not taken into account, Chile's income distribution is similar to most countries with comparable development levels. (Contreras, 1999: 318-19).

As mentioned before, the Concertación decided not to politicize redistributive matters, a historical issue in the mainstream political agenda before the military dictatorship. Promoting demobilization and extricating themselves from redistributive issues was not an easy decision for center-left parties. It contradicted their ideological beliefs and denied the type of relationship they had forged with the social movements. As the head of the National Secretariat for Social and Labor Affairs of the PPD, Domingo Namuncura, put it in 1994:

There is a reason *d'état* that focuses on economic stability and growth that perceives social demands as problems. But, even if that "state logic" has to exist, there is another equally deserving logic, the social one, which is the reason of the poor people. The PPD, as a party, is divided, because our ministers are embedded in the reason *d'état*, but our heart and our social leaders are on the side of the poor. We assume that this is going to be a pervasive, although not "unnatural" conflict."

Domingo Namuncura, interview 1994.

The Concertación's choice could have dangerously eroded its basis of social and political support if not were for the cleavage democracy/ authoritarianism that has marked electoral competition since the resumption of democracy (Aguero, 1998b: 67). This lingering cleavage has so far prevented Concertación's supporters to turn in sufficient numbers to the other viable political alternative, the Rightist coalition.

In turn, both redistributive issues and social mobilization have been key elements in the current political platform of the Communist party. Although the Communists have consistently gathered around 5% of the national vote (see table 3, p. 108), the party has been unable to obtain congressional representation due to the electoral laws. The party turned to a strategy of growth within civil society, and in the municipal space. By the end of 1996, the Communist party had conquered the presidency of the Federación de Estudiantes de la Universidad de Chile (the Student Federation of the University of Chile, the largest and most influential student association), as well as Confenats (health

workers) and the Teacher's Union, and had a strong representation among the pobladores and the unions as well with other professional associations.<sup>156</sup>

Excluding redistributive issues from the official political agenda, and disavowing mobilization as a legitimate strategy for demand making, contributed to politicize these matters outside mainstream political institutions. In turn, this fed the suspicions of a sector of the Concertación leadership about the goals of popular organizations, as illustrated by this characterization by Giorgio Martelli<sup>157</sup>, then Executive Director of the Chilean municipal Association:

With the political opening, the leaders left social organizations and these organizations died. All of us left for the parties during the Aylwin government. These organizations remained as leftovers of the social world, manipulated by "communitarian" groups or by the political parties that were not able to gain access to governmental positions—usually the most radical ones.

Giorgio Martelli, AchM, interview 1994

These "imperfections" of the political system may explain in part the puzzling distrust for social and political institutions and the low level of citizens' satisfaction with the current democratic system. In 1996, only 27 percent of the Chileans declared they were satisfied with the way in which democracy worked in the country (Lagos, 1998). The lack of confidence did not spare any political institution: By 1994, over 65% of Chileans thought the political parties were motivated only by their own interests, while 70% believed that justice was biased in favor of the powerful; only a little more than a third of Chileans had some confidence in the police and judiciary by 1996:

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<sup>156</sup> The PC represents almost half of the 430 thousand workers affiliated to the CUT in 1996. "Los Avances del PC. Subiéndose a la Vereda." *Revista HOY*, No 994, August 12-87 1996: The PC has headed the FECH and the Teachers' Union until the present.

<sup>157</sup> Giorgio Martelli was at the time Executive Secretary of the Chilean Association of Municipalities (*Asociación Chilena de Municipalidades, AchM*) and a former long time member of the NGO *Cordillera*, a powerful left-leaning advocate of decentralization.

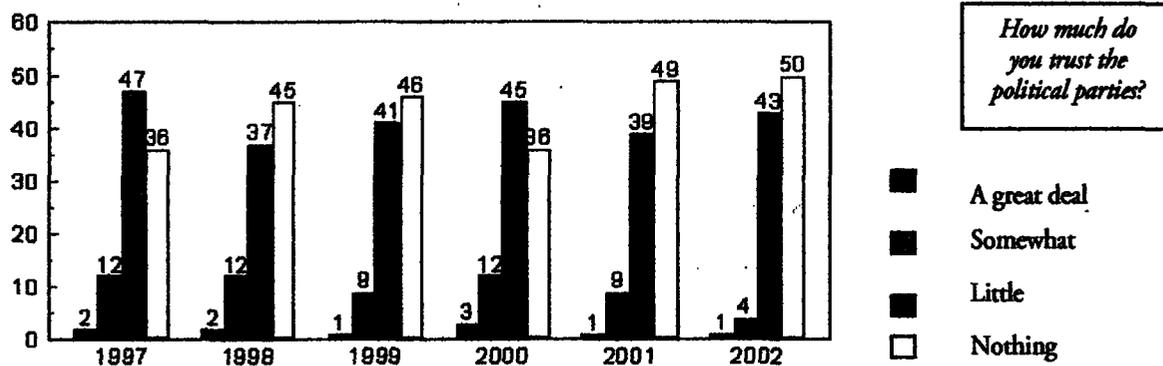
**Table 12 Citizen's perception of justice and political institutions. Chile, 1991 & 1994**

	JUSTICE		CONGRESS		POLITICAL PARTIES	
	<i>Works well</i>	<i>Favors powerful</i>	<i>Works well</i>	<i>Concerned w/ elections</i>	<i>Works well</i>	<i>Only pursue own interests</i>
1991	26.7	62.6	54.7	54.8	39.8	50.0
1994	26.8	69.0	37.5	74.9	24.8	65.1

Source: Encuesta Participa. From PNUD, 1998: 137.

Not surprisingly, citizen's trust in the political parties eroded: while by 1997 83% of Chileans declared they had little or no trust in the political parties; 93% held the same opinion in 2002. Those who trusted the parties at least moderately, had shrunk from 14 to 5% in the same years:

**Graph 2 Citizen's Trust in Political Parties Chile, 1997-2002**



Source: Encuesta CERC, July 2002.

One cannot downsize the achievements of the Chilean political system in terms of successfully navigating a risky path, with powerful anti-democratic forces "safeguarding" the authoritarian legacy. The Concertación has been able to avoid also the curse of almost every post-authoritarian democracy in Latin America, ousted by popular discontent after proven unable to deliver on its promises (Munck, 1994). It has provided a remarkable political continuity, which has in turn enabled long-term advances in reforms areas such as justice and social policies.

But it is not less true that, as Posner (1999:60) summarizes, "the constraints that the military regime imposed on the Chilean democratic transition, coupled with the

impact of structural reform and political renovation of the dominant parties of the center and left, have made the traditional party allies of the popular sectors unable or unwilling to represent them in the political arena. This has led to widespread apathy and disenchantment.”

### 3.5. Sequential Gradualism and Collective Action

The political decision to demobilize the social actors that helped to bring back democracy in Chile was taken by the Concertación political party elites on the basis of a “perception of the threat”<sup>158</sup> that this mobilization posed to the military and the political Right. Therefore, the first Concertación government actively sought to curb popular mobilization as a legitimate strategy for pressing for demands, no matter how just they were, for fear of its destabilizing effects on the newborn democracy. Quiescence of social mobilization was considered an imperative of political stability. As one officer of the PPD declared:

The government bet that it was possible to make the country work based on an exclusive arrangement between the government, the Armed Forces and the opposition. Social movements were not even invited to the table; they were marginalized *ex-professo*, not by default, and left in the last wagon of the transition.

Domingo Namuncura, interview 1994.

Minister Germán Correa, recalled:

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<sup>158</sup> O'Donnell (1973, 1979) uses this variable as one of the intervening factors determining the advent of bureaucratic authoritarian regimes. Bouts of popular hyper mobilization threatened elites that then resorted to military intervention. Stepan (1988) also uses this variable to explain the likelihood of elites in bureaucratic authoritarian regime to agree to relinquish power to democratic forces.

When the Right felt comfortable and lost any fear of the Concertación, started to block our reforms. I remember Cabinet meetings where I proposed to mobilize people to the Parliament to pressure for social reforms. My colleagues made jokes about it, and of course nobody took me seriously. So the preferred course was to navigate the given institutional channels and to avoid any stretching of the precarious democratic order, but at the same time, we slowed down –if not prevented—a process of deepening democratization

Germán Correa, interview 1999.

It would be a mistake to conclude, however, that social demobilization was a unilateral imposition of the political elites upon the social movements. In fact, many social leaders helped to acquiesce social mobilization because they shared the political leadership's judgment about the fragility of the post-transition democracy and willingly restrained demand making in their organizations in order not to pressure the new government (Boeninger, 1997: 370; Hipscher, 1994)<sup>159</sup>.

The labor movement's main organization, the Central Única de Trabajadores, CUT, was revived in 1988 under Concertación leadership. The first month after the Aylwin government assumed power, an accord with labor and business (the *Acuerdo Marco*) answered some urgent union demands, such as the restitution of the rights to collective bargaining and strike, and laid down a sequence of negotiated reforms (García, 1993).<sup>160</sup>

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<sup>159</sup> Patricia Hipscher (1996) forcefully makes this point when analyzing the demobilization of the pobladores in Chile and the urban movement in Spain. The interviews she conducted in the early 1990s with the leaders of the pobladores "political organizations" and party/social leaders lend solid support to her contentions.

<sup>160</sup> Months later, the accords allowed for an adjustment to the minimum wage. However, new labor laws had become a contentious issue. The government has been able to obtain congressional approval for isolated measures, but not for a whole new Labor Code. In addition, the union's peak association –Central Única de Trabajadores, CUT—has seen its power eroded by changes in the labor force (shrinking of industrial work) and declining rates of unionization. The CUT has demonstrated little autonomy for setting a labor agenda vis-à-vis the government. The Ministry of Labor has drafted and negotiated (unsuccessfully to date) the reforms to the labor code. See Angell, (1991) and Díaz (1997). For an insider's account of the negotiations between labor, business and the state along the first two Concertación governments, see Campero (1998).

After the demise of their political autonomous organizations (the “political organizations”, see chapter 2), the pobladores had invested most of their energies in recomposing the neighborhood councils (*Juntas de Vecinos, JJVV*). Two attempts for creating an encompassing organization of the JJVV at the national level failed in 1990 and in 1991. Only in 1992 the Communal Unions of the Metropolitan region were able to join in a Federation –the *Federación Metropolitana de Uniones Comunales, FEMUC*, representing 52 of around 62 communal unions that existed in the Metropolitan Region in 1994. Although the PC had a strong presence in the Femuc, the leadership was PPD and the DC was participated in the Federation until 1999. The predicted a wave of land seizures (*tomas*) in the urban areas was reduced to isolated cases, easily controlled by authorities and social leaders, who asked the pobladores for patience in light of the delicate situation (Boeninger, 1997: 472; Hipsher, 1994: 283-4).

Raúl Puelle, leader of the Pobladores’ Department of the DC, believed that “the protests were an spontaneous explosion of popular discontent, but afterwards they lost their objective, and people stopped joining in. Today the pobladores want democracy and participation; they want results, after all, they were the ones who made the greatest sacrifices” (interview, 1991).

José Hidalgo, president of the *Federación Metropolitana de Uniones Comunales de Juntas de Vecinos* (Metropolitan Federation of Comunal Unions of Neighborhood Councils, FEMUC), asserted

Every social movement faces different periods. There was a psychological commitment of the people to cultivate the democratic process, and the belief that any mobilization attempted against democracy. There was a collective image that we had to give democracy time to develop, although we still have the same problems. The absence of mobilization was due to that perception. In addition, the Aylwin government did not place any priority on the social space; the new government (Frei), instead, has promised to deepen democratization.

José Hidalgo, interview 1994.

Social leadership and part of the Concertación political elite continued to perceive mobilization as a legitimate and still viable strategy for the popular sectors in order to make their demands heard. According to Namuncura:

...(the people) had fought against the dictatorship and were extremely generous in the first four years— social leaders understood and acknowledged that the stability of the government was lacking and they cooperated in not rocking the boat. However, they did not perceive the same generosity on the part of the government.

(Domingo Namuncura, interview 1994).

Both the political leadership and social leaders expected that social mobilization would resume after the threat of a military reversal was dissipated and democratic institutions became stable:

“Aylwin’s government did not give priority to the social world. This new government (Frei Ruiz-Tagle) starts a stage of deepening democracy, so theoretically the social world should have a more active role. The pobladores believe that the truce to care for democracy is over. The years 1995-1996 will see mounting demands and the voice of the pobladores will be heard.”

José Hidalgo, Femuc, interview 1994.

For social leaders, the inability of the Concertación to address social justice could have destabilizing consequences once the political parties of the Concertación exhausted the “wait and see” period that the social actors granted them to include their demands into the agenda. Manuel Córdova, President of the Communal Union of JJVV in Pudahuel and member of the *Coordinadora de Pobladores* (CUP):

The only way to avoid a social explosion is to fix the economic disparities by legislating so the rich redistribute more resources to the poor. I believe that the parties of the Concertación are listening to the people, but everything stops in the Congress. The right stops any reform in the Congress.

Manuel Córdova, interview 1994.

The initial fears of uncontrolled mass mobilization for the second period of the Concertación, in the end, resulted unfounded —or, more precisely, the most troublesome

protests did not come from the popular sectors, such as the pobladores or the unions, but from the middle class sectors linked to social services: teachers and health professionals.<sup>161</sup> Part of the political leadership of the Concertación came to see the strategy of sequential gradualism via demobilization as loss for democracy. In 1999, then DC deputy Andrés Palma<sup>162</sup> lamented, “the Concertación parties –especially the DC and the PS—committed a grave mistake by demobilizing in 1990 because of the possible military intervention. The Aylwin government de-politicized the country; the Frei government did not stimulate social energy, and has not perceived the importance of the political and of the social worlds” (Andrés Palma, interview 1999).

Minister Germán Correa added: “We condemned ourselves to lose most of the citizens’ enthusiasm for the Concertación and that is expressed today in the lack of interest of the people to participate even in the political process” (interview 1999).

By the end of the decade, there was a widespread consensus in the Concertación parties’ leadership about the political parties’ responsibility in the troubles faced by popular organizations. It was a commonly held opinion that the political parties “retreated “ from the social terrain, and that this weakened social organizations:

The parties sent their best people to social organizations in the 1980s. With the return to democracy, they joined the state apparatus or went back to their personal life because they considered their goal accomplished, while other went back to the most properly political tasks.

Daniel Farcas, Director of Social Organizations, 1999.

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<sup>161</sup> These movements are examined in more detailed later in this chapter.

<sup>162</sup> Andrés Palma belongs to the Christian Democratic party (DC), served as a representative in the Congress (1997-2001), and was the head of the Social Committee in the presidential campaign of Ricardo Lagos. In Lagos’ government he was the Executive Secretary of the Programa Chile Barrio, and he currently heads Mideplan

The structure of the parties was renewed by the generation of the 1960s. This old group basically displaced the group that had made all the work during seventeen years of dictatorship, to have access to the power and the benefits of the state. The displaced group grew bitter and disappointed, encouraging the process of de-politicization by marginalizing itself. In the local space the effects of this phenomenon are obvious— hundreds of neighborhood councils died dead, NGOs disappeared; the FECH<sup>163</sup> being the most dramatic example of these social disappearances. I believe that the responsibility basically lies on the political parties.

Andrés Palma, interview 1999.

### 3.6. Social Participation: Where, How and How Much?

In the early 1990s the official concept of social participation was in the making and it was clear that the involvement of the concerned popular actors in public policies was to be limited. The “social debt payment” was to be done without the participation of the popular sectors in the negotiating table.

During the first year of the Aylwin government, the official governmental agency in charge of encouraging and supporting citizen’s participation, the *División de Organizaciones Sociales* –Division of Social Organizations, DOS<sup>164</sup>, concentrated in improving the communication between the new democratic government and the citizenry, in order to reestablish the badly damaged “trust” between state and civil society (Pistacchio, 1994: 74). DOS’ work focused on spreading knowledge about public policies and organized “town meetings” with central and regional state authorities – *Jornadas de Diálogo, el Gobierno Escucha a la Gente*.<sup>165</sup>

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<sup>163</sup> *Federación de estudiantes de la Universidad Chile.*

<sup>164</sup> DOS depends on the Ministerio Secretaría General de Gobierno –Ministry General Secretariat of Government, MSGG, one of the political ministries. The DOS was the replacement of the *División de Organizaciones Civiles*, set by the military government to link specific groups to the state. Under the DOC were the Secretarías Nacionales de la Mujer, de los Gremios, de Relaciones Culturales and the Instituto Diego Portales (National Secretariats for Women, for Work, of Cultural Relations and the Institute Diego Portales. The Secretaría General de los Gremios was linked to the assassination of a DC labor leader of the national Association of Fiscal Employees, Tucapel Jiménez in 1982.

<sup>165</sup> Vladimiro Sáez, interview, 1994; Memoria DOS 1994.

In 1991 a "coordination group" that comprised the Ministry of Planning, Mideplan, the Fund for Solidarity and Social Investment, Fosis, and the Ministries of the Interior, Presidency Secretariat (MSGP) and Government Secretariat (MSGG) worked on defining the official concept of social participation and on designing proposals for governmental action in the area. Organized social participation, according to the DOS (MSGG), had eroded during the last year and a half, as a result of the distance between organized participation and political institutions. The latter attributed little value to organized social participation for the process of democratic consolidation and feared an eventual explosion of social demands. The people, in turn, had abandoned social organizations in favor of discrete actions aimed at solving specific problems.

The group suggested general guidelines for reinforcing social participation in social programs management, as well as providing tools (such as information and leadership training) to strengthen social organizations. Three lines of work emerged: First, enhancing the efficiency of public services by informing the citizenry of state action and modernizing public management; second, facilitating social participation through informing and training citizens, promoting laws that would promote participation and incorporating citizens' participation into social programs; and, third, establishing coordination mechanisms among social and political ministries, and among the government and NGOs (Mideplan, 1992: 31-33).

DOS reoriented its work in tune with the diagnosis that social participation was weakening, even though the country was in the midst of the process of municipal democratization and the agency was actively training social leaders.

In 1991, we concluded that we were still using a framework to define citizen's participation from an organic, mobilizing perspective. We perceived diminishing social participation; we saw less organizations and less active membership. So we started with the hypothesis that the trend is NOT to participate in social organizations. People in urban areas solved problems collectively but those actions not necessarily resulted in more permanent social organization: people were inclined to join "participatory actions" rather than belong to organizations. We discussed a new role for the state in these circumstances. The "organic mobilization" way of participation, such as Promoción Popular or the Desarrollo Social in Allende's time, was not adequate. Instead, we defined our challenge as stimulating these processes of "dynamic participation." We used terms such as "induction", "stimuli" "motivation", but not "promotion"; participation had to be "facilitated" by the state."

Vladimiro Sáez, advisor DOS, interview 1994.

DOS had defined its mission: "our role –wrote DOS Director at the time—is not to create social organizations, nor to generate currents of citizens participation. Promoting organized social participation is, first, a task of civil society. (...) The state must support and complement the autonomous organizational efforts of civil society (...) guaranteeing the political and institutional conditions that would allow the effective participation of the community in public affairs. The state must play a facilitating role and to encourage social participation, letting civil society to develop its potential for articulation and social action" (Enzo Pistacchio, Director DOS, 1994: 73).

The democratization of the municipalities in mid 1992 gave DOS a new task: to strengthen the municipality and the communication between local governments and the social world. In fact, during the first municipal elections and the previous process of democratization of the *Juntas de Vecinos* (Neighborhood Councils, JJVV), DOS actively provided information to social leaders and candidates to the city council about the municipal reforms, and the functions of the municipality. Decentralization and social participation converged in the Concertación agenda, and DOS sought to support "participatory actions" circumscribed in state and municipal programs.

In the following years, DOS concentrated in supporting participation in public policies, especially social programs and strengthening the instruments for citizens' participation at the municipal level (interview Ricardo Brodsky, director DOS, 1996).

There seemed to be an abundant and varied offer for citizen's involvement in social policies and municipal government. The implementation of a "second generation of social policies", focused on intra-sectoral coordination and territorial coordination, defined as key the participation of the local communities and the beneficiaries of the policies for their successful implementation. DOS cooperated by supporting specific programs and by keeping a watchful eye on new social policy areas where participation could be incorporated. For example, DOS helped to draft the section concerning citizen's involvement for the Environmental Impact Evaluation regulation and to design community drug prevention and parents' educational participation models (interview Ricardo Brodsky, 1996).

Table 13 Community Organizations in Chile, 1969-1999

TYPE OF ORGANIZATION	ORGANIZATIONS					MEMBERS					
	1969	1990	1991	1996	1999	1969	1990	1991	1996	1999	
TERRITORIAL	Juntas de Vecinos	3,487	6,582	7,477	10,558	10,548	349,225	1,024,462	1,400,277	682,106	433,287
	CU JVVV	--	--	--	180	226	--	--	--	35,422	34,157
	Mothers' Centres (MC)	6,972	4,582	5,068	2,285	2,281	240,286	87,224	125,911	23,723	16,886
	CU MC	--	--	--	8	22	--	--	--	44	33
	Water Committee (*)	--	100	285	23	48	--	19,241	19,241	415 (*)	2,141(*)
	Pavement Committee	--	--	--	--	13	--	--	--	--	328
	Secondary Students Guild Association	--	--	--	--	1	--	--	--	--	nd
	Property Owners Assn.	--	--	--	39	66	--	--	--	813	1,981
	Total territorial	10,459	11,264	12,830	13,093	13,187	589,511	1,130,927	1,545,429	742,523	487,215
	Cultural Center (CC)	--	144	434	450	887	--	5,151	27,835	8,278	6,074
	Communal Union CC	--	--	--	--	2	--	--	--	--	nd
	Cultural Youth Center	--	--	--	37	14	--	--	--	273	284
	Parents' Center (PC)	--	317	1,859	256	451	--	14,656	290,583	12,509	8,605
	Communal Union PC	--	--	--	--	2	--	--	--	--	ND
	Youth Center	1,246	49	321	343	485	30,735	987	18,263	11,383	12,226
Sports Club (SC)	6,145	6,318	8,561	5,488	6,082	420,989	298,120	623,894	168,615	154,416	
Communal Union SC	--	--	--	48	73	--	--	--	3,850	819	
Homeless Committee HC	--	--	--	--	908	--	--	--	--	12,102	
Communal Union HC	--	--	--	--	3	--	--	--	--	ND	
Housing Committee	--	--	--	--	59	--	--	--	--	1,898	
Ethnic-Cultural	--	--	--	--	7	--	--	--	--	169	
Women's Group	--	--	--	--	884	--	--	--	--	200	
Total Functional	7,391	9,495	14,562	6,622	9,221	451,724	449,570	1,180,889	204,908	199,618	

FUNCTIONAL

TERRITORIAL

Table 13... contd.

TYPE OF ORGANIZATION	ORGANIZATIONS					MEMBERS				
	1969	1990	1991	1996	1999	1969	1990	1991	1996	1999
Senior Citizen Committee	--	--	--	--	353	--	--	--	--	6,033
Communal Union SCC	--	--	--	--	4	--	--	--	--	40
Education	--	--	--	--	1	--	--	--	--	Nd
Environment	--	--	--	--	26	--	--	--	--	460
Health	--	--	--	--	155	--	--	--	--	3,194
C U Alcohol Rehab.	--	--	--	--	1	--	--	--	--	25
Total Sectoral	--	--	--	--	540	--	--	--	--	9,752
Unions	--	--	--	--	42	--	--	--	--	Nd
Other	973	2,667	3,387	--	623	304,125	130,656	220,314	--	4,500
<b>TOTAL</b>	<b>18,823</b>	<b>20,759</b>	<b>27,392</b>	<b>19,715</b>	<b>23,613</b>	<b>1,345,360</b>	<b>1,580,497</b>	<b>2,726,318</b>	<b>947,431</b>	<b>701,085</b>

Sources: data for 1969, 1990 and 1991, Subdere, Ministerio del Interior; for 1996 and 1999, DOS, Ministerio Secretaria General de Gobierno. (\*) From 1998, water Committees have been accounted within the functional organizational, unlike the other years, when they were classified as a "functional organization." The data for 1999 is registered with the territorial organizations, but added to the subtotal of functional organizations.

By the end of the decade, many of the hopeful expectations had not been realized. As the then director of the DOS, Daniel Farcas, said in 1999 (interview) "we have the great question of how we will end this decade of low participation, where there is not a decline in the number of organizations, but a decline in the power of the organizations to mobilize people."

In 1999 DOS' directory of social organizations showed over 23 thousand organizations<sup>166</sup> and 150 thousand social leaders, but, according to Farcas, numbers obscured great differentials in the degree in which those organizations were able to adapt to the new circumstances and to attract active members:

In formal terms, citizens' participation has declined. The JJVV and the Communal unions have eroded but there are emergent cultures: youth, consumers', ecological organizations, public security committees, senior citizens' clubs, that is, new topics that have captured citizen's attention. Today there are new ways of participating. For example, we helped to form 383 public security committees only in the metropolitan region last year; that gives not just hope, but a clue that new ways are emerging. Of course, one never knows which of these organizations are going to persist.

Daniel Farcas, interview 1999.

From the point of view of the official policy definition towards social participation, the organizations of the pobladores seemed to have a good chance of participating in the new local space, while preserving their organizational autonomy. But at the same time, the JJVV and the Communal Unions, their main organizational forms, were judged inflexible to change "there is an aging leadership that still follows the 60's framework regarding participation", said Farcas, an opinion shared by many government officials and politicians from the Right to the Left.<sup>167</sup>

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<sup>166</sup> Table 13.

<sup>167</sup> Lily Pérez, representative of RN (interview 1999); Cristina Girardi, Major of Cerro Navia, PPD (interview 1998); Andrés Palma, representative DC (interview 1999).

### 3.7. The pobladores organizational dilemma

The pobladores had begun their own process of organizational restructuring even before the transition. The autonomous grassroots organizations linked to survival and sustaining a popular identity<sup>168</sup> and the “political organizations” played a paramount role in mobilizing and sustaining mobilization during the protests that unleashed the return to democracy in 1989. Even though there were tensions among these two “organizational layers” (the community and the political one) both of them shared a birthmark logic of autonomous action regarding the state – the community organizations because of the marginalization of the pobladores from social policies; the political organizations because of their confrontational anti-state stand (Oxhorn, 1995 and 1994).

**Chart 6 Main Types of Pobladores' Grassroots Organizations**

Organization	Period of Origin	Relation with state	Goals	Contemporary Strategies
“Traditional”	1960s/1970s State-centered Matrix	Corporatist	To distribute material goods to associates	Pressure, individual/clientelistic linkages with political authorities and state bureaucracies
Social services	1970s-1990s Military Government	Autonomous	Produce public goods, shape areas of policy. Knowledge of areas of public policy and of the policy process	Advocacy, community activism
Cultural/identity	1970s-1990s Military Government	Autonomous	Open a space for discussion and expression, nurture alternative views of sexuality, culture, politics	Expressive /dialogical occupation of public space. Protest

But by the end of the 1980s, a new strong organizational trend emerged in the poblaciones: recovering the Juntas de Vecinos (Neighborhood Councils, JJVV) from authoritarian control. Legally born with the law 16,880 in 1969, the Juntas de Vecinos had

<sup>168</sup> This topic is treated extensively in chapter 2.

been the first state-sanctioned neighborhood organizations within the *Promoción Popular* framework devised by the Christian Democratic administration of President Eduardo Frei Montalva (1964-1970). However, organized groups of neighbors to solve collective problems were an urban phenomenon since the beginning of the 20<sup>th</sup> century (Cordillera, 1988). Most pobladores considered the JJ.VV as their own and legitimate form of organizing, unfairly “expropriated” by the authoritarian government in an attempt of controlling territorial actors.<sup>169</sup>

The democratization of the Juntas de Vecinos started with assemblies of neighbors electing their new leaders. In some instances, the municipal authorities nominated by the military government acknowledged the new board of directors (Cordillera, 1988). The community pressure for democratizing the juntas prompted some “designated leaders” to resign and to submit their posts for elections (interview José Hidalgo, 1994).

The trend to rescue the Juntas de Vecinos was a clear sign of the value assigned by a significant part of pobladores to organizations that allowed them to establish a dialogue with the state, in particular with the municipalities.

The autonomous trend represented by the community organizations and the “political organizations” seemed to be challenged by this development. The resurgence of the JJVV reflected —and also fed— a process of organizational adaptation to the new democratic environment. Many community organizations did join or worked with the JJVV, the *Centros*

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<sup>169</sup> The DL 349 (March 13, 1974) put the leadership of the Juntas under the control of the mayors, governor or Intendente. It restricts its former functions and allowed the authorities to remove their leaders. The Municipal Law 18,895 of 1989, granted the JJVV a place in the CODECO, but defined as territorial organizations the Mothers’ Centers and the Associations of landowners and “regantes” (associations for water distribution in rural areas), effectively restricted the weigh of the JJVV in the CODECO.. The Plan Nacional Cívico (1987) stated, “Mayors would be granted social powers to modify the jurisdictional boundaries of the JJVV and to designate their leaders. In doing this, it is necessary to study the history of the neighborhood and its quarters in order to determine when were they created and what groups were favored. In addition, the socioeconomic composition of its members should be studied, facilitating the dominance and control of the neighborhood unit by moderate groups who support the government.” (Quoted in Cordillera, 1988: 17).

*de Madres* and the other organizations that were granted legal recognition by the state.<sup>170</sup> Some just dissolved, while others preferred to continue working autonomously, in isolation from the state and the more “official” organizations of the pobladores (Hidalgo, interview 1994).

By 1994, a survey of 700 community organizations in 14 Chilean municipalities found that over 40 percent of both JJVV and functional organizations had been founded over 20 years ago –likely before the military government; around 30 percent of both organizations were born during the dictatorship (between 3 and 20 years) and around 25% in the first period of the Concertación government.

**Table 14 Community Organizations by Date and Type in 14 Chilean Communes, 1993**

Years	<i>Juntas de Vecinos</i>		<i>Functional Organizations</i>	
	#	%	#	%
Less than 1	12	3.4	12	3.4
1 to 3	74	21	70	20.1
3 to 20	110	31.2	107	30.7
More than 20	148	41.9	156	44.8
N/a	9	2.5	3	.9
Total	353	100	348	100

Source: Cenpros, 1994.

Long-time social leaders hold this organizational fabric together. These community leaders –especially those of the JJVV– participate in and led different types of organizations, lending continuity to and facilitating the links among community groups<sup>171</sup> (Cenpros, 1994; PNUD, 2000 and Espinoza, 1993). In the Cenpros survey, 56% of the JJVV leaders declared they currently participated in one or more social organizations other than their Juntas, while 40% of the leaders of functional organizations declared so. Of those who had multiple memberships, 71% of the leaders of JJ.VV and 67% of functional organizations were also leaders in the other organizations. The same survey showed a high level of communication

<sup>170</sup> This is the *personalidad jurídica*, whereby community organizations are categorized by law and granted specific representational rights by the state.

<sup>171</sup> A Chilean scholar who has studied the pobladores extensively, Vicente Espinoza, has emphasized this extraordinary continuity in the pobladores leadership (see Espinoza, 1993). In the early days of the dictatorship, Espinoza was doing research in a very combative población and found one of the most radical leaders in an *arpillera* workshop, sewing among a dozen women. To the obvious inquiry, he just replied, “What can I do! This is the only organization there is!”

and common activities among grassroots organizations: 86% of the representatives of Juntas de Vecinos declared they have worked with other organizations in their communes, as did 72% of the leaders of functional organizations. The Juntas de Vecinos also showed the highest capability of "scaling up" into larger organizations: of the organizations included in the sample, around 85% of the JJVV were members of a Communal Union, while only 34% of the functional organizations belonged to one.

**Table 15 Linkages Among Community Organizations In 14 Chilean Municipalities, 1993**

<i>Links w/ other Community Organizations</i>	<i>Juntas de Vecinos</i>		<i>Functional Organizations</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
Know and work together	303	85.8	250	71.8
Only know about them	36	10.2	65	18.7
Doesn't know	11	3.1	32	9.2
N/a	3	0.8	1	0.3
Total	353	100	348	100

Source: Cenpros, 1994.

The younger pobladores tend to join functional organizations, but they rarely participate in the JJVV. Only 20% of the leaders of the JJVV declare that younger neighbors participate actively in their organizations, while 49% of the leaders of functional organizations declare they attract this age segment (Cenpros, 1994). Almost 35% of the leaders in the Juntas de Vecinos, and 44% in the functional organizations were housewives; and over 50% of the leaders in both type of organizations had between 31 and 50 years of age. Young leaders were the exception in both organizations: they amounted to 8.8% of the leadership in the Juntas de Vecinos, and 14% of the functional organizations (Cenpros, 1994). That doesn't mean that the youth is not organized: they just don't join more traditional organizations, in particular the JJ.VV, and they may not register their organizations with the municipality. In a recent national survey of young people, 37.6% of the interviewees declared they participated in sports clubs, but only 9% had joined a JJ.VV. (Injuv, 2000: 42). In the commune of El Bosque alone an in-depth 1997 study found 36 youth groups actively engaged in cultural activities, none of which were registered by the municipality (PNUD, 2000:127).

In spite of this diversity –or perhaps because of it–some poblador leaders saw the Juntas de Vecinos as “the” organization of the pobladores, implying that the community subsistence organizations were going to be ‘re-centered’ around the juntas de Vecinos, while the political organizations were doomed. Raúl Puelle asserted in 1991 (interview) that, “every popular organization deserves respect, but as we progress some organizations such as the *Ollas Comunes* are likely to disappear. The more representative organization, the Junta de Vecinos, should be the central nucleus of social organizations.” Other poblador leaders such as Luzmenia Toro<sup>172</sup>, who has been active since the 1960s and has joined both solidary organizations, JJVV, Mothers’ Centers and Health Groups, perceive the variety of organizations as different alternatives for the pobladores, and do not shrug when the autonomous community organizations adapted to the new democratic situation:

The Ollas Comunes, the Comprando Juntos, the Youth, the Women’s Organizations, our Cultural activities, the artisan workshops, helped especially women. About 80% of the participants were women. Many of these workshops formed Fuerza de Mujer in Huechuraba. These organizations have become more closed when they turned into “micro enterprises”, and there is no new membership.

Luzmenia Toro, interview 1994.

José Hidalgo, in turn, believed that recovering the Juntas de Vecinos was both an option for a more “legal way” of interlocution with the state, and a consequence of older leaders reclaiming the leadership of the pobladores movement from the younger, more political leaders of the referents, and women of the community organizations.

Adopting a “legal” strategy closely mirrored the strategy of the pobladores movement during the democratic governments pre-coup. Mass pressure served to “lubricate” demands through the political system, while the gains were “cemented” into laws and regulations. The

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<sup>172</sup> At the time of the interview, Luzmenia Toro was also Secretary of FEMUC, President of the Communal Unions of JJVV and member of the Cesco of Huechuraba. She had been a candidate for the PC to the municipal council in 1992, 1996 and 2000, gathering between 7 and 3 percent of the vote –in all three elections, more votes than at least two of the candidates that eventually occupied city council seats in Huechuraba.

JJVV itself, as an institution, could be seen as one of the prizes awarded to the urban poor, which granted them exclusive rights to access the state.

However, the responsiveness of the political system was restricted in the post-authoritarian polity, and the pobladores strategy for recovering their perceived rights became dependent on badly tuned machinery. Just the law regulating the JJVV and other community organizations had to wait until 1996 to be amended, and suffered two further modifications that have not yet fully answered the proposed reforms by the organizations of the JJVV.<sup>173</sup> The legislative process, plagued by the need of striking accords with the opposition, has largely been responsible for these meager results. Decentralization, that appeared to be able to provide the community and territorially based organizations with a suitable scenario to display their collective action, has been subjected to similar delays and re-designs.

Opening spaces for community participation yielded uneven results. Grassroots organizations were granted a minor role in an advisory council –*Consejo Económico Social, Cescos*. By 1997, the Cescos were virtually nonexistent due to the lack of community interest. In 1998 another modification –*Ordenanza de Participación*– was introduced, with few positive results.<sup>174</sup>

Luzmenia Toro expressed the pobladores' frustration for the unresponsiveness of the political system:

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<sup>173</sup> The provision that establishes the attributions and conditions for creating a Junta de Vecinos has been intensively disputed. The first 1991 law post-democratization was reformed in 1995, and then again in 1996 because of disputes about whether or not granting exclusive representation rights to one Junta in a specific territorial unit (see Zona Publica 11/1996)

<sup>174</sup> These topics are developed in chapter 6 devoted to the local political space.

The “democratic” government was unable to call us leaders and ask us what do we want; the new law they sent does not reflect our positions. We went to the Congress to ask to include FONDEVE<sup>175</sup> and to eliminate the parallel JJVV. Nobody listened to us. We realized that our congressmen, the ones that we elected, don’t even know the law and our demands. Our representatives are far way from knowing what we want. We have to pose as destitute in order to be taken into account, but that is not who we are: we do not want charity; we the pobladores are dignified people.

Luzmenia Toro, interview 1994.

The adoption of the Juntas de Vecinos as one major strategy for the pobladores to be incorporated into the new democratic polity, also bear responsibility in the quiescence of social mobilization. As Hidalgo explains, the juntas de Vecinos tend to act in their own communes, and the type of action is more of intermediation between the community and the state and the political actors, not of mobilization. “For the Juntas de Vecinos it is difficult to conquer the national-political space”, claimed Hidalgo (interview 1994).

The adoption of the “legal path”, plus demobilization, weakened the sense of collective identity among the pobladores. Indeed, the existence of self-sufficient organizations, the protests and the common goal of fighting the dictatorship glued together a popular identity (see chapter 2), a key element to make collective action possible. Mass mobilization set aside, the pobladores had few alternatives for pressing for their demands, except for acting at the municipal level and trying to influence the social programs of the state.

### 3.8. Summary and conclusions

It is no mystery that transitions to democracy tend to have a chilling effect on social movements. When the “political moment” takes over the “social moment”, social energy subdues and social grievances are addressed through institutional channels. The type of transition, according to the by now classic categorization of Karl and Schmitter (1991) would have a strong impact on to what popular demands are addressed by the political system, and

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<sup>175</sup> Fondo de Desarrollo Vecinal

the degree in which they are satisfied. In a few words, transitions are critical junctures that define winners and losers; and the relative positions of social actors are frozen (institutionalized), thereby affecting the relative power and future outcomes for the popular sectors. In the Chilean case, the perspective was not auspicious for the popular sectors. Democratic transition was negotiated among elite actors, and one of the first prizes for the military to relinquish power was popular demobilization and the withdrawal of redistributive issues from the agenda.

This bleak prediction had been contested by other analysts (Weyland, 1997) who claim that popular demands in Chile had been addressed, and that the Concertación government has been able to greatly improve the socioeconomic situation of the popular sectors. Two factors account for this unlikely outcome: first, the political commitment of the governing alliance (Concertación) to pay the "social debt" left by a harsh military dictatorship and a decade of economic adjustment; and second, the coherent and strong Chilean state, able to carry on social reforms.<sup>176</sup>

Indeed, both positions are right: on the one hand, popular demobilization has been actively pursued and maintained during over a decade in Chile, and redistribution has been kept off the political agenda; on the other, conditions have improved for the popular sectors, as shown in the fall of poverty rates and the provision of basic social services for the poor.

Two-coalition politics and the caution needed for the transition has forced the Concertación to carefully circumvent the politicization of potentially conflictive issues, such as redistribution and human rights abuses, and to rely on a style of policymaking and governance based on "elite accords." The reduced public space that the politics of "accord and consensus" have brought has restricted the representation of the popular sectors and eroded the legitimacy of the political system. Enhancing public efficiency via technocratic prowess contributed to reach policy goals, but has further compromised the legitimacy of public decisions, and

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<sup>176</sup> Weyland (1997) believes that the strong organizational fabric of main socioeconomic actors has allowed striking "social pacts" for improving popular welfare. Given the organizational erosion of labor and the path followed by the proposed labor reforms, I would find difficult to support this proposition.

reinforced the trend to exclude concerned actors from policy fields. All these factors conspired to build a polity that, even orderly, displays “low conductivity” regarding the interests of large sectors of the population –a “low intensity democracy.”

From the point of view of the pobladores, this “low intensity democracy” presented a difficult political environment to trade their social into political power. Demobilization challenged one of their main forms of collective action, land invasions. The marginalization of the Communist party and other left-leaning groups condemned part of the political organizations of the pobladores to a representational deficit in the mainstream political channels. In turn, the parties of the Concertación had cleansed from the political agenda many of the topics –such as redistribution and direct participation—central for the pobladores, deepening their representational deficit.

In turn, the Juntas de Vecinos, historical organizations of the pobladores, were strengthened as a way for the pobladores to gain legal recognition by the state. But without clear political allies and a strong opposition of the RN and UDI, the JJVVs were not able get the Congress to restore their formerly exclusive representational rights over other community organizations. This setback, added to the competition for public funds that the JJVV now had from other community organizations, eroded the public appeal of the JJVV in the poblaciones.

The JJVV also did not play well in the national political scene. Being an organization designed to operate in the local space, the JJVV had trouble in creating more encompassing organizations, a function that, in the past, had performed the political parties and other social movements, such as industrial labor<sup>177</sup>. The opening of the local political space was delayed until late 1992 due to intense political negotiations between the Concertación and the opposition, and since then it has suffered a constant influx of reforms. Moreover, the political parties acquired a tight grip on the local government, relegating the organized community – Juntas de Vecinos included-- to a largely symbolic role. Most of the organizational learning

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<sup>177</sup> Chapter 2.

done by the pobladores in the dictatorship did not appear "tradable", at least not as political power.

The autonomous grassroots organizations that emerged during the dictatorship, in turn, appear to have a better chance of finding its niche in social programs, key in the Concertación's strategy to redress the poor from the economic hardships that the military government imposed on them. However, as we will see in the following section, the political limits of the negotiated transition and the budgetary restrictions designed to safeguard macroeconomic equilibrium erected a series of inflexible technocratic conditions which hardly made a good environment for this type of organizations to thrive.

## Chapter 4

### SOCIAL POLICY: INNOVATION ON TIGHT BUDGET AND MICROCORPORATISM

This chapter describes state action in the areas of social policies from 1990 to 1999 in the context of the political limits set by technocracy and the strategy of sequential gradualism. Three key policy areas—education, health and housing—are examined in more detail in order to determine the possibilities they offer for the participation of the organized pobladores. The final section of this chapter discusses new social policies and new modalities of policy implementation, which directly link community groups with local or—more frequently—central state agencies. Is this a new version of “micro-corporatism?”

#### 4.1. Mideplan: Social Innovation and Coordination Dilemmas

In 1990, the government created the *Ministerio de Planificación y Cooperación* (Ministry of Planning and Cooperation, MIDEPLAN) with the mission of “harmonizing and coordinating the diverse initiatives of the public sector destined to fight poverty and to direct international cooperation as a recipient or donor country”<sup>178</sup>. Mideplan took charge of coordinating the Ministries and programs in the social area. Mideplan also housed a handful of new offices devoted to design specific policies for “vulnerable” groups (women, indigenous peoples, handicap, elderly, children and youth) or to carry on special projects through the Fund for Solidarity and Social Investment (*Fondo de Solidaridad e Inversión Social*), Fosis.

Mideplan’s new institutional design reflected the shift of social policies aimed exclusively at providing targeted assistance to an instrument for incorporating a diverse array of

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<sup>178</sup> Diario Oficial de la República de Chile, July 19, 1990.

socioeconomic groups (Mideplan, 1996a), such as the National Service for Women, (*Servicio Nacional de la Mujer*, Sernam, 1991), the National Institute for Youth (*Instituto Nacional de la Juventud*, INJ, 1991), the National Corporation for the Advancement of Native Peoples (*Corporación Nacional de Desarrollo Indígena*, Conadi, 1993i) and the a National Fund for the Disabled (*Fondo Nacional de la Discapacidad*, Fonadis). A few of these new institutions also incorporated some of the experience of new social movements, such as the women's movement in Sernam (Weinstein, 1998) while some integrated representatives of these social groups in their executive structure (Fonadis) or advisory council (Conadi).

Fosis was set in Mideplan to focus on innovation in social policy design and participatory programs to fight poverty. The Fund absorbed an important part of the learning of the NGO during the military period, as reflected in their staff's origins and program orientation that emphasized community participation in the planning process. Fosis did—and does— not execute programs, but contracted NGOs or private partners to work with communities or specific groups.<sup>179</sup>

Fosis developed a series of experimental programs to reach the poorest populations, financing more than 9 thousand small community projects along the country until 1998. However, its budget never reached more than 1 percent of the public social expenditures, usually staying at half percentage point.<sup>180</sup> In spite of their sometimes-restricted budgets, the creative energy invested by the technical teams in these social programs was a key element for the success of these programs.

These innovations allowed to “make up” for budget restrictions, but some of them were closely scrutinized. The decision-making process on what programs to finance was subjected to a technical evaluation. Mideplan did the ex-ante evaluation of all public projects

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<sup>179</sup> FOSIS has 4 areas: Micro enterprises, the Programa the Apoyo a Localidades Pobres (small community projects); “Iniciativas Juveniles” (Youth Initiatives) and a Program for Peasants and Native Communities.

<sup>180</sup> For an account of the Fosis, see Parker et al (1999) and Graham (1991).

in its *Banco Integrado de Proyectos* (Project Data Bank) a condition set forth by the Ministry of Finance to include those projects in the budget.<sup>181</sup>

The evaluation criteria sometimes evaded the logic of implementation of more innovative programs, such as those of Fosis. As Claudia Serrano, then Fosis Director of Programs declared in 1994:

We rebuild civil society, the social fabric, but we have a bad institutional image at the governmental level because we are considered "deficient in management." I agree that the missionary vocation sometimes clashes with the Chicago logic, but it is necessary to find a middle way."

Claudia Serrano, interview 1994

The close evaluation of social policies was not restricted to innovative programs within Mideplan<sup>182</sup>, but reflected a more general principle: social spending was strictly limited by the economic policies led by the *Ministerio de Hacienda*, Finance Ministry, which exerted an actual veto power on social programs. As Germán Quintana, who was Minister of Mideplan from 1998 to 2000 said bluntly:

The first contradiction between social responsibility and the Ministry of Finance happens when the first Mideplan minister, Sergio Molina, thought he had the budget responsibility. To my knowledge, it is the Ministry of Finance the one that has the responsibility of maintaining macroeconomic equilibrium, so it determines the social budget. Why do I make this comment? Because it was the first reality-check of this newborn ministry.

Germán Quintana, interview 2000

The Finance Ministry's influence on shaping social policy by deciding budget priorities went far beyond a matter of resources. The importance attributed by the economic authorities to economic growth in reducing poverty, had the unintended effect of dwarfing the role of

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<sup>181</sup> Interview (2000) with Germán Quintana, Minister of Mideplan from 1998 to 2000.

<sup>182</sup> Indeed, experimental social programs that involved the development of inner planning capacities in communities were hardly prone to be evaluated by traditional measures of impact or coverage, thus FOSIS' difficulties in establishing a legitimacy vis-à-vis other state institutions.

social policies. In his evaluation of the social policies during the first Concertación administration, Minister of Finances in the Frei government, Eduardo Aninat, stated:

“The main reason that explains this stunning result (lowering the rates of poverty and extreme poverty) is economic growth, which is mainly the result of the right macroeconomic steering. Per capita income has grown by 30% since 1990, more than 700 thousand new jobs have been created, and real wages increased by almost 30%. These new job posts and wage increases are the first cause for lowering poverty indexes”

Eduardo Aninat, 1997.

The new social ministry was also poorly equipped to fulfill its main mission, coordinating social policy. A new institution with few resources, Mideplan had to coordinate sectoral ministries such as Education, Health or Housing, which had acted as independent bureaucracies for decades and that received their own allocations from the public budget. As expected, Mideplan was not able accomplish this task effectively.

In 1994, Mideplan launched a new strategy for establishing synergy among social policies and programs and, simultaneously, asserting its coordinating role: the *Programa Nacional de Superación de la Pobreza, PNSP*.<sup>183</sup> The PNSP rested on three pillars: greater inter-sectoral coordination, territorial targeting and participation of civil society. Aided by updated maps that identified the “pockets” of greater poverty and antipoverty plans drafted by the 13 regions, the PNSP started in 71 municipalities (that turned into 115) in 1995.

A key element of the plan was community participation, as well as cooperation of the subnational governments and decentralized social programs. Along with the PNSP, the government called for the formation of a special committee of representatives of civil organizations concerned with poverty, to suggest policies and to channel civil initiatives. The *Comisión Nacional de Superación de la Pobreza* (CNSP) was born that same year.

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<sup>183</sup> The PNSP created its own institutionality within Mideplan (an Executive Office—*Comité Interministerial Social, CIS*, whose formal head was President Eduardo Frei) and *ad-hoc* committees at regional and municipal levels. Its declared goal was to “eliminate poverty by the year 2000.” CIS’ Executive Secretary was Clarisa

But the activation of a “social net” around the PNSP proved difficult to achieve, as it was the coordination at decentralized levels (Maira, 1997). The first municipal elections had been held only two years before, and the regional governments were still in the process of being settled. Simple management problems seem to plague the municipalities, particularly the poorest ones –which were primary targets for the PNSP. CIS also encountered subtle resistance from the sectoral ministries. In 1996 a CIS report criticized the public programs for overcoming rural and child poverty and indicated problems arising from both subnational governments and from the older bureaucracies in charge of traditional social policies. Social participation also faltered. If social participation in decision-making appeared a hard sell within the government, co-production of social services without participation in program design and a saying in resource allocation appeared a hard sell also among social organizations.

In the next two years, the PNSP made a quiet withdrawal. A joint Subdere<sup>184</sup>/Fosis program absorbed the municipalities of the Plan especial de Comunas, and a new program (*Chile Barrio*) assumed part the functions of the by then defunct PNSP (Repetto, 1998).

The crisis of the PNSP entailed a deeper turmoil regarding social policy in the Concertación. In 1996 the CNSP and Mideplan called attention upon an unresolved and largely unspoken issue: inequality in income distribution. In addition, Minister Luis Maira had advocated for reinforcing a social authority in Mideplan, a call that went largely unheard. Shortly after, Minister Maira resigned from Mideplan and, in less than a year his successor, Roberto Pizarro, left the post when new priorities in social policy were set without the participation of Mideplan. In 1998, President Frei announced the dismantling of Mideplan by 1999, which eventually did not happen—a new Minister, Germán Quintana, took charge of Mideplan until the end of the second Concertación administration. Sharing his personal perspective about the reasons underlying the troubles of Mideplan, former Minister Quintana (1998-2000) declared:

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Hardy, who had written extensively on the organizations of the pobladores in the 1980s and has also served as Program Director at Fosis in the Aylwin government.

Mideplan gets early two negative signals: the non-saying on budgetary matters determined by the primacy of the Ministry of Finance, and the incapacity of coordinating social policy due to the independent action or the resistance of the sectoral ministries. What is left? The Banco Integrado de Proyectos and administering policies towards priority groups. In sum, it is a ministry that is born out of place (*"descolocado"*). That explains in part the disheartening of Luis Maira and Roberto Pizarro (two former ministers of Mideplan) with the in-your-face fact that the social agenda was defined between the Ministry of Finance and La Moneda (the Presidential Palace)."

Germán Quintana, interview 2000

So the "social authority", or a coordinating entity for social policy was lacking during the Concertación Government. Eugenio Lahera, social policy advisor for the Ministerio Secretaría General de Gobierno was emphatic:

"Mideplan is a false dilemma, not because there is no coordination dilemma, but because Mideplan was never a real answer to the coordination problem. If it was a ministry for coordinating social policy and/or niche for innovation, why didn't the government give it enough money for doing it?"

Eugenio Lahera, interview 1998.

By the end of the decade, the strategy based on creative program design, improved instruments and techniques for directing social services to those in most need, a sizable amount of well-administered resources by trained and motivated public employees, seemed to reach a ceiling. Within the government, some key officials pushed for breaking away from a dominant emphasis on technocratic decision-making, to open more spaces for local authorities and communities to participate in the social policy process. A high government official who asked not to be identified, declared in 1999:

The welfare state is over. Huge end-of-season sales of social programs and free-for-alls are useless –social policy with dialogue and participation is the government's only way out. We should direct more resources to the municipalities, so that they make social policy decisions. They may be good or bad, but undoubtedly better than those made by technocrats in the central government.

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<sup>164</sup> Subsecretaría de Desarrollo Regional y Administrativo, dependent upon the Ministry of the Interior.

But this the option was almost an impossibility at a time when the Concertación second government was ending, and the coalition faced a difficult task in selecting its presidential candidate, and competing against a much empowered Right coalition in the voting polls.

#### 4.2. Taming the NGO

During the military dictatorship the NGOs filled the gaps left by the political system, organized civil society and supported social organizations in myriad ways. It is calculated that of the almost to 400 NGOs working in 1992 in Chile, 65% were between three and 18 years old, that is, were funded during the military dictatorship<sup>185</sup>. Disengaged from the state, but relying financially on international cooperation, the Chilean NGOs devised a vision and a varied practices that “allowed a shadow or parallel, alternative social democratic state to survive” (Hojman, 1993: 7).

This accumulated knowledge was put to work for the Concertación project –the NGOs’ technical teams elaborated the proposals for the Concertación platform in areas such education, poverty and decentralization (Loveman, 1991; Gonzalo de la Maza, president of the Association of Chilean NGOs, interview 1994).

The new state institutions designed to carry on social policies appeared to reserve a major role for the NGO sector. Because of its innovative approach, the fact that its staff was mainly drawn from NGOs, and it had to contract for program execution, Fosis was a “natural niche” for the NGOs. In addition, the *Agencia de Cooperación Internacional* (Agency for International Cooperation –AGCI) was set in Mideplan especially to channel international donations, a significant part of which were previously sent directly to the NGOs. During the

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<sup>185</sup> Around 15% were funded after 1989, and around 20% were funded before the military dictatorship (Irrarázabal, 1994: 54). These data, however, is not very reliable. The cited work has ambiguities regarding sources and the years in which the data was collected; as well as unclear classification criteria.

military years, it is calculated that an average of 55 million dollars were funneled yearly thorough the NGOs for supporting a wide variety of programs.<sup>186</sup> AGCI's first director, Rodrigo Egafía, was a prominent member of an NGO and had coauthored an important scholarly work on the NGOs during the dictatorship.<sup>187</sup>

Along with AGCI, a special office devoted to link NGOs and the government, the *Oficina de Enlace ONG-Gobierno* or Office for Linking NGOs and the Government, was set in Mideplan's Social Division. The new office was entrusted with establishing links between NGOs and the social programs carried on by sectoral ministries (Health, Education, Housing, Justice, Interior, Work, Public Works and others), as well as with the new social policies aimed at vulnerable groups. The *Oficina de Enlace* would also provide assistance in coordinating activities among NGOs, establishing regional associations, and keep a national directory of NGOs (Jiménez de la Jara, 1991).

AGCI was viewed as a sign of the new government's commitment with the NGOs, but soon signs of competition for funds between state programs and NGOs surfaced (Loveman, 1991). According to the then Speaker of the House of Representatives, socialist Carlos Montes,

The political leadership of the PS and PPD did not support the NGOs because they did not want their power diminished, and they needed to concentrate resources in social policies. So they asked a socialist to dismount the NGOs apparatus and to create a state alternative—he did so. That meant the sudden death of many NGOs. The survivors were forced to specialize, abandoning their critical role. Institutions such as Cordillera<sup>188</sup> became more and more specialized and technical.

Carlos Montes, interview 1999.

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<sup>186</sup> Abalos and Egafía, 1989: 39, quoted by Clewett, 1998. However, less than 10% of the NGOs worked with an annual budget of US\$ 180,000 or higher, while about 20% had budgets smaller than US\$ 36,000 per year (Hojman, 1993: 10)

<sup>187</sup> "Una Puerta Que Se Abre", (19??) Co-authored with Sergio Gómez (FLACSO) and Consuelo Undurraga (CIDE).

Another party leader of the PPD corroborated the existence of this NGO-government tension in the early post-transition period:

The government was trouble-free when it negotiated with the international cooperation the transfer of funds from the NGOs to governmental institutions. In less than a year, more than 25 percent disappeared, by now, very few survive. I have personally witnessed decisions that blocked channeling resources to the NGOs. NGOs were forced to join Fosis or other state organizations.

Domingo Namuncura, interview 1994.

International cooperation plummeted in the following few years. Chile had reached a plateau of economic development that placed it among the low-priority countries for receiving international aid. In 1991, AGCI funneled almost US\$ 230 million in credits and donations for 121 projects. In 1996 this number had fallen to US\$ 46 millions for 81 projects.<sup>189</sup> Even though the statistics on NGO numbers are scattered and inexact, mostly for problems in classifying them, there is consensus among the scholars that many NGOs disappeared or were significantly weakened during the first four years after the transition (Reilly, 1995; Hojman, 1993, Clewett, 1998).

What it was indeed puzzling for the NGOs is that a significant percentage of the Concertación leadership came from this world and, accordingly, the Concertación platform declared a commitment to NGO autonomy and acknowledged its future role in the country's democratic development (Loveman, 1991). As Gonzalo de la Maza<sup>190</sup>, then President of the Association of Chilean NGOs recalled,

<sup>188</sup> The Centro de Estudios Municipales Cordillera was founded in 1986 to contribute to democratization and local development.

<sup>189</sup> Agci, quoted in *Zona Pública* 22/1997).

<sup>190</sup> De la Maza was President of the Chilean Associations of NGOs. He had worked in the 1980s for NGOs devoted to education, communications and popular culture (ECO and CENECA). He later joined the Corporación Mancomunal, and the Consejo Nacional de la Superación de la Pobreza. He is currently Executive Director of the Program for Institutional Innovation at the now Fundación Nacional para la Superación de la Pobreza. The program receives funding from the Ford Foundation.

The signals were tremendously contradictory. As (Enrique) Correa would say: we need NGOs because the state has short arms –it cannot reach the people. But whole areas of the work of NGOs were not supported by the state, when it was much needed. The NGO system was historically and intimately linked to the teams that now worked within state institutions, –many officers and representatives had just left the NGO world, so we considered them our friends; we were from the same parties. So the level of conflict was extremely high. I cannot attest to the fact that there was a deliberate effort to “tame” the NGOs on the part of the government. What I do know is that one could not belong to the political elite of the time if one did not repeat exactly the creed of the accords. No one could be in the political photograph if he or she dared to move.

Gonzalo de la Maza, interview 1994.

In fact, once the Concertación assumed power in 1990, the option for sequential gradualism required from the NGOs a less critical role. On the one hand, some of the tasks at which the center-left NGOs had excelled, such as popular organization and mobilization were discouraged with the pacted transition. On the other, the state reoccupied its main position in social policy, another of the areas of expertise of many NGOs. In reasserting its involvement in social services, the state became a competitor of NGOs in some social policy areas (De la Maza, *ibid*).

NGOs' involvement in social programs for Fosis, sectoral ministries (such as health, education or housing) or other state institutions, was circumscribed to the execution of programs previously designed. Problems soon mounted. The state monopolist claim on the area of policy initiative and design clashed with the autonomy the NGOs had developed during the past one or two decades. Moreover, some innovative programs such as those administered by Fosis, which could benefit from a more flexible NGO role, became themselves suspect of not being “efficient enough.” Naturally, pressures on public institutions' performance translated into pressure for the NGOs that executed the programs to conform to a stricter procedural and budgetary standards, a practice few NGOs implemented in the previous years due to less demanding standards of program evaluation by donors, in consideration of the political or humanitarian situation during the dictatorship (Loveman, 1991: 14; Hojman, 1993).

The state, as de la Maza rightly claims, “attempted to reconvert the NGOs into flexible, experienced and cheap executors of policies that were already designed.” This new relationship with the state modified the surviving NGOs work in three important ways.

First, it strengthened certain NGOs, mostly the ones devoted to applied, technical work, and, within multifunctional NGOs, it encouraged the development of certain areas and neglected others. Government funding did not support research—an important component of NGOs such as FLACSO or Cieplan—, institutional development and conflictive areas such as human rights, or social programs potentially competitive with the official ones. At the same time, government social policy activism opened new areas for funding, such as AIDS, micro enterprise development or programs aimed at vulnerable groups.

Second, the lack of support for institutional development fueled a trend towards what NGOs called “*projectismo*” —“projectism”—or the loss of institutional identity caused by a constant execution of small, diverse projects in order to subsist. Some NGOs had managed to conquer this trend and to develop a solid institutional profile during the dictatorship, thanks to the relatively wide international financial offer, which supported a variety of initiatives including institutional development. More than NGOs, many organizations became “consulting firms” (interview with Gonzalo de la Maza, 1994).

Finally, it generated great internal differentiation within the NGO world. While some NGOs struggled to subsist autonomously, other NGOs maintained a close relationship with the governmental political elite and kept a revolving door between the political system and these NGOs.<sup>191</sup>

Carlos Montes (interview 1999) concluded, “The world of NGOs was cleansed of its autonomous capacity of thinking, of proposal making and of being a critical actor. The NGOs that remained critical are the ones with zero resources.”

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<sup>191</sup> As de la Maza puts it: “High government officials may take a “temporary leave” to think and do some research, to go back in to power a couple of years. These organizations are less autonomous, but very solid” (Ibid).

The conflict-laden relation with the state in the first government of the Concertación applies properly to a sector of the Center-Left NGOs. As a few authors have noted (Clewett, 1998; Hojman, 1993) a new set of NGOs from the right emerged, both during the military government and during the transition or early years of the Concertación government.<sup>192</sup> Some of these NGOs bear direct links to political parties of the Right, and act as “think tanks” for public policy areas or “shadow cabinets”, not unlike the NGOs linked to the Concertación did during the dictatorship. These institutions are not dependent on government funding, but from entrepreneurial support<sup>193</sup>, private donations and international aid of like-minded foundations (Clewett, 1998).

The shifts in social policy, a reflection of larger conflicts derived from the strategy of sequential gradualism and the reliance on technocratic decision making, had a decisive influence on the NGOs, many of which had ‘accompanied’ popular organizations in their quest for survival and democratization. In spite of some attempts led by Fosis to transfer some of knowledge of NGOs to community organizations, such as project design and evaluation, the role played by the NGOs was particularly important for the organizations of the urban poor. As we will see in the description of three policy areas, the intermediation role played by NGOs with ties to the community vis-à-vis public institutions is an important element that boosts the community organizations’ chances of influencing a policy area.

#### 4.3. Three Policy Arenas

The participation of the citizenry in social programs was one of the first and solid policy orientations on the Concertación government. However, many different concepts and practices regarding citizens’ participation appeared to sprout in governmental agencies.

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<sup>192</sup> Fundación Miguel Kast, Centro de Estudios Públicos, Instituto Libertad y Desarrollo, Fundación Jaime Guzmán (UDI), Instituto Libertad (RN).

<sup>193</sup> Silva (1998) and Campero (1991) argue that Chilean business was able to increase its strength, cohesion and autonomy from the state, as well as public visibility and sense of leadership it did not have before the military era. The emergence and support of think tanks may reflect this increasing cohesion, as well as the more dynamic role played by the rightists parties in Chilean contemporary politics.

As described in the preceding chapters, the boundaries traced by the strategy of sequential gradualism suggested that, in key policy areas, organized popular groups' opinions were to be included in the decision making process as inputs for decisions that were to be ultimately done at the governmental level. This is the case of labor policy, but also educational, health and housing policies, where the organized pressure for decision making was summarily discarded as undue attempt of "co-government." Another widely used meaning of participation was that beneficiaries should contribute to the solution of their specific problems, consistent with the "managerial" notion that community participation is an asset or an input that could improve the quality and/or to deflate the costs of service provision and delivery. This contribution ranged from co-payment and volunteering, to a more active involvement in contracting services or overseeing works. Finally, especially in the newly created governmental agencies that had closer ties with the NGO world, the concept of participation included an active involvement of organized communities in most (if not all) stages of the policy design and implementation.

The varied ways of conceiving participation was not solely —or mainly— the result of diverse programs that called for an understandably differentiated approaches to community involvement. Of course, the definitional heterogeneity owed to several 'strata' of agencies and policies, each of which had developed practices regarding their relations with their beneficiaries at different points in time. But the variety of meanings for citizens' participation reflected the strains and contradictions of the post-authoritarian democracy, which has to grapple with an authoritarian legacy that stressed the dangers of "pressure strategies" that could deplete public resources or menace public stability; a managerial approach to governance which favored decision making on technical criteria and participation as an input in the production of services; and the still fresh memory of poor communities which had faced collectively challenges to their everyday survival. The "push" of these distinct approaches to organized participation had a peculiar impact in policy areas.

In the following section, I would describe three social policy areas —education, health and housing— central for social welfare. These policy areas have peculiar conformations due to

the nature of the services provided, the actors and their relations, and the peculiar set of practices they have developed over time. The pobladores organizations have accumulated practical knowledge in either providing services and/or dealing with the public service providers in each of these areas. However, each particular policy arena offers also different chances for the pobladores' organizations to become involved and influence policy. The exploration of these policy areas respond to the notion that accumulation of social capital can grow in collaborative enterprises of public and private actors that come together to shape public policy, or "associative networks" (Chalmers et al, 1997). The notion of associative networks involve also a conversion of social into political capital, insofar shaping public policy is per se a measure of power.

#### 4.3.1. Education

The 1980s reforms transferred primary and secondary schools from central to municipal control and had introduced public subsidies for private schools that enroll low-income student populations. These reforms improved educational efficiency and expanded private education, especially private subsidized schools—by the end of the decade, these schools had doubled their primary and secondary enrollment, increasing from a share of 15% of the total student population, to over 32% (González, 2000: 59). However, these reforms did not have a positive effect on learning, and increased inequity. These negative results were the result of a combination of factors, among them the decline in public educational resources, changes in the curriculum which reduced the number of required subjects, and the effects of badly-regulated competition for public educational resources, which excluded children with low learning performances (Cox and Lemaitre, 1999).

Accordingly, the main goals for the primary and secondary public educational system in the 1990s were improving its quality and achieving equity. In spite of the pressure of important actors, such as the teachers, the Concertación decided not to re-centralize the system, or to change the financing scheme based on a per-pupil system, but to make targeted reforms in order to correct its deficiencies in quality and to improve the social distribution of

educational outcomes. Spending in education was significantly expanded: (Table 16, next page)

Public spending in education attempted to correct the inequities of the system by targeting the worse performing schools and directing additional resources or devising special plans for them. The *Plan de las 900 Escuelas (P-900)* targeted the worse performing 10% elementary schools and directed additional infrastructure resources and technical support. This has resulted in a 12-percentage point improvement in learning outcomes between 1990 and 1996 in 4<sup>th</sup> graders enrolled in those schools.<sup>194</sup>

**Table 16 Public Expenditures in Education. Chile, 1989-2000**

	PUBLIC EXPENDITURES IN EDUCATION		EDUC. EXP /GDP	MONTHLY SUBSIDY PER STUDENT (*)	
	millions of \$ 2000	Annual var. (%)		Pesos 1997	Index 1989=100
1989	595,113		2.6	9,345	100.0
1990	568,995	-4.4	2.5	8,874	95.0
1991	645,459	13.4	2.6	9,159	98.0
1992	742,070	15.0	2.8	10,016	107.2
1993	805,630	8.6	2.9	10,904	116.7
1994	878,556	9.1	2.9	12,145	130.0
1995	981,300	11.7	3.0	14,346	153.5
1996	1,108,321	12.9	3.2	15,939	170.6
1997	1,220,842	10.2	3.4	17,214	184.2
1998	1,359,860	11.4	3.7		
1999	1,454,355	6.9	4.0		
2000	1,577,035	8.4	4.2	24,000(**)	

Source: Ministerio de Hacienda, in Mideplan (2000). (\*) Ministerio de Educación, quoted by Martín (1998: 383). (\*\*) Arellano, 2001: 89.

The most comprehensive program, Programa de Mejoramiento de la Calidad y Equidad de la Educación, Mece (1992-2000), sought to improve the quality of education by increasing investment, curricular reform, teacher and school administrators' training and extending instructional time. Along with these "traditional" interventions, Mece put together a set of innovative programs to increase diversity and creativity in the schools—financing small

<sup>194</sup> The average improvement for all state-supported schools in the same period was 9 percentage points (Cox and Lemaitre, 1999: 168)

projects devised by the schools in the *Proyectos de Mejoramiento Educativo, PME*, technological support through the Educational Technology program, *Enlaces*, and special arrangements for rural areas or native communities (MECE rural). In secondary education, Project Montegrando, a pilot plan designed to stimulate innovation in the educational process prone to be replicated in other schools, has attempted to enlist the municipalities as main partners in the design of decentralized educational policy.<sup>195</sup>

Thought out in different stages, MECE launched the reform of the elementary education in 1992 (MECE-Basica, 1992-1997) and the reform of secondary education (high school) in 1995 (MECE-Media, 1995-2000). Special programs targeted specific groups, such as the MECE Pre-básica, designed to expand preschool education, MECE-Rural, a special program for rural areas with multi-grade classrooms, and the above mentioned P-900, which focused on the poorest performers.

Preempting resistance to change, and knowing the institutional difficulties that the would have entailed to carry a reform through the aging structure of the Ministry of Education, Mece was conceived as a “graft of innovation” designed to spread through the educational system. “We didn’t design *the* reform as a national unified project, but as generating mechanisms that would support a process of constant change and innovation”, asserted Juan Eduardo García Huidobro, Director Division of General Education (interview 1997).

The infusion of resources and innovation has paid off – learning outcomes have improved in all educational levels in public schools, especially among the bottom performers, grade repetition and attrition have diminished<sup>196</sup>. But, in spite of the innovative programs and increased investment, there is still a sizable performance gap between the poorest and the

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<sup>195</sup> Montegrando finances 5-year-long projects of innovation (between US\$120 and 300 thousand per school depending on their size) designed by the school.

<sup>196</sup> The rate of repetition in secondary education has dropped from over 12% in 1990 to 8% by 2000, while the dropout rate has gone from 7.5% to 5% in the same period. For basic education, these rates have been reduced from 7.8 to 3.5%, and from 2.3 to 1.5% in the same period (Arellano, 2001: 90).

richest students, visible not just between private and public education, but within public schools and private-subsidized schools. This segmentation is most likely a result of insufficient public funds to be allocated in the poorest schools in order to counterbalance the segmenting effects of the shared-funding scheme that allows the relatively well-to-do public schools to increase funding by parental or community support (Cox and Lemaitre, 1999). In addition, the overall performance of the Chilean schoolchildren is well below average by international standards (Arellano, 2001).

#### *4.3.1.1. Hard Lessons: Teachers and Reformers*

One of the goals of the educational policy was to address the steep deterioration of the teacher's income, job stability and social benefits brought about by the transfer of public education to the municipalities. Soon after assuming power, the Concertación government initiated negotiations with the Teachers' Association<sup>197</sup>, which resulted in a new Teachers' Statute (law 19,070, 1991) that returned salary matters to the central government, guaranteed a minimum of job security and granted wage increases.

However, disagreements about further salary increases and the growing pressure on the part of state officials to peg wage increases to performance, led to a series of strikes during the Frei government in 1996 and 1998. In 1995, the Teachers' Statute was modified to add collective performance incentives; wage increases and publicly funded new professional opportunities (Espinoza, 2001). Municipalities were granted a greater flexibility to manage personnel according to an annual plan (*Plan Anual de Educación Municipal, PADEM*) and a new national performance evaluation system for school personnel was established (*Sistema Nacional de Evaluación de Desempeño, SNED*), which complemented a national system to evaluate learning outcomes (*Sistema de Medición de la Calidad de la Educación, SIMCE*).

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<sup>197</sup> The Teachers' Association was created in 1981 by the military government to replace the Educational Workers' Union (*Sindicato Unico de Trabajadores de la Educación, SUTE*). Teachers opposing the military government created the Chilean Teachers' Guild (*Asociación Gremial de Educadores de Chile, AGECH*), but in 1987, after the democratization of the Teachers' Association, both organizations joined.

The teachers' salaries doubled in real terms between 1990 and 1997, but still averaged about US\$ 700 a month by 1997 (Cox and Lemaitre, 1999). The Teachers' Association continued to press for wage increases. In the opinion of Mario Marcel, Undersecretary of Education during the Frei government,

"This is a union that has privileged wage issues and has become a victim of its own logic, because it has marginalized itself from the educational discussion and because the relevance attributed to wage issues has turned anything they achieve in this area into a defeat. First, they demanded a wage that doubled the minimum wage, that was achieved in 1993; then they wanted to reach 100 thousand pesos; that was achieved in 1996; then they wanted to be assimilated to the public administration wage scale; they got it in 1997. The teachers have been the best achievers in terms of other unions, but since they have not been able to open themselves to a more professional logic, the only thing that they could do is to continue raising their wage expectations."

Mario Marcel, interview 2000

Jaime Gajardo, President of the Metropolitan Chapter of the Teacher's Association, insists that disagreements regarding wages and work conditions have to be understood a context of privatization of labor relations due to the transfer of schools to municipal administration and the enlarged role of private education<sup>198</sup>. "The Teachers' Statute, in practice applies to very few teachers... We cannot say today that we are public employees and later modifications wiped out job stability" (interview 1999). Gajardo explains that, given the restrictions to collective bargaining in the private sector and the size of the bargaining units (schools) "if we follow the rules, we loose. The balance of power favors the educational entrepreneurs. So the only way is to negotiate at the national level." (Jaime Gajardo, interview 1999)

Negotiations at the national level may have enhanced union leverage, but redirecting organized social demands to the central state posed political problems for the Concertación

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<sup>198</sup> Enrollment in the public system has decreased from 78 to 56 % of the total student population between 1981 and 1996, while the percentage of students enrolled in private education has doubled—from 22 to 44% in the same years (González, 2000: 59) In large urban districts such as the Metropolitan region, private education has surpassed the enrollment of the public school system (interview Jaime Gajardo, 1999).

strategy of sequential gradualism, and, at the same time, it eroded the municipalities' capabilities in managing educational policy.

Unfortunately, the Teachers' Statute centralized wages levels and curtailed the freedom of local governments to determine their personnel policies in education. If there is a defined level of resources for providing a standardized educational service, but the wages are fixed, all the decisions are transferred to a pressure for more financial resources. This is the cause of the "budget deficits" in education and health: in spite of a very heterogeneous situation for the health and education personnel, the central government has fixed wages; and in all the municipalities where there is excess personnel, there are significant deficits. So the municipalities turned back to the municipal government with the argument that if the central government fixes the wages, it should finance the payments. We have been 10 years in this.

Mario Marcel, interview 2000.

The teachers opposed –and still do—the transfer of schools to municipal administration. They contend that decentralization has aided the privatization of the system, has created administrative chaos, has allowed anti-labor practices on the part of the educational corporations, has impoverished the curricula and has deepened social and economic inequities (Colegio de Profesores, 1997: 51-53). They propose that the Ministry of Education recover the management of public education away from the municipalities, because the latter "hamper the educational process, politicize education, degrade the professional status of the teachers and erode their job stability" (Colegio de Profesores, 1997: 53-4).

In 1990 we thought that the Concertación was going to revert the privatization carried on by the military government, and that public education was going to be defended. We thought that the state was going to turn from a subsidiary state to a state committed to education. But all what it seemed unthinkable in the 1980s was consolidated in the 1990s.

Jaime Gajardo, interview 1999.

The Teachers' Association claims that the teachers share the goals of the educational policy, but disagree regarding the policy instruments, which they consider flawed:

Educational policy attempts to improve the quality and equity. We agree. But co-financing produces socioeconomic differentiation and different qualities of education. In the case of equity is even worse. Before, a poor student, even from a public school in a rural area, had a chance of competing with the private education. Today that is not true. Statistics are clear. The curriculum established a small number of required subjects, leaving to the school the choice of the rest. In an ideal world that would be wonderful for enhancing educational autonomy. In reality, the school presents its educational project to the municipality and it is told that there are no resources for it. The finance system based on competition punishes the worse schools, which happen to be the poorest ones. The payment is done by average attendance; who are the children that have the worse attendance? –Poor children in rural areas. We are a country with tremendous social differences and that has been a factor ignored by the policies that the government promotes.

Jaime Gajardo, interview 1999.

The standoff between the central government and the teachers has put in the limelight the public role of the state in education and the chasm between diverging conceptions about the limits of participation in social policy.

Participation is a caricature. There is a group of technocrats that design, elaborate, think, inform and make the changes. They leave the teachers, the parents and the students out. We have no saying. For example, the government allotted a day to discuss the new curricula for high school. That day we received a ton of documents; we were not able to even finish reading! We learned that there was a new policy of curricular flexibility when it was already a law. We do not agree on defining participation. They believe that informing us is participation. They consider participation to invite selected leaders to discuss the Informe Brunner one afternoon. We always participated in defining national educational policies, and that was an incentive, because we were listened at.

Jaime Gajardo, interview 1999.

Juan Cuevas, member of the board of directors of the Teachers' Association, concurs with Jaime Gajardo: "There is no political will to include the teachers. There is a great deal of frustration. In the last negotiation we proposed an agenda of 35 points that included pedagogical matters and our role in the reform. The authorities considered none of those;

only 6 points were accepted for negotiations, all union matters. And then the media reports about our “union bias” (interview 1999).

The positive effect of the reform on the quality and equity of the educational system may have been hurt by the difficulties faced by the educational reformers in enlisting the active participation of organized actors in the educational community –mainly teachers, parents and community organizations. As Germán Correa remarked:

I believe one of the great failures that taint all our government action is the centralist, bureaucratic steering. That happened with the educational reform, that was not a participatory and that was designed and implemented with consulting the teachers. And that meant that we alienated the agents of change.

Germán Correa, interview 1999.

Collaboration among policy designers and personnel in charge of implementing that policy has been singled out as a key factor for its success and for creating synergy among the state and social groups (Tendler, 1997; Grindle, 1996). Moreover, a decentralized approach to education as the one implemented in Chile relies heavily on the active involvement of teachers and the community in designing and implementing “pertinent” educational materials that reflect and incorporate the community’s reality and knowledge.<sup>199</sup>

The PME’s and Project Montegrando, for example, favor projects of innovation that involve collaboration both within the school community and the community at large. The educational system has opened a series of spaces for parent’s participation: to the existing parent’s associations that have voice regarding non-pedagogical educational matters, the parents have been granted space in the school projects. However, by all accounts enlisting the active participation of parents has proved to be a difficult task, in part because of a traditional non-involvement of parents in the school, in part because of the resistance to

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<sup>199</sup> Fair wages, of course, is a precondition to generate an environment that promote cooperation in social policies, and is most likely a matter to be discussed at the national level, leaving for the subnational level matters of labor conditions in specific work settings. Public service unions are a needed topic for social policy, which has received insufficient scholarly attention. For an analysis of education unions in Mexico and Argentina, see Murillo (1998); for Chile, Espinoza (1993).

teachers and administrators to allow a more active role of parents<sup>200</sup>. In fact, the scarce data available signals a diminishing membership in the parents associations, from 14,656 in 1990 to 8,605 in 1999 (Table 13, pp. 138-9)

Community participation in educational projects such as the PME and Montegrande varies a great deal. There have been examples of active involvement of ethnic community organizations in the cultural projects carried through schools, and successful programs of community "tutors" and teacher aides involving youth and parents in primary and preschool education. However, for the most part community organizations have remained at the margins of educational programs (Courard, 1998). In discussing the issue, Juan Eduardo García-Huidobro, (interview 1997) asserted, "Generating community organization is not a task of the school system. So community participation in education is not a matter of will, nor of educational policy."

In 1995, a new initiative of community planning opened new avenues for participation in the educational area. Led by the educational corporations of the municipalities, or their department of education, each commune has to design an annual plan for developing education, a Annual Plan of Municipal Educational Development (*Plan Anual de Desarrollo Educativo Municipal, PADEM*, Law 19410). The PADEM must contain a diagnosis of municipal education, enrolment and educational staffing needs (taking into account each school's educational project) the educational goals of the commune and a budget. The Padem is open to the participation of teachers, school administrators, parents' centers and any interested community organization. The effective participation of these groups, as well as their degree of involvement varies in different municipalities, but there are a handful of experiences that show a growing involvement of the community (Courard, 1998: 169; Serrano et al, 2001).

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<sup>200</sup> Courard, 1998 and interviews with Daniel Farcas (1999) Mario Marcel (2000), Juan Eduardo García-Huidobro (1997).

The difficulties of linking community organizations to educational projects in the formal school system may be due in part to the “ownership” of the educational issue claimed by the professional organizations (teachers and educators) and the state. Community organizations traditionally have yielded to state actors and professionals regarding educational issues.

Popular community organizations faced the deterioration of the school system during the dictatorship by creating parallel educational experiences of “popular education” and popular culture, but did not attempt to penetrate or modify traditional schooling.<sup>201</sup> This did not change with the return to democracy, and for the most part the practical knowledge accumulated in popular education during the dictatorship years has not find its way into the reformed educational system, even though there is an interesting open niche in the PME and the ACLES<sup>202</sup>. In turn, some of these experiences have nurtured community programs for adult education and women’s groups.

There is one educational area that offers access to community organizations, and that has created its synergy of its own. Preschool education, which still remains an area where the state lacks the coverage<sup>203</sup> and the infrastructure for reaching out to the kids before 6 year of age, has resorted to a series of innovative programs and projects to expand the its coverage in poor communities. Most programs primarily train parents and other community networks to care for their kids or to establish in-home day care centers<sup>204</sup>, without involving the

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<sup>201</sup> Popular education usually concentrated in training for developing organizational and leadership skills and in transferring specific practical knowledge. The educational experience attempted to create a horizontal environment where the participants contributed their practical knowledge, and emphasized solidary and participatory values. For a detailed explanation of two popular education experiences see Maureira, Fernando and Beatriz Ríos (1992) *Capacitación para la Participación Vecinal: Un Estudio de Caso*. Santiago: CIDE.

<sup>202</sup> *Actividades Curriculares de Libre Elección*.

<sup>203</sup> The coverage of preschool education was in average just 30% of the kids younger than 6 I 1996. Educational access was highly segmented: while one half of the children of the highest earning quintile received education, only one in 5 of the children of the poorest quintile attend preschool (Zona Pública 25; 1998: 24)

<sup>204</sup> Among them: *Manolo y Margarita Aprenden Con sus Padres; Conozca a Su Hijo*; sponsored by the Ministry of Education; *Jardín Infantil Familiar, Sala Cuna en el Hogar, Jardín Infantil en Comunidades Indígenas; Jardín Infantil Estacional; Jardín Infantil a Distancia; Jardín Infantil Laboral; Jardín Infantil Patio Abierto; Jardín Infantil a Domicilio and Jardín Infantil Radial Urbano; Centros Abiertos, Jardines Comunitarios, Centros Rurales*

community at large, but the *Proyectos de Mejoramiento a la Infancia*<sup>205</sup>, PMI, a joint program by the Ministry of Education and Fosis, has become an important outlet for both grassroots NGOs and charities that work with young kids in disadvantaged communities, and for youth groups, many of whom seem particularly drawn to working with children. PMI finances small projects (not over two thousand dollars) for community groups to conduct activities with children younger than six who do not attend preschool. The funds are assigned in a competitive bidding.

The NGO's work in education during the dictatorship focused on two distinctive realms: the NGO working at the grassroots level highlighted popular education rather than interventions in the school system, while others concentrated on studying the institutional and curriculum changes carried by decentralization and school reform and on designing an alternative for restructuring the educational system once democracy was restored. Some NGOs specialized in education –usually the largest ones that had institutional support from churches or other powerful institutions– worked on both areas, but they were distinctively separated. Once democracy was restored, a group of long-standing research institutes, especially the *Centro de Investigación y Desarrollo Educativo*, CIDE, and the *Programa Interdisciplinario de Investigación en Educación*, PIIE, ended playing a paramount role in the innovative MECE program, designed by a team mainly drafted from those institutions.

In sum, a combination of constraints sprouting from the post-authoritarian political environment, and the weigh of tradition in this particular policy arena (where community organizations are used to “yield” to professionals and the state) has created a policy area difficult to penetrate by the organizations of the urban poor. These specialized in “popular education” that has not found its way into formal education.

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sponsored by the Junta nacional de Auxilio Escolar y Becas, JUNJI, and the semi-public Fundación Nacional para el Desarrollo Integral del Menor, Integra. These programs involve several modalities for incorporating parents and their networks into the education of children younger than 6 years of age (Zona Pública25, 1998).

<sup>205</sup> Loosely translate as Projects for Children's Advancement.

Pressure strategies have been degraded both by the non-responsiveness of the political system and by the difficulties in striking alliances among social actors—community organizations and teachers—due to the historical separation of their spheres of influence. However, this policy area offers possibilities of synergy among community actors, teachers and the state, insofar pedagogical innovations call for a reorganization of the educational environment to include pertinent cultural experiences into the educational process.

#### *4.3.1.2. The municipality*

Education presents a rocky path to the pobladores organizations willing to get involved in the local educational system. Historically a technical matter reserved to professional educators and administrators; participation of parents and students is welcomed as a strictly marginal aid to educational activities designed elsewhere. This “culture” has not yet experienced significant changes, although in the last years there have been sweeping advances in the amount of public information regarding school performance.<sup>206</sup> Parent Centers, which may have a stronger advocacy role, are rarely involved in educational or administrative matters, confined to an “on-call” role to support and to help fund extracurricular activities (Irrarázaval, 1999; DOS, 1996).

The general design that calls for two clear and separate spheres of educational responsibilities (administration for the municipalities, general educational objectives and curriculum for the ministry of education) has a direct impact on the possibilities of participation for community organizations. Decentralization of educational responsibilities for curriculum enhancement has involved the parents and the teachers in direct educational projects in their schools, but within the school boundaries and, most of the times, in the specific activity at hand.

The opening of schools to “culturally and socio economically bounded” projects, such as the PME's, opens also some space for potentially incorporating the knowledge in

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<sup>206</sup> Since 1996, the Sistema de Calidad de la Educación, SIMCE, is publishing the results of math and Spanish tests by school, providing parents with a standard by which measure his/her sons and daughters' education.

popular education accumulated by the pobladores' organizations. However, the disconnection between the school educational projects and activities and the municipality, as center of the local community, makes it difficult for these experiences to become more than isolated projects in isolated schools. For example, in Peñalolén, where the Native American mapuches are almost 15% of the commune's population, a mapuche group that had devoted the last 15 years to rescue and promote their culture and experiences in the commune and wanted to transfer this knowledge to local children, could only do so sporadically thanks to the good will of individual school principals.<sup>207</sup>

Access to the "central command of educational policy", that is, the ministry of education, is almost impossible for community organizations unless they "scale up" or join with other organizations. But the municipality is not yet acknowledged as a relevant actor in educational policy and the long-established and powerful main player at the central level, the teachers union, has little links with community organizations or local governments.

In this environment, it is unlikely that the pobladores organization could "scale up" to access policy centers. Their possibility of reaching these policy center through the municipality, via the participation in the Padem, is only efficacious if first, the municipality acquires greater decision-making space vis-à-vis the central state and second, the local government opens effectively the local decision making arena to grassroots social actors interested in the policy area. Until one of these alternative scenarios opens up, participation is likely to remain restricted to enrich the educational process at the school level.

#### 4.3.2. Health policies

As in the educational system, health reforms introduced by the military government sought to improve efficiency by strengthening the role of the private sector in service provision and decentralizing the public system. The administration of primary health was transferred to

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<sup>207</sup> Revnu Mapu, Miguel Huenu, interview 1999. The greater concentration of mapuches in the country is in Santiago, where they become "invisible" by assimilating to the urban life.

municipalities. The financial administration of the public health system was entrusted to the new FONASA (*Fondo Nacional de Salud*, National Health Fund) effectively separating the financial functions from the management of the 27 regional health services, entrusted to the *Sistema Nacional de Servicios de Salud (SNSS)*. The overall responsibility in designing health policy remained with the Ministry of Health (see chapter 3).

The *Instituciones de Salud Previsional, Isapres* –private health insurance companies– were allowed to enter the health services market in 1981. The Isapres' coverage rose from 3 percent in 1984, to over a fourth of the population since the mid 1990, while the beneficiaries of the public health system decreased from over 80 percent, to around 65 percent of the population at the end of the decade. This trend has been modified since 1998, where the Isapres have lost some of their affiliates to the public system due to the economic crisis and improvements in the quality of public health. In 2000, the public system, excluding the Armed Forces, covered 66.5% of the Chileans, while the percentage of people covered by the Isapres had declined to 19.8% (Mideplan, 2001).

To insure the development of private providers in the health sector, the reforms of the 1980s boosted the mandatory contribution for health from 4 to 7% of individual income, and the state contribution to the public sector was diminished. However, the average individual quotas paid to either system differed widely: in 1989 the average individual health contribution to Isapres was 7 times the average contribution to Fonasa; in 1999 the average contribution to private insurers was still 4 times than that collected by the public system (Titelman, 2000: 18). In addition, the state added a supplementary 2% subsidy for low-income Isapre users, which was eliminated after a fierce legislative battle in 2000.

**Table 17 Public and Private Health Systems: Coverage and Expenditures. Chile: 1984-1999**

	Total Health Expenditures (% of GDP)		Exp. Per Person (\$ 1997)		Average Health Quota (\$ 1997)		Total beneficiaries (% of Population)	
	Isapre	Fonasa	Isapre	Fonasa	Isapre	Fonasa	Isapre	Fonasa
1984	0.4	2.9	134,142	37,868	356,156	25,762	3.1	83.4
1985	0.4	2.5	106,401	35,792	284,452	24,205	4.5	82.0
1986	0.7	2.4	102,104	36,714	276,874	28,129	7.5	79.0
1987	0.8	2.1	109,909	35,918	272,006	29,886	9.6	78.7
1988	0.9	2.1	118,058	40,882	286,759	34,273	11.4	77.6
1989	1.2	2.1	128,617	43,193	319,003	43,111	13.5	76.0
1990	1.4	2.1	129,115	44,217	309,711	45,144	16.0	73.9
1991	1.5	2.2	123,139	50,633	288,455	48,480	19.2	71.2
1992	1.6	2.4	122,336	61,561	284,212	54,697	22.1	67.5
1993	1.8	2.6	123,607	71,075	282,194	62,502	24.8	64.8
1994	1.8	2.7	124,824	78,974	287,187	67,534	26.2	63.3
1995	1.8	2.5	133,617	80,690	309,998	71,850	26.5	65.1
1996	1.8	2.7	142,669	86,956	322,934	78,121	26.4	64.5
1997	1.7	2.7	142,858	92,842	308,239	85,284	26.5	64.1
1998	1.9	2.8	163,685	94,515	355,780	87,347	24.8	64.1
1999	1.8	3.0	177,633	99,308	385,727	89,561	22.1	64.0

Sources: Superintendencia de Isapre, FONASA. Reproduced from Titelman, 2000: 17.

This private and public system mix created a series of distortions detrimental to equity. Guided by a solidary distribution of risks and a non-discriminatory principle, which does not match service provision with the level of individual contribution, the public sub sector became burdened by serving an older, poorer and higher-risk population, excluded by the private health insurers. High income and low-risk people concentrated in the Isapres, while high risk and low-income people made up the bulk of those served by the public system (Larrafiaga, 1999; Titelman, 2000). Even in the higher level of income (5<sup>th</sup> quintile) over 55% of senior citizens resorted to public health in 1996<sup>208</sup>

<sup>208</sup> For a thorough explanation of the regulatory failures and the "wrong" system of incentives in the Chilean health system, see Larrafiaga (1999; 1997), Titelman (2000) and Rodríguez and Tokman (2000).

**Table 18 Distribution of the Population According to Type of Health Insurance, by Age and Income Level, 1996**  
(Percentage of coverage)

	Type Health Insurance	0-20	21-50	51-64	65+	Total
1 <sup>st</sup> Quintile	Public	85.4	81.8	87.3	89.5	84.2
	Isapre	5.5	6.1	2.9	0.8	5.4
	Other	9.1	12.1	9.8	9.7	10.4
2 <sup>nd</sup> Quintile	Public	69.9	67.6	81.8	91.1	71.2
	Isapre	16.6	16.4	6.0	1.1	14.6
	Other	13.5	16.1	12.3	7.8	14.2
3 <sup>rd</sup> Quintile	Public	54.4	54.4	72.4	89.4	59.5
	Isapre	28.0	26.6	12.1	1.6	23.3
	Other	17.6	19.1	15.5	9.0	17.3
4 <sup>th</sup> Quintile	Public	36.6	37.9	59.6	79.4	44.3
	Isapre	42.7	40.4	20.3	5.9	35.2
	Other	20.7	21.7	20.1	14.8	20.5
5 <sup>th</sup> Quintile	Public	19.1	21.8	37.1	55.5	26.5
	Isapre	66.1	60.1	39.8	21.8	55.2
	Other	14.8	18.1	23.2	22.7	18.3

Source: Encuesta CASEN 1996. Reproduced from Titelman, 2000: 19. Other=Armed Forces, other private systems and doesn't answer.

In addition, the public system is forced to provide services not just to the higher-risk populations, but also to those excluded from private coverage due to catastrophic illnesses. In fact, the public system acts as a "second level" universal insurance for the private system's affiliates: it is estimated that around 4% of the annual public health expenditures is drained by medical services provided by public institutions to private system beneficiaries, resulting in a *de facto* subsidy of the public system to the private one (Titelman, 2000: 28).

These distortions, plus the lack of effective regulation of the private health market<sup>209</sup>, have negatively affected the equity of the health system: both the private and the public health

<sup>209</sup> The private system lack of transparent information was challenge even for the most informed users: by December 2001 Isapres informed to the organism in charge of their regulation (the Superintendence of Isapres) that they carried 30 thousand different health plans with more than one affiliate each. In average, 10 thousand new plans are offered each year.

system roughly received a similar amount of resources, in spite of the fact that the public sector covers over 60 % of the population and the private less than 30% (Titelman, 2000: 28). In 1999 67% of the doctor's hours were spent in the private sector, while the per capita expenditure of the private sector, US\$ 500, more than doubled that of the public sector, US\$ 210, in the same year (Rodríguez and Tokman, 2000: 16).

In light of this situation, a sense of vulnerability regarding health has spread, especially among the poor: while 74 percent of the higher socioeconomic strata was confident in receiving prompt medical attention in case of a life-threatening illness, 76 percent of the poorest showed no confidence at all; 86 percent of the richer strata were confident in their capacity to pay for health, while 87 percent of the poor were sure they were unable to do so (UNDP, 1998: 168-172).

In spite of the discriminatory effects of the private/public mix, public investment in health sector has a clear redistributive effect, although it cannot counteract inequalities in income distribution: in 1998 85% of public expenditures in health benefited the 1<sup>st</sup> and 2<sup>nd</sup> lowest income quintiles, that is, 40% of the lower-income households (Rodríguez and Tokman, 2000: 15).

**Table 19 Public Expenditures in Health, 1989-2000**

	PUBLIC EXPENDITURES IN HEALTH		HEALTH EXP /GDP	ANNUAL PER CAPITA EXPENDITURES	
	millions of pesos 2000	Annual var. (%)		Pesos 2000	Annual var. (%)
1989	466,887		2.1	47,429	
1990	445,687	-4.5	2.0	45,810	-3.4
1991	645,459	17.8	2.2	55,758	21.7
1992	524,905	16.0	2.3	67,041	20.2
1993	613,624	12.1	2.5	77,176	15.1
1994	758,221	10.2	2.5	87,282	13.1
1995	790,037	4.2	2.4	91,471	4.8
1996	858,208	8.6	2.5	98,956	8.2
1997	909,711	6.0	2.6	103,931	5.0
1998	984,081	8.2	2.7	108,738	4.6
1999	1,014,263	3.1	2.8	110,767	1.9
2000	1,099,109	8.4	2.9	110,217	-0.5

Source: Ministerio de Hacienda, in Mideplan (2000).

In order to improve the quality and equity of the public health system, the Concertación sought three objectives: to restore the public health infrastructure, to strengthen primary health and to redress the wage erosion of health workers. Between 1990 and 1999, public investment in health grew 169% in real terms. Consistent with the goals of health policy, expenditures in infrastructural investment grew 375%, primary health by 257% and personnel 201% throughout the 1990's decade (Rodríguez and Tokman, 2000: 27). Health personnel increased by 25% between 1992 and 1999, and the average monthly expenditure in health personnel grew from 193 thousand pesos to 489 thousand pesos (of 1999) in 1999, that is, 151% (Rodríguez and Tokman, 2000: 36-7).

In the 1990s, the Chilean health system sported good improvement in reducing mortality and morbidity indicators<sup>210</sup>, modernized its infrastructure, and users' satisfaction with health services has improved markedly<sup>211</sup>. Nonetheless, there are persistent problems regarding the functioning of the dual private-public system referred above, plus productivity gaps in the public system and the coordination problems carried upon by the separation of primary and secondary levels of health due to the municipalization of the former. In addition, as it was the case with education, the Concertación governments have had a tense relation with the unions and associations of health personnel.

#### *4.3.2.1. Healthy unionism*

As in education, the state has played a paramount role in the design of health policies and in the direct provision of services –public health covered more than 90% of the population before the reforms introduced by the military government. As in education, the professionals and workers of the public health system were grouped in powerful associations that played a key role in policy design until the authoritarian reforms, which greatly eroded their power by “municipalizing” the primary level of health.

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<sup>210</sup> Infant mortality descended from 16 to 10 per thousand between 1990 and 1998; the risk of dying at any age declined by 10% in the same period and life expectancy rose from 72.7 in the period 1985-1990, to 75.2 years in 1995-2000 (Rodríguez and Tokman, 2000: 14-15)

But unlike the educational field, the organization of health personnel in professional guilds resulted in several organizations that mirrored the diverse strata of the health care organization and their specializations —i.e. nurses, doctors, aides, or midwives — being the Medical Association (*Colegio Médico*) the most powerful of them and the one that historically maintained a leading role in the design of health policy since its creation in 1948.

After democracy was restored, health workers were grouped into three main associations: the Medical Association which comprises the medical doctors; the National Confederation of Health Care Workers (*Confederación Nacional de Trabajadores de la Salud, CONFENATS*), that represents health care workers; CONFUSAM, *Confederación de Funcionarios de la Salud Municipalizada*, (Confederation of Employees of Municipal Health), that comprises both professionals and non-professional workers of the primary care sector<sup>212</sup> (“municipalized”). In 1995, the health professionals (other than doctors— grouped the National Federation of Professionals of the Health Services (*Federación Nacional de Profesionales Universitarios de Servicios de Salud, FENPRUSS*). Confusam, Fenats, the National Federation of Associations of Health Services’ Technical Employees (*Federación Nacional de Asociaciones de Funcionarios Técnicos de los Servicios De Salud, Fentess*) these associations join for specific actions in a Council of Guilds of the Health Services (*Consejo de Gremios de Servicios de Salud, Congres*), headed by the Regional Chapter of the Medical Association.

These associations/unions sought two main objectives: to restore the public health system and to improve the working conditions of their affiliates. Protests, work stoppages or slow-downs, acted as pressure strategies to achieve these objectives. Emergency care doctors, protesting for their dire working conditions and the meager resources devoted to these services,

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<sup>211</sup> Eighty five percent of the users of the public system in 2000 declared that the quality of the services was “good or very good” in all the categories included (*Mideplan, 2000: 40*).

<sup>212</sup> The primary health care network consists of 376 clinics, 1,102 rural health posts and 720 rural medical stations (*Larrañaga, 1999: 194*).

organized the first protest in 1992, paralyzing emergency health. The strike cost the Minister of Health his post, and many of the doctors' demands were addressed. In 1993 health workers of the primary health care system (municipal) later grouped in the Confederation of Employees of Municipal Health (*Confederación de Funcionarios de la Salud Municipalizada, CONFUSAM*) started a progressive work stoppage that resulted in the 1994's approval of the Statute for Primary Health Care Workers (*Estatuto de la Salud Primaria*) which contains rules for wage increases and employment conditions for primary health care workers, freeing them from their dependency of the Labor Code.

The Statute limited the discretionary power of municipalities in managing labor relations in the primary care sector. However, governmental authorities acknowledged that the Statute provided a much-needed protection for health workers:

There were lessons learned after the experience with education. The Statute of Health Workers is what we have aspired the Teachers' Statute would have been. The new statute determines that the municipalities have to establish clear rules of the game for their personnel: wages, career rules, etc. We have to be sincere: before the reforms, in the dictatorship, these workers were extremely unprotected, not even by administrative rules.

Mario Marcel, interview 2000.

In 1996 a strike to demand wage increases that involved around 60 thousand health-care employees was led jointly by the Medical Association, the CONFENATS and other professional and workers associations. It was the first time that the Medical Association acted jointly with workers and non-professional associations. In 1999 the Medical Association organized another protest around salary demands (Espinoza, 2003).

As in education, the associations of the health sector showed a combination of corporate interests and a position regarding encompassing social issues, in this case, the defense of public, universal health. Unlike educators, however, health associations have been able to establish themselves as valid actors in discussing health policies vis-a vis the state. The public policy emphasis is varies in weight across the associational spectrum.

The Medical Association has made its concern all aspects of the medical profession, including scientific and industrial matters, education, professional ethics, working conditions and the health system in general, including financing and service provision. Its involvement in policy issues in the democratic government only continues this long-standing tradition. Since 1990, the Medical Association's has been in constant dialogue with the government and the legislature in order to reverse the deterioration of the public health system, addressing issues regarding finances (Fonasa), primary health care, emergency services, working conditions, and several public health concerns, such as pollution, children's health, family violence, etc. In 1997, the Association criticized the Isapre system and the separation of primary care from rest of the health system.

Confusam's struggle for improving labor conditions has not precluded the 20-thousand members confederation from holding a position in defense of public health. Confusam initially rejected municipalization and fought for the return of the primary level of health care to the central state, but the confederation has come to support the municipalization of health as an axis of a new public health system. The president of Confusam, doctor Esteban Maturana explained in 1999 the reasons behind this change of heart:

By 1990, 6,800 health workers had been transferred to the municipalities; municipal investment in health was non-existent and the administrative and managerial capacities of the municipalities were very poor. This has changed radically. Today, the municipalities assume more than 30% of the health budget in primary health, and their managerial capacity and administrative expertise have grown significantly. We have changed also: today municipal health workers amount to over 20 thousand. We understand the municipality as local government that takes charge of all the problems that affect its citizens. We believe that the most efficient health strategy for Chile is a health system structured around primary health, which can tend the great majority of the health problems that affect 90% of the Chilean population.

Esteban Maturana, interview 1999.

Municipalization of primary health became the starting point for two diverging proposals for restoring the public health system within the health workers' organizations. The

Medical Association favors the return of primary care to central control, a position that Maturana labels “nostalgic”:

The Medical Association proposes to return the consultorios to the SNSS, according to a view that is centralist and very (as we call it) “hospital-centric”—it conceives the hospital as the axis of the health system. In fact, our model entails a power struggle: we propose to revert the current trend that grants to hospitals over 80 percent of the fiscal health budget, and transfer these resources to the municipalities.

Esteban Maturana, interview 1999.

These differences, instead of turning into bitter rivalries, have become a fertile ground for proposals to improve national health, which have been able to reach the governmental—health organizations participate in the National Advisory Council of the Ministry of Health—and parliamentary spheres. Health unions and associations had also jointly pressured for reforms in the financing and regulatory schemes of the health sector and for hampering “privatizing trends” within the governmental structure (interview Esteban Maturana, 1999).

Even though health associations have been granted a wider space to shape public health policy than the teachers in the educational one, major reforms regarding the limits of the private/public sector—which includes heightening regulations for the Isapres, and a revamping of the public system aiming at universal health coverage—is currently a matter of heated discussion in Chile. In March 2002, the Lagos government presented a comprehensive reform of the health system to be completed by 2010, which has been actively opposed by the Medical Association and the other health organizations, which called for national strike later that year to “stop” Plan Auge.<sup>213</sup>

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<sup>213</sup> Among the measures that have been already submitted for Congressional consideration, or would be in the near future, are (1) A project establishing basic rights and obligations of the health system clients; (2) the Plan AUGE (Plan de Acceso Universal con Garantías Explícitas, or Universal Plan with Guaranteed Access) that establish basic health priorities that must be covered by both Fonasa and the Isapres. Additional regulations stipulate the creation of a Solidary Compensatory Fund and a Solidary Maternity Fund—for both Fonasa and the Isapres—financed with increased health quotas and public resources to cover the estimated 225 thousand million pesos that Auge would entail. (3) A project that establishes a Health Authority (*Autoridad Sanitaria*), strengthening the overseeing and coordination role of the Ministry of Health and the primary care system. The project also creates additional spaces for citizen’s participation. (4) Modify the law that regulates the Isapres (N°

The health policy arena, in spite of its complexity and high degree of technical specialization, offered wider opportunities for the engagement of the pobladores' organizations. As we have seen, health has retained its political (public) character thanks to a tradition of state involvement and a public service notion that has proven long lasting and pervasive among public health workers, even among physicians. The diversity of public health associations, which mirrors the stratification of the health system, has not been an insurmountable obstacle for collective action among the different organizations, unified in their defense of public health. The balance between corporate/particularistic interests, and a notion of public service has worked, instead, as ground for sprouting different ideas and proposals about the ways of revamping public health. Health workers have resorted to many forms of collective action, reintroducing protests and other pressure strategies into the collective action repertoire. In addition, health organizations have increasingly reached out to the citizenship for support. In a few words, health has become a contested terrain and the possibilities for alliances among different actors in civil society, including popular organizations, is not an unlikely proposition.

The possibilities of the pobladores' organizations to find a space in the health area is reinforced by the expertise developed by the urban poor in health actions during the dictatorship, by the experiences of cooperation among NGOs, health personnel and social organizations in the local sphere, and by the impulse to participatory practices in the health policy arena given by national and international organizations. The Latin American chapter of the World Health Organization, the Pan-American Health Organization, PAHO<sup>214</sup>, have promoted local models of health, in particular, the *Sistemas Locales de Salud, SILOS*. Therefore, these practices amounted to an "alternative model" that was integrated to general health policy strategy by the Ministry of Health (*Ministerio de Salud, MINSAL*).

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18.933), strengthening the regulations of the state and simplifying the information for the users (5) management improvements in the public sector, including human resources, financial transfers, management of health subsidies and better targeting on the poorest sectors.

<sup>214</sup> *Organización Panamericana de la Salud, OPS.*

The strategy is consistent with the policy emphasis on primary health care, one the areas of public health most affected by the de-funding of the decade of the 1980s. Community participation is a crucial element for improving the efficiency of the primary care system.<sup>215</sup> In 1992, MINSAL created a unit for Social Participation, in charge of providing technical support to the health services for promoting social participation at the local level (Mideplan, 1992). In 1995, the Unit launched the program "Health with the People" (*Salud con la Gente*) whereby the local and regional health services support organizations in their community to become informed and active partners of the health institutions.

By 1996, almost 500 community organizations had received training and were actively committed in different community health initiatives along with the health teams throughout the country. The types of organizations that participate in these activities can be grouped in three main categories. First, the organizations that promote health care through their own activities in the community and that exert pressure/collaborate with the health authorities in order to address community health issues. The great majority of these organizations sprouted from the "pobladores' health groups" (*Grupos de salud poblacional*) born under the military government. The second type comprise voluntary organizations linked to wider religious or other charitable work, such as churches, Red Cross, etc. These organized charitable organizations long exist and their members do not have a necessary attachment to the health center they work in. The third type are self-help groups organized around specific syndromes or sickness, that support patients and their families, cooperate in prevention and information, and advocate for specific treatments or policies (Weistein, 1999: 186).

Along with these direct health activities, community groups were included in primary health care centers "Development Councils" to advise, formulate proposals and to evaluate the performance of the health services in their communities. By 1996, 140 Councils were in place, and over 2000 organizations were listed as participants (Zona Pública 18, 1997: 34-36.)

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<sup>215</sup> International cooperation helped to launch in 1990 a pilot program to study in depth the functioning of SILOS in four communes.

In 1999 and 2000 the metropolitan federation of communal unions of JJVV FEMUC,<sup>216</sup> joined the Ministry of Health in organizing mass meetings in the four sectors of Santiago to promote participation in the Municipal Health Council and discuss their expectations about community health. According to Osvaldo Molina, director of FEMUC (interview 1999) the Federation appreciates the overseeing role offered to community organizations as a way to enhance the power of the JJVV in communal matters:

The Ministry and the municipalities thought that they have opened a door for us, but indeed they opened a portal. We can oversee the health services, inform our community and propose solutions for the problems detected. We can also oversee the municipality on whether they respect labor contracts, or they place the orders for medicine, etc.

In spite of the many obstacles faced by these participatory practices, such as clashes between the autonomy of some pobladores organizations and the hierarchical structures of the health services, the health policy arena appear more permeable to incorporating the pobladores' organizations than the educational area.

The separation of primary health from the secondary (hospital) level and its local (municipal) dependency has helped to shape a sub policy arena where the models of community health have gained acceptance among local authorities, health personnel and community groups. The very existence of Confusam as a separate health union with a profile defined by its municipal dependency and its primary/community health focus, attest to this "new" identity.

#### 4.3.3. Housing

The military government had introduced market reforms in the housing sector by expanding the role of the private sector in financing (mortgages) and in the construction of low-income housing. The standards for social housing, as well as urban regulations, were

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<sup>216</sup> Federación Metropolitana de Uniones Comunales de Juntas de Vecinos.

softened (“liberalized”)<sup>217</sup>. The role of the public sector, before uncontested in financing, building and setting the standards for public housing, was restricted to granting the appropriate subsidies to stimulate low-income housing demand. The combination of decrease public funding for low income housing, deficient targeting of housing subsidies to lower income groups, the closure of pressure strategies for solving housing problems due to state repression, and the deterioration of the earning power of the poor in the midst of economic adjustment which further eroded their meager possibilities of buying in the housing market, caused the housing deficit to surpass a million housing units by the end of the military government. In addition, a staggering number of people was unable to meet their housing and/or utility payments. In 1990, the housing deficit was 1,335,000 dwellings. Almost a million Chilean families, or 25% of the total, were living with other family members in overcrowded quarters.<sup>218</sup> The Concertación first aim was to “freeze” this deficit, a task that implied to build around 100 thousand houses per year (Correa, 1998: 219-20).

During the 1990s, the number of new housing units oscillated between 79 thousand in 1990 to 143 thousand in 1996, totaling an average of 117,200 units a year in the period 1990 to 1998, of which about 80 thousand in average were subsidized; therefore reducing the housing deficit (Table 20). However, some regions – especially the metropolitan area– faced a diminishing percentage of public low-income housing regarding the total housing stock, due mainly to the high prices of urban land (Pérez-Iñigo, 1999:25-6). In spite the fast incorporation of rural into urban land, average land prices in Santiago rose more than 50% between 1990 and 1997, and prices doubled or tripled in some neighborhoods of the city (Held, 2000:16).

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<sup>217</sup> The minimum standards for the public housing were relaxed, and the house surface was reduced to 30 –36 square meters. Regulations for incorporating rural into urban land were revoked; rules for building new housing complexes did not include basic sanitation services, paving and/or rainwater collectors. As a result, the expansion of these dwellings resulted in subsequent floods and a growing deficit of urban infrastructure. (Martin, 1998: 337).

<sup>218</sup> Raczynski (1994: 38&83) calculates that the housing deficit affected a higher percentage (almost 40%) of Chilean families by the end of the 1980s.

**Table 20 Public Expenditures in Housing. Chile, 1989-2000**

	PUBLIC EXPENDITURES IN HOUSING		HOUSING EXP/GDP	HOUSING DEFICIT*			
	millions of \$ 2000	Annual var. (%)		Quantitative	%	Qualitative	(%)
1989	235,979		1.0				
1990	235,662	-0.1	1.0	918,756	100	666,194	100
1991	262,577	11.4	1.1	-	-	-	-
1992	292,738	11.5	1.2	844,851	92	584,063	88
1993	321,310	9.8	1.2	-	-	-	-
1994	336,204	4.6	1.2	-	-	-	-
1995	351,315	4.5	1.1	-	-	-	-
1996	392,919	11.8	1.2	746,190	81	503,527	76
1997	371,895	-5.4	1.1	-	-	-	-
1998	383,296	3.1	1.1	758,201	83	459,857	69
1999	377,355	-1.5	1.3	-	-	-	-
2000	360,296	-4.5	1.0	743,450	81	421,179	63

Source: Ministerio de Hacienda, in Mideplan (2000). (\*) Encuestas CASEN 1990, 1992, 1996, 1998 and 2000. The figures record the quantitative deficit, that is, the net number of new units that are needed, and the qualitative deficit (deteriorated housing units and/or lacking water, energy or sewer). The figures cannot be added because both types of deficit affect a small number of families.

Along with the increased fiscal spending in housing, the government continued the subsidiary policy of the military administration, but modified the allocation of subsidies and expanded the type of housing programs for better targeting. In 1990, the program of "Progressive Housing" (*Vivienda Progresiva*) was added to the basic housing program in order to provide social housing in different "finished" stages, progressing from a minimum to a completed dwelling. The program aimed to overcome income barriers in the poorest sectors, which did not allow them access to the former lowest-priced houses (about US\$ 8,000). Special housing programs for rural areas and workers' groups addressed specific needs. Since 1997, the program *Chile Barrio* has attempted a multisectoral approach to address the multiple infrastructural and economic needs of the poorest settlements.<sup>219</sup>

Subsidies were expanded for buying and renovating housing in certain areas; a sliding scale for subsidies addressed also the needs of working and low middle class families (Correa, 1998). Improved targeting allowed the subsidies to benefit lower income families: while

<sup>219</sup> The program is a joint effort of the ministries of Housing, Work, Interior, Mideplan, and Bienes Nacionales.

1989 50.2% of the subsidies went to low and middle-low income groups, 70% were directed to these groups in average during the period 1990-2000 (Mideplan, 2001).

The application process for subsidies was modified to allow for collective applications. This modality gave a legal space for the *Comités de Allegados*<sup>220</sup> and Housing Committees that had sprouted in the later years of the military government. MINVU also improved communication of its policies towards the community by creating two new units in the ministry and a department for community participation. As an additional measure, the Aylwin administration carried on several “dialogues” with the *Comités de Allegados* and established more permanent communication mechanisms between the MINVU and social leaders and pobladores via Communal Meetings and Dialogues (*Encuentros Comunales* and *Mesas de Diálogo*). Finally, 324 thousand families were able to renegotiate their debt with SERVIU, while almost a million families benefited from forgiveness of debt or interest in their housing and/or land debts. Renegotiation of utility debts—that affected almost 200 thousand households only in the metropolitan region by 1990—was set in 1990, and a progressive subsidy was established for water services in poor areas (Correa, 1998: 219-21; Raczynski, 1994: 95).

#### 4.3.3.1. *From Land Invasions to Housing Committees*

One of the impending fears among governmental authorities at the beginning of the 1990s was a resurgence of land seizures. Indeed, in 1990 pobladores in La Cisterna occupied five sites, but were promptly removed by the police<sup>221</sup>. Further episodes of land invasion had been scarce, and most of them unsuccessful, except for two land invasions in Peñalolén which gave birth to the Campamento Esperanza Andina in 1992 and an occupation of private land in 1997.

This quiescence of the part of the pobladores is in part due to the acknowledgement of the pobladores leadership that their collective action was perceived as menacing during the

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<sup>220</sup> *Allegados* are people living along with other families in overcrowded quarters

<sup>221</sup> *El Mercurio Internacional*, August 2-8, 1990.

first Concertación government. In part, it is consequence of the opening of new official channels --incorporating the comités de allegados into the policy process and opening channels of communication with the pobladores contributed to diffuse further protests or land invasions.

The collective application modality incorporated the organizational experience of the pobladores into the housing policy, enhancing accountability through group control and helping to preserve social networks in the process. However, it has not been exempt from criticism on the part of the pobladores, because it neutralized the pressure power that the committees had. Luzmenia Toro (interview 1994) explains that "there are a lot of Comités de Allegados, but they are restricted: they cannot have more than 50 people because they get less points. Some have decided not to get *personalidad jurídica*, because they refuse to break into several committees."

Several urban improvement programs also benefited of the organizational experience of the urban poor into public programs, such as the joint program Minvu-municipalities-Ministry of the Interior, "participatory pavement" (*Pavimentos Participativos*). The program has successfully organized neighbors to partially finance (*co-payment*) and supervise paving their street. These neighbors' committees usually remain active and set in motion other neighborhood improvement projects (Correa, 1998). The program has helped to curb the deficit of urban infrastructure that affected mostly relatively new urbanizations in the poorest sectors.<sup>222</sup> Yet, again, a sector of the pobladores criticized these types of programs as the preferred way to enlist their participation: "These are programs that are "participatory." But

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<sup>222</sup> In 1995, over two thousand committees delivered over 500 kilometers of pavement. In the poor urban commune of La Pintana, 160 committees were able to reduce the paving deficit in 80% since the program began in 1994. (*Zona Pública 13*, 1996: 20-25) Paving streets is of major importance for the quality of life and the health of poor urban communities, since dust in the air is one of the major components of air pollution in urban centers causing respiratory problems especially in children.

that is only a saying. Participatory because we bring the money to the municipality, we register the project, we do most of the work“ (Luzmenia Toro, interview 1994).<sup>223</sup>

Housing, as a policy arena, has opened to the participation of the pobladores' organizations but has radically restricted the forms of this participation. Organized participation has been an important component of many programs of neighborhood improvement, such as paving, building parks and recreational facilities, lighting the streets and clearing spaces for improving citizen's security, etc. The engagement of the pobladores organizations with the state for these purposes is usually limited, both in terms of the organizations involved, and in the amount of time, restricted to the duration of the project. The initiative to organize for a project is usually of the pobladores, but assigning resources and the ways of carrying on the project is regulated by the state, as these are centrally designed programs financed with public resources and included in the national budget. Resource allocation among organizations is usually done through competitive applications, a process that, although hailed by its transparency, demands a great deal of energy on the part of social organizations and favors those that either have the knowledge for designing a project and/or can enlist the help of NGOs or other professional organizations.

The government has discouraged pressure strategies to obtain housing, in particular land occupations. The access to housing, although modified to allow for groups of pobladores to present a collective application, continues being based on subsidies granted to individuals (families) to buy a house in the market. The only conflict episodes of the decade regarding housing have been regulatory failures to insure the quality of the housing or utility projects delivered by the private sector.<sup>224</sup>

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<sup>223</sup> There are scholarly positions that consider citizen's participation as part of the neoliberal strategy of reforming the state –incorporating resources from civil society for financing social policies—and for correcting the “disfunctionalities” of the neoliberal system. For an example of this position, see Carlos Guerra (1997) *Nueva Estrategia Neoliberal: La participación Ciudadana en Chile*. México: Universidad Nacional Autónoma.

<sup>224</sup> In 1997, two low income housing projects built by the construction enterprise Copeva (that has won a bid by the ministry of Housing) showed so many construction problems that were ultimately deemed inhabitable. As a result, the Ministry of Housing, Edmundo Hermosilla, resigned.

Participation of the pobladores in housing policy has been restricted to maintaining communication and consulting with social leaders, but this exchange has resulted in little progress in addressing concerns about from the quality or appropriateness of the housing being offered in the market:

Housing policies do not treat people with dignity. We see three families living in 36 m<sup>2</sup>; they get social housing in an apartment building of 24 m<sup>2</sup>; and the kids cannot even have a place to play except on the streets. These are not our policies. It is also the economic model that reduces the poor people; the houses are smaller and smaller for the poor. We criticize housing policy because we are being "hacinados en altura" (high-rise overcrowding). We are a rich country... we want social justice.

Luzmenia Toro, FEMUC, interview 1994.

By the end of the decade, the dialogue between representatives of the pobladores and the Minvu continued in good standing. Osvaldo Molina, member of the executive Committee of FEMUC, believed that the openness of the central state authorities to hear the pobladores has contributed to modify certain aspects of the housing policy, although he thinks that it is still patently lacking:

The Minvu has maintained a constant relation with FEMUC. We have monthly meetings with the minister and with other authorities in the ministry. We propose a topic, such as the application and the quality of housing, and they answer it by the next meeting. This minister (Sergio Henríquez) is more concerned with improving the quality of housing. We are concerned also about the *tomas*. We believe that there should be more political will to built more and better housing.

Osvaldo Molina, FEMUC, interview 1999.

The inability to influence a key policy area for the pobladores may be attributed in part to the technical nature of housing and scale of the projects and the amount of capital required to offer alternatives. Indeed, very few NGOs have been able to penetrate this policy realm<sup>225</sup>,

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<sup>225</sup> One of them is the Hogar de Cristo, a non-profit agency founded by Catholic priest Alberto Hurtado in 1944. The Catholic Church, and Padre Hurtado himself, influenced public policy towards the pobladores when the first squatters appeared in Santiago, by advocating for their cause and providing transitional housing for their settlements. In the 1990s, however, housing has become an independent operation, mostly working as a non-

in spite of the early attempts by the Aylwin government to open up to NGOs. In 1992, a report by Mideplan stated that the state asked for “something that the NGOs are not willing (or can’t) do (...) –that they turn into efficient enterprises or that they help to organize community groups, lending them technical, organizational and social support” (Mideplan, 1992: 56).

One of the few-recorded experiences of NGOs in the housing area, the *Taller de Vivienda Social*, TVS, supports this contention. Born in 1981, TVS had worked during the 1980s in small-scale projects (usually repairs, social support and building temporary septic systems) to support a group of pobladores that had invaded land. In the 1990s, the NGO became a contractor of Serviu (*Servicio de Vivienda y Urbanismo*), the unit in Minvu in charge of housing projects, for building houses for the Progressive Housing Program (2<sup>nd</sup> stage). TVS offered the pobladores a choice among 4 housing models, and carried on the construction with their participation in different stages. The resulting houses had a higher value and quality due to the contribution of the pobladores and the NGO, and they were more adequate to the needs of their dwellers. These benefits, however, were not able to offset the problems and extra costs for the NGO that working with the Minvu entailed: because of regulations that force NGOs to follow similar rules than those of for-profit construction enterprises, TVS had to “subsidize” the houses by over 5% of the total cost of the project (Irrázabal, 1994: 81-7).<sup>226</sup>

In sum, the design of the policy arena, added to the constraints if the political environment, has rendered the accumulated knowledge of the pobladores ineffective as far as influencing housing policy, even though their organizational capabilities have been put to work for several projects of neighborhood improvement.

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profit enterprise of low-cost housing for any client. See: *A Diversified Approach to Self-Financing: A Case Study of the Hogar de Cristo.* Santiago and New York: Synergos –NESsT.

<sup>226</sup> Government regulations force the construction enterprises to offer a guarantee for the money paid by Serviu before the houses are built and accepted. Being an NGO without fix assets (machinery, etc), TVS had to get a loan to fulfill this requisite. There were additional problems with deadlines both on the NGO part, as well as with the official reception and payment procedures.

#### 4.4. Social Programs: the new participation panacea

Social policies had suffered a series of adjustments reflecting the end of the welfare state and the making of a subsidiary state, concerned with the temporary aid of the poor. Targeting was the main tool used in social policy design and implementation. During the military government, socioeconomic targeting was perfected through the *ficha CAS*, which became the main criteria for assigning subsidies to the poor. Territorial targeting had begun to take shape with the drafting of a “map of extreme poverty”, but the decentralized instruments to deliver the programs were not yet in place.

It was during the Concertación government, and particularly during the second half of the 1990s, when territorial targeting was granted an institutional apparatus to actually deliver state policies –regional and local governments. The Concertación contributed the technical expertise that allowed for an efficient functioning of the public sector in the social area by sharpening socioeconomic targeting and creating the institutional conditions for effectively implementing territorial targeting. The Concertación also contributed with an original “third layer” of targeting: “vulnerable groups”, prone to become or to remain poor—women head of household, senior citizens, handicapped, native populations, youth and children.

It must be reminded that social policies had been a key link between the state and the urban poor. In the 1960s, incorporation into political citizenship was tied to the access to basic benefits, and, as we saw on chapter 2, state action shaped the basic identity of the pobladores movements when they were defined as a “policy problem” regarding housing. Activation as a social actors came, in turn, by the incorporation into the class politics of the times, unavoidable by closeness of political incorporation and benefit distribution that characterized the state of compromise.

The subsidiary state recast social policies and, with it, way in which the pobladores are shaped by state action. Subsidiary social policies are discontinuous (temporary aid) and segmented (directed to individuals or inhabitants of particular territories with specific needs) therefore they tend to reach the poor, but not to “activate” them. The distribution of monetary subsidies is the best example of socioeconomic targeting which reaches individuals

that do not organize as a result the implementation of the policy. In addition, the "technical" logic guiding state action in social policies, effectively "decoupled" these policies from the political logic, and made them relatively immune to organized social pressure.

However, state policies, embedded in a "new managerialism" outlook, conceived the organization of specific beneficiaries as a welcome aid for program implementation. Some programs established with community organizations to co-produce social services -- a notion that fits nicely with the managerial logic-- favor organization for specific and pragmatic purposes. From the point of view of the central and the local state, this kind of programs are extremely useful in bringing extra-resources by the community to satisfy sets of needs that have been targeted by state agencies. For poor municipalities, to elicit the support and the cooperation of the community may become a welcome source of extra income for the lean budgets.<sup>227</sup>

The programs aimed at co-producing social services have, for the most part, detailed blueprints for participation --what type of organizations and in which specific stage in the policy process they intervene (Noé 1998). Community groups are summoned for fund-raising, cooperating with work and supervision, and maintenance (if physical works) and/or monitoring performance, if a service is provided (Mideplan, 1993, 1996b). This tight monitoring of community participation is consistent with the need of control of the highly efficient Chilean state, especially when the co-production is exercised in key areas, such as education, health or housing.

In compliance with their main role in planning and economic, regional governments channel most of the resources from the central level and have a decisive saying in allocating

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<sup>227</sup> This point was emphasized by Cristina Girardi, mayor of Cerro Navia, who has promoted community organization and NGO to work in Cerro Navia to carry on a diverse array of projects that would had been otherwise impossible to do (interview 1998).

funds for poverty reduction and economic development at the local level—even those funds designed for the communal level, such as *Inversión Regional de Asignación Local* IRAL.<sup>228</sup>

Social policies, with the stated exception of education, health and subsidies where the municipality had long played an administrative role, largely bypassed the sub national levels before the democratization of the municipalities and the constitution of regional governments took root. Many Fosis programs ignored municipalities and reached directly to the communities or NGOs; new programs that advanced the decentralization of primary education were directed mostly at the schools (Angell, 1998; Cox and Lemaitre, 1999).

This divergence lasted into the mid nineties, in part because of the managerial problems that many municipalities faced were compounded by the democratic opening, in part to allow the measures to increase local technical proficiency to take root.<sup>229</sup>

This temporal diverge allowed some community organizations to establish links with central state social, especially with programs to alleviate poverty and to boost the capacities of poor communities, administered by Fosis.

For local governments, the expansion of the programs assigned through the IRAL modality (that is, allocated to particular communes and territories by the Gores) has increased the powers of the Communal Council and the mayor to distribute those resources to specific programs in their communes; the Programs for community infrastructure—*Mejoramiento de Barrios, Pavimentos Participativos*—can be classified in the co-produced category, as well as housing programs which require group application. The linkages that are established with the central state and the community groups willing to cooperate with resources in order to obtain a

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<sup>228</sup> See Subdere "Fuentes y Uso de Recursos para el Desarrollo Regional", 1994; Ruiz (1994) and Rosenfeld (1996). IRAL, started in 1996 with 6 programs from Fosis and Subdere. IRAL allows that community groups and municipal governments previously selected by the regional governments apply for funds carry on project in their community. Fosis progressively transferred its community infrastructure programs to the IRAL modality. A chart with the principal funding sources (FNDR, ISAR, IRAL and CP) and the programs they could be found in Chart 1A, Annex..

<sup>229</sup> The first period of municipal governments (1992-96) was extraordinarily complex because many municipalities that had tight electoral results between two candidates divided the government period (4 years) into two years for each one. Most of the times the mayors belonged to opposing pacts.

needed good or neighborhood improvement are usually short and focused on the specific project.

These types of projects are appreciated by the community, and, although they do not generate in themselves organization—most groups dissolve after the goal is accomplished—these projects rely heavily on the existing organization and on the common self-help practices of the pobladores, which have been nurtured for decades. The current housing committees for homeless families (*Comités de Allegados*), for example, mimic the process of organization that preceded land occupation in the former *tomas*, where soon-to-be neighbors establish key social ties that allow them to “weed-out” not trustworthy individuals and construct the basic social building blocks of a community. Most community improvement programs, in turn, rely on “neighborhood building” processes that followed the initial land occupation. Daniel Palacios, President of the Communal Union of JJVV in El Bosque, forcefully makes this point:

We are citizens, and if we work and pay our taxes, we should deserve a certain living standard; the state should not have to ask us to work for services. However, we cooperate. When the mayor took power, there were only 40% of paved streets; now 98% are paved. We also did the public lighting. We acknowledge the work of the municipality, but the municipality has to also acknowledge that this was possible because of the pobladores' effort. We are organized and we have cooperated since a long time ago.

Daniel Palacios, interview 1999.

A few programs that involve service co production do establish longer-term linkages with ad-hoc groups, such as health programs that organize patients with chronic illnesses or conditions and their families to aid medical treatment and deflect the costs involved, and health groups that participate in preventive interventions and health campaigns (*Salud con la Gente*). The programs of the Ministry of Education designed to enhance the curriculum by incorporating local knowledge and innovation into the school activities (PMEs, ACLES, PMIs) also involve a degree of co-production with a more extended engagement of community actors than the completion of a small-scale infrastructural project, for example.

Although some of these programs do involve the community groups in project design, the majority has a centrally designed script and they are relatively marginal regarding the service provided. Whether these programs rely on the existing organizational fabric to execute ad-hoc tasks, or create their own community organizations to do the same, they do not create horizontal links among community organizations, nor do they provide outlets to reach or to influence the policy centers behind the programs. Doctor Antonio Infante, Health Director of the Municipality of Santiago and who led in the early 1980s one of the most successful experiences of community involvement in primary health<sup>230</sup>, is blunt regarding the limits of these experiences for community organizations:

I believe that community participation has little to contribute to the health system. Community participation is fluid in the municipality, but the information asymmetry means that there should be intermediations --it could be the municipality, the insurance company, or the health services- that "defend" the user. If the citizens deal with the medical world without tools, they are lost. They'll mess their head, they'll make them to support projects that they don't understand and finally what the doctors want will be done. I believe that health monitors depend a lot on how the local space frames their participation. My impression is that more often than not, health monitors that are community agents --they know and represent the community--are convinced by doctors to be advocates of the health post and to project a "medicalized" version of community health.

Antonio Infante, interview 1999.

#### 4.4.1. Micro Corporatism and Transparency at a Cost

In reaching "vulnerable groups" to carry out strategies of poverty alleviation, the subsidiary state has established a new set of linkages with social groups. The state has actively organized community groups and has, in some instances, "carved" new identities out of existing social categories. This is the case, for instance, with the senior citizens, women head-of

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<sup>230</sup> From 1984-1986 the Health post in Villa O'Higgins, in La Florida, carried on a successful experience of primary health, retraining the personnel of the Health Post and creating a system of community health monitors that provided key input for diagnosis and performed basic first aid and preventive health duties. The new system allowed to extend medical services to a wider area and to improve basic health indicators (Infante, 1989).

household, disabled citizens, youth and native populations, each of which has a new state agency as its institutional correlate: the *Comisión Nacional del Adulto Mayor*, created in 1996 and dependent on the institutions sponsored by the First Lady<sup>231</sup>; the *Servicio Nacional de la Mujer* (Sernam, 1991); the *Comisión Nacional de la Discapacidad* (Fonadis, 1994, dependent on Mideplan), the *Instituto Nacional de la Juventud* (Injuv, 1991, dependent on Mideplan and the *Corporación Nacional de Desarrollo Indígena* (Conadi, 1995, dependent on Mideplan).

All of these public institutions attempt to incorporate the particular ethnic, gender, age or physical characteristics of their constituents into public policies and laws, and all of them have programs directed to these specific groups, most as competitive grants. The programs sponsored by some of these institutions have effectively activated “new” social identities such as senior and disabled citizens; other, such as Sernam’s, have incorporated women’s social organizations that preceded the state policy, while still others have re-defined existing social identities such as the native peoples or youth<sup>232</sup> that were “submerged” into class categories. In 1999, only three years after the creation of a state outlet for senior citizens, almost 3,600 ‘senior citizens’ clubs’ existed in the country; over 1,800 organizations of native peoples emerged in that timeframe. New women’s organizations joined the older Centros de Madres, making up a little less than half of the 4,530 women’s organizations registered in 1999. Youth organizations, in turn, amounted to a little over 1,600 organizations in the same period (PNUD, 2000: 126-7).

The renewed “state activism” in social policy has created two kinds of effect on the pobladores’ organizations. First, it has made even more complex the organizational fabric in

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<sup>231</sup> In 2002, the Comité became a autonomous Servicio Nacional para el Adulto Mayor, with its own budgetary allocation and regional offices. The new Service started functions in 2003.

<sup>232</sup> The identity of native peoples had been “submerged” into class categorizations pertaining the labor market (mapuches were considered “peasants” or “marginal urban labor”). Youth, instead, which was an important category that was appropriated by the political parties since the 1960’s and the student movement, remains a multi-faceted, sometimes marginal identity that resists to be shaped by the state categories. By 2000, less than 40% of the people between 15 and 29 years were registered to vote, down from 58% in 1997; only 30% of those between the ages of 20 and 24 were registered in 2000, as compared to 52.4% of that age bracket in 1997 (Injuv, 2000: 44).

the poblaciones by adding new organizational layers, such as the senior citizen committees and ethnic/cultural organizations. These groups' exclusive linkages to state programs and agencies have guaranteed their survival, as opposed to groups that do not gather the state's attention. Therefore, state action has reinforced certain organizations, some of which did not even exist before the public policy was implemented.

Second, this new "micro corporatism" has stressed older organizations such as the neighborhood councils, which struggle to reestablish its mediating role with the state and to effect the distribution of resources within the community. Therefore, micro-corporatist linkages had both stimulated organizational growth, but at the same time have increased the potential sources of conflict within the community regarding representation.

Finally, in order to safeguard state funds from clientelism or nepotism, the preferred mechanism for distributing state funds to community organizations has been competitive project bidding (*Fondos concursables*). This mechanism, with clear rules of the games of general application, has resulted in impeccable transparency in resource allocation. In addition, it has enhanced the capacities of community organizations to dealing directly with state agencies and to formulate their own projects in the "official language." This idea of "capacity building" in poor communities was one of the central tenets of the first stages of Fosis. In order to face the fact of unequal capacities of community groups to formulate and carry on projects, Fosis devoted a great deal of energy to "transfer" these capacities to disadvantaged groups and/or to match them with NGOs that would accompany them in different stages of their project. This process has effectively transferred technical and analytical tools to poor community organization.<sup>233</sup>

The competitive funds do have several downsides. The most obvious is the great amount of energy that community organizations have to invest in obtaining resources that are,

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<sup>233</sup> Around 1995-1998 I evaluated a competitive fund for cultural projects and another for environmental projects in Chile, and I was impressed by the proficiency to design and to execute projects of community organizations that had been trained by Fosis. I even suggested to use the amount of projects submitted to other funds by organizations trained by Fosis as an indicator of the success of the "elusive" capacity building goal promoted by Fosis.

for the most part, very limited.<sup>234</sup> As one pobladora from a health group from El Bosque said: "Our work with Sernam was very good, but also a "pain" (*cacho*). Sernam's main concern was that the accounting for the project funds' was impeccable. We lost a tremendous amount of time."(Lucía Palma, Grupo de Salud El Bosque, interview 1999).

The transfer and accumulation of knowledge to grassroots organizations is a positive outcome of these competitive funds. Although welcome by many organizations, for social leaders the "technification" of social demands becomes an added weight in their agenda: "As social leaders, we need research, to know how many neighbors are without work, how many single mothers. When we negotiate with the municipality we need to present solid data", explained Manuel Cordova, president of the CU of JJVV of Pudahuel in 1994.

The transfer of capacities to grassroots groups has diminished the need for technical mediators, mostly NGOs. As we saw in the previous section in this chapter, not only the universe of NGOs has shrunk, but also the activities that NGOs used to perform had been restricted.

NGO operating at the local level, however, have been drawn into partnerships with the state as "consulting service providers." This role has been further "formalized" in local programs financed by regional funds earmarked for local development, such as IRAL, which require hiring a institution of "*apoyo de gestion territorial, AGT*, for project management assistance. NGOs' role is frequently limited to the execution of the project along with the community.

The shrinking role of NGO does not have a significant impact on the area of micro projects, but has important consequences on the capabilities community organizations to bridge policy areas and to effectively advocate for their interests, thus making it even more difficult the access to highly "technical" policy areas such as health or housing.

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<sup>234</sup> Most of the funds for community projects do not surpass 6,000 dollars; most of them are in the 1,000-3,000 range.

Because the purpose of these funds is to activate discrete groups and to cover many of them, it is not uncommon for these small initiatives to duplicate efforts and to lack continuity. A multiplicity of micro projects does not necessarily produce synergy. Multiple state outlets for community organizations may generate competition rather than cooperation and to stress the social fabric in the poblaciones where solidarity and cooperation is a valued asset, but since there are also specific funds for specific groups, the overall effect is widespread activation of several groups that do not connect among themselves. Moreover, there are little incentives for community groups to “negotiate” the distribution of funds, therefore hampering the basis of community deliberation. The main casualty of these abundance of micro-outlets to reach state agencies among community organizations were the Juntas de Vecinos, that were formerly entitled to “harmonize” interests and settle conflicts among factions in the community.

The mechanism of competitive funds has also been applied to the municipalities, where entrepreneurial local governments can complement their budgets by competing for public funds. Competitive projects had “rationalized demand and ordered the access to investment on the basis of the technical merits of the projects” —explains the former head of Subdere’s municipal department, Julio Ruiz- “but there is a growing need to balance the impact of projects on the local development strategies with the need to maintain a flexible state offer.”

A municipality could be investing in different and several areas, but they may not amount to a development strategy. Co-financing projects among the local, regional and/or the central state levels may help, because it requires a throughout evaluation of the investment by all decentralized units. However, applying this standard to every project may mean the loss of autonomy of the decentralized units, insofar they would not have resources to invest in projects of their interest that may not fit national, regional or local priorities.

Julio Ruiz, interview 1998.

From the point of view of local governments, competitive funds had become a major source of energy consumption of the municipalities, in particular of those that are poorer. Mario Rosales, then Executive Director of the Chilean Municipal Association, ACM, explains:

Competitive funds have helped to de politicize resource allocation. That is a great advancement. However, today we have a myriad competitive funds, complex and with diverse requirements. That hampers the possibilities of the municipalities with fewer capabilities to compete for needed funds. That is why I am critical of the system. I believe that many of those resources should be distributed in a more direct —yet transparent—manner, so the municipalities can really have access to those resources. In practice, the system deepens inequity, because funds reach the ones that have the best projects, and those are the ones that have the best human resources (or that get the information late). There is a tremendous waste of energy invested in the process of getting the resources.

Mario Rosales, interview 1998.

#### 4.5. Summary and Conclusions

In spite of the political will of the Concertación to pay the “social debt” by increasing social investment and reorienting state action in social policy, there were real limits to state action. The tight macroeconomic discipline granted the Finance Ministry almost uncontested power over the social budget. The newly created Mideplan struggled unsuccessfully to establish itself as the social authority in charge of the overall coordination of social policy. With meager resources, Mideplan was unable to harness long-existing sectoral ministries and inexperienced local and regional governments into an inter-sectoral, finely tuned public plan to fight poverty.

Mideplan also housed several policy programs with innovative and participatory approaches, many modeled after NGO practices. These programs appeared an ideal vehicle to channel both the NGO and the grassroots organizations’ the rich self-help practices into social policy. But the spread of these innovative programs —although many continued to subsist both in Mideplan and other sectoral ministries—has been curtailed by stricter bureaucratic procedures destined to ensure efficiency. NGOs have found themselves increasingly reduced

to implement public social programs according to a pre-designed blueprint<sup>235</sup>. The relative demise of NGOs has left the organizations of the urban poor without one of their main sources of technical support and intermediation with public bureaucracies and authorities.

There were serious attempts at arriving to a shared framework to include organized citizens' input in social policies, as the "coordination groups" among social and political ministries suggested.<sup>236</sup> But the lack of a "unified social authority" played against defining an official position, and the participation of citizens in social policies was left to a mix of lax official guidelines, sectoral policies that reflected both the historical weight and the peculiar new challenges faced by each policy area, and changing political landscapes faced by the Concertación throughout the decade of the 1990s.

Education, housing and health share a series of common characteristics, which presented specific challenges for the participation of the urban poor and their organizations in these policy arenas. Historically the state had had a strong role in the provision and design of services, until the reforms carried by military government decentralized and allowed the private sector become providers in all three areas. However, in the case of housing, the state limited itself to organize beneficiaries to grant subsidies, privatizing all construction operations. In health and education, the state retained a center role in policy design and overall supervision of the system.

The organized groups that sprouted around the public health and education had a strong tradition of participating in policy design, as well as a strong unionism. Upon return to democracy, the main players in designing educational and health policy were, once again, the state, and teachers and health personnel, respectively. Both health and educational unions expected policy reversals and a greater participation in their respective areas upon

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<sup>235</sup> Most of the instances of community involvement are related to the co-production of social services centrally designed and locally implemented. Citizen participation is considered an aid to service delivery and monitoring performance (Mideplan, 1993, 1996b).

<sup>236</sup> Chapter 3.

democratic restoration, expectations partially frustrated by the overall strategy of sequential gradualism and the budgetary restrictions adopted by the Concertación.

This policy framework closely mirrored the pre-dictatorial one, except for the influence of the encompassing political environment, which restricted the participation of teachers and health workers, creating a conflict-prone environment. Confrontation between state authorities and the health and education unions had two distinctive consequences. First, the lack of an appropriate political setting to discuss core issues, such as the limits of public responsibility in social welfare, lent unusual weight to “union” issues, especially in education. These confrontational and narrowly defined environments have prevented professional service providers to fully contribute to eventual collaborative enterprises that both improve performance and build social capital in their respective areas. (Heyermann, 1994; Ruiz, 1994; Cox and Lemaitre, 1999; Tandler, 1997)

Second, the insistence of the social services unions’ workers to defend public health and education, to voice their policy proposals and to react to governmental action in their areas, have brought to the surface topics that were subdued in the post-transition period: redistribution, the notion of public responsibility and the degree of participation of concerned social actors in social policy areas. The fact that both organizations had maintained (or regained) a link with the central state has insured their actions would have wide political repercussion<sup>237</sup>. Finally, their use of public protest and work stoppages has returned these strategies to the collective action repertoire. In short, the collective action of health and educational workers has expanded the restricted public space. Health professionals had so far relatively greater success than the teachers in establishing themselves as relevant actors in shaping social policy.

Education and health present a different context for the participation of the urban poor’s organizations. A crucial factor in determining different degrees of “permeability” are

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<sup>237</sup> These workers made up around 3% of the labor force and 40% of the public sector salaried employees in the 1990s (Espinoza, 2001: 3).

the previous experiences of "community health" carried on by popular organizations, NGOs and health personnel. These practices were encouraged, supported and systematized by the models of health decentralization promoted by international organizations, which granted a prominent role to the community in caring for its own health. Therefore, these practices were known both by a sector of health professionals (particularly those of the primary health level) and community organizations, and by health authorities, which opened several "entry points" for community participation in official health programs. The fact that municipal health workers organized and have devised models for local health, reinforce the possibility of health becoming a "associative network" where the pobladores organizations can participate.

In contrast, the "practical knowledge" in the educational area accumulated by the urban poor organizations during 1980s concentrated on "popular education." These experiences reinforced a popular identity, but were detached from formal schooling. Formal education was left, as it was the tradition, to the state and professionals, such as the teachers and specialized NGOs. The community participates through the Parents' Centers, traditionally weak and mostly aides of teachers and educational administrators.

In spite of the lack of former experiences of cooperation between community organizations, professionals and policy makers in the educational area, the Mece reform has introduced innovative programs where this type cooperation is key for pertinent education. However, the "ownership" of educational issues claimed by the teachers and administrators, has prevented these spaces to thrive. Other recently opened spaces for participation, such as the design of municipal educational plans and distinctive school educational projects, have failed to involve parents or the community.

In sum, education does present a context of opportunities for the pobladores' organizations, but the policy arena is difficult to penetrate due to long-standing institutional practices that tend to exclude parents and communities from the educational process, and the ongoing and unresolved conflict between educators and state authorities.

Finally, housing has become an elusive policy arena for the pobladores. The state has yielded to the market in the provision of housing, leaving the pobladores with few power

resources to press for their demands except for direct action and public protest.<sup>238</sup> The pobladores' former main strategic action, land invasions, has been virtually abandoned due to political constraints. Mass protests or disruptive tactics in order to pressure for solutions to housing demands are virtually impossible to organize without an encompassing organization representative of the urban poor or the aid of political parties.

The state has kept a privileged role in organizing access to publicly subsidized housing programs, and has maintained an open dialogue with the pobladores through the peak association of the JJVV. However, the pobladores organizations had little possibilities of influencing housing policy or to elaborate their own proposals or alternatives, especially without NGOs specialized in the area.

The knowledge accumulated by the pobladores self-help organizations and by the JJVV had been put to work in programs of neighborhood improvement—paving, lighting, site cleanings, construction of recreational facilities—where the pobladores contribute with funds, work, overseeing and caring for facilities. Housing, as a policy arena, has opened to the participation of the pobladores' organizations, but has radically restricted the forms of this participation.

Finally, the active carving of social identities linked to social policies is not new for the Chilean state. As a matter of fact, I have argued that the pobladores had been partly created by state intervention. The "new" state intervention, however, does not address whole and complex social categories based on class boundaries, as in the past, but discrete groups, which may or may not coincide with social cleavages or specific interests. The "creation" and mobilization of specific identities which have a "reserved" outlet in the central state may discourage cooperative, horizontal linkages, prompting a "balkanization" of social life, as the case of senior citizens seem to demonstrate. Extracting from bureaucracies, central or not, can

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<sup>238</sup> Michael Lipsky called attention to protests as the main political resource of relatively powerless groups to mobilize political support in his classic piece "Protest as a Political Resource."

be rewarding for particular organizations, but rarely constitutes a source of community strength and development.

The competitive bidding for projects, in turn, impress a renewed dynamism on community organizations via small competitive (and targeted) projects. This has the advantage that allows autonomous organizations to pull together the funds and resources needed to pursue their agenda, but does introduce rifts in the community because the funds are limited, targeted and competitive. Most importantly, the fragmented nature of these funds does not encourage a coherent, comprehensive view of the community needs, so to generate any valuable outcome in terms of community development, requires a deliberate effort to open a public space where to links these projects and agents.

Therefore, these funds do offer a context of opportunities for both organized pobladores and the municipal government for adding up these resources, but they require sizable investment in energy, time and knowledge that usually only municipal staff, local politicians or NGOs are in conditions to carry on. This realization has moved both Fosis and some municipalities to constitute spaces where needs and priorities could be discussed, so as to "steer" these micro projects into coherent and collective endeavors. The *Mesas de Desarrollo Local* that FOSIS has been promoting in the municipalities since the end of the 1990s, and other local initiatives such as participatory budgeting tend to break the micro corporatist features of the competitive/targeted projects.

## *Chapter 5*

### LOCAL SPACE: MAYORAL POWER AND PREDATORY CLIENTELISM

As we saw in the preceding chapters, the Concertación strategy of “sequential gradualism”, forced by the peculiar features of the post-transition political system created unfavorable conditions for the incorporation of the pobladores’ organizations into the national political scene. The process of democratization of the municipalities promised to open a new political scenario, this time better suited to the organizations of the pobladores because of their local scope and their long-term experience in dealing with local issues. What was the resulting blueprint for the municipal polity? What are its consequences for the incorporation of the pobladores? This chapter addresses these questions, examining national and local voting patterns, the local institutions, the role of the parties and the interaction between political and social actors in the local space.

#### **5.1. Brisk Pace to Decentralization, Winding Path to Democratization**

When the Concertación took power in 1990s, decentralization was unfinished business. The basic structure of municipalities and regions was laid out during the 1970s and 1980s, but launching the regional governments and drawing the web of transfers and financial incentives, as well as the distribution of responsibilities and powers to each state level, was a task mainly accomplished by the Concertación along the decade of the 1990s. Politically, the municipalities had structures of government, but local leaders were not popularly elected.

The decision to continue and to deepen the process of decentralization in the 1990s did not emerge from societal pressures for institutional change; in fairness, some social actors—such as teachers’ and part of the health professionals’ unions—hoped for reversing the

decentralization of social services. The push for decentralization came—as it did during the military government—from the political elites (Bland, 1998).<sup>239</sup>

The Right coalition did stand firmly on the side of decentralization. Fiscal decentralization promised both to improve service delivery, to alleviate the pressure on bloated fiscal budgets and to reduce the power of the central state, all principles embraced by the Right coalition. Politically, decentralization offered not just new political opportunities, but a way of organizing interests not directed towards the central state, and of lessening the power of those social actors articulated around it. In addition, both major parties of the Right coalition, the *Unión Demócrata Independiente*, UDI, and *Renovación Nacional* (RN) had a great deal of experience in acting at the local level, experience that had already pay-off in parliamentary power.<sup>240</sup>

In the central state, a group of technocrats were also convinced that decentralization was a both a cost-containment alternative for service delivery and a useful instrument to introduce creative solutions for policy problems as well as channeling citizens' energy into the co production of social services.<sup>241</sup> In addition, several NGOs had embraced the idea of deepening democracy through the incorporation of social organizations into smaller units of government, inspired by their work with of grassroots organizations during the military government and by the other experiences of Municipalism throughout the world. Last but not least, key financial multilateral sources such as the World Bank and the IDB, had declared a decisive bias towards decentralization since the late 1980s.

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<sup>239</sup> Bland (1998:14) asserts, "The guiding impulse was national politics. On subnational reform, the Aylwin government was concerned with democratizing the municipalities and ensuring social peace in support of the new regime during the transition, not regionalization or decentralization per se"

<sup>240</sup> As we saw in former chapters, the Independent Democratic Union (*Unión Demócrata Independiente*, UDI) the political party that carried the banner of the military regime, owed to their local work a great deal of its political power: 11 out of their 14 elected representatives to the 1989 House of Representatives had been mayors during the military government. A little over a third (12 out of 34) of the representatives of then major party of the right, National Renovation (*Renovación Nacional*, RN), had also been mayors in the Pinochet administration (Morales and Bugueño, 2001, PAL, 1992b: 12).

<sup>241</sup> Interviews with Mario Marcel (2000), Jaime Gatica (1996) and Julio Ruiz (1998).

The Concertación, in turn, was eager to democratize the municipalities to contest the entrenched power of the Right coalition. All the mayors had been designated in the former administration, a situation that the governing coalition was only able to modify in 13 of the then 334 municipalities of the country, thanks to a provision that allowed the President to nominate the mayor in those communes. In spite of the Concertación decision to deepen decentralization, the coalition lacked an elaborated and relatively homogeneous decentralization policy. As former Minister Correa explains,

In 1991-92 we had no general plan when we started the decentralization reform. We went ahead with a piecemeal approach: democratic elections of the mayors, setting of the regional governments, and so on. We didn't have a global model of the decentralization, or how the model relates to the political and economic system, or how it would strengthen citizen's participation.

Germán Correa, interview 1999.

Direct elections of local authorities<sup>242</sup> came at a price for the Concertación: the Right demanded the creation of regional governments, seeing an opportunity for compensating for their potential power loss in the municipal realm<sup>243</sup>. Both the democratization of local governments and the creation of regional governments got into the political fast lane, and, after almost two years of intense political negotiations, the law of municipalities was amended in March 1992 (Law 19130), and elections were set for June of the same year. The laws for regional governments, in turn, were passed a year later, in 1993 (law 19175).

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<sup>242</sup> Amendments of the Constitution require the approval of at least two-thirds of the senators and representatives in Congress; amendments to organic laws need four-sevenths majority votes in both houses to be successful.

<sup>243</sup> The Right coalition's demand of simultaneously opening the regional governments posed considerable difficulties for the Concertación because it implied to design a really new institution in Chile (a centralized and unitary state) at a time where many other major reforms were unfolding. Every institution was a compromise, such as the creation of a city council (Consejo Comunal), which the Concertación was not particularly eager to introduce, but did so to ease the resistance of the right coalition to the direct election the mayor (Julio Ruiz, head of the Municipal Division, Subdere, interview 1994). The opposition also precluded popular election of the regional councilors, and the Concertación was only able to only secure their indirect election by an assembly of municipal councilors. (Subdere, 2001:38). For a detailed account of the intense negotiations about decentralization in the immediate post-transition years, see Bland (1998).

As much as the municipal and regional institutions were shaped by a diversity of goals and compromises during the 1990s, their original blueprint was a key-determining factor, which greatly weighted on the political opportunities they offered for incorporating the *pobladores'* organizations. The "economic" character of the Chilean decentralization, which focused on increasing efficiency in service delivery, organized intergovernmental relations and constrained the local political space regarding financial decisions. In turn, the design of local political institutions owed a great deal to those of previous eras, in particular, the authoritarian municipality and its managerial and apolitical design for local governance.

Back in the 1980s, Jaime Guzmán, UDI's founder explicitly ruled out corporatism as a model for the local polity: "the decisions of governmental authorities must be always independent from the interests of functional groups represented by the guilds and from those of regional or neighborhood associations" (Jaime Guzmán, quoted in Rehren, 1991: 236).

The choice favored instead a authoritarian/bureaucratic alternative, which linked the mayors in a hierarchical chain to the head of state, reinforced their powers, and advanced the notion of a technically guided, de-politicized municipality. Behind this formula for local administration was Unión Demócrata Independiente, UDI the neo rightist convergence of *gremialismo* oriented towards working with the popular sectors, and a group of young neoliberal economists, the *Chicago* Boys (Garretón, 2000).

UDI –and later *Renovación Nacional*, closely related to the traditional Right– found a "niche" not yet explored by the political right. In a bold move that mirrored the option for building new constituencies that had helped to catapult the DC into a key political player two decades before, UDI 's founders ventured into the newly created municipalities and courted both the urban poor in big cities and isolated, small rural communities (Morales and Bugueño, 2001; Joignant and Navia, 2003; Navia, 2001). Jaime Orpis, Senator for the I Region for UDI and former mayor of San Joaquín in the 1980s (interview 1999) recalls the option of the nascent UDI:

RN had occupied all the traditional space for the Right. Jaime (Guzmán) and Pablo Longueira attempted to rebuild a political option on new popular basis. The founders of UDI came from the universities but worked in the grassroots, many, as myself, in municipalities. I founded the commune of San Joaquín from San Miguel, then a left-leaning municipality. The political option for the grassroots and the poor is the basis of UDI's success.

The strong community organizational work performed by the party in the municipalities<sup>244</sup> and the conservative Catholic roots of UDI<sup>245</sup>, could have tied the party to the corporatist option.<sup>246</sup> But UDI favored instead a technocratic model of governance, as a means to depoliticize public decisionmaking and to achieve social harmony, an ideal treasured by conservative catholic corporatism. With this new twist, the concept of politics embodied in the authoritarian municipality became close to "Virginia school" of political economy, public choice (Stepan, 1985). Therefore, UDI's solution for the tension between fostering corporate organizations while avoiding conflict—a common dilemma of conservative Catholicism in the

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<sup>244</sup> UDI members Eugenio González (interview 1994), Jaime Orpis and Nibaldo Mora (interviews 1999) recalled with enthusiasm the long hours spent in "door to door" organizing in the poblaciones and rural communities throughout the country in the early years of the party.

<sup>245</sup> It can be argued that conservative Catholicism is an important "cultural matrix," shared in smaller degree by other parties in the Chilean right, including RN, but UDI has a specific conservative Catholic identity. Of all the UDI congressional representatives from 1990 to 2002, 73% had attended Catholic schools, while 32% studied in the Catholic University; by means of comparison, 47% and 19% of the RN representatives had attended those institutions. (Joignant and Navia, 2003).

<sup>246</sup> Catholic corporatism, that finds its roots in Roman Law, Thomism, medieval guilds and the Spanish Empire, conceives society as a hierarchically organized, harmonious body composed of natural associations (family and functional groups); the state cares for the common good, but its intervention is limited (subsidiary) regarding the functioning of the intermediate associations (Drake, 1978:88). Among institutionalist political scientists, corporatism refers to a mode of interests' intermediation between organized groups and the state, which differs from and complements liberal arrangements (Schmitter, 1981). Analyzing corporatist arrangements throughout Chilean history, Drake (1978) distinguishes two main types: societal and political. Societal corporatism sports a greater degree of autonomy of functionally constituted associations from the state; associations extract from the public arena privileges and obtain from the state certain representational privileges—similar to "organized pluralism." The state plays a dominant role in the political version of corporatism, expressed in strict licensing of associations and control upon their activities—in the extreme, the state fosters the formation of this groups. The first type corresponds closely to the arrangements devised for the agricultural, business and professional associations; the second, to the ways in which the state exerted its dynamic of incorporation and control upon the working classes. Collier (1995) both call attention about the dynamics of incorporation and control—inclusionary or exclusionary corporatism. (Stepan, 1978, Berger, 1972; Schmitter 1981 and Collier 1995).

midst of the modern polity-- was to "depoliticize" social participation, "marketizing" politics.<sup>247</sup> In his 1987 best selling book "Chile. Revolución Silenciosa" (Silent Revolution), Joaquín Lavín enthusiastically praises modern entrepreneurship for overcoming class differences: "The new leaders of the JJ.VV. are mostly young people, with some knowledge of money management, revenues and expenditures, able to realize that, in spite of its greater visibility, investing in sewage is better than spending in a park" (Lavín, 1987: 113 and 110).<sup>248</sup>

In essence, the trademark version of the managerial model of the "new right" (UDI-RN)<sup>249</sup> obliterated the political aspects of governance. Three key aspects characterize the model. First, an economic concept of municipal governance that is akin to the public choice theory of politics.<sup>250</sup> Municipal governance is conceived as a process of supply and demand of public policies, whereby local government (bureaucrats and politicians) provide policies that attempt to match the self-interested demand of their citizens. Ideology cease to matter: politicians and municipal bureaucrats that want to gain or remain in their posts (elected or not) are the ones who offer the "highest expected utility" policy bundle. "People are

<sup>247</sup> This conflict could be felt in the corporate organizations when the corporatist model is closer to "societal/cultural corporatism, and on the state when it attempts to effect the delicate balance of between control and strengthening organization. For instance, Suzanne Berger (1972) traces the eventual demise of peasants organizations in Finisterre to the corporatist organization, which, in order to maintain the unity of the profession agricole, could not deal appropriately with the emergence of a diversity of interests within the organization. Stepan (1978) argues that Velasco Alvarado's attempt to organize the Peruvian pobladores along functional lines hierarchically linked to the state, eventually failed to control and to gain the pobladores' support for the reformist state project, because their organizations quickly gained autonomy and ended up manipulating bureaucracies and establishing relations with other political actors. In Chile, the pobladores did adopt the organizational model offered by the DC in the mid 1960s, but their allegiance oscillated widely along the political/partisan spectrum (chapter 2).

<sup>248</sup> Lavín, the most popular figure of UDI, ran as a candidate of the Right Coalition against current President Ricardo Lagos in the 2000 presidential elections. He was mayor of Las Condes from 1992 to 2000. Lavín holds a MA in economics from Chicago, and worked in El Mercurio and ODEPLAN during the authoritarian government.

<sup>249</sup> Interviews María Pía Guzmán, deputy RN (1998); Jaime Orpis, Senator UDI (1999); Eugenio González (City councilor La Florida, president of the association of mayors and councilor of UDI; director of the Asociación Chilena de Municipalidades), 1994; Lily Pérez, Deputy RN (1999); José Antonio Galilea, RN and Mario Olavarría UDI, (Winchester et al, 2000).

<sup>250</sup> The key works in public choice are Buchanan and Tullock, 1962; Downs, 1957; Olson, 1965. An excellent and comprehensive exposition and critique of public choice can be found in Lars Udehn's *The Limits of Public Choice* (1996).

pragmatic; contemporary society looks for management and efficiency in leadership. Even the logos of the political parties are excluded from today's electoral campaigns,"<sup>251</sup> claimed Jaime Orpis (interview 1999).

A second main component of the model is the belief that a strong executive is key to reduce transaction costs in municipal governance. The mayor-CEO (*alcalde-gerente*) should be invested with enough power to react in a fast and appropriate manner to the demands of its citizens and to opportunities (similar to the private business environment). For UDI, strong executive means restricting participation in the decision making process:

I believe in efficient management; and I don't believe that co-government leads to efficiency. So I support the mayor having lots of faculties. I would like to see mayors with even more power and councils with less power but with reinforced overseeing functions.

Jaime Orpis, interview 1999.

The third element is the notion of citizens' participation, favoring the expression of individual interests through voting, rather than organized interests that may distort the political process.<sup>252</sup> "The municipality is like a business and its stockholders. How does the manager (mayor) know what the stockholders want? Like Joaquín Lavín did in Las Condes: asking them through plebiscites and referendums to minimize mistakes and maximize successes" (Mario Olavarría, UDI, SUR, 2000). Orpis (1999) was emphatic:

Popular participation must be through two mechanisms: first, individual voters; second, citizen's referendum when there is a big decision to be made. I am an enemy of corporatist mechanisms. I supported the Codecos because they had only advisory powers --the more co-government, the less accountability in management.

Jaime Orpis, interview 1999.

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<sup>251</sup> A majority of UDI's candidates ran in the municipal elections of 1996 without their party label, as "independents." Dropping the label was widely perceived as an attempt to confuse voters, but also reflected the "apolitical" stand of the party.

<sup>252</sup> Interviews Jaime Orpis (1999) Jaime Alarcón (1999), Pía Guzmán (1998) Eugenio González (1994).

The authoritarian municipality was, indeed, devoid of partisan politics, unlike contemporary local governments in Chile. But I would argue that key components of this model, further polished by the right coalition in the 1990s, shaped the political institutions in the democratized municipality, which retains a “managerial model” of local governance.

In the 1990s, the new right blueprint for local governance acquired renewed weight in the democratized municipality in part because of the lack of alternative models designed by the any other political force, perhaps with the partial exception of the communist party<sup>253</sup>. The general perception among the Concertación’s political class is that neither their parties, nor their coalition, had –and still does not have– a model of governance clearly distinct from the one of the new right. There is a strong support for decentralization and citizen’s participation in the in the political discourse of the governing coalition, but this support is not embodied in programmatic guidelines, much less in a model for governance.<sup>254</sup> Carlos Montes (interview 1999) summarizes well this position:

The Chilean right has a well thought-out political local model, sophisticated and encompassing, but geared towards social control and building popular support. Instead, in the political world of the Concertación making local politics part of a more general strategy for change is a pending assignment. Between an administrative model of local governance and a more political, participatory one, the Concertación has opted for the first one. The DC was very influenced by the German model of the CEO mayor. The paradigm of modernization has smothered a more citizen-oriented view, institutional political current. *The Left in the Concertación has historically embraced a hierarchical, centralist, top down approach to politics, which mistrusts the construction of citizenship and change from below.*

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<sup>253</sup> The Communist party was able to win the mayoralty in a handful of municipalities, one of them Iquique, a city in the North –but the mayor changed party soon after. In Canela, however, a small municipality in the semi desertic center-north region of the country, the communist mayor implemented a participatory five-year plan. The local community was involved in the decision-making process in a manner that resembles the participatory budget in the Brazilian municipalities controlled by the PT, with remarkable results in terms of allocation of local micro enterprises and schooling for the children. The participatory process had to overcome serious obstacles, such as the isolation that characterize the rural/mining community and the continuity of the plans in spite of a potential change in the municipal authorities. Interview Carlos Durán, Head of Party Programs, PC (1999).

<sup>254</sup> Interviews with Fernando Echeverría, head of the National Secretariat for Municipal and regional Affairs of the PPD; Carlos Montes and Germán Correa (PS), Andrés Palma and Claudio Orrego (DC) (all 1999).

In addition, the process of state modernization coincided with the great impact of the “new managerialism”<sup>255</sup> in public administration, which indirectly contributed to strengthen one of aspects of the model. As one high level official involved in the process of municipalization, formerly a key figure in a leftist NGO confessed: “Theoretically, I love participation, but if I adopt the perspective of management, I love the presidentialist system. And if one sees the councilors and the mayors in reality, I truly prefer than only one person holds the power.” Carlos Montes (interview 1999) is more than skeptical—even suspicious—of new managerialism:

In general, they bought the clientelistic model of the dictatorship. Even the model of civic control of the Plan Cívico was surpassed by the creativity demonstrated by the Concertación in social control matters—our intellectuals have discovered “management” in detriment of a more civil and participatory perspective.

Carlos Montes, interview 1999.

The managerial model and its “apolitical” tendencies have permeated the municipal institutions and have contributed to produce peculiar results in the municipal polity. The following section will describe the municipal institutions, the way in which the social and political actors interact in the municipalities and the way in which this interaction shapes the incorporation of the grassroots organizations into the local polity.

## 5.2. The Local Polity: Powerful mayor and dwarfing political parties

As expected, pre-dictatorial political parties constituted the primary network connecting national politics and local demands. The mayor and the councilors—*regidores*—

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<sup>255</sup> Osborne and Gabler’s 1992 book, *Reinventing Government* is the best known example of a current in public administration that promotes the public sector adopting managerial practices developed in the private enterprise to boost productivity and enhance service delivery. The “best practices” approach embraced and fostered by multilateral agencies such as the WB and IDB, has developed a “learning strategy” to diffuse these practices by doing. For a full description of the effect of the new managerialism the public sector, see Donald Kettl’s *The Global Public Management Revolution* (2000) and Paul Light’s *The Tides of Reform* (2000). For Latin America, see Borges and Vergara (1999).

were the main brokers at the local level, while congressmen played this role in the capital, lobbying central state bureaucracy in lieu of his/her local clients (Valenzuela, 1977: xi).

The revamped local scenario included popular election of local authorities through a modified proportional representation, a departure from the majoritarian system that ruled national electoral contests<sup>256</sup>. The local government continued to be headed by a mayor<sup>257</sup> with executive functions and a council, with limited powers to overseeing and sanctioning the mayor's decisions. This Communal Council (*Concejo Comunal*) replaced the former *Consejo de Desarrollo Comunal*, Codeco<sup>258</sup>. Social organizations were granted a consultative role in the Social and Economic Communal Council (*Consejo Económico y Social Comunal*, *CESCO*). Originally, 40% of CESCO's seats were assigned to the JJ.VV, 30% to "functional" community organizations and 30% were reserved to productive or service organizations.<sup>259</sup>

The municipal reform of 1991 granted the political parties a prominent role in the local government. The system of proportional representation, with its built-in bias towards political compacts, virtually insured that no independent candidate would be elected to the mayoral post, and very few to the communal council<sup>260</sup>. The addition of a communal

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<sup>256</sup> The modified proportional representation relies on an "electoral quotient" to assign each list a number of candidates that would become councilors. The total votes of each list are divided as many consecutive times necessary to reach the number of councilors to be elected in the commune (either 6, 8 or 10). The quotients are aligned, and the one in the "last place" (sixth, eighth or tenth place) becomes the "electoral quotient." The number of candidates that each list is entitled to elect is determined by dividing the votes of the list by this quotient. In the case of pacts and sub pacts, a "sub quotient" should be calculated to determine the candidates to be elected by each sub pact and party. (DFL #2/19,602; 2000, Ministry of the Interior).

<sup>257</sup> The mayor is elected for 4 years, and can be reelected.

<sup>258</sup> The number of communal councilors is 6 in communes of less than 70 thousand voters, 8 in those between 70 and 150 thousand, and 10 for communes with over 150 thousand voters.

<sup>259</sup> Cescos have 10 members in communes of 30 thousand inhabitants or less, 20 in those between 30 and 100 thousand people, and 30 members in those communes with over 100 thousand people.

<sup>260</sup> Since the system favors the list over the votes an individual candidate may obtain, it is not uncommon that the elected members to the council may have significantly lower votes than unsuccessful candidates. The system also punishes the parties that do not belong to coalitions, because they may not reach the threshold of the electoral quotient, even though some of its candidates may have obtained significantly more votes than other elected city council members. For instance, in 1992 Luzmения Toro, the social leader from Huechuraba, ran for the city council and obtained 6.31% of the total votes. She was not elected, even though 3 of the 6 elected members of the city council had less votes than her. Her party, the PC, obtained over 11.1 % of the votes of the

council as part of the local government and comprised by elected candidates sponsored by the political parties anchored the party dominance over local governments. The 'advisory role' reserved for community organizations reinforced this trend.

Parallel to the enlarged role of the parties, the mayors appeared to concentrate a high amount of power in the democratized municipality. The prominence of the mayor in local government was a well known feature of the pre-authoritarian local polity, perhaps related to the strong presidentialist tradition of the Chilean political system (Valenzuela, 1977), and it was greatly enhanced by the authoritarian municipality's executive and hierarchical style of governance.<sup>261</sup>

The power of the mayor, however, acquired a different dimension in the contemporary municipality in light of its relative autonomy vis-à-vis the political parties. As said, pre-dictatorial political parties constituted the primary network connecting national politics and local demands. Elected officials' loyalty and subordination to the party was an essential component of this relationship, as it was partisan identification in the voters. Valenzuela observed that the mayors obliged to the instructions of their parties up to the extreme of stepping down from their seats before their tenure was over to comply with new political pacts, making the mayoral position the least stable of all political positions (1977: 106). Today, "the mayors are more than their parties in their communes", as Lily Pérez, deputy for RN, put it. Cristina Girardi, mayor of Cerro Navia since 1996, concurs:

My party, PPD, does not support me, but it doesn't bother me either; I do not have a strong party linkage. The party has never call on me because of my constant criticism of the government. In theory, there is a party line for local government, but in reality, everybody does whatever he/she see fits. Each mayor has his/her own way, because being a mayor is a peculiar relationship with the community, and that cannot be reduced to partisan politics.

Mayor of Cerro Navia Cristina Girardi, interview 1998.

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commune, but was not able to elect any of its candidates, unlike UDI or PS, both participants of the main coalitions, which elected one councilor each with 7.8 and 4.9% of the total vote, respectively.

<sup>261</sup> See chapter 2 and previous section in this chapter.

The design of electoral institutions is largely responsible for the political weight of the mayor. First, the law defines de mayor as the lawful representative of the commune in political and economic matters, granting him or her powers to strike economic deals, sign contracts, negotiate with other central or regional state institutions as well as elaborating the municipal budget, the development plan, the investment plan and, in general terms, conducting the commune.<sup>262</sup> The mayor also presides both the Municipal Council and the Codeco. The unrivalled amount of power conferred to the mayor may be traced to the managerial notion of establishing a strong executive with ample powers to manage communal affairs, a notion that sits well with the entrenched Chilean presidentialist tradition.

A strong executive dwarfs other institutions in governing the commune, thus, councilors are restricted to supervise and to approve mayoral initiatives sent for their consideration. Therefore it is only logic that the mayoralty, a privileged power position, is the most coveted post and the political parties strive for winning it.

Second, the three electoral mechanisms that have been in place since 1992 have in common strong incentives for the parties and coalitions to concentrate votes around one candidate. Originally, the councilors elected the mayor among its members, unless a candidate gathered at least 35% of the popular vote and belonged to the highest-voted list, in which case s/he was automatically elected mayor. In 1996, the electoral laws were amended to allow for the direct election of the mayor, if a candidate obtained a simple majority and his/her list, at least 30% of the votes; or, if those conditions were not met, the candidate who obtained the first majority and was in the most voted list<sup>263</sup>. Finally, in 2001, separate elections for the mayor and the city councilors were established<sup>264</sup>. All three electoral

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<sup>262</sup> In performing some of these functions, the mayor has to consult and secure the approval of the Municipal Council –this is the case of the municipal budget, and the investment and development plans, some permits and the sale or acquisition of municipal property, as well as exercising eminent domain.

<sup>263</sup> Law 19,452, 4/16/1996.

<sup>264</sup> Law 19737, 7/6/2001. No elections to date have been held under these new regulations.

formulas favor vote concentration, usually achieved by emphasizing the characteristics of the individual candidate; an incentive for the parties to push for a “strong” candidate and/or to favor the incumbent mayor (Bitácora Electoral, 2000). In turn, the parties tend to present the other candidates to the city council as “minor” characters in order not to cast a shadow – and dilute the votes– over the potential mayor, and the subsequent widening of the power differential between the city council and the mayor in local government.<sup>265</sup>

### 5.2.1. Local Elections: Allegiance to the party or to the mayor?

Is there a growing schism between the national and the local polity? In order to test the perception of the increasing centrality of the mayor and the growing dependency of the parties on the votes obtained by him or her, I gathered electoral results for the communes with over 10 thousands voters, for the local elections of 1992, 1996 and 2000: 137 municipalities in 1992 and 142 in 1996 and 2000.<sup>266</sup> The communes included in the sample, although less than half the communes of Chile, comprised over 84% of the total national vote for each of the election years 1992, 1996 and 2000.<sup>267</sup>

As stated before, the mayoralty was the most unstable of all political offices: for the years 1967 to 1969, incumbents in the position of mayor represented only 24%, half the rate of the incumbents that occupied a lower house seat (Valenzuela, 1977: 106). In contrast, incumbency had been growing in the democratized municipalities in the 1990s. In the municipalities over 10 thousand voters, only 18 had changed the mayor three times, a third (46) have retained its mayor for three consecutive periods (12 years) and in the remaining 76 the mayor has been in power for two consecutive terms:

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<sup>265</sup> This may change in 2004, when separate lists would be established for the candidates for mayor and councilors according to the reformed law for municipal elections.

<sup>266</sup> The number of municipalities in the sample grew by the creation of 5 new communes of over 10K voters since 1992 –Concón, Padre Hurtado, Padre Las Casas, San Pedro de la Paz and Chiguayante. .

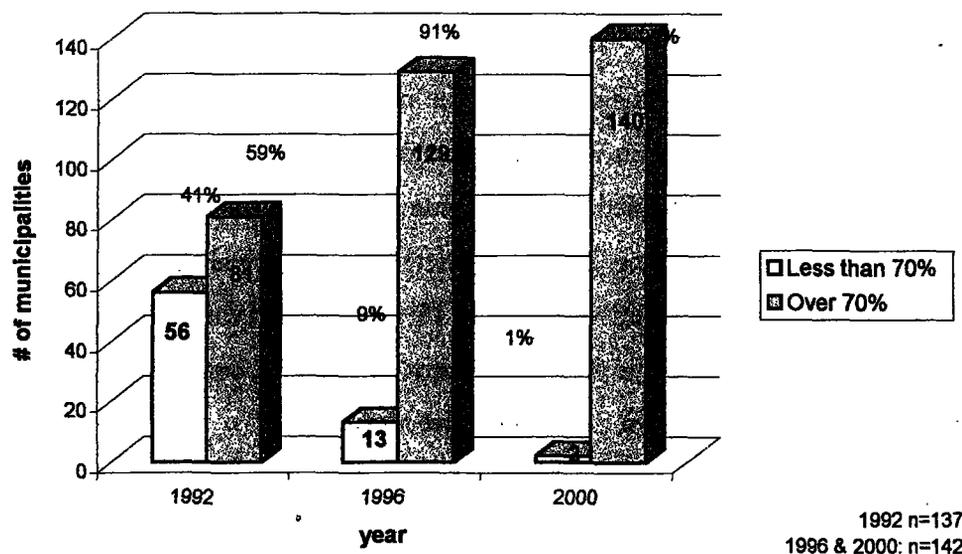
**Table 21 Mayoral Incumbency in Municipalities of More than 10 Thousand Voters Chile, 1992-2000**

	<i>Incumbents</i>		<i>Non Incumbents</i>		<i>Total</i>
	#	%	#	%	
<b>1996</b>	80	58.4	57	41.6	137*
<b>2000</b>	88	62.0	54	38.0	142

(\*) Excludes the mayors of 5 new municipalities. Source: Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>.

Not just the election of incumbents is more frequent, but also the mayors have been concentrating a growing proportion of both the votes of their parties and of their coalitions. Data from the communes with over 10,000 voters for the local elections in 1992, 1996 and 2000 clearly show this trend: While in the 1992's elections 59% of the mayors concentrated 70% or more of their parties' votes, 99% did so in 2000:

**Graph 3 Contribution of the mayors's vote ro his/her party vote**



Source: Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>.

<sup>267</sup> The total number of communes in Chile was 334 in 1992 and 341 in 2000.

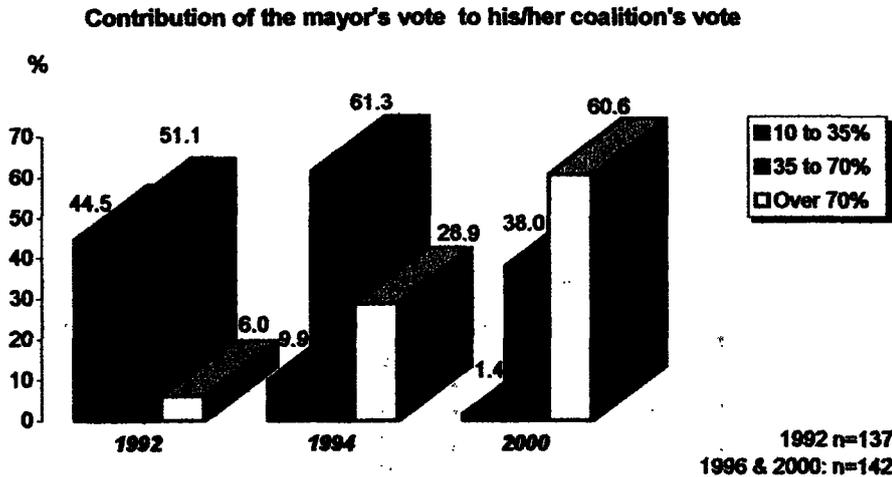
Moreover, in more than 60% (90 out of 142) municipalities over 10 thousand voters, the votes of the mayor accounted for 95 to 100% of the votes that his or her party received in the 2000 elections: (Table 22).

**Table 22 Contribution of the Mayor to Party Vote**

<i>Mayoral Vote/ Total Vote of his/her Party (%)</i>	1992		1996		2000	
	#	%	#	%	#	%
20	1	0.7	0	0.0	0	0.0
25	1	0.7	0	0.0	0	0.0
30	1	0.7	0	0.0	0	0.0
35	2	1.5	0	0.0	0	0.0
40	3	2.2	0	0.0	0	0.0
45	7	5.1	0	0.0	0	0.0
50	4	2.9	1	0.7	0	0.0
55	14	10.2	3	2.1	0	0.0
60	11	8.0	4	2.8	0	0.0
65	7	5.1	5	3.5	0	0.0
70	5	3.6	0	0.0	2	1.4
75	8	5.8	9	6.3	2	1.4
80	9	6.6	11	7.7	6	4.2
85	12	8.8	8	5.6	9	6.3
90	2	1.5	19	13.4	12	8.5
95	8	5.8	28	19.7	21	14.8
100	42	30.7	54	38.0	90	63.4
<b>Total</b>	<b>137</b>	<b>100</b>	<b>142</b>	<b>100</b>	<b>142</b>	<b>100</b>

Source: Elaborated with data from the Ministry of the Interior, Chile.  
<http://www.elecciones.gov.cl/indexf.html>.

This voting concentration also entails the coalition that supports the candidate to the mayoralty. In our municipal sample, the percentage of votes that the mayor contributed to his or her coalition has increased dramatically. While in the 1992 only 6% of the successful candidates for mayors contributed more than 70% of votes obtained by his or her coalition, in the municipal elections of 2000 the mayors in over 60% of the municipalities contributed this proportion to their coalitions: (Graph 4; see additional tables and graphs in Annex):

**Graph 4 Contribution of the Mayor's Vote to his/her Coalition's Vote.**

Source: Elaborated with data from the Ministry of the Interior, Chile.  
<http://www.elecciones.gov.cl/indexf.html>.

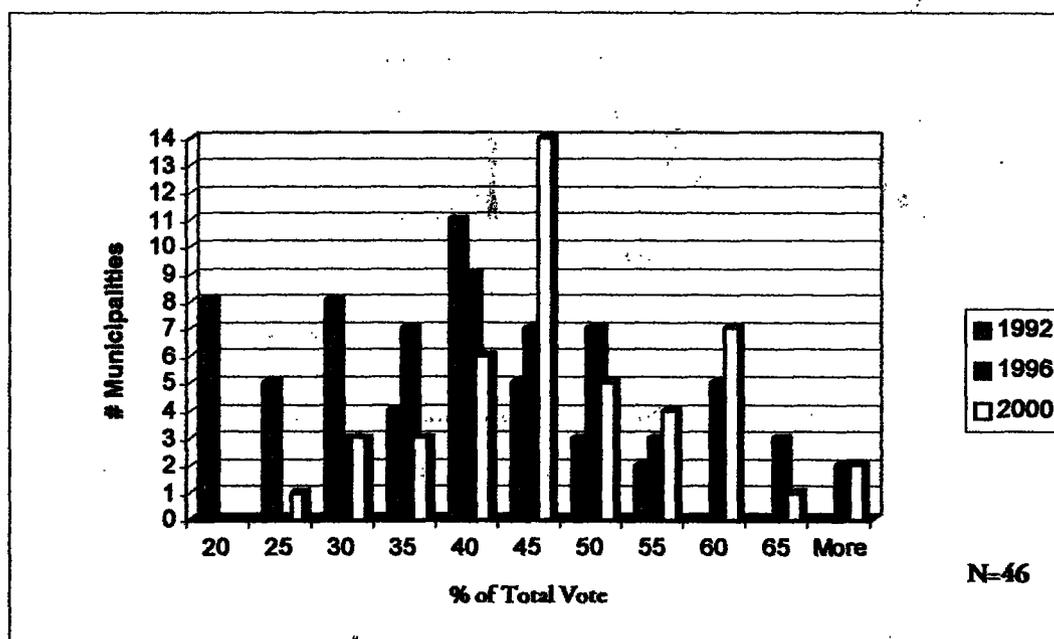
The concentration of the votes around a candidate for mayor is due in part to the electoral rules, which give incentives to the parties to concentrate its votes around one candidate because the mayoralty—the most coveted post in municipal politics—is attainable by either obtaining 30% of the total vote or the first majority in the most voted list. But, does obtaining the mayoral position results in higher votes for the party in subsequent elections, and or is simply just a strategic concentration of votes around a candidate in order to access the key position of municipal politics? That is, does the mayoral position allow the party to get a powerful "electoral hold" of a particular commune?

In order to test this, I compared the voting obtained by the party and by the coalition of mayor in the municipal elections of 1992, 1996 and 2000. Then I compared the municipal results with voting for the party and the coalition in those communes where the party had presented candidates to the deputy (national) elections of 1993, 1997 and

2001.<sup>268</sup> The comparison with national elections, of course, should be taken cautiously because, first, there are different electoral systems at work and second, the selection of communes where the party has carried candidates in both elections reduce the number of cases by almost half. Nonetheless, the exercise shows the beginning of distinctive features of municipal politics regarding the national electoral contests.

If holding the mayoral position becomes advantageous for the party in subsequent elections, we would expect a stronger showing of the party of the mayor in those communes where the mayor has not changed since the first election, that is, has been elected 3 times: in 1992, 1996 and 2000. In my sample of municipalities, these are 46 communes. As shown in the following graph, the voting for the party of the mayor has greatly increased since the first elections in 1992:

**Graph 5 Voting for the Party of 3-Times Mayors**

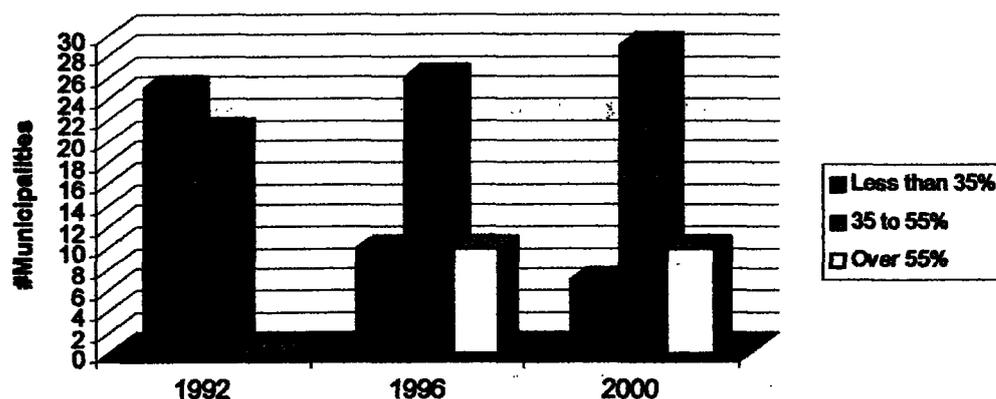


Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>.

<sup>268</sup> For additional tables and results, see Annex.

While in 1992 in more than half of the municipalities the party of the mayor obtained less than 35% of the total vote, in 1996 and in 2000 the municipalities where the party of the mayor obtained this "meager" percentage had been reduced to a fifth and a sixth of the municipalities, respectively. By the 2000 elections, in over sixty percent of these municipalities the party of the mayor received between 35 and 55% of the communal voting:

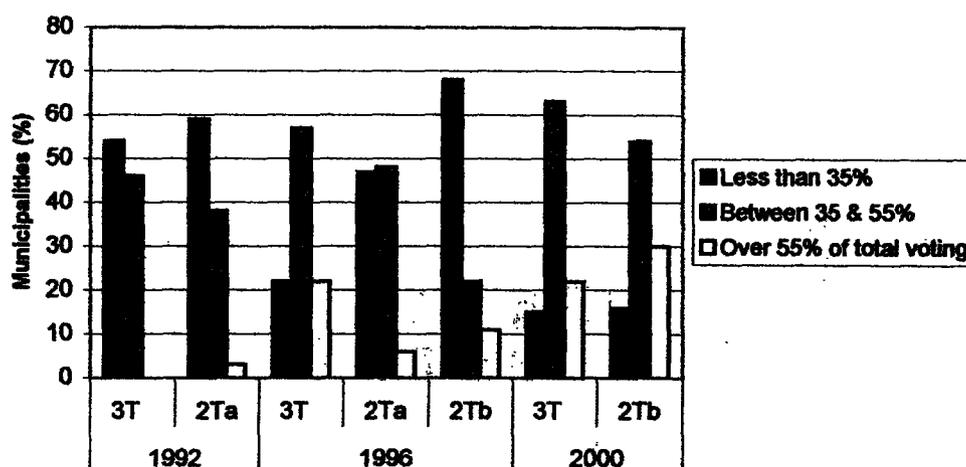
**Graph 6 Voting for the party of the mayor. Municipalities with 3T mayor (% of the total vote)**



Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>

This tendency could also be observed in the municipalities where the mayor has been in power for two periods. In most of these municipalities, the party of the mayor initially captures less than 35% of the total vote of his or her commune; by the next election, this percentage grows to 35 and 55% of the vote (in fewer cases, to more than 55%) in the majority of the municipalities:

**Graph 7 Voting for the party of the mayor in 1992,1996 and 2000**



3T= municipalities where the mayor has held the post three times, since 1992.

2Ta= municipalities where the mayor has held the post two times, in 1992 and 1996.

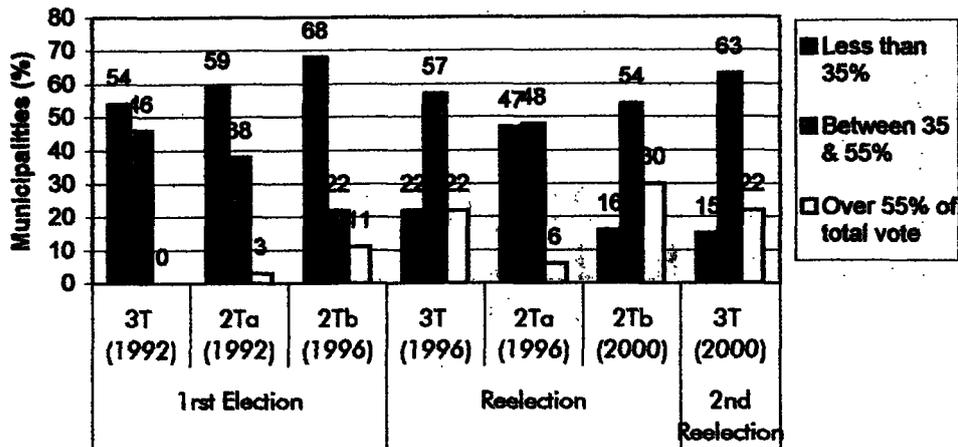
2Tb= municipalities where the mayor has held the post two times, in 1996 and 2000

Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>

The electoral gains that holding the mayoralty give the political parties are evident at the time when a mayor is reelected. The median increase of voting for the party of the mayor in our municipal sample was over 13 percentage points between the first and second election; in subsequent elections the party tend to maintain its voting or to slightly increase it<sup>269</sup>. The municipalities where the mayor has been elected for three consecutive periods consistently held a voting advantage for the party of the mayor: by the year 2000, the party of the mayor obtained over 35% of the votes in 85% of these municipalities, up from the 1996 and 1992 elections, where the party obtained these results in 77 and 46% of the municipalities, respectively.

<sup>269</sup> See Tables and Graphs in Annex.

**Graph 8 Voting for the party of the mayor: election and reelection**



Elaborated

with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>

The parties of the mayors that have occupied the mayoralty twice show a similar tendency, although less marked in the case of the municipalities where the mayor lost the reelection in 2000 after two periods in office (2Ta mayors), where the percentage of municipalities in which the party of the mayor surpassed 35% of the total vote shoots up from 40% in 1992, to 52% in 1996. By contrast, 84% of municipalities where the incoming mayor in 1996 was reelected in 2000 saw the party of the mayor increase its voting over 35% upon reelection (Graph 8). This last result may in part indicate, however, the increasing concentration of votes around one candidate in 2000 because of the change in electoral rules for that election, as explained before.

**5.2.2. Diverging paths: Local vs. National Elections**

From the municipalities over ten thousand voters, I selected those municipalities where the voting won by the party of the mayor could be compared with the votes obtained by the

party in the elections for deputies, which are held a year after the municipal elections<sup>270</sup>. I classified the results as “similar” if the party’s votes in municipal elections were no more or no less than 5 percentage points (–5 to +5%) than the votes the party received in congressional elections, as “higher” if the party received over 5 percentage in municipal than in congressional elections, and as “lower” if the party received 5 percentage points or less.<sup>271</sup> Then I divided the municipalities in three groups, according to the times the same person had been elected to the mayoral post: 3 times, 2 times (92-96 or 96-2000) or 1 time. The latter were discarded, since the lack of continuity forbids testing for the continued effect of the mayor over electoral contests. In municipalities where the mayoral post was held two times, I gathered data for the votes the party obtained in the electoral year that the mayor was not in power, in order to “follow” the local and national vote of the party that has dominated the local elections in those communes. Thus, for the municipalities where the mayor was elected in 1992 and 1996 but lost reelection in 2000, the data shows the data for the “losing” party, while in the communes where the mayor won the municipality in 1996 and was reelected in 2000, the data shows the votes obtained by his/he party in 1993 (the “rising” party).<sup>272</sup>

Graph 9, which depicts the municipalities where the mayor has remained in power since the first elections in 1992, illustrates that holding the mayoral position results in clear party voting advantage. In half of these municipalities, the party of the mayor gathered a higher percentage of the communal votes in 1992 municipal election than in the deputy elections of 1993, while in the other half, the percentage the party obtained was either lower (20%) or equal (30%). In 1996, the party of the mayor obtained a higher percentage of the votes in

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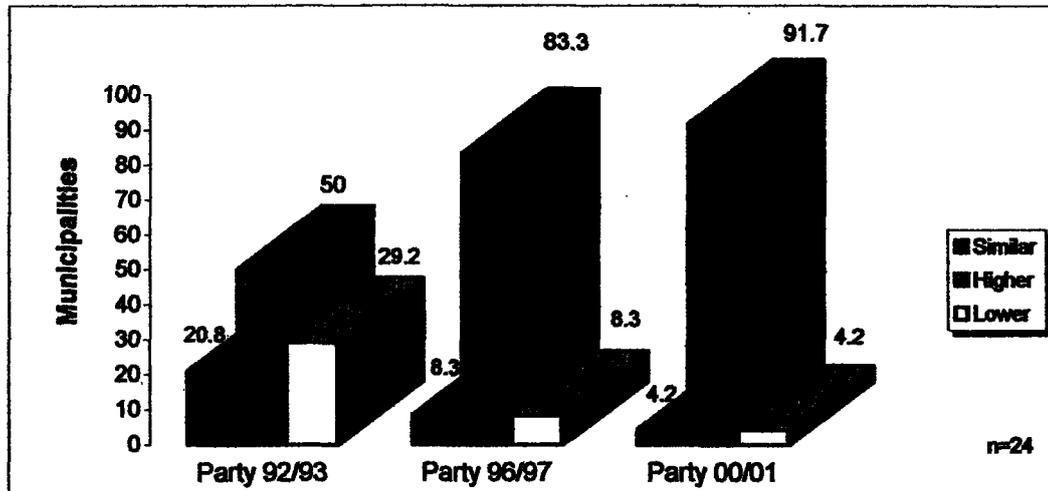
<sup>270</sup> Since the parties tend to present candidates in all municipal contests –because of the greater number of posts— but not to all deputy districts, the number of municipalities where a party presented candidates to both municipal and deputy elections for three consecutive years was smaller, reducing the number of cases to 70. However, these municipalities still gathered between 49 and 51% of the total votes in the election years studied (1992, 1996 and 2000 municipal elections; and 1993, 1997 and 2001 congressional elections for deputies.

<sup>271</sup> I thank Felipe Agüero, professor of political science at Miami University, for his suggestion to set the threshold of 5 percentage points for determining whether the voting in municipal elections is significantly higher or lower than the votes obtained by the party in congressional elections.

<sup>272</sup> The electoral performance of the party of the mayors in each of these communes could be found in the Annex.

municipal elections compared to the national elections in 80% of these municipalities, and by 2000, the local voting party of the mayor surpassed the votes obtained in the congressional elections of 2001 in over 90% of the municipalities.

**Graph 9 Voting for the Party of the Mayor: Municipal vs. Congressional Elections. Municipalities w/Mayor Reelected Twice**



**Similar**= The party's votes in municipal elections were no more or no less than 5 percentage points (-5 to +5%) than the votes the party received in congressional elections.

**Higher**= The party received 5 percentage points or more in municipal than in congressional elections.

**Lower**= The party received 5 percentage points or less in municipal than in congressional elections.

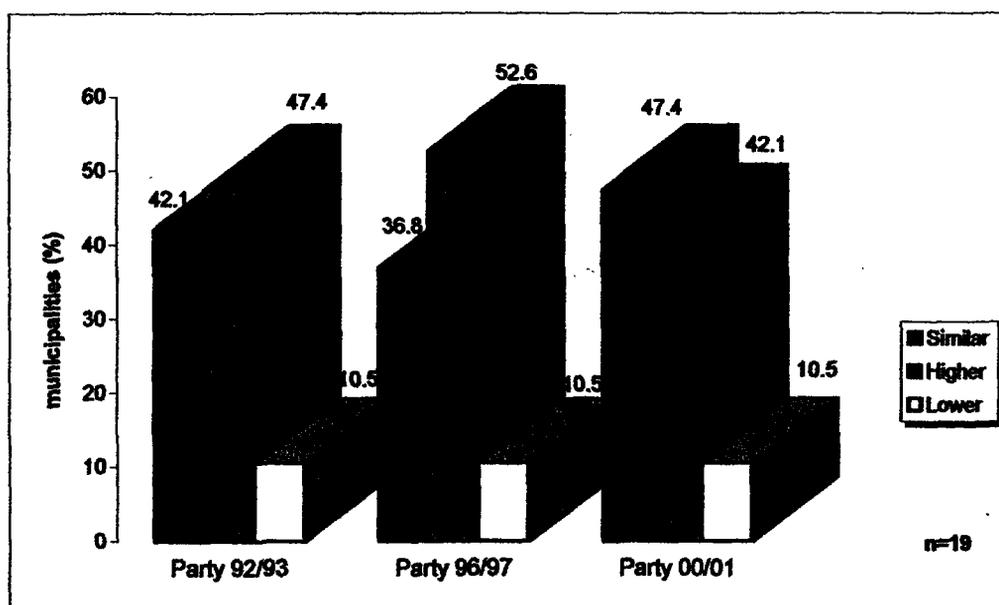
Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>

The electoral gains of the parties of the mayors in the local sphere largely surpasses the percentage of the votes that the party obtains in national elections (for deputies), thus lending support to the hypothesis that the mayoral position strengthened the party, and not the opposite.

The same party advantage could be observed in those municipalities where the party was able to hold the mayoral position for two periods. Graph 10 illustrates that in the municipalities where the mayor lost the elections in the third period (2000) the party experienced a "boost" of its voting at the local level in 1996: in almost 53% of the

municipalities, the party obtained higher voting in the commune than it did at the congressional elections of 1997; the defeat of 2000 meant that in the majority of the municipalities, the party of the defeated mayor obtained less or similar voting than the party would obtain the congressional elections of 2001.

**Graph 10 Voting for the Party of the Mayor: Municipal vs. Congressional Elections.  
Municipalities w/Mayor Reelected once 92&96**

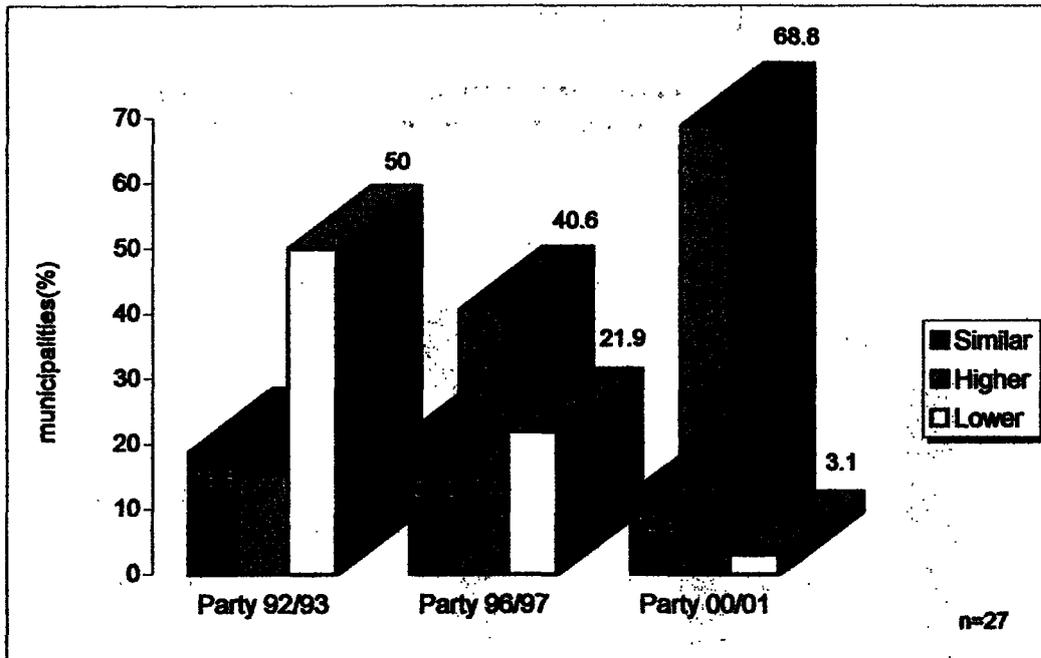


Elaborated

with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>

Finally, in those municipalities where the mayors elected in 1992 were defeated in 1996 by mayors who hold onto their posts in the 2000 elections, the gains of their party appear even clearer: while in half of the municipalities the party of the would-be mayors obtained less votes than the party at the national level the following year (1993); by 2000 only in 3% of the municipalities the party of the mayor scored less in the municipal elections than in the congressional elections, and the party at the local level surpassed its voting of the national level in 70% of these municipalities (Graph 11).

**Graph 11 Voting for the party of the mayor: municipal and congressional elections. Municipalities w/mayor reelected once 96&00**



Elaborated with data from the Ministry of the Interior, Chile. <http://www.elecciones.gov.cl/indexf.html>

Therefore, the parties do obtain significant electoral gains when one of its members is elected to the mayoral posts and even greater, when the mayor is able to hold that position for subsequent periods.

Other than being dominant in a specific local political arena, the parties derive additional benefits from holding the mayoralty. As preliminary cross analysis of the results of national and local elections show, having a member of the party as mayor tend to have a “spill over effect” on the local voting for other national party candidates. For example, in the first round for the presidential elections of 1999, the candidate for the Concertación, Ricardo Lagos, won in 66% of the municipalities led by a fellow Socialist, but only in 50% of the municipalities led by the PPD and 45% of those led by the DC, all three Concertación’ parties. In the second round, Lagos was able to boost his votes over his first-round national average in 70% of the communes led by a Socialist, but only in 60% and 59% of those

municipalities led by the DC and the PPD respectively (Navia, 2001: 12-13; 15-16). This advantage could be the result of a popular mayor's influence over local voters' choices, and/or the greater access to local resources to mobilize for campaign purposes. The coalition of the mayor is also favored, but it is the party the one that ripe the largest gains.

In light of these trends, the political parties have few incentives to change the electoral system to expand the municipal polity to other actors and curb mayoral dominance.

The Right coalition has been particularly successful in winning the mayoralty, in spite of not having the majority of the municipal electorate RN and UDI have increased their mayors from 62 in 1992 to 129 in 1996, to 165 in 2000, or about 49% of the municipalities in the country (Morales and Bugueño, 2001: 9). In the Metropolitan region alone, the Rightist Alliance won the mayoralty in 16 municipalities formerly held by the Concertación, in spite of the fact that the Concertación had more votes than the Rightist Alliance in 13 of these 16 communes. With the new additions, the Right won the mayoralty in 30 communes of the 51 metropolitan municipalities, although it holds the majority of the votes in only 15 metropolitan municipalities. In other words, the Right Alliance won the mayoralty in almost 60% of the metropolitan communes, but holds the majority of the votes in less than 30% of them.

**Table 23 2000 Municipal Elections Results in the Metropolitan Region**

<i>Communes*</i>	<i>Concertación</i>		<i>Right Alliance</i>	
	#	%	#	%
<i>Majority of Votes</i>	36	71	15	29
<i>Mayoralty</i>	21	41	30	59

\* Excludes Alhué, where independents won. Data source: Registro Electoral. [www.eleccioneschile.cl](http://www.eleccioneschile.cl)

### 5.3. Local politics vs. National politics

The recast relations between the candidates and their political parties have resulted in a mutual dependency: instead of the politicians depending on the parties to stay in power, the parties have also become dependent on mayors in order to maintain a hold of a particular

commune.<sup>273</sup> This newly found mayoral power have caused frictions with the parties. Deputy Andrés Palma –today Minister of Mideplan– illustrates:

Mayors are feudal lords. In this system a person can be decades in the post and becomes the owner of the municipality; it is impossible to get him out. The only way to remove him –other than death—is that the party would not carry him for reelection. We had some corrupted mayors, we did not carry them and we lost the elections. We paid a high political cost. The parties do carry corrupted mayors because if they don't, they have no chance of winning the mayoralty.

Andrés Palma, interview 1999

A common claim among local politicians, in turn, is that they often enter in conflict with their own parties for adopting the municipalist positions<sup>274</sup>

However, the level of intrapartisan conflict regarding municipal matters is sharply different in the two mayor coalitions. Being the 'managerial' model largely a creature of the new right, the frictions between local and national politicians in the Right coalition are usually contingent to specific dilemmas (such as electoral regulations or municipal laws) rather than to contested ideological or programmatic positions. UDI and RN do have a model of local politics that is coherent with their overall ideology regarding the role of the state and the market, the limits of public and private spheres and the conception of social and political participation. Accordingly, both UDI and RN have long integrated into their party structures local politics, and they have instituted mechanisms of permanent discussion and consultation between national and local politicians, as well as an "organic"<sup>275</sup> relation with well established neoliberal "think tanks."<sup>276</sup>

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<sup>273</sup> In the 1996 elections, a poll showed that 61% of the voters considered the party label irrelevant for choosing among candidates. This percentage was higher for poorest (65%) and the youngest (68%) (El Mercurio, 12 Julio 1996.

<sup>274</sup> 1999 interviews with Lily Pérez (RN) and Fernando Echeverría (PPD);

<sup>275</sup> I use the term organic in the Gramscian sense –the party as an organic intellectual, which elaborates the vision of the world and the political practices for a social class to maintain or to contest domination (not just economic but cultural/ideological as well). All UDI and RN politicians interviewed for this thesis, ranging from senators to city councilors, acknowledged occasional disagreements among local and national politicians regarding, for

In the Concertación, instead, the tensions between local and national politicians remain unresolved. There is an overwhelming consensus that most of these tensions arise from the lack of a consistent agenda regarding decentralized governance, the distribution of power in inter state levels, and the role that the parties should play in that power distribution.<sup>277</sup> The parties of the Concertación do not have internal partisan structures to deal with these issues, or they are significantly weaker than those of their counterparts in the Right.

National politicians acknowledge that the Concertación parties' position regarding decentralization rarely go beyond discourse, but they demand that their party's local politicians propose a model of local political praxis which both differs from the managerial model sponsored by the Right coalition:

When the Congress discussed municipal laws, all the mayors went to ask for more administrative tools and resources. But they never wanted to discuss about their role within the general political institutions. They never said whether they were willing or able to manage health and education, or to propose an option. They never asked to be in charge of strategies for poverty alleviation or participation. We had to trick them with the *Ordenanza de Participación*, which forces a political debate within the municipalities to incorporate the people. And even with it, they (the mayors) are debating how to avoid implementing the Ordenanza, setting bodies to fulfill only the formal requirements of the law.

National politician, PS.

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instance, whether to foster separate elections of mayor and city councilors, but they underlined that their parties had a great deal of experience, respect and knowledge about decentralized governance, and that this was an integral part of the party's ideological position and program..

<sup>276</sup> Both RN and UDI have committees of acting councilors and mayors that meet monthly to discuss municipal matters, frequently with experts of think tanks such as the Fundación Jaime Guzmán. In UDI, the head of the committee meets regularly with the heads of the deputies and senators, as well as experts, to discuss public policy issues, at national and local/regional level. UDI has every month a "week of the district", where the local authorities and the deputies of a particular district meet and work together in the communities they represent (Eugenio González, Nibaldo Mora, UDI, Pía Guzmán, Lily Pérez, RN)

<sup>277</sup> Is possible also that some tensions arise from the simple fact that, being the Concertación the governmental coalition, the municipalist demands of local politicians addressed to the central state have to be dealt with by bureaucrats or politicians of the same political coalition.

Local powers are “unions” against the central state; they believe that transferring greater resources to the municipalities solves all problems. I believe that the main problem is not the good or bad managerial capacities at the local level, but the lack of democratization of the country. We have a culture of non-democratic municipalities, paired with a municipal structure that supports that culture. The power of the mayor is uncontested; the council is composed of people many of whom are there for getting a job that depends on the mayor. The political parties of the Concertación did not design the local political space, but they also did not show any will of changing the institutional design.

National politician, DC.

In turn, local politicians do not feel supported by their parties:

My party does not have a program for local politics. It promotes decentralization, but in reality only in election times the municipal politicians count for the party. The relation between party and local and regional government is deficient. There is a disassociation between the direct political work with the citizens and the political engineering—legislative discussion, the big national projects, and the communication policy. National politics reflects the agenda of the political class that not always is the one that interests the citizens. The political class does not give a lot of attention to the regional/municipal topics.

Local politician, PS

(My party's) officers know the issues at the macro level, but at the micro level there are “cases”, “clients.” I give away food packages. The highest-ranking officers of my party never ask us about what the people think, or what are their problems. There is not relation with the parliamentary staff. The regional council attempted to get together councilors and members of the Congress, but it did not work out. Congress people believe that they know everything and my feeling—which we share with councilor from other political parties—is that congress representatives or senators feel that they have no need for our opinion or experience.

Local politician, PPD

The role of the parties in the local space is strongly criticized: “The parties do not exist in the communes; they are shells, machines that tend to reproduce themselves and to assign power quotas. They are not currents of opinion; they are pressure groups”, explained a councilor from the Concertación.

By placing a high value on efficient service delivery and the concentration of power in the executive, the managerial model<sup>278</sup> tends to “de-politicize” municipal governance, playing down the ideological and normative aspects of politics. This blurs important aspects the parties’ identity, but this erosion has not affected the political parties equally: for UDI and RN, de-politicization is part of the way in which they conceive local governance; it is therefore consistent with the overall party ideology, and the party structure supports and enhances the notion of local politicians as “efficient makers.”<sup>279</sup>

For the Concertación’ parties, conversely, the model sets their local politicians to abide by standards of administrative and managerial excellence, a task for which the party—lacking a model for local politics—is of little help. In part fueled by this partisan “unresponsiveness”, resorting to structures of intermediation other than the parties such as the ACM, become a “natural response” of local politicians in order to fulfill the demands of governing the municipalities.

### 5.3.1.. Changing structures of Intermediation? The Municipal Association

There is no doubt that the managerial model of governance is a powerful incentive for “mayor-centric” local polity. Its requirement for a “strong executive” reinforces centrality of the mayoral position, while its notion good government as managerial excellence further blurs party identity. In addition, the emergence of “municipalism” in the early 1990s, has further contributed to strengthen this trend.

The *Asociación Chilena de Municipalidades*, ACM, was born in 1993, as an association of mayors and councilors to lobby for increasing the autonomy of local governments vis-à-vis the central state, and to provide mutual technical support to its members, especially regarding management. ACM fosters municipalism to forge a common way of thinking among local

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<sup>278</sup> Managerial practices have produced positive results in the efficient use of resources and a in emphasizing clear and standardized procedures (Borges and Vergara, 1999).

<sup>279</sup> The fact that people identifies certain political parties as “non-partisan”, but still prefers the political label, was a hard lesson learned by UDI in the 1996 municipal elections, when the party instructed its candidates to run as “independents.” The strategy backfired, because it was perceived as a “dirty trick.”

actors, above partisan divisions –the Association has included the full political spectrum since its beginnings. “We are called the “transversal party”, that is, the party of municipalists”, asserted ACM’s first Executive director, Giorgio Martelli, in 1994. Four years later, then Executive Director Mario Rosales elaborated on the idea (interview 1998)

Municipalism goes against Chilean political tradition. The parties demand loyalty from their mayors and councilors, but when Municipalism emerges, horizontal loyalties were forged in the Association. Some call us the “transversal party” because we run against the vertical loyalties organized by the parties.

Mario Rosales concurs that the growing loyalty of the elected politicians to their local constituencies has resulted in an increased autonomy of the mayors regarding their parties, recasting their power relations:

There is a growing feeling that mayors and councilor’s main loyalties are towards their own local constituencies, rather than to their political parties that brought them as candidates. I do not perceive mayors obeying their parties, on the contrary, I see mayors that are criticized because they are too autonomous. And indeed, the parties cannot just scrape them from their lists. I know cases of mayors and councilors who moved to another party and carried on their electorate. This is new in Chilean politics: before changing parties or being expelled meant political death. The fact that local politicians maintain their electorate shows a link of greater legitimacy between the citizen and the person elected to the local government. The parties continue to be powerful, but this new legitimacy link is growing, and it is a logical consequence of decentralization, which is a way of questioning the logic of power.

Mario Rosales, ACM, interview 1998.

This “new popular legitimacy” of local politicians has helped them to gain significant degrees of autonomy regarding the political parties. Municipal associationism, in turn, has provided an additional instrument to secure partisan independence. Throughout a decade of existence, the ACM has established itself as the main interlocutor in the Congress and state bureaucracies regarding laws and regulations that affect municipal autonomy, resources or functions. By weaving its own connections between the mayors/councilors and the central government and the parliament, the ACM has become a mediating structure that has indeed

replaced the political parties in what was one of its historical functions, that is, to bridge local and national interests. For the ACM, partisan diversity is a valued negotiating chip:

The ACM strongly lobbies the Congress in favor of its positions. When there is consensus in the Association we lobby very effectively, because we represent every major political party.

Mario Rosales, ACM, interview 1998

#### 5.4. Local polity: Little political space, growing clientelism

The mayor-centric municipal polity leaves almost no space for maneuvering for the other local politicians, the municipal councilors. The extensive powers of the mayor, and the lack of specific areas of specialization for the councilors to build a specific political identity in the municipal government, determines extreme power differential between the mayor and the councilors. “In the first period—declared a city councilor of El Bosque—the council was more active in supervising the mayor. Today, the councilors have two roles: rising and lowering their hands.” Another councilor described the weight of the council in the local government as “less than a bag of popcorn.”

The lack of real areas of influence of the municipal councilors is compounded by the fact that they are paid a symbolic wage, which indeed does not amount to a salary, forcing them to be “part-time councilors.” In addition, the council does not have significant resources of their own, so their members have to rely on the staff of the municipality to gather the information they require to carry on their duties, a daunting task given that the municipal staff is usually devoted to their own work and their loyalties remain with the mayor, who manages personnel issues and hiring.

In this context, the councilors resort frequently to building their basis of support via clientelism. Unable to have a meaningful role in municipal government, they have to

*“atender”*<sup>280</sup> people, that is, grant small favors to individuals or to community organizations. That clientelism is a “way of life” for the local politician is acknowledged openly by councilors from all parties:

As a councilor, one could do almost nothing –being a watchdog and check the budget—so almost every councilor starts “assisting” people. One turns into yet another social worker. People come here with the utilities bills, or looking for a job. I believe that the role of a city councilor should be to know and to inform about the day-to day workings of the municipality and to be concerned with the macro aspects of politics. This “attention” to individual needs, however, is productive because one gets voters. The councilors’ tool is clientelism. All other tools remain in the mayor’s hands.

Raúl Zuleta, Councilor RN, Peñalolén<sup>281</sup>

The mayor has visibility and gets all the rewards –the councilor has to establish its clientele within organizations and community leaders –sometimes based on personal ties. Clientelism is the norm in municipal politics. Everybody that voted for you comes to your office asking for favors. If you do not comply, they go to the next councilor. One cannot make communal policy such as general projects or foster communal identity: we have to focus on getting votes.

José Miguel Muñoz, Councilor El Bosque, PPD.

The councilors build their own clienteles by granting small and personal favors. From the symbolic point of view, this is very important for the people, because they feel closer to the politicians.

Fernando Echeverría, Councilor Recoleta, PPD

People do not care about the political party of a candidate or a councilor only about who can deliver them material things. We “assist” people. We grant them favors, and even make “donations” and follow up the “cases” - just like medical patients or social service clients.

Patricio Arriagada, Councilor El Bosque, UDI.

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<sup>280</sup> “Atención” is a word that is used for the act of assisting clients in social services, medical professions (assist a patient, assist somebody to obtain a subsidy) or in regular bureaucratic environments. It also means a “small favor”, such as granting a small discount in the price of a good.

<sup>281</sup> Raúl Zuleta was a leader of JJ.VV. involved in local politics for at least three decades. I interviewed him in 1999, when we was in his second term in the city council. He was reelected in 2000, but he died less than a year later.

People's expectations are that one is there to solve their problems. They want solutions. We are social workers and priests. Shoes, work, housing, health benefits, bus for the community trip, coffin for the dead... But if one takes the option of not being an "assistentialist" councilor, it is even more difficult. I try to help, but there are many things that I do not do because of my principles.

Claudio Orrego, Councilor DC, Peñalolén.

The concentration of power in the mayor, then, makes of the local polity a difficult environment for the survival of other local politicians. Their role in municipal government, restricted to overseeing the mayor's performance, does not allow for making meaningful contributions to the community welfare through lawmaking or acting upon municipal policy areas, so they have few choices to insure their political survival other than gathering a clientele by granting small favors. Providing collective goods becomes more and more a "mayoral privilege."

Given that there are no separate elections for mayors and councilors (the candidate with more votes become the mayor)<sup>282</sup> the members of the Municipal Council are the "natural" political contenders of the mayor.<sup>283</sup> However, challenging an incumbent mayor "is a political suicide"—says Deputy for RN Lily Pérez, a long-time local political figure in La Florida. "The mayor controls the subsidies, gives and withdraws permits... the capacity of the mayor to make decisions regarding resources is so great that it becomes a tremendous breeding ground for clientelism." These challenges have become increasingly rare, in part because of the realization on the part of the councilors of the how difficult it is to mount a successful challenge, in part because the mayors have devised ways to control their potential opponents in the community council.<sup>284</sup> In this polity, strategies of control are preferred over strategies of collaboration.

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<sup>282</sup> Separate elections were passed in 2000 (Law). The separate elections will take place in 2004.

<sup>283</sup> Many interviewees referred to the councilors as "frustrated mayors."

<sup>284</sup> As told by many councilors, frequently the mayors "ease" the councilors' discomfort by granting them small perks such as the use of cellular phones, vehicles and entrusting them to represent the municipality in ceremonies that involve out-of-town trips. In addition, most of the councilors claimed that the mayor takes

The political parties continue being an important mediating structure for linking to the national polity for the city councilors; for the mayors, parties are one among others, further enhancing the power differential among local politicians.

The political strength of popular mayors has turned them into potential competitors for national political posts. This is not a new phenomenon: in pre-authoritarian Chile local politics was considered the vestibule to a national political post, but this process was highly regulated by the political parties (Valenzuela, 1977). Today, the enhanced position of the mayors in the parties makes them viable contenders for deputy or senatorial positions.<sup>285</sup> Therefore, the greater political stature of the mayors has opened a potential "competitive" rift between the local and national levels, a situation that can also enhance strategies of control rather than collaboration in the linkages from local to national politics.

### 5.5. The Local Framing of Social Participation

As shown in the preceding chapters, the pobladores had been incorporated into the pre-authoritarian polity through a variety of mediations: the political parties, especially from the Left and the DC, engaged them into the class politics of the time, organizing them to pressure for their projects of societal transformation, while bridging their demands to the central state. In the late 60s, the DC went further to devise a pseudo-corporatist model, which organized the pobladores into territorial and functional organizations with exclusive representational rights and linked directly to the state via the *Secretaría de Promoción Popular*.<sup>286</sup> The main organizational structure of the pobladores, the *Juntas de Vecinos*, *Mothers Centers* and *Sports Clubs*, date from that time.

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political credit for every initiative that emerges in the local government, increasing his or her political capital at the expense of the council.

<sup>285</sup> UDI has established a pattern of fluid transit between local and national political posts, of which Joaquín Lavín, who was mayor of Las Condes, Presidential candidate and later mayor of Santiago, is paradigmatic.

<sup>286</sup> This topic is treated extensively in chapter 2.

The 1991 reform of the Municipal Law granted grassroots organizations a minor role in an advisory council -*Consejo Económico Social*, Cesco. The original regulations provided for specific quotas to each category of community organizations: 30% to the JJ.VV, 30% to “functional” organizations and 30% to productive or service organizations. Cescos would have 10 members in communes of 30 thousand inhabitants or less, 20 in those between 30 and 100 thousand people, and 30 in those communes with over 100 thousand people.

Cesco’s resolutions were non-binding, meant to play a strictly advisory role to the mayor and the Municipal Council. By 1997, the Cescos were virtually nonexistent in many municipalities, due to the lack of community interest<sup>287</sup>. Both the pobladores’ leadership and government officials believe that the lack of citizen’s involvement in the Cescos signals the frustration with the insignificant influence that the Cescos can have on the process of governing the commune.<sup>288</sup> José Luis Vergara (interview 1999), member of the board of the Metropolitan Association of Cesco<sup>289</sup>, summarized his position

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<sup>287</sup> However, the situation varied greatly along communes, and there were Cescos that attempted to maintain a level of activity. There are very few studies on the Cescos. A study of the constitution of Cescos in Valdivia, a city in the South of Chile, showed that almost all the JJVV registered in the Municipal registry for Community Organizations, a requisite to participate in the Cesco, but less than 50% of the functional organizations did so. Three quarters of the Cescos had met at least once a month (as established by law) during its first year, but the meetings were to seek information rather than discussing substantive matters (Arntmann and Larrafiaga, 1994). See also DOS *Estudio Evaluativo de los Cescos* (1994).

<sup>288</sup> DOS Directors Ricardo Brodsky (interview 1994) and Daniel Farcas (interview 1999)

<sup>289</sup> The Association was formed by a call from 16 Cescos of the municipalities in the South of Santiago. This initiative grew and sprouted a metropolitan association of Cescos, and later, a national one. According to Vergara, the association was key in fostering the reforms of the Cescos in 1999.

The law only assigned CESCOS advisory duties. It was a trick to say that there was participation and representation of the organized community in the local government. We gave our opinions, and they were not even reviewed in the municipal council; or we were asked with only 3 days notice to review the municipal budget... This is at the general level, because the cases vary in every municipality, depending on the willingness of the mayor. In some municipalities the Cesco is not even given a space to function. In the municipality of (SM) the Cesco had to work for 6 months in the park in front of the municipality; in (SJ) the mayor does have a Cesco, but when he needs to decide something, he calls his friends, the entrepreneurs, to ask them. Cesco was a joke.

Responding to the dismal health of the Cescos, in 1999 the Congress mandated a sweeping change of composition, lifting regulations that granted specific quotas to community organizations a seat in the council and forcing local governments to comply with a "Participation Ordinance" (*Ordenanza de Participación*) whereby by the mayor and the Communal Council in each municipality proposed a specific composition for the Cesco, in tune with the existent organizational fabric of the commune.<sup>290</sup> The new regulations also allow citizens to petition public audiences regarding municipal matters, as well as submitting important administrative decisions such as modifications to the communal development plan, Pladeco, to public referendum (Subdere, 2000). Vergara (interview 1999) see some hope in the new regulations:

The new rules for the Cesco are in part result of our battle: we will have a slightly better role, being a consulting body for the mayor and the council. We will have a saying in the functioning of the municipal departments, aside from having knowledge of the land use and planning of the commune, the municipal budget, and the investments projects. However, all depends on the will of the acting mayor ("*la voluntad del alcalde de turno*"). If the mayor wants to work with Cesco, he'll send a request with a month notice; if he just wants to abide by the law, he'll send it two days before, making our work impossible.

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<sup>290</sup> Law 19,602, 3/25/1999.

Cesco is a reflection of the obstacles the municipal polity poses for organized participation in local governance. First, the structure of the municipal polity concentrates the decision-making power around the mayor, sheltering key decisions, such as budgetary matters or the structure of communal investment, from public discussion and decisionmaking.<sup>291</sup> The access to governmental decision making of political actors other than the mayor is highly restricted, and organized social participation is not the exception. Therefore, the lack of decision-making power of the Cesco is only consistent with a polity that, by equating leadership with efficient management, concentrates power in the executive branch.

However, the municipality is hardly an enterprise, and competition for concentrated political resources makes it a highly predatorial political environment. For the lesser politicians, the councilors, clientelism becomes a survival device—dispensing selective goods to either individuals or (more politically efficacious) to community leaders or groups in order to secure their political allegiance.

Clientelism is of course not practiced exclusively by city councilors. Mayors also have a grail of resources at their disposal to distribute as they see fit. This is a common complaint of community organizations, as illustrated by a leader of a JJVV (interview 1999):

The emergency employment program assigned funds for 90 temporary jobs in our commune. Our Communal Union asked for one job post per JJVV—32 in total. We know the needs of our people. The mayor responded: “Good idea, but where do I place my people?” Each of the Councilors got 5 jobs. The rest were taken and distributed the mayor... They (authorities) could have strengthened our Juntas Vecinales; they could have helped the people and relieved the pressure on the Municipal Unemployment Office (which do not have any posts, anyways!).

However, there is a series of both administrative and legal mechanisms by which the regions and the central state control resource distribution, effectively restricting the powers of both mayor and councilors in allocating resources arbitrarily. So, along with constrained

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<sup>291</sup> The law allows for mechanisms of citizen’s consultation, but usually the initiative is taken by the authorities; the communal development plan, Pladeco, is supposed to be publicly discussed; in practice, most municipalities do little more than publicizing it to their citizens.

clientelism, mayors use a series of control strategies to maintain social demands at bay, according to community leaders.

Today the mayors are organizing small groups for specific things, such as the committees for parks. It is easy to get one park; but as a JJVV, we have to ask for the whole neighborhood, so the mayor has to mobilize real resources. It is easy to grant things for 50 people than for the whole community. The JJVV have this role: to look after the whole community. The people are realizing that they can get things faster going directly to the mayor. In the JJVV is more difficult, because we have to set priorities. So the people leave the JJVV, because it not effective.

Oswaldo Molina, member of the board of FEMUC, 1999.

Mayoral strategies to "bypass" the neighborhood councils could be a control tactic over community organizations and their demands, but it is also fits general guidelines to incorporate organized groups into the co production of social and community services through small-scale projects, a type of "managed participation" which is a component of the managerial model. In either case, the community organizations most challenged are the *Juntas de Vecinos*.

#### 5.5.1. The defensive Stand of the Neighborhood Councils<sup>292</sup>

The *Juntas de Vecinos* had been embraced by the pobladores as their main organizational form. Even during the dictatorship, the pobladores displayed ingenious efforts to "recover" the JJVV whose leaders had been nominated by the military authorities; the "democratization of the *Juntas de Vecinos*" became an important goal for the pobladores' movement in the last years of the military government (Cordillera, 1989).<sup>293</sup>

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<sup>292</sup> This section is largely based on the interviews of community leaders Luzmenia Toro, member of Cesco Huechuraba, leader of health groups and *Fuerza de Mujer*, leader of JJVV and member of the board of Femuc; Manuel Córdova, President of the UC of JJVV in Pudahuel and director of the *Coordinadora de Pobladores* (CUP), José Hidalgo and Oswaldo Molina of FEMUC, Daniel Palacios, president of the Communal Union of JJ.VV. of El Bosque; Pablo Vásquez, President of the JJVV El Almendro, El Bosque; Guillermo Navarro, President of the Communal Union of JJ.VV Peñalolén.

<sup>293</sup> Chapters 2 and 3.

But the JJVV that the pobladores got back was significantly weaker. In part a because of principles regarding freedom of association, in part because it made it easier for UDI and RN to organize its popular basis of support<sup>294</sup>, the military government drafted a provision into law that allowed more than one JJVV in a "unidad vecinal" (neighborhood unit)<sup>295</sup>, and added to the classification of "territorial", previously assigned exclusively to the Juntas, the Mother Centres and other organizations formerly in the "functional" category." The law diluted the JJ.VV representation, and opened rifts in communities where "parallel" juntas de Vecinos sprouted.

The unique "territorial status"<sup>296</sup> formerly held by the JJVV made them the main organisms for aggregating the diverse array of interests in their neighborhoods and channeling them to the state (local and national) as the legitimate representatives of their communities. Territorial organizations were supposed to represent a wider spectrum interests than "functional" organizations, single-issue groups or that appealed to a peculiar age or gender sector of the population (sports clubs, health groups, senior citizen's committees), lending the Juntas greater legitimacy to negotiate with the authorities. The exclusive representation rights were the key resources of an organization otherwise extremely poor materially.

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<sup>294</sup> UDI and RN were extremely active in organizing new JJVV in the poblaciones in the days before the Plebiscite up to the early days of the Aylwin government. In Peñalolén, for example, city councilor Nibaldo Mora (UDI) recalled how in 1988 he created the Centro de Libertad y Participación to help create new juntas and community organizations (interview 1999).

<sup>295</sup> The 1989 municipal law (18,895) (re) extended legal recognition to most of the community organizations that dated from the late 1960s, such as the JJVV, Mothers Centers, Sports Clubs and other which were created by the by the law 16,880 of 1969. The same year, the law 18,883, which provided for direct elections of the community leaders, curtailed the JJ.VV exclusive rights to represent the neighbors in a "neighborhood unit", allowing for more than one JJVV to function in each unit.

<sup>296</sup> The law divides the organizations between territorial and functional organizations. In the original law of Juntas de Vecinos (16,880, 1968) territorial organizations were exclusively the Juntas de Vecinos; mothers' centers, sports and youth clubs were considered "functional", along with others such as rural associations for water distribution. In 1988, the law of municipalities (18,695; 1988) reclassified the mother centers, water committees and property owner associations as territorial organizations. Successive laws added pavement committees, secondary students associations and guild associations to the territorial organizations, and reclassified the water committees as functional organizations.

Once democracy was restored, the energy of these neighborhood councils was channeled towards recovering the exclusive representational rights. They failed: successive amendments to restore exclusive rights to the JJVV spearheaded by the pobladores' organizations and the Executive were voted down by the parliamentarians of the Right coalition throughout the 1990s. Two new laws passed in 1995 and the following year, 1996, reinforced the role of the JJ.VV in terms of their responsibilities towards the community, but did not restore them exclusive representational rights.<sup>297</sup> Eugenio González<sup>298</sup> (interview 1994) makes clear UDI's position:

I agree with the Lavín model, which promotes real participation via consultations—even plebiscites. There should be more flexibility to allow direct citizen participation, but the Concertación opposes it because it diminishes the power of the JJ.VV. Having help to form many JJ.VV, today I support to diminish its role. They are “caudillistas”, not representative. I believe that we have to rethink organized participation around common goals, such as paving a street, building a sports camp, or regulating a street fair. I believe that the whole system has to be rethought.

Eugenio González, UDI, interview 1994.

The state has refrained from restoring the pseudo-corporatist model that organized the interests of the pobladores and linked them to the state in the era of the Promoción Popular. There are general regulations regarding the formation and the rules of operation for community groups, but the central state has opted for progressively transferring to the local state (the municipalities) the “organization” of participation in their communes. The unclear and contested nature of representation rights assigned to community organizations has been at

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<sup>297</sup> Laws 19,418 (10/9/1995) and Law 19,483 (11/3/1996). The current legal framework establishes that the JJVV represents the people that live in a *unidad vecinal*. Its duties are to promote community development, defend the community's rights and interests, cooperate with state and the municipality in diagnosing and finding solutions to common problems and monitoring the quality of social services. A JJVV has to have at least 200 members.

<sup>298</sup> González is currently member of the executive committee of Achimu, editor in chief of the magazine *Manual Técnico de Gestión Municipal* and city councilor for La Florida. He was the campaign manager for Joaquín Lavín in 2000 and for Hernán Buchi in 1989. He is a founding member of UDI, and has been involved in local politics for almost two decades. At the time of the interview, 1994, he presided the *Asociación de Alcaldes y Concejales* of his party.

the core of most of the conflicts in the municipalities. The new regulations for the constitution of the Cescos, for example, put in the hands of the municipal authorities the decision of which organizations would better represent the community:

The mayor and the council decide how and which organizations can participate. In my commune 12 JJVV participated in the Cesco; today there are six. We agree that the Parent Centers, the mother centers or the groups for recreation have to participate, but they do that by diminishing the power of the JJVV. They divide and conquer. Democracy! They define the degrees of participation. The JJVV, to be recognized by law, has to have at least 200 associates; every other organization, 15. And they have the same—and even greater—value than the JJVV. That is the problem of participation: there is no definition of the value of the organizations. So today the functional organizations, instead of being part of the territorial organization (the JJVV), are all outside. On top of everything, we have to give space for everybody.

Oswaldo Molina, member of the board of FEMUC, 1999

The general perception among the JJVV leaders is one of diminished power and the municipality as a menacing environment. “One goes as a panhandler to ask the mayor, or the municipal staff. If the social leader bangs the table, will never get what he wants”, declared in 1994 Manuel Córdova, President of the UC of JJVV in Pudahuel and director of the Coordinadora de Pobladores (CUP). Oswaldo Molina of FEMUC believes that “local governments are trying to make the JJVV disappear or to absorb them. There is no place where to “hookup” as an organization. Only if the central government gives us more instruments to work (resources) will the JJVV have more participation, more support from the people” (interview 1999).

The contentious stand between the Juntas de Vecinos and the mayors is in part the result of the modified general framework for linking the state and community organizations. Accommodating to the requirements of “low intensity” democratic polity and a technocratically oriented, managerial state, organized participation tends to be highly controlled and directed towards the co-production of social services, rather than the decisionmaking structures of local government. Those actors, such as the Juntas de Vecinos, who have more to lose in the new deal, would naturally resist the new state of affairs.

The “predatorial” nature of local polity imply that social leaders, particularly those with a community-wide linkages and appeal<sup>299</sup>, are seen as potential competitors for local political posts, a perception reinforced by the fact that a significant number of city councilors were social leaders, especially in working class communes.

The mayors do not accept the social leader to grow, because it could be a competition for his political post. So the mayors erode the power of the JJVV. It doesn't happen with the deputies (representatives) because the deputies do not perceive us as competition (*yo no le hago sombra*).

Juan Rojo, JJ.VV. El Bosque (interview 1999)

The relation between mayors and deputies are also tense, because the mayor can be a competition for their posts. Mayors, in turn, have greater need for winning the allegiance of the people given that their power resides in the ballot box, not just in the parties as in the past. Indeed, his/her negotiating power in the party depends in part on his or her capacity of delivering the local community. Therefore, mayors could be tempted to curb the power of unruly organizations by obliterating their leadership or favoring those organizations with proven political loyalty. A common claim among community leaders is that mayors attempt “shape” community organizations to elicit support. Ricardo Brodsky, director of DOS in 1996, corroborated this:

Some mayors attempt to manipulate the formation of JJVV. This was more common before the democratization of the municipalities, but I still get many complaints of this sort today. Given the close relationship of the Juntas de Vecinos and the local government, it is easy for a mayor to ‘promote’ the creation of new JJVV and then grant them resources so they could claim to their constituencies that they are more efficient and do better work than the other JJVV. It is a problem difficult to control because it is hard to prove that there was manipulation.

In this context, is difficult for the mayor to relinquish power and open a deliberative space. The control issues are tremendous regarding citizen's participation. How is this control

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<sup>299</sup> Leaders of the Juntas de Vecinos, usually.

exercised: by clientelistic means or by ignoring organized participation with categoric goals, only accepting the single-issue, practically oriented organizations.

Social leaders acknowledge that they have a political view, and that they do have relations with the political parties. All are emphatic, however, in asserting that their political allegiance never interferes with their main goal, which is to serve their community, and that they defend fiercely the autonomy of the organization regarding partisan commands.

The political parties continue providing the higher echelons of social leaders, with the main links to the larger polity. The preferred link of the social leaders is with the deputies of their districts, if they belong to their parties, because they can open easy access to central government bureaucracies. The deputies continue being "brokers" for the community organizations, walking them through the bureaucratic intricacies and convoluted power of the central state. If the deputy does not belong to their parties, leaders usually resort to their partisan contacts to reach the appropriate leverage in the state bureaucracies.

The parties are not good conduits in the intra-municipal environment, where the links between community organizations and the mayor, councilors and municipal bureaucracies are direct and immediate, normally face-to-face. The municipal polity develops its own local cleavages and alliances, so it is often the case that a set of competitors belongs to the same party.<sup>300</sup>

Leaders of the neighborhood councils tend to see the problems of participation as a consequence of the actions of the municipal authorities. "The crisis of participation does not have its roots in our organization or our leaders. The problem is not that the social leaders are ignorant, have been in the post too long or are plain idiots. No. It comes from above, they are dividing us", claimed a neighborhood council president (interview 1999),

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<sup>300</sup> This is the case in El Bosque, where the mayor and the President of the Communal Union of JJVV, both Socialists, are engaged in a long-term disagreement regarding the way in which organize community participation.

## 5.6. Conclusions

The local polity, in spite of its opening to both electoral democracy and direct participation of social organizations in the local government, appear inauspicious for incorporating the pobladores.

Local political institutions are centered on a powerful local executive, the figure of the mayor. This had three main consequences. First, it has skewed party activity towards concentrating votes in the most powerful local political position, the mayoralty, a move that in turn has enhanced political personalism and has eroded the programmatic power of the parties at the local level.

Second, it has created a "dysfunctional local government" insofar the uneven concentration of power leaves the politicians who conform the city council without means to acquire and sustain political influence other than "predatorial" practices such as establishing clientelistic links with community organizations and attacking the mayor to enhance their chances of political survival.

Third, this model of local politics does not encourage social participation in local governance, because political actors tend to establish clientelistic nexus that erodes social leadership and open rifts along the organizational fabric of the poblaciones.

Widespread clientelism is a toxic environment for social organizations. In spite of the increased flow of resources that clientelism may ensue for particular groups, it also entails high costs in terms of community trust, impairing collective action. It fosters divisions among community groups, compromises the autonomy of community leaders and organizations, and favors short-term, material goals, factors that are not conducive to a public-oriented, deliberative polity.<sup>301</sup>

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<sup>301</sup> Leeds and Leeds (1976) provide a rich account of Peruvian pobladores taking advantage of competing politicians, and the consequences of clientelism on collective action.

The incorporation of the pobladores organization into the municipal polity has challenged the Juntas de Vecinos' privileged representation of the pobladores. The opening of the Cesco to other organizations has also opened the door to representation claims that are sanctioned not by the community, but by the mayor and the councilors.

The dire features of the local polity regarding its potential for democratic incorporation is in part the results of the institutional design, that blatantly disregards the power conflict that, for example, putting the former contenders to supervise the winner of the electoral contest will bring about. In part, the managerial model that constitutes the ideological blueprint of the current municipality promotes de-politicization and power concentration, incompatible with the power sharing and balances of a dynamic democracy. The question is whether it is possible to, based on this institutional design, recreate a more participatory polity able to incorporate the organizations of the urban poor in the policy and political decision making in their local government?

Paradoxically, it is the same feature that makes the municipal polity a barren land for participation, is the one that has the key to generate a different mode of governance. In fact, the mayor-centric municipal polity makes of the mayoral agency the main defining factor of political opportunities in a particular municipality. In a few words: the mayor's agency constitutes almost the structure of political opportunities of a particular local polity.

Mayoral initiative to incorporate organized participation and his or her capacity to steer public policy arenas to both allow for participation in different stage of the process, as well as generate public spaces for connectedness and discussion may turn the tables for the pobladores' organizations. The following two chapters describe two opposed models of local governance.

The first is a participatory- deliberative style of governance practiced in El Bosque. This model combines the innovative adaptation of the public policies and programs channeled from the central state to "fit" the local (organized) demand, an extensive use of networks, public forums to coordinate and discuss policy alternatives, the most comprehensive one being the participatory design of the 3-year plan of priorities and investment for the commune,

Pladeco. Although collective participation the local government is chanelled through conventional institutions –Cesco and others-these institutions, such as Cesco, has been redesigned to accommodate territorial representation.

The second model adjusts to the dominant, managerial blueprint. Implemented in Peñalolén, the managerial model was initiated some 20 years ago as on of the pilot projects of UDI/RN in poor municipalities. The model of governance e favors individual participation, discourages intervention in areas of decision-making other than the “extremes” of the planning process (evaluation of results or decision among pre-determined policy alternatives) and exercises a model of central decision making with decentralized execution. To these we turn now.

*Chapter 6*

## EL BOSQUE

Although the institutional blueprint leaves little space for organized citizen's participation and can be singled out as one of the main factors causing the decay of the pobladores as a social movement, it is the contention of this thesis that the institutional blueprint, similar on all Chilean municipalities, leaves space for agency both from political and social actors.<sup>302</sup>

In a surprising twist, it is exactly the unfettered power of the mayor what allows for variability in terms of the relation the local state establishes with social organizations. The ways in which participation is conceived and incorporated in the local polity is a deciding factor to determine the ways in which the pobladores can exert power on local decision-making through their organizations.

These last two chapters examine the experiences of El Bosque and Peñalolén. While El Bosque embraces a model of participatory-deliberative governance that favors a combination of managerial creativity and organized participation of the community in administration and decision-making, Peñalolén in turn shines as a model of managerial efficiency that relies on the periodic consultation to the voters to prioritize the public municipal offer. Not surprisingly, the mayors who have led their respective municipalities for most of the last decade represent contending political trends in Chilean politics. The comparison of these two municipalities, otherwise very similar in terms of their poverty levels, population and municipal budget, will allow us to determine whether a participatory model at the local level can or cannot alter the

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<sup>302</sup> I use "commune" and municipality as if they were interchangeable terms, even though there is a slight difference in meaning: commune denotes primarily territory, while municipality refers to local government. However, both terms are considered synonyms in common use.

limits on the organized influence of the urban poor set by the post-authoritarian polity and the local institutions; and perhaps most importantly, which are the limits of that influence. Second, examining both models of local governance will allow us to better assess the effect that each has over the organizational fabric of the urban poor.

### 6.1 El Bosque: Building Community

El Bosque is an urban, poor municipality in the Southern cone of the Metropolitan region. Located in the immediate periphery of Santiago, El Bosque covers an area of 14,2 Km<sup>2</sup> (5.5 square miles), home to almost 173 thousand people in 1998. A split from the older communes of La Cisterna and San Bernardo,<sup>303</sup> the newly incorporated municipality lacked most public services, which stayed in the mother communes. Perhaps owing to this, the mother communes administered El Bosque after its boundaries were drawn in 1981, until an independent administration was established in 1992. Also in the 1980s, what today is El Bosque was slated as the final destination of thousands of pobladores families that were forcibly eradicated from other communes of Santiago.<sup>304</sup> It is calculated that the population today's El Bosque grew by 25 to 50 thousand people between 1979 and 1984. The resulting commune

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<sup>303</sup> The municipality was created in 1981 (DFL 1-3260); however, it was not until August of 1991 that President Aylwin signed the law to assign a budget and nominated Sadi Melo as El Bosque's interim mayor. Melo assumes in January of 1992, until elections were held in June of that year.

<sup>304</sup> The exact number of families that were eradicated to El Bosque is not available, given that the statistics for the eradications are based on the older communal boundaries. According to a 1987 survey, around 50 thousand people in El Bosque declared they came from other communes; an important percentage of those forcibly eradicated (Jorge Gajardo, Secplac El Bosque, interview 06/13/1995). The Southern metropolitan municipalities of La Granja, Puente Alto and San Bernardo received over half of the total number of families forcibly eradicated between 1979 and 1985, that is, about 60 thousand pobladores. La Cisterna and San Bernardo, the two municipalities where El Bosque was carved from, received approximately 17,000 pobladores families in those years (Morales and Rojas, 1987: 100-101; Cuadro 4)

was a thickly settled territory with little space for expansion and with a significant deficit of public services.<sup>305</sup>

The predominant economic activity within the commune is commerce, followed by smaller industrial, service and financial sectors.<sup>306</sup> Micro and family enterprises are an important activity in the commune especially for the medium to low-income residents. By 1992 the municipality registered around 7 thousand micro enterprises, and calculated that other 26 to 31 thousand were active, but no registered, employing around 47 thousand people.<sup>307</sup> By 1997, 96% of the economic units were microenterprises; added to medium-sized enterprises, they made up 99% of the economic units (IMEB, 1999a).

Unemployment in 1998 was 13.3% of the EAP, higher than that in the metropolitan region, 9.6%, for the same year. Around 64,000 families of El Bosque benefited from public assistance programs in 1998; about a third of the communal population was under the poverty line that year, either poor (24.0%) or extremely poor (6.8%), with a monthly household income of US\$ 200 and less than US\$ 50, respectively. The remaining population was largely middle-low income, with a monthly household income of around US\$ 600, less than the average of the metropolitan region for non-poor households of US\$ 960 that same year.<sup>308</sup>

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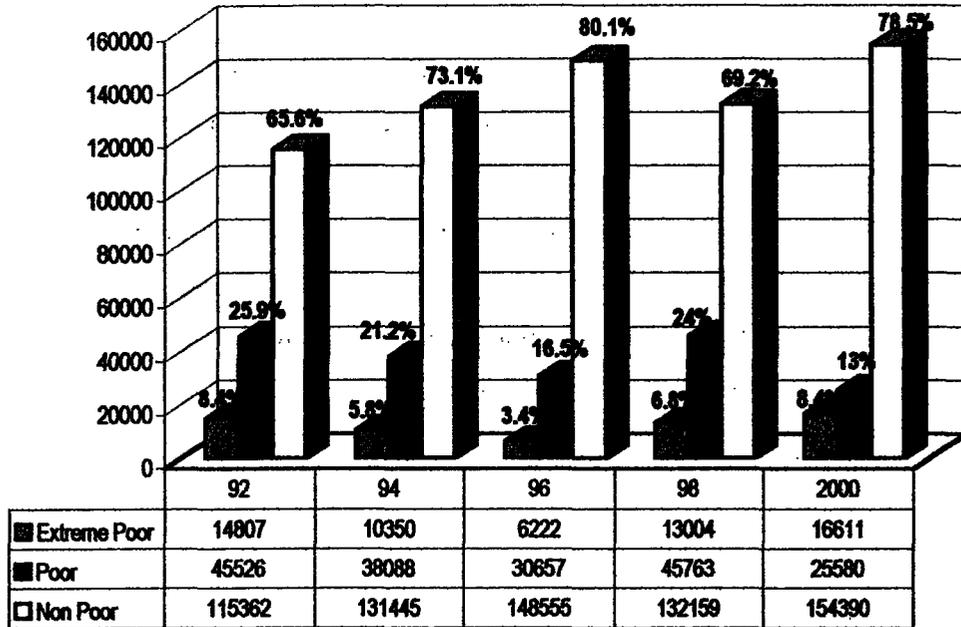
<sup>305</sup> El Bosque's population density fluctuated between 12 and over 14 thousand inhabitants per square km during the 1990s (charts x,x,x, Annex El Bosque).

<sup>306</sup> Almost half of the 2,477 businesses operating in the commune in 1998 were commercial (1,172), followed by services (281), industrial (253), and transport services (183). (IMEB, 1998: 16).

<sup>307</sup> Departamento Económico Laboral IMEB.

<sup>308</sup> US\$ dollar= 700 Chilean pesos.

**Graph 12 El Bosque: Population According to Poverty Line. 1992-2000**



Data Source: Municipalidad de El Bosque- Mideplan n/d

The commune has a good coverage of basic sanitary services and urbanization, even though the availability of parks and recreational spaces is scarce, 0.8 square meters (8.6 square feet) per capita, as compared to 4 meters (43 sq. feet) per capita in the metropolitan region. As noted, El Bosque started with a significant deficit in public services, a situation that has slowly improved with building of a “civic square” around the municipal building and the installation of private services such supermarkets and banks. Even though housing is not currently a high priority in the commune, overcrowding was significant in the first period of municipal administration (1992-96) and still 1.8% of the dwellings in El Bosque were classified as overcrowded by 2000 (Casen 2000).

As a poor municipality, the budget of El Bosque is not only modest, but most of its resources are earmarked funds and transferences from the central government. The dependence on the Municipal Common Fund (Fondo Común Municipal, FCM) is an indicator of the level of autonomy/dependence of the municipality regarding central government funds. These

resources have made up between 81 and 58% of the municipal budget between 1992 and 2001:

**Table 24 El Bosque: Municipal Income 1992-2002**

	Total Income (Thousand of \$ each year)	Own funds/Total Income (%)	FCM/Total income (%)
1992	2,458,465	Nd	80.07
1993	3,514,667	Nd	70.33
1994	3,496,235	Nd	57.56
1995	3,871,220	Nd	65.71
1996	4,046,615	Nd	70.97
1997	4,727,307	Nd	69.91
1998	5,660,251	23.53	70.29
1999	6,191,571	19.72	63.52
2000	6,694,883	18.83	60.86
2001	6,362,360	8.72	72.34
2002	7,602,323	15.74	67.56

Data Sources: 1992-2001, SINIM, SUBDERE. Data 1992-1997: Data provided by Subdere; 1998, Municipalidad de El Bosque, 1998: 1

Funds generated by the municipality come mostly from car permits, registration, and fees for municipal services (garbage collection and other) and for operation permits for businesses or industries. Therefore, this income is very susceptible to economic downturns, and it affects the funds that the municipality has at its disposal for investment: municipal investment in El Bosque plummeted from 21.44% of the total municipal expenditures in 2000, to 9.7% and 7.6% in the two following years (SINIM, 2003: Annex<sup>309</sup>).

El Bosque's current main problems are unemployment, especially acute among women and youth; health problems due to drug abuse and pollution, and environmental and quality of life issues, such as lack of recreational space (Mideplan, nd: 4-5). Therefore, from the point of view of the urban poor the main quest in El Bosque is "*construir un buen barrio*" or to build a good neighborhood. This has been the task of the municipal government that mayor Sadi Melo has led since 1992.

### 6.1.1. Commitment to participatory democracy

In 1992, the first municipal elections in the commune of El Bosque carried little surprises. The commune had already shown strong support for the Concertación in the 1989 Presidential elections, so it was widely expected that a candidate of the governing coalition was going to be elected mayor. The laws governing electoral contests called for the election of the mayor among the Municipal Councilors, who were in turn elected by popular vote, but for this foundational election the Concertación had signed a *protocolo* (protocol) that had already assigned the mayoral posts to a party of the Concertación in the communes where the coalition was expected to win the majority in the Municipal Council. El Bosque was to be Socialist. So, in spite of the fact that a Christian Democratic candidate, Pedro Vega, obtained a slightly greater percentage of the vote than the candidate of the socialist party and acting mayor of El Bosque since January 1992, Sadi Melo, the latter was elected mayor with 12.6% of the valid votes.<sup>310</sup>

Melo was not a stranger to El Bosque. An educator with a Masters degree in city planning, Sadi Melo had worked for years in NGOs<sup>311</sup>, and took no time to put this experience in the local government. The newly appointed mayor had the firm decision to carry on a style of governance that incorporated organized participation in decisionmaking. In the middle of his first period as mayor, in 1994, he declared:

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<sup>309</sup> SINIM=Sistema Nacional de Indicadores Municipales (National System of Municipal Indicators) is an online database maintained by Subdere. The data for El Bosque and Peñalolén are reproduced in the Annex. <http://www.sinim.cl/>

<sup>310</sup> Pedro Vega obtained the first majority, 15.36% of the votes (Data from Servicio Electoral, pp.328, printed 01/07/1993)

<sup>311</sup> Servicio Evangélico Para el Desarrollo, SEPADE.

Those who believe in democracy believe that the incorporation of the poor cannot be only a symbolic incorporation to the world of modernity, but a real, tangible incorporation. We actively worked for establishing a good relationship with social organizations and we envision the Cesco not just for consultation, but also for designing proposals. I am convinced that the Cescos should participate in policy decision-making, and that they must incorporate a diversity of organizations, such as the community kitchens or the organizations devoted to children rights. This relationship is not common in other municipalities.

In fact, Mayor Melo had in mind building a “democratic model of local governance” which, by incorporating social participation in decision-making, would challenge the “technocratic model” that permeated the practice of local governance.<sup>312</sup> After his reelection in 1996, he asserted that majors from the Right and from the Left differed in,

Emphasis. For us citizens are important, people are important. I believe that rightist mayors conceive citizens as clients, in a private entrepreneurial meaning. They emphasize individual solutions. We believe that people should be incorporated in the solutions. Then people get a meaning, a sense of belonging, of personal worth. We create networks of solidarity, we modify the vision of the world and of everyday reality and that carries social change, which is with what a leftist politician is concerned.

Although he values the instrumental aspects of social participation as contributing to carry on better social programs, Sadi Melo place a high value in community’s involvement because it builds a sense of “public” of citizenship, and strengthens a sense of solidarity. He illustrates with the experience of one of the barrios of El Bosque:

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<sup>312</sup> Sadi Melo, documents *Red Comunal*, March 1996.

The people of the población Valparaíso have done a wonderful job. When we started, they were a *campamento* (slum). Today they have a *villa* (neighborhood). And not because of "social climbing": no, they built a community. They have paved streets, they have built low income housing, they have built a pretty community center, they have sports fields, *plazas*, electricity; they have leaders and they have above all, a community—200 people gathered last week in a farewell neighborhood party for a person that was leaving for Belgium...

While participation was a key element of the Mayor's model of local governance, so it was efficiency in delivering social services. Since El Bosque was a new municipality, the incoming mayor was able to hire key personnel from the NGO world, who shared a common commitment to participatory practices and a common experience in community work. So, unlike other communes where the newly appointed mayors had to work with inherited municipal bureaucracies, Melo was able to bring his own team of over 30 professionals to key municipal offices.

Consistent with the NGO background and their commitment to grassroots development, the new administration did not embrace a model of technical decision making to enhance the efficiency of the local state. Rather, the municipal team tapped into their NGO savvy and applied this learning to design new flexible social programs and strategies of intervention in the community in order to adapt the "state social offer" to the particular realities and community demands. Melo was careful, however, to stress the point that the "ethos" of the municipal team was that of a public institution:

The team that works in El Bosque came from NGOs, but we have gone through a process of "institutionalization", or "modernization." The same process of planning is part of our process of institutionalization, in our search for a work model that does not forget the logic of being a public institution. But we are a public institution that strives for being modern in terms of addressing the needs of the people, that provides good services, that responds to the demands of the people. We do not respond to the NGOs ethos, but to the public logic of elected authorities.

Up to this writing, Sadi Melo has been mayor of the commune for 12 years, since 1992. During these years, his administration has implemented different initiatives of community participation.

### 6.1.2. The Municipal Team: Committed to Participation<sup>313</sup>

The first years after the foundational election of 1992 were marked by enthusiasm in solving some of El Bosque's most pressing problems. By those early days, around 34% of the population was poor, clustered in areas of eradication or public housing with scarce public services; unemployment reached 13%. Overcrowding and deteriorating housing stock paired with a significant deficit in paving, leaving many families exposed to health risks<sup>314</sup>. Public services were deficient, especially health, an area where the relation with the community had become so confrontational that health personnel had demanded fences to protect them from the frequent outbursts of disgruntled patients.<sup>315</sup>

But community organizations were powerful and numerous in El Bosque. During the dictatorship, the pobladores of La Cisterna and San Bernardo had sharpened their autonomous capacities to provide for basic goods and services, as well as a combative stand tempered by one of the earlier UDI experiments with local government in La Cisterna. Before the end of the military government the pobladores had "rescued" the Juntas de Vecinos of La Cisterna from the control of the leaders designated by the military governments. As Daniel Palacios,

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<sup>313</sup> This section is based on interviews with Sadi Melo, Mayor; Paola Cisternas and Alejandro Díaz, Directors of Community Development (*Dirección de Desarrollo Comunitario*, DIDECO) in 1999 and 1996, respectively; Angélica Verdugo, Director of Health (1999 and 1995); Jorge Gajardo, Director of Pladeco (1999) and Planning Secretary (1995); Marco Perez and Victor Downey, Oficina Vecinal (1996); Ricardo Vega, Head of Community Organizations Department (1999), Juan Morales, Planning Secretary (1999); Sandra Apiolaza and Maria Antonieta Fisher, Directors of the Youth Office in 1999 and 1995, respectively; Carolina Martinez, Director of the Women's Office (1999); Gloria Carrasco, Director of the Senior Citizen's Office (1999) and Eduardo Muñoz, Territorial Coordinator (1999).

<sup>314</sup> As noted before, paving the streets is a significant health improvement in Santiago, where air pollution is one of the highest of the world. Dust particles contribute significantly to pulmonary infections, especially in children, and the rainy winters turn the dusty streets in humid muddy corridors. In 1993, 43% of all alleyways of El Bosque lacked paving (MEB, 1994:30).

<sup>315</sup> Interviews with Jorge Gajardo, Secplac, 6/13/95; Angélica Verdugo, MD, Health director 12/6/1995,

President of the Communal Union of Juntas de Vecinos El Bosque proudly recalls, "by the end of the dictatorship, all the JJVV were leftists, mostly socialists." (Interview 1999).<sup>316</sup>

The pobladores "brought" these organizations from La Cisterna and San Bernardo to the new municipality. As Victor Downey, then with the local *Oficina Vecinal* and currently Municipal Councilor, put it: "El Bosque was strongly organized. Before there was a municipality, there was a Communal Union of Juntas de Vecinos."<sup>317</sup> By 1998, over 500 active organizations were registered in the municipal records:<sup>318</sup>

**Table 25 El Bosque: Community Organizations**

Organization	1999	1998
Juntas de Vecinos	86	84
Mother's Center (Cema)	58	45
Cultural Youth Center	16	27
Sports Club (SC)	226	200
Labor Workshops	43	27
Senior Citizen Committee	47	37
Health Group	22	16
Women's Group	4	nd
Homeless Committee HC	48	51
Writers/musicians workshops	104	104
<b>TOTAL</b>	<b>550 (654) **</b>	<b>487 (591)**</b>

Source: Dideco El Bosque. (\*\*) Adding music/writers workshops

Building upon the strength of the organized community and the professional municipal team, composed mostly of young professionals recruited from NGO and from local community organizations<sup>319</sup> seemed an ideal formula to address the problems of El Bosque. Indeed, in this first period community organizations embraced enthusiastically the projects

<sup>316</sup> Interview 9/21 & 23/99. Palacios, like many social leaders in the poblaciones during the dictatorship, had been a labor leader during the Allende years.

<sup>317</sup> Interview 24/1/1996.

<sup>318</sup> The number of community organizations is highly variable, in part because the records reflect the organizations that have obtained legal recognition in the municipality. Sometimes, Dideco keeps a record of organizations that do not have "personalidad juridical", but that is not the norm.

<sup>319</sup> The first directive team of the Women's Office, for example, was composed of Rosa Núñez, who came from an NGO and Sonia Cortés, social leader from the popular women's movement. Dr. Verdugo worked for CIASPO., a health NGO before heading the Health Office of the municipality; Alejandro Díaz, fist Planning Secretary, also worked in NGO and holds a Master in Human Settlements and Environment.

proposed by the municipality: participatory paving solved almost completely the deficit in El Bosque's neighborhoods. Around 10 thousand people participated in the paving committees; by the end of the decade, over 98% of streets and alleyways were paved (IMEB, 1998: 7).<sup>320</sup> Mayor Melo recalled that "700 women participated in our program of family violence; we offered to legalize property: more than a thousand families joined" (interview 1994).

The municipal team was determined to develop a participatory local practice that not only put the community's energy to work in social programs or community improvements; they wanted to incorporate progressively the community into the local planning and to include the maximum amount of representative organizations to decision making processes in the local government. Once the municipality was installed in El Bosque in 1991, an array of open meetings between the municipality and the community worked on a participatory diagnosis of the reality of El Bosque.<sup>321</sup>

The efforts to incorporate the community into the planning process reached a turning point in 1994, when the municipality launched a 3-month, open discussion of the Municipal Development Plan, *Plan de Desarrollo Comunal*, PLADECO (1994-1998).<sup>322</sup>

The municipal team had divided the commune in 6 planning territories, which, unlike the older administrative division in *unidades vecinales*, or neighborhood units that were drawn in the context of the mother communes of La Cisterna and San Bernardo, have a common history in the mode and time of the settlement, and/or shared socioeconomic or cultural features. In each of these territories, people and around 750 community leaders gathered in

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<sup>320</sup> The program of "Participatory Paving" (*Pavimentos Participativos*) is a program with funds from the central government that subsidizes paving streets and alleyways in poor neighborhoods. The neighbors need to organize a paving committee, apply in the municipality, and supervise the work. The committee co-pays the work.

<sup>321</sup> "Se Abre El Bosque", "El Bosque Opens" (1991) and several activities of "El Municipio en el Barrio" (1992-93). (IMEB, 1999a: 1)

<sup>322</sup> The 4-year Plan is required for all municipalities. However, each municipality can have the municipal team draft the Plan, call for outside expert help or, as El Bosque decided, incorporate the community in the planning process.

*Jornadas Territoriales* where they diagnosed in small groups the main problems of the commune; set priorities and proposed solutions. These conclusions were brought to a general assembly of the territory, which selected 3 main priorities to be sent to a Communal Convention of PLADECO that summarized the discussion of the six territories. The discussion was complemented with communal meetings by policy areas –example, health and education, social participation housing. In this first Pladeco, health, housing and community infrastructure surfaced as the problem areas perceived as in need of most urgent solution by the community. Mayor Melo (1999) evaluated:<sup>323</sup>

In the first Pladeco we tried to discuss topics that reflected our vision of development –social services, education, participation, security, urban infrastructure, etc. We were able to engage all the existing organizations. We generated participation, but in terms of strategic planning we faltered –we were unable to generate clear goals to implement specific changes.

In addition, budgetary shortages plagued the implementation of the first exercise of participatory planning. In 1994, Subdere had stopped start-up transfers to El Bosque, so the investment budget was cut in half.<sup>324</sup>

The second Pladeco (1999-2002) was held in 1998. This time, the municipal team divided the 6 territories into 53 *Barrios* (neighborhoods) to allow for an easier direct contact with the community. This second Pladeco counted with the help of 120 “*monitores*”, or trained “*facilitators*” who were in charge of contacting community organizations and leaders in each particular barrio to organize a *Mesa Pladeco*. The work method incorporated planning by objectives, with a weakness/strengths analysis. In the course of a month, 3 thousand registered participants –and about 6 thousand non-registered– held 25-30 meetings a week; each barrio identified 3 priorities and the municipality signed a commitment to address these problems. As in the first Pladeco, the process followed with area meetings. Immediately afterwards, the head of departments and directors of the municipality aggregated the proposals and worked them

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<sup>323</sup> Interviews to Gajardo and Morales, 9/13/1999; interview mayor Melo, 9/11/99.

<sup>324</sup> Victor Downey, interview 1/24/1996.

out technically to submit one hundred and fifty 4-year-projects to the approval of the Municipal Council.

This time, the main problems detected by the community were public security and infrastructure. Housing and health occupied a lower priority, mainly because the preceding four years the municipality and the community worked intensively in those areas and sizable improvements were achieved.

The second Pladeco reflected the learning process of the municipal team, addressing the perceived planning deficiencies of the earlier version by planning decentralization at "barrio level", a more structured discussion of goals, and more direct involvement of the municipal team in processing and aggregating of demands. According to Jorge Gajardo, coordinator of Pladeco '98, "the scope of the new Pladeco at the barrio level, made the proposals easier to work technically." Juan Morales, Planning Secretary, adds that smaller projects fit better the scarce resources that the municipality can devote to community improvement.

The participatory planning experiences of the Pladeco in El Bosque are part of a larger project to include the community into the politics and the administration of the commune. Indeed, Pladeco is an effort to systematize what different components of the team had done in their respective policy areas.

## **6.2. Municipal Programs: Re-creation and flexibility**

El Bosque is known for the innovative character of its social programs, for a team well predisposed to experimentation, to implement pilot programs whether they come from the central or regional levels or from our own local reality.

### 6.2.1. Women's Office: Creative use of community energy<sup>325</sup>

The Women's Office of El Bosque started in 1992 with a team that mixed women from popular organizations and from the feminist women's movement. Unlike other municipal teams, the WO in El Bosque had had a remarkable continuity, a fact that Carolina Martínez, director of the Office in 1999, considers one of the key factors of their success: "In spite of extremely limited resources, this continuity has allowed for a historical memory that has facilitated a learning process."<sup>326</sup>

The initial contacts with women in El Bosque were tainted by a deep distrust of the municipality nursed by years of dictatorship and by the scars left from the deep divisions among women's organizations that cooperated or opposed the dictatorship. The municipal team believed their outreach efforts found echo mostly in seasoned community leaders linked to the "historical" pobladores' organizations: Juntas de Vecinos, Centros de Madres and sports clubs, but those organizations closely linked to the resistance to the dictatorship remained suspicious and refused to fully integrate. Martínez illustrates, "Many women's organizations in El Bosque were linked to the Talleres Laborales and Ollas communes, who fiercely opposed CEMA. They were extremely distrustful of the municipality. Instead, the Centros de Madres showed up "day one" to obtain legal recognition."

The Women's Office made a special effort to reach and the organizations by launching a series of discussion meetings regarding sexuality, health issues, and violence in the family. In order to generate trust among women organized and not organized, they emphasized what they called "sociability", helping to create encompassing organizations of labor workshops, homeless committees and mothers' centers, paired with massive celebrations to bring women into the

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<sup>325</sup> This account is based on an interview with Carolina Martínez, head of the Women's Office (9/9/99); documents of the IMEB, 1997; and Valdés, 2000.

<sup>326</sup> For 1999, the Office had an annual budget of 17 million pesos (about 24 thousand dollars); in 1996, the budget was a little less than 11 million pesos (US\$ 15,500) for implementing 3 programs. Of these, 90% was destined to wages, because only one of the 12 professionals working at the WO is hired as a municipal employee (IMEB, 1997:npn) The WO complements its budget applying to funds of different governmental and non-governmental sources—in 1997, these funds totaled 38 million pesos (US\$ 54,000) (IMEB, 1998b).

public space. Starting in 1994 the WO organized an open fair, "Expomujer", which twice a year gathered about 5 thousand women of El Bosque to show their work (art and crafts). A "voice Festival" and the celebration of the International Women's day brought women out into the streets, and facilitated the contact with each other and the WO. "We created a sense of community, a "local experience" with emphasis on self-value, on being well, mixed with identity issues, with citizenship issues, with our bodies," recalls Martinez. Once trust was reestablished, the WO started workshops on gender issues and in establishing policy networks.

The flexibility and commitment shown by the WO to approach women's organizations is well illustrated in the following experience of community planning. In 1996, the Nacional Service for Women, Sernam, was promoting the discussion of a National Plan of Equal Opportunities, *Plan Nacional de Igualdad de Oportunidades (PNIO)* with a gender perspective. By the time, the WO had reorganized its activities to follow 6 strategic objectives, embodied in three program lines. This reorganization had emerged after a process of critical assessment of what Carolina Martínez called "workshops' activism", and had reoriented the WO towards a participatory design of public policies. The PNIO presented a good opportunity to involve women of El Bosque, both organized and non organized, in a community wide activity, which involved discussion, awareness, as well as research and planning.

With aid of community leaders, the WO spent 3 months going to over 300 meetings of at least 30 women throughout El Bosque, where they discussed problems, solutions and commitments. In August of 1996, the municipality handled a detailed local Plan of Equal Opportunity to the Minister of Sernam. The ceremony, with 400 women leaders in attendance, included signed commitments from all partners, so that the implementation of the resolutions was relatively guaranteed. "At that moment --says Martínez-- women realized that they were powerful, that they have done their own plan."

Among the innovative aspects of the activity is that part of the research was done by grassroots organizations. The Comité de Salud El Bosque, for example, organized meetings and surveyed 200 women in the poblaciones Los Acacios and El Blanco Norte. Their work

included surveys, meetings and workshops on sexuality, AIDS, mental health, as well as discussions of gender inequalities regarding work, health and family violence. The research proved very useful in detecting underlying features that impact the health of women. For instance, the first research report characterizes the two poblaciones in the following terms:

Población Las Acacias: Sprouted from a land invasion; this generates a group of solidary women, assertive and able of self-criticism; they generate self-help networks and they generate a sort of complicity that protect their mental health. They are open and sensitive; it was easy to work with them.

Población Lo Blanco Norte: It was born as a housing project where Serviu relocated families displaced from different poblaciones during the dictatorship. They carry the burden of very negative experiences such as the bombardment of the población La Legua, military raids, and spies in the community. This generates fear and personal and family relations laden with distrust, lack of communication, individualism and competitiveness, what results in an awful mental health with grave problems such as neurosis, anxiety, suicide attempts, isolation, etc. It was difficult to work with them and we had to change our strategy.

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The research also yielded an unexpected finding, which was the building block for an innovative program of adult education: 43% of women in Los Acacios and 33% in Lo Blanco Norte were either illiterate or had not completed primary education. Completion of studies emerged as a key—previously undetected—need of pobladoras.

The Women's Office and women's groups set to advocate for the Escuela de Mujeres Elena Caffarena. In 1997, they attempted to start the school with the Department of Education, but rigidities such as the evening schedule prompted the WO to start a new project with aid of the Dirección de Desarrollo Comunitario (Dideco) of El Bosque and the firm support of mayor Melo. The new school started with an alternative, gender-based curriculum<sup>327</sup> in an afternoon schedule that allowed women to pick up their older kids after school and to prepare supper. The school had a staff of voluntary teachers recruited among

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<sup>327</sup> Biographies of feminists are used to teach English; physics and mathematics' curricula are based on everyday experiences such as cooking or other household chores.

municipal workers and trained community activists, later it was complemented with pedagogy students. Along with education, women receive health services and childcare in site.

In its first two years, 60 women graduated from literacy classes; 101 completed primary and 90 secondary studies. With the support of the municipality, which covered the fees, the women successfully were able to certify their studies, and 6 took entrance exams for college; 2 of those are currently in the university and 4 pursued technical careers. By the third year, the school had 11 teachers, and the WO had been able to coordinate resources with the Education Department (regional) and the Ministry of Health. The demand has grown, so the program was expected to be financed with resources from these Ministries.

The School Elena Caffarena is remarkable in several respects. On the one hand, the experience shows the extent in which community agents are involved in the planning process in El Bosque. On the other, it demonstrates the commitment and the flexibility of the municipal team, which was able to pull resources from different sources in order to build a program that did not fit the traditional molds and, hence, could not be funded. The team was able to adapt existing instruments to satisfy a demand that did not have a policy outlet before their intervention. In 2000, this experience received a prize for innovation of the *Programa Ciudadanía y Gestión Local*.<sup>328</sup>

#### 6.2.2. Health: Retraining the organization

When Dr. Angélica Verdugo<sup>329</sup> assumed as Director of Health of El Bosque in 1992, the community and the personnel from the 4 primary health care facilities that had fallen into the municipal boundaries were at war. Angry neighbors who could not stand the long hours in line, the bad treatment and the lack of resources had stoned a primary health care facility and physically attacked the health personnel.

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<sup>328</sup> Joint program of the Fundación Nacional para al Superación de la Pobreza and the Centro de Análisis de Políticas Públicas, University of Chile; sponsored by the Ford Foundation.

<sup>329</sup> Dr. Verdugo remained as Health Director until 2001, when she was nominated Head of the Unit of Primary Health in the Health Ministry in President Lagos' government.

Dr. Verdugo had experience on the other side of the fence: until assuming in El Bosque, she worked with CIASPO, a health NGO specialized in community health and family care. With this practical experience, the health team had in mind implementing a community health system modeled after the PAHO/WHO's SILOS, *Sistemas Locales de Salud* (local health systems). The model included a focus on community health and prevention, the coordinated work with other public institutions, professionals of different disciplines and the organized community. The goals proposed were to improve the coverage and quality of local primary health care; to improve health management in the primary facilities and to incorporate local organizations to the diagnosis, planning, execution and evaluation of the local health policy.

The community seemed well predisposed to the task. After a massive community meeting on local health in 1991, several other meetings contributed to map the situation of local health. The community already counted with a solid organizational foundation: "In El Bosque we had women health groups that dated from the dictatorship, the same groups that extracted bullets and tended the wounded during the protests. These were strong but critical organizations. With these organizations we structured a health network, we trained these women in technical issues and we started to do participatory diagnosis --which was their vision of communal health," recalls Dr. Verdugo (interview 1995). In 1994, health was singled out as the second most urgent priority in the Pladeco. In August of that year, the First Communal health Meeting gathered 350 social leaders; and in 1995, the health team organized territorial health coordinators, which comprised teams of health personnel and community groups to plan and coordinate health interventions centered in the local health post and the territory it covered.

The most difficult task was to re-train the health personnel in a new way of working. The municipal team started by organizing health teams in the *consultorios*, to teach management by objectives ("people did not know why they spent their days weighing babies", says Verdugo) and they involved the health personnel in diagnosing and understanding community health. Thanks to the initiative of the municipal health team, a GIS system donated by the Italian cooperation helped enormously in detecting the territorial distribution

of health problems, and, above all, “allowed health personnel to ‘see’ the problems and their socioeconomic and cultural complexities”, adds Dr. Verdugo.

Though difficult, a process of change of organizational culture was unleashed, greatly improving the performance of the health system. Infant mortality in El Bosque had descended dramatically since the programs were implemented; the coverage of preventive exams such as pap smear, which have been done in coordinated campaigns with community groups, reached in 1998 the 60% mark set by the Health Ministry, as well as the coverage indicators of dental health for children, preventive health for adults and infant health exams. El Bosque increased its health coverage in 35% from 1997 to 1998, an achievement that put the commune in the second place for health management among Southern communes and earned it a special incentive from the Ministry of Health (MEB, 1998: 7).

Work with community groups has been a key element of this success. Although health teams had promoted the creation of a newer layer of community organizations, such as support groups for chronic patients, autonomy of the older organizations, especially the health groups, is highly valued: “their view of the health system sometimes coincide with that of the health teams, sometimes not. That’s OK. The organizations should maintain their autonomy”, asserts the Health Director. In 1999, these organizations presented 17 community health projects to the program of the Ministry of Health *Salud con la Gente*. However, Dr. Verdugo opposes integrating community groups to higher technical or administrative tasks in the current state of development “it is demagogic to talk about participation in planning, execution and evaluation of health programs before the structure of the health system really allows it. For now, health prevention and promotion are the most appropriate levels.”

The municipal health team has structured instances to generate coordination between the health personnel and the community. Each territory has a territorial Coordinator that gathers the health teams of the consultorios, organized community, NGOs and administrators, that make an annual plan for the territory and holds monthly coordination meetings. Each worktable defines a main goal, health targets and design the interventions needed to accomplish them. For instance, the *Consultorio* Santa Laura developed in 1998 a systematic

plan of drug prevention with the schools, community organizations, and the women's office. In 1999 all the consultorios worked on children's health, and among other activities, they organized the two JOCCAS—or community workshops to discuss about sexuality that gathered over 400 people each; throughout the year the team worked to promote mental health, worked with families to achieve healthy life styles, promoted children rights and worked in accident prevention.

These health actions make use of the “*redes*” or networks that are established in El Bosque between different areas of social policy. They have also assured the coordination among the teams in the consultorios via a Technical Council that gets together twice a month, and the Health Direction participates with other municipal teams—Women's Office, Dideco, Youth and Senior Citizen's Offices—in a *Consejo Intersectorial de Promoción de Salud* to generate inter-sectoral initiatives. Today their networks are working with more than 400 youth and community groups. This instance also allows the different municipal teams to communicate their observations to other areas in order to modify policies.

The systematic incorporation of organized participation, however, has been uneven because it depends a great deal in the interest of each health team in the primary care facility to work with the community. Some teams, says Angélica Verdugo “are extremely committed, and they almost want the community to manage the whole system; others maintain a professional distance.”

In 1999, El Bosque inaugurated a new *consultorio*, Orlando Letelier, which works under the English model of family health, that is, the health teams are in charge of caring for a family group, rather than for individual patients. The model has greatly facilitated the work with the community; the health team hopes to expand this pilot program progressively to other consultorios the future.

The municipal health team had been very receptive to introduce also small innovations to improve health care. For instance, by a suggestion of the WO they changed their scheduling procedures to allow for families to be seen in consecutive appointments; in defiance to the public employee's norms, they open consultorios on Saturdays to make it easier for

working people to schedule appointments. A policy of good and respectful treatment of the patients is strictly enforced. The municipal health team has trained non- medical personnel for primary screenings; they have enlisted their best personnel in designing health interventions along with other community and municipal offices –such as a gender health interventions led by their midwives. “We do not have untouchable topics; our most important obstacle is a simple one: resources”, concludes Dr. Verdugo.

### 6.2.3. The Youth Office: Learning without “drama”

The Youth Office (YO) is another example of the flexible structure of the municipal team, which also adapted its policies to reach the marginal youngsters, along with the more “mainstream” programs of youth training, education and recreation. The early diagnosis of the YO indicated a that a significant percentage of the youth of El Bosque was engaged in symbolic protests and refused to integrate to community life, education and the labor market. “They organize in ‘zombies zones’, which are truly ghettos of drugs and symbolic protest”, explained María Antonieta Fisher, director of the YO in 1996.<sup>300</sup> In order to reach this youth, the YO altered its work schedules, and some of its personnel worked from 11 PM to 3 AM. The Office provided support for the expression of this marginal culture with music and dance festivals, hoping to both gain the trust of the youngsters, as well as “de-stigmatize” them among the community.

However, the efforts to reach these marginal groups led to what Ricardo Vega, head of Community Organizations’ Department, called “hyper-targeting”:

When the YO specialized with one type of youth, the rest –and the majority— of the youth that worked, that participated, did not feel attracted to the type of youth that the *Casa Joven* attracted. So we focused too much in the marginal youngster, and forgot the “integrated one.” The work with the marginal is very difficult; it is very stigmatizing to the same community.

Ricardo Vega, interview 1999.

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<sup>300</sup> Interview 1/24/1996. Fisher led the office until that year, when she left to work in another department at the Dideco.

The main reason for the "hyper-targeting" was the model that the National Youth Office was implementing at the time, the Casa Joven, a model that, according to Paola Cisternas, Director of Community Development of El Bosque, "did not work for us."

"The alternative world is very interesting, and our youth team worked so well in opening expression spaces for the marginal youth that people would come from all over Santiago to our cultural activities. But part of our youth was being displaced; there was not enough work with teen pregnancy, with drugs, with learning about civil rights, etc. So we changed the model to work with both groups, and to encourage a positive outlook: how to democratize spaces, how to get youth to work with the older organizations. We are building again on sexuality programs..

Paola Cisternas, interview 1999

Sandra Apiolaza, Director of the YO in 1999, explained that their work with the marginal youth continues, but with a different outlook:

"We are trying that our youth experience what they have never experienced: to be historical subjects. There are many young people that, even not voting and not participating in their schools, they organize to do very simple things: *chocolatada*, *tizada*, (chocolate party, chalk-a-ton), play music, plant trees. These activities are devoid of meaning, because the political parties are inexistent, families are stressed, schools are not performing, churches are looking at their inner space; there no socialization."

The YO has turned to strengthen the existing variety of youth organizations. Still part of team walks the streets of the poblaciones every night until 2 or 3 in the morning, but along with it, they are privileging "building bridges among organizations and generations", explains Apiolaza. The YO was a main organizer of the above mentioned JOCCAS, and has become a "mediator" between youth organizations and other community organizations that distrust them: they usually are called to conduct the negotiations between the JJVV and youth groups to use the community house.

The experience of the Youth Office illuminates yet another aspect of the organizational culture of the municipal team. While criticism is open, mistakes are mended "without drama", as Apiolaza put it. This environment that allows learning from mistakes is

highly appreciated by the team, and it is also a rarity in the organizational culture of the Chilean state. In the words of Juan Morales, Planning Secretary:

I believe that our working environment is very different to other communes. We have a great space to be creative, and in that process we sometimes make mistakes. But that doesn't mean punishment; we try to solve and to learn. The mayor is the one that makes that possible.

#### 6.2.4. Education: Resiliency to Change

In spite of the persistent efforts of the municipal team of the Municipal Educational Department, DEM (*Departamento de Educación Municipal*) and the strong interest of the mayor, education has been one of the areas that the municipal team identifies as “difficult to change.” According to Sadi Melo, the early 1990s were characterized by the need to raise the teachers' wages to recover in part the losses they experienced during the dictatorship; combined with targeting resources to aid the most damaged areas of the educational system. “In spite of a great vision of the political class for curriculum reform, the piecemeal approach to reform has complicated the process”, said mayor Melo. “As a municipality —he continues—we had to focus first on administrative aspects. We have been able to freeze subsidies at 8%, when we started at 17%. We were also able to rise educational spending per pupil from \$ 9,000 in 1992, to \$ 17,000 in 1999.”<sup>331</sup>

In the mid nineties, thanks to a strategic plan supported by Subdere, the municipal team has been able to draw a plan to improve management, balancing the educational budget and rationalizing the teaching staff<sup>332</sup>. The municipality has also brought in resources for

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<sup>331</sup> Interview 9/11/99

<sup>332</sup> Perval (1996).

building classrooms to comply with a full school schedule<sup>333</sup> and to bring computers to the classrooms. Enrique Avila, Director of the *Unidad Técnica Profesional*, UTP, explains:<sup>334</sup>

We needed, first, to make this system viable economically. We rationalized administratively to balance teachers and students. We did not fire teachers, but we increased the number of students from 15 to 19 thousand, we completed classes, we created some more, and we were able to utilize the capacity to the fullest. We also compensated some teachers to take early retirement. That allowed us to reach equilibrium.

In spite of these improvements, the incorporation of organized participation, as well as coordination with other municipal policies, has been slower than in other areas. Although the educational area has drafted a PADEM—Municipal Educational Plan—and had two successful educational meetings in the framework of the Pladeco '94 & '98, the participation of teachers and other educational agents was very low in neighborhood meetings.<sup>335</sup> According to Eduardo Muñoz, territorial coordinator,

Education has been the difficult area: they do not leave the school grounds. Schools are not even open to community events. The Parents' Centers are potent and stable organizations that generate a lot of resources but we have not been able to make the links to other community organizations. In the Pladeco was difficult to include education; education has a high degree of 'professionalization'. If it is difficult for the Parents' associations to influence the system, imagine how difficult would it be for a JJVV!

The DEM acknowledges that participation and generating synergy among educational agents has faltered: "we tried some initiatives with the Parents' Centers with support from the DOS, but it has been difficult. There are principals who live in conflict

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<sup>333</sup> It was customary in Chile that public schools were used in two "rounds", to accommodate the growing student population. The educational reforms established in 1997 a timetable to turn all schools into a full schedule, to increase educational hours.

<sup>334</sup> Interview 9/22/99.

<sup>335</sup> Ricardo Vega, head of Community Organizations, interview 1999.

with the Parents' Centers. The system is very resistant to change. Teachers live in the past and suffer a terrible contradiction between what they are and what they want to be."

Opening the schools and the educational area to coordinated initiatives with other public policy areas has been a thorny issue. As the experience of the school Elena Caffarena demonstrated, the educational apparatus does not have the flexibility to respond quickly to innovation. Paola Cisternas, Dideco (1999) sees this as a key problem:

Education is an area that we had been unable to tackle. We have 20 thousand kids; therefore it affects a great percentage of the community. We could reach families; we could link nutrition and curricula in schools. But we have still people in education that were given their jobs in the military government, some teachers still believe that kids should be yelled at, we have the highest rate of domestic abuse in the South of Santiago.

Education's double dependence MINEDUC- municipality is very difficult. Educational personnel is tired and focused on wages, on the reforms and demands from the central level; teachers feel they were left aside in the reform process. The historical relation between the municipality and MINEDUC has centered on administrative issues.

We want to get into the curriculum topics of civil and human rights, gender, and environment, but the schools do not include them. There is a lot of theory, few facts. Parents' participation is null. Open schools? Not true.

The UTP director agrees that many of their initiatives to link the school with the community have failed because of distrust of on the part of educational agents that do not allow them to take advantage of "the tremendous network of support of their work and enrich the curriculum." But, Avila adds, the situation changes from school to school. Indeed, the YO has been able to implement political education and drug prevention workshops in some schools led by more "open" principals (Sandra Apiolaza, interview 1999). The DEM is also experimenting with a mixture of pedagogical units and community events to rescue and reinforce communal identity: "In 1999 we implemented the project *Yo Vivo en El Bosque*—for two weeks students researched local history, interviewed older neighbors, and built from

models to songs, which they showed in 2-days open mega-event attended by 8 thousand neighbors," informs director Avila (interview 1999).

### 6.3. Participatory planning, a model for government

Flexibility, openness to innovation and community input are fitting adjectives for the organizational culture of the professional team of El Bosque. These elements had been key in the strategic ability of the team to adapt centrally designed public policies and programs to the local reality, a need in light of the municipality's financial limitations to fund its own programs with investment resources that do not surpass 4 or 5% of the annual budget of around a million dollars.<sup>336</sup>

Almost all social programs are drafted by the central government, but they are "re-created" in El Bosque. We have a special capacity to "flexibilize" the programs. Even the most rigid programs are adapted to the local reality. For instance, we worked hard to adapt the housing offer to comply with the need detected in the Pladeco '94. We trained *monitoras de vivienda* in the community to aid the process of collective application, and we offered an extremely varied offer of housing to cope with the needs, from extremely basic construction to repair or expansion of housing in the older poblaciones."

Ricardo Vega, interview 1999.

A second key strategy of the team is creating linkages among agents in the community, NGO and public/private institutions in order to produce synergy and avoid project fragmentation. In the team's evaluation, competitive funds plus targeted social policies tend to fragment programs, impairing synergy. The central state's preferred mode of resource allocation via small, competitive projects (*Fondos concursables*), while stimulating community activity, wastes energy and poses considerable difficulties in aggregating these projects into a project of community development.

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<sup>336</sup> Juan Morales, SECPLAC, interview 9/13/1999.

Indeed, the team worked hard to pull away their own program lines from what they called “projectism.”<sup>337</sup> The WO, for instance, restructured its programs to comply with strategic objectives, because it was investing a high degree of energy in a great number of projects that not always were tailored to local needs. Competitive funding can even create distortions that push local policies from the “right course.” In the case of the youth office, Vega and Cisternas (interview 1999) argued that the need to elaborate winning proposals that tackled “hard core poverty” overemphasized the YO’s work on marginal youngsters, a sector that absorbed a great amount of resources and was unlikely to produce synergy with other programs in the short term. Moreover, the team is concerned with the impact of state action fragmenting or promoting linkages among the community.

What is state programmatic offer promoting? I believe that the modernization of the state and managerial efficiency has generated a view of the community as isolated organizations able to execute projects. We, as state, have developed a type of relation that is not “vinculante” (doesn’t promote linkages); the approach is individual, not about communities and solidarities.

Carolina Martínez, WO, interview 1999.

The “linking strategy” has relied on various instruments:<sup>338</sup>

- a. “Public policy networks”, that relate diverse actors around a policy –for example, the family violence network of El Bosque comprises 83 public and private institutions, NGOs and community organization in the areas of education (25); health and mental health (13), children (10), legal assistance (21), public services (8) and grassroots organizations (6)<sup>339</sup>.
- b. The team gives priority to central government policies which privilege coordination: for instance, the Mesas IRAL promoted by FOSIS. Program design in El Bosque has evolved into a multi-sectoral, multidisciplinary and multi-agent process. One of the programs that emerged after the Pladeco 98-2000 was a multi sectoral intervention towards 100 families of extreme poverty in El Bosque. The

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<sup>337</sup> Getting use to work with a great number of small, unconnected projects.

<sup>338</sup> Cisternas (1999).

<sup>339</sup> Municipality El Bosque, Departamento de Organizaciones Comunitarias, 1999.

program designed by the Dideco in 1999 has a double focus on the family and the community and involves multi-layered interventions in the areas of subsidies, education and training, health and mental health, work and housing. In 2002, Fosis launched a new program for combating extreme poverty, Puente (Bridge) that has many similarities to El Bosque's one.

- c. **Territorial Coordination.** In addition to the Mesas Pladeco, the team has promoted coordinating instances at the territorial level able to formulate development proposals at the neighborhood level, the *Coordinadoras de Barrio*. As Eduardo Muñoz, head of the territorial coordination unit of El Bosque, summarized in 1999: "With a participatory methodology, we have tried to establish coordinating instances at the territorial level with all the community agents. One can call them *Consejos de Barrio*, or *Comités de Desarrollo Local* or *Mesa Pladeco* – all link the existing organizations and to put together the visions they have about development."
- d. Creation of a *Fondo de Iniciativas Comunitarias* which supports community initiatives that are coordinated among different organizations at the barrio level; that contribute to local development and that are appropriate to the level of intervention. The fund promotes experiences of community planning.

The third strategy is supporting participatory planning by the effective transfer of responsibilities and of capabilities to community organizations.

- e. The municipality actively supports organizations by helping their legal status, providing community meeting places, training leaders and facilitating the access to public resources and networks. The legal area provides legal support to organizations and keeps an up to date record of community organizations.
- f. *Mesa de Inversión y Participación Social*, a new instrument for community planning, works in those territories that had had investments from IRAL, the PMU or other programs in order to coordinate the best possible use of these investments by transferring the administration of facilities to the community, allocating new 'bridge' investments etc.
- g. *Mesas de Capacitación* This municipal program trains both leaders and community organizations to elaborate proposals for community development and diagnostic research; leadership training, conflict resolution, techniques and

methodologies for working in groups, plus classes on topics such as the history of the urban popular movement.

The municipal team is aware that the participatory model of local administration and governance is vulnerable to political shifts and especially sensitive to a change of mayor. That is why, since the late 1990s, there has been particular emphasis in introducing organizational changes in the hope of institutionalizing the model.<sup>340</sup>

Since 1998, the organizational structure of the municipality has been in process of adapting to reflect the participatory model. The process of reorganization received a boost of technical expertise and resources from a pilot program of Subdere to strengthen managerial capacities at the local level, the *Programa de Fortalecimiento Institucional Municipal*, Profim. With the Profim, El Bosque sought two major goals: "to improve the quality and delivery of social services and social programs; and to turn the municipality into key agent promoting democracy and citizens' participation in the commune." Between 1994 and 1998, consulting firms performed 17 studies in order to propose an action plan to solve the perceived problems and to implement the municipal goals. Starting in 1998, a series of initiatives to improve the quality of services, which included training over 400 municipal personnel, the adoption of new technologies and a fine tuning of information and communications systems, were implemented (IMEB, 1998: 2-3).

The model of citizen's participation of the municipal team was analyzed and "operationalized" in the Profim as a "Citizens' Participation System." The original 6 planning territories were consolidated, and new Directorate of Citizens' Participation was added to the municipal organizational structure to serve as the link between the municipality and the community around initiatives originated in either side; and to help coordination within the municipal operational units. A territorial coordination unit serves as a link between the

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<sup>340</sup> One interesting action in this regard is the effort to involve the whole municipal structure in the participatory planning of the Pladeco 1999-2002. The professional team called upon municipal employees to become "monitores"; 200 municipal employees joined the initiative.

Planning Secretariat and the Directorate of Community Development (Dideco); while organized participation is granted several “entries” in administration and local politics.<sup>341</sup>

The municipal policy for opening these spaces of community encounter and debate goes beyond the planning imperative to accurately detect needs and to pull resources in order to satisfy them: “we are determined to democratize community spaces –from the administration of community infrastructure, to neighborhood planning, to local government. That is why we have a Pladeco and a Ordenanza de Participacion”, claimed Dideco Paola Cisternas (interview 1999).

The professional team has adopted criteria of “radical inclusion” for drafting policies that sometimes defy organized community interests. In designing a recreational policy for El Bosque, for instance, the municipality included sports and physical activities geared to all ages and gender groups, against the advocacy of the sports clubs, the most numerous community organizations, for more soccer-related activities.<sup>342</sup> The municipality openly challenged the practice of some Juntas de Vecinos and Sports Clubs to limit access arbitrarily to community infrastructure (neighborhood meeting houses, sports fields, parks and other recreational facilities), which they have customarily administered for decades. The excluded groups then advocate for the construction of more community infrastructure, in spite of the fact that the existing facilities are underutilized: only 30% was used to full capacity in 1998. The municipality and it is currently implementing a system to transfer the administration of community infrastructure to elected neighborhoods committees.

The emphasis of the team on participation, interconnectedness and in building forums for the organized community to discuss and make decisions about policy goes beyond a planning tool aiming to generate a public, collective vision of the needs of El Bosque. In the words of Mayor Sadi Melo (1999):

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<sup>341</sup> Cuaderno de Información territorial, IMEB (2002), Godoy (1997) and Universidad Bolivariana, 1998.

<sup>342</sup> The sports program now includes, along with soccer, aerobic classes, swimming, roller-skating, martial arts, tai chi and other activities that appeal to different age and gender groups.

I believe people are wise. One has an image of what one wants. I learned that in my work with NGO. But one cannot pretend to be solely a servant of the people, pretending one has no vision of the way things should be. That's why I believe more in a "concertation scheme." It is not unusual that our view and the interests of the people coincide; then we provide the "technical capital" for making the 'best' decision. But sometimes the people tells us what is the "best" decision. Then, I do not fear to "lose"... after discussing, whatever is decided is the best decision.

#### 6.4. Community and Municipality

Community organizations were active and powerful in El Bosque. Many were formed in the 1960s and 1970s at the height of the pobladores' movement and the state-sponsored organizational push; other resulted from the reactive organizational surge to cope with the hardships imposed upon the urban poor by the faltering economy and the political exclusion of the military dictatorship in the late 1970s and the 1980.

Community organizations in the mother communes of San Bernardo and La Cisterna can be described as powerful, combative and skilled in service provision. Back in the late 1980s, organizational strength had allowed the pobladores of then La Cisterna to oust the leaders designated by the municipal authorities. Daniel Palacios, President of the Communal Union of Juntas de Vecinos of El Bosque, recalls:<sup>343</sup>

We held meetings in each street and each alley, we questioned every designated social leader until they (the military authorities) had to accept it and we were elected. When the time came for the Plebiscite, things were already organized here. All of us participated, with the Communal Kitchens, with everyone, until we got our leaders elected.

In August of 1990, the combative face of the pobladores of La Cisterna surfaced in one of the first land invasions during the government of the Concertación, by the same time the

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<sup>343</sup> Interview 9/21 & 23/99. Palacios, like many social leaders in the poblaciones during the dictatorship, had been a labor leader during the Allende years.

government announced the creation of El Bosque<sup>344</sup>. In February 1991, three health groups organized a Local health Meeting (*Encuentro Comunal de Salud*) that gathered 120 delegates representing community organizations from Juntas de Vecinos to youth groups, and representatives of the municipality, NGOs and the local health posts of the then La Cisterna. This first meeting gave birth to an organization in charge of diagnosing and advocating for health issues from the perspective of the community, the *Coordinador Comunal de Salud*.<sup>345</sup>

The encounter between community organizations and the municipality was meant to be, in spite of early success, a changing and sometimes difficult one. Notwithstanding many social leaders and the communal government shared a similar political view, El Bosque did not escape from the scars inflicted by years of authoritarianism and the negotiated transition.

The relations between the state and the community organizations had been tainted by a deep distrust brewed during years of authoritarian repression and periodic attempts of controlling grassroots organizations.<sup>346</sup> The relations with the political parties, especially those of the Concertación, had been also strained by the official calls to curb popular mobilization and the marginalization of the Communist party, which had made great inroads in the poblaciones after the labor movement was crushed by the military government.<sup>347</sup> After the initial enthusiasm for cooperating in building the new commune, the paradigm of “sequential gradualism” and its call for popular quiescence took its toll on the trust of organized pobladores and the municipality. Community leaders felt disagreements or criticisms were not well received by the local government:

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<sup>344</sup> *El Mercurio*, 2-8 August 1990. The mayor of La Cisterna at the time was Iván Moreira.

<sup>345</sup> The Encuentro was organized by the health committees of Las Acacias, el Bosque and Villa Santa Cristina. 14 JJVV, 4 health posts, 2 NGOs (CIASPO and *Médicos del Mundo*), 5 health workshops, the Directorate of Primary Health, the UC JJVV El Bosque, 1 Communal Pot, and 5 departments of the municipality of La Cisterna were among the participants. Source: Documents grassroots organization *Grupo de Salud de El Bosque*; interviews with Dr. Angélica Verdugo and Paola Cisternas, Health Director and Director of Community Development of El Bosque, respectively.

<sup>346</sup> In addition, the pobladores of El Bosque had lived through one of the early UDI experiments with local government in La Cisterna, and were very distrustful of the municipality. Iván Moreira, today UDI deputy for the district, was mayor of La Cisterna

When we recovered democracy, we were jubilant. Politicians offered a great deal: we were going to work elbow to elbow, we were going to lift the municipalities, organizations were going to actively participate in what was going to be the future local government. Those were "campaign flowers." Once they were elected, they forgot what they promised the people.

Jose Miguel Vergara, Cesco El Bosque, interview 1999

When El Bosque was created, we organized a huge meeting with the consultorios, women's groups, the political parties, the sports clubs. 70 or 80 people worked in the organization; we even elected the site for the municipality. But the communication broke... new municipality, without resources, asking us "not to rock the boat because we are socialists." We were going all the same way until they got the power and changed course.

Jenny Ortiz, Comité de Salud El Bosque interview 1999

The lack of respect for social leaders bothers me. If we had not fought during the dictatorship, they would have found a completely different commune. All social leaders belong to a political party. But in the local government they confuse everything: they believe that because one belongs to the same party than the mayor, one has to be subservient. That is not right—the people elected us to do things for them; if not, one is an employee of the mayor.

Daniel Palacios, President UC JJVV El Bosque, 1999.

Initial conflicting expectations about the actual possibilities of the municipality to solve the problems, which were subjected to budgetary limitations, added to the tensions. When start-up funds dried and the municipal investment budget was cut in half in 1994, some municipal projects already implemented, such as an innovative treatment center for family violence with a professional team—a "luxury" rarely seen in poor municipalities—had to be discontinued due to lack of funds.<sup>367</sup> Community planning in the Pladeco 94-98 was also impaired by this unexpected budget shortage.

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<sup>367</sup> Many of the current leaders of the Juntas de Vecinos were former labor leaders (Cenpros, 1996)

<sup>368</sup> The Centro cost 20 million pesos (about US\$ 28,000) per year, which was more than the whole yearly budget of the Women's Office. Carolina Martínez, Director Women's Office (interview 9/9/1999).

The experience made the municipal team very cautious regarding the scope of the commitments the municipality could assume. "It is not enough to discuss and to solve problems; participation means that social organizations and leaders must have power to decide about the resources", acknowledged Marco Pérez, from the Oficina Vecinal in 1996. "The lack of funds created a difficult relation with the leaders --they felt used", added Victor Downey, also from the Oficina Vecinal; "our experience is that once the community has access, it is horrible to turn back."<sup>349</sup>

The issue of resources, rather than a matter of "lost entitlements" were perceived by some organized pobladores as a matter of faltering responsibility on the part of the municipality:

For example, if there is an educational problem with women, we can help in making a diagnosis, we can get women together, but we cannot provide the funds. We contribute, but they do not contribute with resources. We want participation, and we do contribute, but the local and the central power has to provide the resources.

Lucía Palma, *Comité de Salud El Bosque*, interview 1999

Lack of resources and the strains of a negotiated transition can be considered part of the larger environment that any local government with scarce resources has to face in post-transition Chile. In El Bosque, once the team labored through the decade implementing participatory public policies, most of links damaged by the effects of history and the larger polity have been restored. Some organizations, especially those most combative and jealous of their autonomy, stroke a tense cooperation with the municipality. The Comité de Salud El Bosque, a strong organization of about 12 women who have been advocating and working mainly on issues of gender, community health and sexuality for the last 20 years on voluntary basis, bluntly summarize this new encounter:

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<sup>349</sup> Interview 1/24/1996

During some time, we were very anti-system, but now we decided to get in and fight for what we believe. There was a time when we had bad relations with the municipality. We had serious problems with Sadi (Melo), but now we can talk, at least, because we realize that that is better for the people. As insiders, we can do more.

What has made this encounter possible is the way in which El Bosque's "activist" local government set to re-draw the relations state - community organizations in the areas of service co-production, planning and government. The blueprint for community participation had profound effects on the representative structure of community organizations, and it explains a great deal of the natural resistance that the municipal team faced after 1994 from the Juntas de Vecinos. The same model, however, has drawn other organizations closer to the local government.

The Comité de Salud El Bosque is the prototype of the autonomous, strong and politically independent organization. Since 1991 to 1998, the Comité has worked in campaigns for preventing cholera, AIDS, drugs and alcohol, pap smear; they have been among the principal organizers of dozens of meetings to discuss community health, among them the Encuentros de Salud Comunal that gathered over 120 community health leaders, ONGs, other community organizations and municipal offices. They have worked with the WO in the Plan de Igualdad de Oportunidades, where they researched and conducted a participatory diagnosis of the situation of the pobladoras<sup>390</sup>, and have worked in the literacy campaign for women and in training *monitoras* for women's education. They also work with the health network helping to build a Communal Network to Prevent Drugs and Alcoholism, as well as in the creation of Consejos de Salud in the community health facilities of El Bosque. The research and program implementation capabilities of the Comité de Salud makes it play a role very similar to an NGO, although Palma and Ortiz are quick to point out that, even is they had "learned from the NGOs, we are not professionals, and our work is strictly voluntary."

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<sup>390</sup> Please refer to the section on the Women's office in this chapter.

Women in the Comité are aware of the value of their contribution to the municipality and to the community. Extremely jealous of their autonomy, they maintain a critical position regarding every state agency, "we always have problems with the local and the central power. We, who try to solve social problems, have a particular view of the problem, because we live it", shoots Jenny Ortiz. They have, however, successfully presented projects to the competitive funds of Minsal, *Salud con la Gente*, the National Commission to Prevent Drug Abuse, Conace, and Sernam.<sup>551</sup>

Their relation Women's Office of El Bosque has focused their activities on the commune as a whole, and has allowed them to link their projects in different social policy areas -health, women's rights, advocacy, education: "It is difficult to involve women in projects, but once it is done, people do not want to leave and one has to see for continuity. So we stroke a kind of commitment with the Women's Office so that they could look out for new activities. But the Oficina doesn't go to the poblaciones; they like women to go. It is hard work, but we believe in what we do," asserts Lucía Palma (interview 1999).

As one can expect, the organizational fabric of El Bosque displays a great heterogeneity due to the historical circumstances of the organizations' origin and to their specific goals. Traditional organizations, such as the JJVV, were oriented towards the state and accustomed to a role of mediating between the authorities and the neighbors they represented. JJ.VV. made a constant transit between policy implementation and politics. The Centros de Madres, Cema, have striven to maintain their linkages to the state in order to transfer resources to their families and neighborhoods, and they have specific representation rights in the local government and vis-à-vis the state agencies Prodemu and Cema-Chile. Sports Clubs have retained a firm handle on the policies regarding recreation and organized sports, and are very effective in directing state resources to their organizations.

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<sup>551</sup> These are small projects -200,000 pesos, or about 300 dollars, that the Comité uses for basic materials. They are so careful with spending, that they have rejected new funds "because we still have remnants from other projects" (interview 9/9/99)

The organizations born during the dictatorship, in turn, had developed a great degree of autonomy and some had become very proficient in the area of policy they specialized, such as the health groups. Unlike older organizations, they had not been granted any specific representational rights, such as the JJ.VV and the Cemas, or had strong linkages to a policy area, such as the Sports Clubs. They are mainly oriented towards community work, but they do not shun advocacy and policymaking.

An important segment of youth organizations, in turn, were disengaged from the world of work and education, building their identity in symbolic protest that draw the limit with the "integrated world" via culture and drugs. Most of these organizations refused to link with the state or other organizations, and preferred to establish contact for specific—and highly negotiated—activities. Along with these, a myriad other single-interest organizations, such as labor workshops, cultural organizations, housing committees or senior citizen's clubs connected to specific policy areas and programs, usually defined by the central state with or without mediation of the municipality. This textured organizational fabric would have a series of encounters and clashes with the local government.

#### 6.4.1. Redesigning an open space

In the municipal team's view, the Juntas de Vecinos, mothers' centers and sports clubs, in spite of their claims to the contrary, had lost touch with these new community groups, youth, women, even senior citizens. Downey remarked, "Traditional leaders have experience in reestablishing democracy, but not in making a square. Eighteen years of dictatorship centered the leaders on the state; not on the community."<sup>352</sup> In particular, the team came to the conclusion that, even if in some instances leaders of the JJ.VV. were able to aggregate the variety of interests in their neighborhood units, this was not the norm. In their view, the majority of the Juntas de Vecinos tended to perpetuate rigid practices and to crowd out newer organizations; in particular groups such as youth, women or senior citizens.

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<sup>352</sup> Interview 24/1/1996.

Until the first Pladeco (1994-1998), the Juntas de Vecinos maintained a collaborative relation with the municipality. Daniel Palacios (interview 1999) asserted,

When we started there was a strong relationship between social organizations and the mayor. We supported him. I still believe he is not a bad mayor, but his aides and his multiple political commitments tie his hands. I believe that if he does give more participation to the JJVV, if that participation includes the budget and the moneys are allocated with transparency, things would change for the better.

The breaking point between the Juntas de Vecinos and the municipality came after 1996, when the team started to create spaces for incorporating the organized community directly into the process of diagnosing, planning and making decisions about policy alternatives in their neighborhoods through *Consejos de Barrio*, or *Comités de Desarrollo Local* (local development committees). These organizations, even though they lacked the same legal recognition than the JJ.VV. and were usually tied to specific projects, indeed performed the key functions that defined the Juntas. Daniel Palacios asserts the preeminence of the Juntas regarding other community organizations:

The JJVV is the "parent" organization, because it encompasses all other organizations in the community, which are part of the community. If we have a local government, in the community we also have a community government, which is the JJVV. With all its goods and bads, with good and bad leaders –it is the organization that represents the neighborhood as a whole.

The new model of participatory planning used in the second Pladeco (1999-2002) directly challenged the Junta de Vecinos in their own territory: the barrio. The Mesas Pladeco gathered organizations and neighbors in 53 neighborhoods, transferring in effect to the community and all their organizations the functions of diagnosing, establishing priorities, proposing solutions and organizing the implementation of the solutions to the 3 most important problems in their neighborhoods. The Juntas de Vecinos were supposed to perform these functions. Perceiving a challenge to their organizations' *raison d'être*, the Communal Unions refused to participate in the second Pladeco, and called pobladores to do the same.

The first Pladeco was very participatory, but the second Pladeco was done behind the back of the social leaders. They asked people what did they want, and they got the same information that we (social leaders) were giving them always. Everything was done with municipal bureaucrats. They said 9 thousand people participated; we say that's not true. People did not go because the social leaders weren't there. And we did not go because we were not taken into account. The people elected us, so they have to respect us.

Daniel Palacios, President UC JJ.VV. El Bosque, interview 1999.

The Juntas strongly objected the distribution of representation rights by the municipality, because they claimed it produced biases that weakened the community representation: "The municipality says that the treat organizations "equally", but a JJ.VV. has to have at least two hundred members and represents thousands, while a functional organization never surpass 40 members and they represent specific interests", protested Mr. Palacios. The Communal Union also objected that the municipal model bypassed leaders to reach directly the organized and not organized community: "They get to a población and ask the people what do they need, when there are social leaders who know these needs and that have told the municipality long before about those needs", claimed the president of the Communal Union.

Mayor Melo stood by his decision, and justified it in the following terms:

The traditional leadership of *Juntas de Vecinos* felt threatened by Pladeco. They attacked the *mesas de trabajo*, but the people attended, nonetheless. The JJVV has a client relationship with the community because they have a privileged relation with the municipality; they have access to information, they have the ball. That logic was broken. The JJVV called us "interventionist" because we promoted the local development councils, because we dealt with all community organizations. There will always be a problem with this aristocracy of community organizations.

Sadi Melo, Mayor of El Bosque, interview 1999.

The construction of spaces for community planning and decision making was non-negotiable for the team of El Bosque for both technical and political reasons. Building spaces where to aggregate the community demands and where a more comprehensive, public view could emerge, was imperative for a model of participatory planning with very scarce resources.

Spending energy and resources in fragmented and small projects that would not amount to community development would soon become both financially and politically unsustainable.

From a political standpoint, the option for participatory planning by mayor Melo and his team entailed a project of democratization. In their view, synergy among micro-projects and between local and centrally designed social policies could only emerge in a public space where allocation of resources could be debated. Therefore, opening the political space to the whole range of social organizations was a key aspect of the project.

The resistance of the Communal Union of Juntas de Vecinos of El Bosque was a natural response to the loss of organizational power, and the confusing legal situation of these community organizations. The Law of Juntas de Vecinos and Other Community Organizations assigned an ample spectrum of powers and reserved for the Juntas a privileged mediating role between the neighbors and the state authorities. But the reform to the municipal law, by changing the composition of the Cescos in the Ordenanza de Participación, effectively transferred to the local governments, and specifically to the mayor and the Municipal Council, the power to design the Cescos as they saw fit.

Even though the Ordenanza did not change the powers of the Juntas, it gave the mayor and the municipal council the power to determine which organizations were going to have a privileged relationship with the communal authorities and their degree of participation in decision-making in the local government. The decision to make up the Cescos mostly with Juntas de Vecinos and traditional organizations or to open it to other organizations, which and how many, fell upon each mayor in his or her commune. In El Bosque, the decision "diluted" the power of the Juntas de Vecinos.

At the time the field research was conducted, the relations between the UC of Juntas de Vecinos were very tense and non-cooperative. However, this did not preclude the continued participation of individual Juntas and social leaders in municipal programs and initiatives. Jorge Gajardo, coordinator of the Pladeco 98-02, explained that "the *Unión Comunal* resisted the Pladeco, but the people ignored them: people value the organization only when it is effective" Mr. Palacios believed that this works as an instrument for control, "Now

the municipality is working with territories, but to their advantage. These leaders are submissive.”<sup>353</sup>

The municipal plan to establish a shared administration of community infrastructure has also eroded the power of the Juntas and the sports club, which were customarily in charge of administering community facilities. While this “radical inclusion” policy implemented from the municipality alienated part of the traditional leadership, it helped to build links to other community groups.

#### 6.4.2. Extending the nets

One of the main beneficiaries of the municipal push for returning community spaces to open public use have been youth organizations, frequently discriminated against for fear of their “destructive” tendencies. As stated before, a significant segment of young people in El Bosque—as in most poblaciones in Santiago—were particularly affected by growing up during the dictatorship years. High unemployment, persistent violence and sense of insecurity, added to extremely deficient social services led many of these kids to a path of marginality. With poor educational endowment, many never integrated to the labor force. Alejandro Martínez, head of the Youth Club Los Callejeros explains<sup>354</sup>,

Young people live in a culture of death. Social differences are so huge that people here, instead of maturing when they grow older, just get bitter and lose hope. I have friends that were part of the *Frente (Revolucionario Manuel Rodríguez)*, the military brigades of the PC) who are today in jail, not as political prisoners but because they started assaulting people. One was member of the Destacamento Raul Pellegrini, highly trained, military chief, with great consciousness, but today is in for 18 years. Not only the people who was in exile or in jail were victims of the repression of the dictatorship. There is a great deal of young Frentistas who fought in the popular brigades and never got back in. The system cut them loose. We feel as a generation that has been disposed of.

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<sup>353</sup> Among the members of the current Cesco of El Bosque, Daniel Palacios appears as representing the UC of JJ.VV. however, *El Bosque*, the communal newspaper, identified the president as Viviana Leal in July 2003. Webpage Ilustre Municipalidad El Bosque, <http://www.imelbosque.cl/>.

<sup>354</sup> Interview 9/21/1999.

Los Callejeros started 13 years ago in the población 12B, one of the poorest sectors of El Bosque with housing projects product of eradications and public housing subsidies. They are a loose federation of 5 youth groups, each of them with 25-30 members. Some of the groups are devoted to alternative cultural expression, others are from the "extra-parliamentary left" and they share a common identification with the "left" and a "project of social justice and dignity."

The use of physical space is key to the organizations of the young pobladores. "We do not have where to meet, so we use the plaza. We care for the public space; we cannot allow street assailants, we cannot allow vandalism or cocaine trafficking. One has to care for one's población; one has to keep it clean; we decorated our plaza with murals", said Alejandro while we walked by the square. Behind the young, anemic trees neatly surrounded by white stones, a colorful mural depicted Victor Jara, the folk singer tortured and killed in the National Stadium, along with the cartoon characters Pinky and the Brain. The plaza was a project to remember September 11<sup>a</sup>, the first Los Callejeros decided not to devote to protests on the streets. "We discuss a lot where to make the roadblocks, because it would be a great failure if the police wouldn't show!" jokes Alejandro Martínez; "violence is the staple of life of the pobladores' youth", he adds. This time, they decided to fix the plaza to provide the neighborhood kids with a "safe space to play and to meet. During the weekends, we play music and fly kites here."

The opening of public spaces and the creation of networks, plus their trust on the people of the YO<sup>355</sup>, have prompted *Los Callejeros* to get closer to the municipality. They have applied to a project of DOS and they obtained a music amplifier, which they use for playing in public spaces. In the JOCCAS, they got in contact with school principals, and one of them asked them to paint murals for a school in El Bosque. At the time of the interview, Martínez was planning to form, with two other organizations, a *Comite de Desarrollo Local* (local

development committee) to administer and safeguard the public spaces in the población. The Callejeros also act as a “hinge” between the more radically marginal groups, which Martínez describes as “self-managed”, and the municipality.<sup>356</sup>

In this case, the networks and the public spaces opened by the municipality have been key not only in getting these groups closer to the municipality, but to put in contact the young pobladores with other organizations, a key task to mend the profound gaps and distrust among different generations of pobladores.<sup>357</sup>

Networks have also been key for the work of other organizations. The women’s network, for example, has put in contact women in organizations with different goals and origins, and has been extremely influential in fostering common initiatives, as well as the development of a more comprehensive view of the community.

The Centros de Madres, one of the traditional organizations, have increasingly oriented their focus from the central state, towards the municipality and other community groups. The seamless integration of the Centros de Madres into the women’s network, as well as in the Cesco, is due in part the networks established through the WO.

The Communal Union of Centros de Madres (Cema) of El Bosque was born in 1991 with 21 Cemas, each of them with 15 to 40 members. Some of these Cemas were associated with Cema-Chile, which did an extensive work to control pobladora women during the dictatorship; others were independent. The board of directors has not changed. “During the

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<sup>355</sup> The Office work of reaching out to the organizations have gained the respect of the youth. Martínez also referred to Sandra Apiolaza as “very brave.”

<sup>356</sup> These groups are either from the radical left; others, like “El Gran Cogollo” do not hide their drug use.

<sup>357</sup> Security was, at the time of the research, a big concern among the neighbors. Drug use, youth violence and alternative and aggressive cultural manifestations has contributed to generate a chasm between the older pobladores and some of the organized youth. In El Bosque are also active the “barras bravas”, loosely attached to the fans of two main soccer clubs in Chile—Colo Colo and the University of Chile. They organize powerful public displays and engage in violent fights during soccer matches. In the poblaciones, they have territories and beat up and even kill members of the other gangs.

dictatorship Cemas multiplied because women could get a lot of things", states María Angélica Pozo, president of the UC of Cemas, "and from then on, people expect to get something."<sup>358</sup>

Many Cemas in El Bosque are now linked to the central agency Prodemu, which train members of Cema as "monitoras" in arts and crafts techniques, that they transfer to other members or women's groups. As Ana Sepúlveda defines, "the main goal of Cema is to help women to learn skills that they can contribute to their household."

The network of the WO has been key to promote the contact of Cema with other women groups, normally very critical of the Cemas. The WO calls Cemas, women participating in the program "heads of households", health and housing committees, senior citizens, labor workshops and all women to meet the last Friday of each month. "We work in groups throughout the afternoon. We exchange information, learn what the other is doing, we share experiences", informs Ms. Sepúlveda. In 1999, the UC of Cemas joined with the labor workshops and the Senior Citizens' Clubs in organizing the Expo-Mujer; they participated with the health groups in a project of AIDS awareness and have "lend" their monitoras for health activities. They have been active participants in Women's Congress for several years, so they have established contact with women of other communes. The UC of Cema has contributed to the Cesco since its foundation. María Inés Godoy concludes: "We have contact through the network of the WO, and we got to know and to respect each other. Of course there are problems, but talking always solves them; there is no rivalry. We work together, and we cooperate a lot with each other. Cemas are respectful, and we try to always listen."

The networks of the WO of Health have generated synergy with the work of single issue, volunteer organizations, such as *Sonrisa Juvenil* (Young Smile), a project to support teenage mothers from pregnancy to early childhood care of the baby. Juanita Lizama, president of the organization, explains that the project started with a religious group of 7

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<sup>358</sup> Interview 9/16/1999 with María Angélica Pozo, president, María Inés Godoy and Ana Sepúlveda, members of the board of directors, UC of Cemas El Bosque.

women linked to the *Vicaría Zona Sur*, who started helping pregnant girls with health care, coping with their families and with the educational system.

Once they linked to the networks of health and the WO, their work was enhanced: “the WO is helping some of our teens with psychological help and legal support; the midwife of the health post is working on prevention of new pregnancies so it complements our work. The school system set a special program for the teens; regular schools do not receive pregnant girls, and the night school neither because they are too young,” explains Ms. Lizama. Sonrisa Juvenil participated in the Pladeco of their neighborhood and their project to build a House for the pregnant teens who are expelled from their homes, gathered the support of the community, that assigned the organization a lot for future construction.

Even when the organizations are not interested, or unable, to obtain resources from the networks, the horizontal linkages promote awareness of other sectors of the community. Trinidad Briones, president of the labor workshop *Pinturitas*—a small enterprise of hand painted cloth that comprise 15 women—explains that their organization did not participate in the communal union, in the JJ.VV., the Cesco or the Pladeco because “our experience taught us that it was not worth if we do not get anything from it.” However, the meetings at the WO had made them aware of the difficulties that working women have to face, and they plan to contribute to device strategies of support along with other women’s organizations.<sup>399</sup>

While networks allow to connect fragmented organizational activity and to advance a notion of common good, open political spaces act as a checkpoint for clientelism and petty corruption. Self-referred organizations naturally tend to obtain resources by any available means. One example is the senior citizens’ clubs, SCC, one of the newer organized identities in the commune. The program to organize these clubs was launched in 1996 as an initiative from the central government’s Comisión Nacional del Adulto Mayor; and receives funds from the Fosis’ program *Más Vida para tus Años*. In only two years, 42 clubs with over 1,300 people have been founded.

Victor Sepúlveda, President of the Unión Comunal del Adulto Mayor, which gathers the SCC of El Bosque, explains that the Union has been involved in different initiatives to buy medical devices for their associates, as well as working in both support groups and community awareness of chronic illnesses. The connection with the health network, however, has been very strategic, and when some of the initiatives of the UC SCC have failed, the organization has resorted to national politicians:

Sometimes the authorities listen to us, sometimes, not. We asked Dr. Verdugo for a electrocardiogram; she claimed it was too expensive. Years, without a result. So I went to talk with (Iván) Moreira. He said : "Look this mayor (Melo) : he doesn't have a million pesos for buying an electro machine, but he hires Illapu (a music group) for three millions! Come in the week, I'm going to give you three prizes so you make a ruffle to buy the machine." So one has to go after the deputies.

*Victor Sepúlveda, Unión Comunal SCC, interview 1999.*

The Office of Senior Citizen (*Oficina del Adulto Mayor*) has striven to link the SC's organizations to wider community initiatives. Gloria Carrasco, head of the office, explains that at the beginning seniors' organizations were very self-referent, in part because of their great needs, especially health, in part because of their origins, usually "clubs of grandpas and grandmas" organized by the churches. The office has made great progress in modifying the internal organization of the clubs with open discussions, and have transferred them capacities for diagnosis and project design. It has also established links with other community organizations and networks in El Bosque, in particular the health network and the Oficina de la Mujer, with very positive results, according to Ms. Carrasco. Today, the SSC are active participants of both the Pladeco and the Cesco.

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<sup>399</sup> Interview 9/29/99

## 6.5. A seat in the local governments

The challenge now is to define a new face for the state in democracy, that helps to achieve a new society with more equity, justice, recreation, culture, education, power sharing, better quality of life, all that. Above all, spaces for discussing and achieving consensus, where politics can develop. I believe that the state with a democratic face is also a decentralized state. That is local government. But if we bet for the municipalities to carry on democratization, three things are necessary: first, political institutions that allow democratic discussion; second, a modern and qualified administrative structure, better resources, human and otherwise, and, third a real redistribution of wealth, per capita and territorially.

Mayor of El Bosque Sadi Mélo, interview 1994

### 6.5.1. Cesco

The incorporation of organized participation in the local government has followed a similar strategy than the incorporation into policymaking. The municipality has attempted that the established organ for community participation, the Consejo Económico y Social (Cesco), is adapted to represent the organized community. The Cesco had been active in El Bosque since the installation of the local government, and again, the initiative of the mayor was key in granting the Consejo a meaningful role. In 1994, he asserted,

We have a great experience with the Cesco... unlike other municipalities, 25 of the 30 members are actively involved. We actively searched to establish a good relationship with social organizations—micro enterprises, women, sport clubs—and we envision the Cesco not just for consultation, but also for designing proposals. We have asked them to work the proposal for the Fondevé and for the open markets. I am convinced that the new reform should give more “attributions, faculties” to the Cescos, that organizations such as the community kitchens or the organizations devoted to children rights should be also incorporated, and that they should participate in policy decision-making.

In the case of the Cesco, the opportunity to shape the organ to include a wider spectrum of community organizations was provided by a reform of the law of municipalities in 1999, which granted local governments the power to modify the composition of the Cescos

according to the particular organizational mix of the commune. The new regulations were established in the *Ordenanza de Participación* of El Bosque (1999)<sup>360</sup>. According to the new rules, the CESCO would have up to 39 members that include both the traditional and new organizations, as well as representatives of local businesses, charitable and church organizations.<sup>361</sup> The law also establishes two funds to support community initiatives: *Fondeve (Fondo de Desarrollo Vecinal)* to finance initiatives presented by the JJ.VV and the *Fondo de Iniciativas Comunitarias*, Fund for Community Initiatives, which will fund the activity of any community organizations other than JJ.VV. Both funds depend on municipal resources. The duties of the CESCO remain in the advisory terrain, but it is explicitly asked from the CESCO to evaluate local services on budgetary, zoning and local development matters (MEB, 1999: 16-18)

The Councilors value the work in the CESCO. They often act as advocates for issues that involve the whole community, such as health and a revision of the standards of the instrument to measure poverty (fichas CAS). They also value their power to investigate and to report abuses at all levels of the municipality, from schools to any municipal department: "proudly, we can say that we have been responsible for the removal at least 3 high ranking officials in the departments of Inspection, Business Permits and Public Works," declared Mr. Vergara (interview 1999). The councilors also assigned great importance to their ability to detect and to channel community problems to the local government, and to suggest appropriate solutions. For example, in 1998 the CESCO quickly reported how a surge in unemployment affected the every-day life of the pobladores, and suggested appropriate

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<sup>360</sup> The Ordenanza, however, is NOT a municipal initiative, but it is established in a new municipal law (25 March 1999), which discards the fixed composition of the CESCOS and empowers each local government to shape the CESCO according to the particular organizational features of the commune.

<sup>361</sup> One representative of JJ.VV. and one of functional organizations, per each territory (13 in total); representatives of youth organizations (3), of disabled persons (1), housing organizations (1), charitable organizations (1), and two representatives of churches; plus leaders of the Communal unions of JJ.VV (2), Mothers' Centers (1), Labor Workshops (1), Senior Citizens (1), Parents' Centers (1), Sports Clubs (4); and 3 representatives of associations of small business or unions and 4 representatives of local businesses. In addition, the mayor can nominate, to the CESCO, with the approval of the Municipal Council, up to 7 people that he/she considers relevant. These nominees have only speaking privileges. (IMEB, 1999: 16-18)

solutions such as temporary subsidies for paying education or utility fees (Cesco El Bosque, collective interview 1999).

However, the relation of the Cesco with the municipality is ambivalent. On the one hand, the councilors feel that, unlike other municipalities, their opinion is taken into account. On the other, they acknowledge that the mayor's will is key in granting these powers; therefore, they are acutely aware of the discretionary—and therefore, vulnerable—nature of the Cesco's entitlements. José Miguel Vergara, Vicepresident<sup>362</sup> of the Cesco el Bosque and national leader of the Association of Cescos, stated (interview 1999):

At the general level, I can responsibly say that the Cesco was a trick to show that there was participation and representation of the organized community in the local government. Here in El Bosque we have had participation, because the mayor has condescended with the Cesco and has given us more powers than those stipulated in the law—for instance, in helping the municipality to certify the compliance of certain provision of services, such as garbage collection or lighting, education.

The UC of Juntas de Vecinos is the most critical of the Cesco El Bosque's representativeness. Daniel Palacios, President of the UC JJVV explains that the Communal Union was not invited to participate in the Cesco at the beginning but a handful of individual JJVV that had a very "local and small" view of the community's problem. When they informed the Cesco, the UC was invited to participate, and at the time of the field research, it was an active member. The Ordenanza de Participación, which Palacios said had "slaughtered the Cesco because the council decided what organizations were going to participate," did include the UC of JJ.VV. as a permanent member of the new Cesco. The Ordenanza, however, dilutes the representation of the Juntas de Vecinos, which was before a third of council.

The Ordenanza also establishes the right of information, granting citizens open access to municipal information and data. It also institutes other mechanisms for neighbors to voice

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<sup>362</sup> The president is the mayor.

their opinions, such as a system of complaints --and assured responses, of public audiences with the mayor, and plebiscites on disputed budgetary matters, communal plan, zoning and other matters of local competence. The mayor with approval of the council and organized citizens (at least 10% of register voters) can file a motion for a plebiscite. The results are binding to the municipality if majoritarian (IMEB, 1999: 9).

### 6.5.2. The Municipal Council<sup>363</sup>

The institutional design of the municipal polity added the Municipal Council, similar to the old *regidores*, in a botched attempt to integrate political parties into the local government --the model of local governance, mayor centric and managerial, left the Municipal Councilors without a real script in city politics. Incapable of competing with the growing political power of the mayor, the councilors of El Bosque have become increasingly dimmed in the local public scene. Unless the mayor grants the council a larger role in the design of public policies and in the municipal administration, the councilors almost exclusive sources of power to insure their political survival is to attack the mayor, either/or to establish a clientele.

The case of El Bosque has followed this general pattern. Confrontation with the council was a feature of the first administration of mayor Melo, with dire political results for some councilors.<sup>364</sup> In 1994, the mayor referred in these terms to the municipal councilors:

We tried to involve them, but they do petty politics. First, they are all frustrated mayors. The system is perverse: they put all the former rivals of the mayor to control him or her. The duties of the council are too wide --they should be specified. I believe that the elections should be separated. It's a tedious relationship.

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<sup>363</sup> A description of the Municipal Council can be found in chapter 5. This section is based on interviews with 10 city councilors; for the municipal council of El Bosque, the main sources are interviews to councilors Pedro Vega (DC, 1992-to the present) José Miguel Muñoz (PPD, 1996- to the present) and Patricio Arriagada, UDI, 1996 to the present).

<sup>364</sup> A councilor of El Bosque, UDI Viviana Matus, criticized mayor Melo in the national press in 1994. The reaction of popular organizations was to close files with mayor Melo. Councilor Matus lost her post in the 1996 elections.

In the second period of mayor Melo, the council had come to terms with their power distance with the mayor, and conflict was less frequent –“In these last two years, the Council has been very well disposed to work for issues that are relevant for the community and they look to exert leadership, and that is good”, asserted Sadi Melo in 1999. José Miguel Muñoz, city councilor for the PPD (interview 1999) described the relation between the mayor and the Municipal Council as

... good in terms of working together. There is always the problem of power – the projects that can be beneficial for another politician or political party, see a lowered profile. However, that is a problem of local politics –there is very little room for challenging the incumbents. The mayor has all the powers, especially in this municipality where almost all the staff belongs to the mayor’s party.

Unlike other municipalities, the power of the mayor in El Bosque is greatly enhanced by his close relation with the municipal team and by the strong relation of both the team and the mayor with community organizations. “We have to trust the reports of the municipal officers –we have no staff that we can entrust an independent investigation or data gathering”, relates councilor Muñoz. Mayor Melo acknowledges this fact: “ There is a little bit of *hegemonism* on our part. We have powerful professional resources. However, we have been trying to form committees with our professionals and the councilors around different issues to involve them in administration.”

Blurred party identities and the managerial outlook of politics has complicated even more the quest of the councilor for fulfilling both a meaningful role in the local polity, and to be reelected. As Pedro Vega, councilor for the DC and elected for 3 consecutive period, summarized (interview 1999): “The only factor that voters can really base their vote for a candidate is his or her “*executiveness*” (to do things), not on his or her political profile or ideology.” Given that the mayor has control over municipal management, it would be a political risk to enlarge the public role of any of its competitors in the council: “The council cannot become a “cabinet”, because the mayors see this as competition. In El Bosque we do

contribute to the communal projects, but in an “invisible” manner even we have good relations with the mayor”, adds Councilor Muñoz.

Community organizations, aware of the weak political leverage of the council, tend to resort directly to the mayor, the municipal team or higher (national) level politicians or state offices. “The former council members did not even lived in our commune; so they did not know about our reality. The new council is more ‘accessible’, but the council is not very autonomous. The municipality is the mayor and his team. He could perfectly govern alone”, declares the President of the UC of JJ.VV., Daniel Palacios in 1999.

Clientelism is most common relation the councilors establish with their constituencies, according to the unanimous opinion of the councilors of El Bosque. Patricio Arriagada, councilor for the UDI, states “we have clients: we grant them favors, make “donations” and follow up “social cases”, just as if they were patients or social service clients.” “I give away food packages” –confesses councilor Muñoz—“Everyone that voted for you comes to your office asking for favors. If you do not comply, they go to the next councilor. Before the election, for example, the sports clubs ask for new equipment and t-shirts. Whomever gives them more, get their votes –or so they say.”

The councilors of the Concertación are critical about establishing clientelistic relations –although they consider it inevitable in the current status quo. For UDI councilor Arriagada, clientelism appears to be part of the normal landscape of political phenomena: “People do not want to participate directly, but to see things done by politicians. People are not concerned about the political party of a candidate or a councilor; they are concerned about who can deliver them very material things”, he asserts (interview 1999).

Councilor Vega and Muñoz point out that the councilors of the right have an advantage in playing the clientelism game due to their access to larger resources; a statement contested by the councilors of the Alianza por Chile, that point out that the Concertación has access to state resources. Víctor Sepúlveda, President of the Communal Union of Senior Citizens of el Bosque, supports the appreciation of the Concertación councilors. Mr.

Sepúlveda frequently resorts to personal appeal to politicians to get resources for his organization, usually after his request to the municipality has failed:

As I see it, I prefer to take advantage of the parties, not the other way around. Here in El Bosque, the Left never has money, only to spend in publicity in the elections. The parties of the Right help the people, and if they do something from the people, it is OK.

In a paradoxical twist, the concentration of administrative and political resources around the mayor and the municipality has left the councilors with little with what to support widespread clientelistic practices. In few words, community organizations that resort to clientelism usually bypass the councilors in search of better patrons; usually deputies.<sup>365</sup> This fact has facilitated the cooperation of the council in municipal administration matters, in hope of increasing their political capital with closeness to the mayor and the municipality. The third version of the Municipal Council (2000-2004) appear to have struck a budding partnership with the mayor in certain policy areas; a phenomena that is bound to be reinforced by the separate elections of mayor and councilor to be hold latter this year<sup>366</sup>.

## 6.6. Conclusions

The model of participation implemented in El Bosque has changed the way in which the organized pobladores exert their voice in the local government and in the administration of the commune. It has changed the traditional distribution of representational rights, bluntly denying the JJVV historical rights of representation and opening the space for other organizations to participate in the policy making and in the political process.

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<sup>365</sup> In el Bosque, UDI deputy Iván Moreira was frequently mentioned as a generous patron of community organizations.

<sup>366</sup> El Bosque's newspaper in 2003 included special sections for the activities of the councilors. In his account of the year 2003, Sadi Melo thanked the Council for their work in approving key measures for education, municipal management and new funds for the municipality. "Cuenta Pública Gestión 2003", April 14, 2004. <http://www.imelbosque.cl/Informacion/Discurso%20Cuenta%20Publica%202004.doc>

The effect of participatory planning, both in the municipal budget and in several areas of social policy, has been twofold. On the one hand, it has been a powerful magnet to focus organized participation on the commune as a whole, allowing for the emergence a public space where discuss allocation of values. On the other, participatory planning has been a powerful counterforce against microcorporatism.

The formation of networks around policy areas, and connecting policy areas, has been an effective instrument for engaging organizations of different types, and for the organizations to be aware of each other, a first step for coordination and developing a wider view of the community. Networks have been extremely important in connecting leaders of single issue, self-referent organizations and leaders and members of more political organizations --the latter do join the networks, but tend to shy away from initiatives of wider political or social impact, such as the Cesco or Pladeco. The networks become a space of encounter between both organizational types.

In that sense, both networks around policy areas, and public spaces for policy making have a mending effect over the social fabric of the poblaciones, which tend to fragment under the influence of microcorporatism and clientelism. Networks, insofar they expose organizations to different policy outlets, have the effect of making organizations more autonomous of specific state agencies, while at the same time enhancing organizational capacity avoiding project fragmentation.

The model of participatory planning and networks around policy areas, have obvious limitations. "Central" policy areas, as anticipated, have a decisive effect on local policies, and they establish specific limits to the capabilities of the municipal team and organizations to innovate and to adapt these policies to local reality. In El Bosque, the model of participatory planning and democratization thrives in those policy areas tied to the most innovative agencies at the central level, such as Fosjs and Sernam. Here affinity with innovation and a common origin in NGOs produce powerful synergies. Instead, education which we had determined before as a contested policy arena, rigid, *profesionalized*, and conflictive, mirrors the model the local level, in spite of the efforts of the municipal team. These arenas appear very resilient to

change sprouting from alternative public policy paradigms. Health, instead, also an area very 'professionalized' but where we had identified the emergence of alternative paradigms within the health professionals and organized community groups that had found policy outlets, appear to evolve strongly towards a process of local participation along with a necessary process of organizational change. In this case, local policy does make a difference in terms of providing a political and technical basis for reformers at the central level.

The second major limitation is the translation of policy networks and participatory practices to the political arena. Widespread clientelism has been kept at bay in El Bosque thanks to the power of the mayor and the municipally team, that have monopolized almost all political and policy resources rendering other actors incapable of establishing important clienteles. However, this model has cut out almost any mediators between the organized community and other political or policy arenas outside the municipal sphere of influence. Political parties and NGO languish in a polity where all the roads lead to the municipality.

Therefore, the same concentration of power that allowed for the participatory model to flourish, becomes its political limitation: political rights become "concessions", and the same institutional flexibility that allowed for the mayor and his team to mold political institutions to widen participation in governance, become a lack of solid institutions not subjected to change by the will of the executive. Efforts for institutional and organizational consolidation will certainly test the limits of power divestment.

One encouraging sign is, nonetheless, that social organizations had maintained not only a healthy criticism of the municipal team and the mayor, but also that the polity of El Bosque has its fair share of conflict. During these years, open fair vendors have been engaged in a long battle with the municipality over a plan to relocate them from the main avenue of El Bosque, to new facilities. Public protest and invasions of the municipal facilities is not a rare occurrence. Although many would interpret conflict as a sign of failure of the polity to address demands or to resolve conflicts, in the context of "low intensity democracy" it can be considered a sign of political vitality.

The reform of the municipal polity surpasses the limits of the mayor of his/her team. The limitations to stretch these reforms to the political level reside on the capacity of political actors to amplify the project of participatory governance into a model of political action able to oppose the dominant managerial/public choice and mayor-centric paradigm.

As the Diagrams 1 and 2 below illustrates, the major achievements of the model of participatory governance advanced in El Bosque is challenging microcorporatism, fostering links among the community, strengthening organization and establishing public spaces that allow for the emergence of a common good, and promoting democratization in resource allocation. The political model, in spite of its advances in democratizing the local polity, mending the social fabric and strengthening the organizations of the pobladores --a stand alone achievement-- still bears formal resemblance to the political blueprint for the local government found elsewhere in Chile.

**Diagram 1**

**EL BOSQUE:  
RELATIONS CENTRAL STATE-MUNICIPALITY-COMMUNITY  
ORGANIZATIONS**

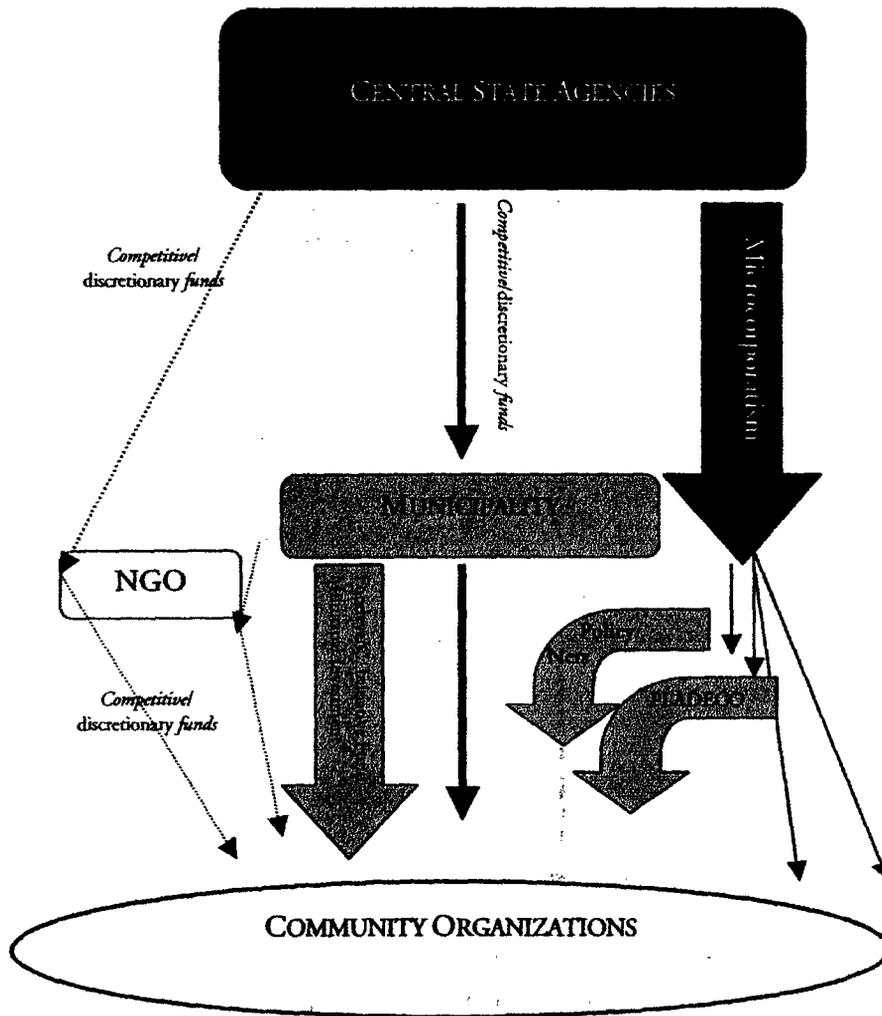
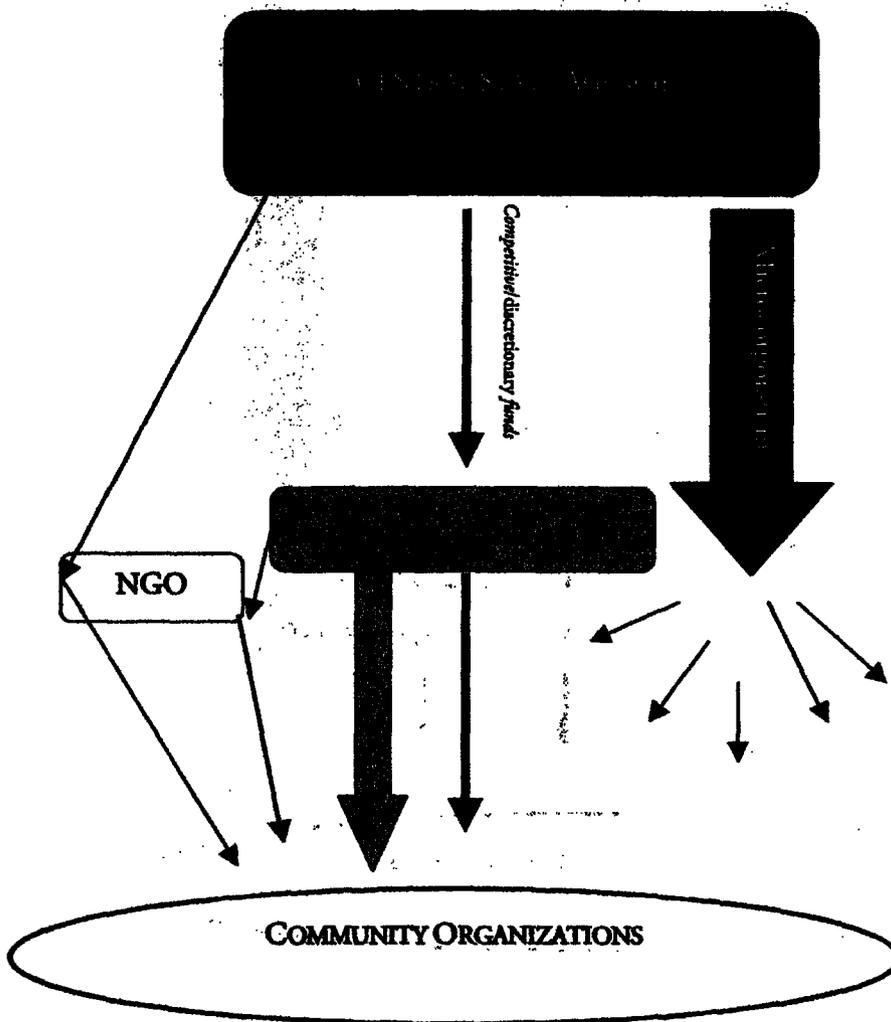


Diagram 2

CHILE:  
RELATIONS CENTRAL STATE-MUNICIPALITY-COMMUNITY  
ORGANIZATIONS



## *Chapter 7*

### PEÑALOLÉN

Peñalolén, as El Bosque, is a poor to mid income municipality, located Southeast in the metropolitan region. With an extension of 54.8 km<sup>2</sup> (21.2 square miles), the commune had a population of 214 thousand people in 2000.<sup>367</sup> Peñalolén was created in 1981 by splitting the commune of Ñuñoa; the local government was established three years later, in 1984.<sup>368</sup> The newly created commune, as El Bosque, lacked most public services, which remained in the mother commune.

Peñalolén has experienced dramatic population and socioeconomic changes since its creation. In the 1950s, today's Peñalolén was a rural area with no more than 8 thousand people. By the beginning of the 1970s, around 35 thousand pobladores settled in the site, either because of land grants (población La Faena) or land invasions (población Lo Hermida). The agricultural lands around the Viña Cousiño and Peñalolén Alto saw small poblaciones expand due to sale of plots, quiet land occupations or illegal land subdivision. In the 1970s and 1980s, Peñalolén lost progressively its rural character when urban services and paving added land to urban use; urban expansion has continued well into the 1990s, when 5.4 square miles were added to the urban soil (IMP, 1999).

At the time of its creation, Peñalolén can be described as the "poblaciones of Ñuñoa"; that is, the poorest areas of a then socioeconomically diverse –though segregated– commune. This feature was accentuated in the late 70s and 1980's, when the young commune received thousands of pobladores eradicated from other communes of Santiago. In 1984, almost 30

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<sup>367</sup> See SINIM and Mideplan data for Peñalolén in the Annex.

<sup>368</sup> Decreto Ley N° 1-3260, March 6, 1981. The new commune had 170 thousand inhabitants. (IMP, 1999)

thousand people were relocated in Peñalolén; 32% of the population growth between 1982 and 1985 can be attributed to these forced relocations. By 1984, Peñalolén was first in the ranking of communes with the highest percentage of the population living in *campamentos*, or recent settlements without services and makeshift dwellings (Morales and Rojas, 1987: 105-8).

Population expansion continued in the late 1980s and 1990s, not in the poblaciones, but mainly in new areas in Peñalolén Alto. In 1986, a municipal Plan proposed to devote around half of the territory –at the time vacant lots or mixed agricultural use—to middle class housing. Upscale housing building boomed, taking advantage of land availability in proximity to the well-off northeast communes of Santiago –La Reina, Las Condes, and Providencia<sup>369</sup>.

According to municipal estimates, the population in the newer sector of Peñalolén Alto tripled between 1992 and 2000; and by 2010 it would be 12 times than that registered in the 1992 census. In contrast, the population of the sectors of San Luis, Lo Hermida and the older sector of Peñalolén Alto, will grow 1.6, 1.4 and 1.3 times, while La Faena will remain unchanged. Considering only the settled areas, population density has grown to almost 14 thousand people per square kilometer<sup>370</sup>, but their distribution crudely reflects the socioeconomic chasm: over 19 thousand persons per km<sup>2</sup> in La Faena, less than 6.5 thousand people per km<sup>2</sup> in Peñalolén Alto. (IMP, 1999)

This settlement pattern has given Peñalolén a peculiar character and defines one of its main cleavages: socioeconomic polarization and housing/land struggle. By 1999, the community that started with 20 *campamentos*, 8 irregular subdivisions and older poblaciones, had 30% of its territory covered with houses with appraised values between US\$ 59,000 and US\$ 160,000. Forty seven percent of the population has middle or upper class background, with a median family monthly income of 2 million pesos (over US\$ 3,000), while 24% were poor or extremely poor, with a median family income of 95 thousand pesos, or about US150

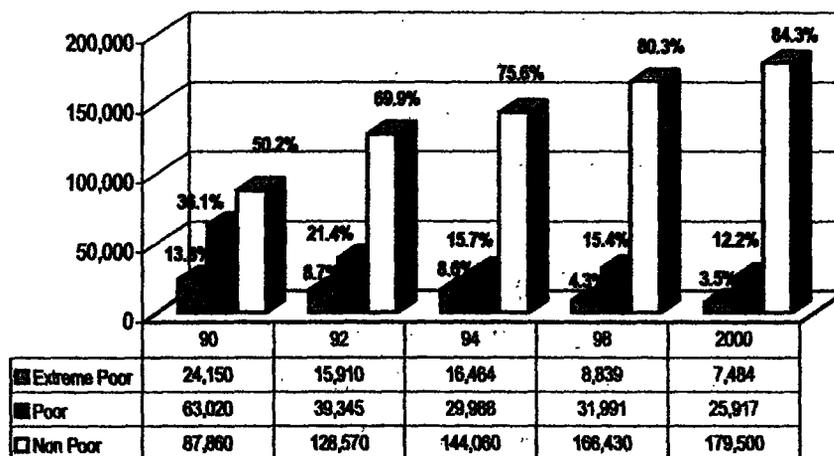
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<sup>369</sup> See maps in Annex.

<sup>370</sup> Almost as high as El Bosque and one of the highest in the country.

per month.<sup>371</sup> In 1998, the average household income of families in extreme poverty was less than \$30,000 a month (about US\$ 43); poor households earned \$111,417 (around US\$ 160), while non-poor households had an average monthly income of \$528,944 (US\$ 756).<sup>372</sup>

**Graph 13 Peñalolén: Population According to Poverty Line. 1990-2000**



Source: Mideplan, Casen surveys for respective years

According to the Casen survey, the communal poverty levels experienced a progressive descent from a dismal 49.8% in 1990, to 30.1, 24.4, 19.7 and 15.7 in 1992, 1994, 1998 and 2000, respectively (Graph 13). About 56 thousand families in the commune received public assistance in 1999.<sup>373</sup> Unemployment was 12.1% in 1998,

<sup>371</sup> Cecilia Gutiérrez, "Peñalolén: Comuna de Ricos y Pobres". *La Tercera* June 7, 1999. House prices are in *unidades de fomento*, a daily indexed peso : 2,500-5,600 UF; 1 dollar= 650 Chilean pesos.

<sup>372</sup> Mideplan, Casen survey 1998.

<sup>373</sup> Mideplan, s/f. Annex Peñalolén

according to Mideplan; the municipality's databases report unemployment climbing slowly from 7.5 in 1992, to 11% in 1998 (IMP, 1999).<sup>374</sup>

Housing is still a key problem in Peñalolén. In 1992, 2,750 families had one or more families as *allegados*<sup>375</sup>; in 1998 over 3,100 families were hosting another family; 20% more than one. In addition to the "allegados"; over 6 thousand households were overcrowded; in 1998 overcrowded households had grown to 7, 270 (IMP, 1999).

Peñalolén has a good coverage of basic sanitary and urban services. Since 1992 the coverage of basic sanitary services was over 90%; the commune has non-significant deficits in paving (95% by 1998) and street lighting. Seventeen municipal, 20 private-subsidized and 4 private schools; 4 consultorios –the last opened in 2000- and 3 emergency posts, provide basic health ad education to the neighbors. The rate of "green areas" (parks and other recreational space) per habitant was in 1998 a bit over 2m<sup>2</sup>.

The most important economic activities of the commune are industry, commerce, building, and household services. Eighty four percent of the municipal business' licenses are commercial –including those of open fairs and street carts–; services (10.3%) and industry (4.4%) make up the rest. However, industry employs over 36% of the communal workforce; commerce employed almost 18% of the communal EAP, and the rest of combined services, 43.7%(IMP, 1999).

The dependence of Peñalén on the Municipal Common Fund (Fondo Común Municipal, FCM) is lower than that of El Bosque: between 1992 and 2002, the FCM's resources have fluctuated between 64 and 47.5%% of the municipal budget. The growing financial independence of the municipality reflects in part good management; in part the

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<sup>374</sup> The municipality reports higher percentages of poverty and street poverty. (IMP 1999)

<sup>375</sup> *Allegados* refers to one or more families that lived together

dynamism of the construction industry and the higher socioeconomic level of the new settlers in the commune during the 1990s.<sup>376</sup>

**Table 26 Peñalolén. Municipal Income 1990-2002**

	Total Income (Thousand of \$ each year)	Own funds/Total Income (%)	FCM/Total income (%)
1990	1,579,225	Nd	53.7
1991	2,209,999	Nd	59.6
1992	2,679,820	Nd	12.6
1993	3,297,879	Nd	64.5
1994	3,948,992	Nd	53.3
1995	4,482,115	Nd	55.7
1996	4,853,000	Nd	53.8
1997	5,892,528	Nd	50.0
1998*	Nd	44.0	Nd
1999	6,710,003	40.80	48.39
2000	7,455,245	40.84	47.56
2001	7,568,027	43.73	49.93
2002	8,048,816	43.08	49.30

Data Sources: 1992-2001, SINIM, SUBDERE. Data 1992-1997: Provided by Subdere; \*1998: IMEP, 1999.

The main problems of the commune were, according to the municipality, overcrowding and *allegamiento*, the persistent high level of unemployment, and deficit in job training for youth (Mideplan, s/f: 17).

#### 7.1. Impeccable Management, Individual participation

In 1996, Carlos Alarcón Castro (independent RN/UDI) defeated the candidate of the Concertación, the DC Claudio Orrego, for a lean margin of a little over 2% (24.3 to 21.8%). With this victory, Mr. Alarcón became the second elected mayor of Peñalolén, recovering for

<sup>376</sup> Motor vehicle permits grew 31.3% in 1997, and 35.7% in 1998 with respect to the previous year. Property taxes also experienced growth (12 and 2% in the same years), but business licenses and other business-related taxes went down due to the economic crisis (IMP, 1999).

the Right-wing coalition *Alianza por Chile* the commune that he had lost to the Concertación in the elections of 1992, also for the scarce margin of 3 percentage points.<sup>377</sup>

Carlos Alarcón came back to very well known terrain. He had arrived to the commune of Peñalolén from Ñuñoa during the 1980s, a young architect to serve as Public Works director for the designated mayor María Angélica Cristi. Cristi, a charismatic sociologist who along with her executive style found ways to establish a personal and warm relation with the pobladores, set to endow the commune with the services and urban infrastructure that was obviously lacking. During her tenure, the municipal building, the stadium, health post, police and fire stations, as well as libraries and sports facilities were inaugurated in the young municipality. Peñalolén was among the communes where the new targeted and "technical" social policies were tried for the first time.

Cristi left the mayoralty in 1989 to represent the district in Congress for RN. His designated successor, Carlos Alarcón, was Peñalolén's mayor from 1989 to 1992, when his narrow defeat sent him to the table of the Municipal Council for the next four years.

Mayor Alarcón found much continuity in the municipality that he and Cristi had nurtured since birth. The municipal team, protected by the law of public employee's job tenure, had stayed in the municipality; the basic policies and methods were still in place. So he lost no time in returning Peñalolén to the carefully managed and orderly municipal government. First, he made clear the lines of authority that had become blurred with the introduction of very active and skillful politicians to the Municipal Council created by the modification of the municipal law in 1991. "There is only one mayor and seven councilors. Management is my business," he made clear at the beginning of his administration (interview 1999).

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<sup>377</sup> Alarcón obtained 12.35% of the votes, losing to Carlos Echeverría, DC, who had 15.4%. The election of Carlos Echeverría bitterly divided the Concertación. The protocol had accorded that the mayoralty was going to be for the Concertación candidate of Partido Humanista Verde (PHV), Leonardo Guerra, who had obtained 8.32% of the votes. The DC, however, broke the protocol and elected Mr. Echeverría to the mayoralty. According to the unanimous opinion of the interviewees in the commune, the administration of mayor

I know the commune very well, both as a technical professional, and as a politician. I had a clear idea of what to do in health, education, the environment, police, housing for the poor but also for the people of greater income. I knew all the (municipal) directors and we designed a plan. Then we designed a working plan with the municipal council. My proposal made clear which are the mayor's and the council's roles: the one that manages and define priorities for the commune is the mayor with the municipal directors.

The council was call to fulfill its legally assigned role of approving the budget and the zoning plans, while contributing to set priorities and suggesting improvements to municipal plans. The municipal directors with the mediation of the mayor provide the information that the councilors may require to fulfill these duties: "Before, each councilor would send requests to any municipal director. In my administration, we agreed that the councilors would deal directly with me, and to present their doubts or comments in a time specially set aside in the councils' sessions," explains mayor Alarcón.

Mayor Alarcón describes the principles of his model of local government:

The three main principles of my administration are (1) Transparency of administration --resource management is open and translucent. (2) Participatory management --Instead of imposing decisions, we ask the people (3) Efficiency. We want to do things efficiently and not as a bureaucratic entity.

Alarcón asserts that the municipality has an open public record of its sources and disbursement of funds. To safeguard transparency, the mayor is not involved in service contracting, but he has set a special committee that performs these functions.

He sees efficiency as a key feature, especially in a commune of scarce resources: "almost 50% of our budget depends on the FCM, so we have to be efficient", he emphasizes. If it were in his hands, he would end employment tenure, because "unmovable posts work against flexibility and promotes entrenchment." He laments the still powerful legal and administrative constraints on local governments; "we depend on the authorization of many

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Echeverría was less than perfect, a fact that helped to turn the tables on the Concertación the following elections of 1996. Mr. Echeverría was later processed for financial irregularities, and was expelled from his party in 1998.

different central ministries to do public works health and education. We believe that the municipalities are grown-ups already", he explains.

Clear definition of functions and concentrated power on the executive is key for administrative efficiency in Mayor Alarcón's view, so he believes the "mayor should select all the municipal directors, not only three." But decentralization of decision making grants the autonomy needed for better management: that is why education and health in Peñalolén are managed by a Corporation, which is presided by the mayor but has a budget and administration autonomous from the municipality.

Participation is part of efficient management, as it allows the input of community preferences in choosing among policy options. In Peñalolén the preferred mode to incorporate the community's input is by consultations via polls, where people can vote for policy alternatives. The consultation is restricted to predetermined options and excludes policy design or decision-making. He does see consultations not as a replacement, but as an aid to community leaders: "polls and consultations have helped social leaders and organizations to gain legitimacy, to value their work." The municipality has organized several polls to allow the community to select programs:

We have consulted the neighbors about the design of public spaces and parks, or security and paving. We have conducted about 30 or 40 polls to know what the neighbors want. The municipal directors have a technical opinion, and the neighbors the knowledge of living there. So we combine both factors and everybody is happy.

Community participation is favored to implement projects and in special occasions, when called upon by the authorities regarding specific plans. For example, the mayor formed a special committee composed of artists and other personalities to act as an advisory board for the cultural corporation; a similar invitation was extended to some neighbors when drafting the environmental policy for the commune. But major plans, such as the PLADECO, the plan of social development and the master plan (*Plan Regulador*) are drawn by the mayor and the municipal directors, and later opened to the suggestions and approval of the Municipal Council.

Organized participation in public policy areas is not encouraged except for suggestions and implementation, as illustrated the mayor's choice for a good participatory experience: "we have made good participation programs with painting buildings along with the *comités de propietarios* (committees of homeowners)."

Regarding organized participation in local government, mayor Alarcón perceives "representational deficiencies" in the Juntas de Vecinos: "We consider the opinion of the JJVV, the problem with the JJVV is that they ask, ask and ask. We believe that there should be a contribution of their part. We believe that the JJVV do not represent all the people. Not more than 5 percent of the people participate in the elections of the JJVV." Mayor Alarcón, however, values the Cesco, which he sees as "a consulting body to the municipality, a contributor to the Municipal Council for implementing plans, programs and projects of community development. If our CESCO would work well, we would not need the consultations", he claims.

In his opinion, the current Cesco is "almost unknown among the neighbors." He is confident that the *Ordenanza de Participación* would make the Cesco more representative:

We want to integrate to the CESCO with organization by sectors and by area: we want to incorporate the JJVV, the sport clubs, merchants, women, youth. If we have about 6 or 7 people per sector --Peñalolén Alto, La Faena, Lo Hermida y San Luis-- we would have a strong representative body of about 30 people. Today there are interests that do not have representation --women, for example. I believe that CESCO should be a strong participatory body that represents a 100 percent of the community. The idea of sectors is that the interests of each JJVV have to be expanded to a more territorial view; and the same is true for the functional organizations.

Carlos Alarcón, mayor of Peñalolén, interview 1999.

## 7.2. Policy Implementation: Innovation, *Técnicos* and NGOs

The managerial model in Peñalolén has thrived in the areas where the team has been able to implement reforms that have "rationalized" organizations to allow for improved use of resources and clear processes that ease service delivery. One of the instruments that have

brought about good results in education and health had been to manage these services via a corporation, rather than a municipal department. The first Corporation that managed education and health was born in 1985; in 1997, a complete reorganization under the administration of Carlos Alarcón sought to significantly improve health and educational services.<sup>378</sup>

### 7.2.1. Education

In 1999, the Division of Education of the Municipal Corporation –*Corporación Municipal de Peñalolén*, CORMUP, was in charge of 17 municipal schools, which educated about 14,000 students, or around 22% of the communal population of educational age. Given the extreme socioeconomic diversity of the commune, public schools attracted students of low resources; middle and upper class parents resorted to private schools. Around half Peñalolén's children go to school in other communes. The 26-subsidized/private schools, in turn, competed with the municipal schools for the best poor to low-income students, serving a slightly higher percentage of the potential population (23%) in 1999 (IMP, 1997).

The main problems of the educational sector in Peñalolén were familiar: scarce resources, a discontent, non-cooperative and poorly trained teacher/principal pool; and lack of parent's participation, aggravated by a constant deficit that drained municipal resources and inefficient administration. Pre-school education showed a deficit in coverage of about 65% in 1997, and the rest of the educational levels had to initiate an aggressive policies for building new facilities to respond to educational demand and the extension of the school day to full time.<sup>379</sup> The new executive secretary straightened up the finances, and implemented a strict managerial style to achieve 3 initial goals: improve management in basic education, expand enrollment and to train the teachers.<sup>380</sup>

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<sup>378</sup> The *Corporación Municipal de Peñalolén para el Desarrollo Social*, CORMUP, was created in 1985 in charge of education and health.

<sup>379</sup> IMP, 1997.

<sup>380</sup> Fernández and Serrano (1999)

Andrés Castillo, Technical Director of the Educational Division of the CORMUP, explains that the team is “enthusiastic, young and all are specialized in management, very technical.” Most of the team members are managers and teachers, a mix of skills that allows them to comfortably address both pedagogical and administrative matters. Thanks to job tenure, part of the team has been together since the 1980s, a feature that Mr. Castillo considers helpful in dealing with the long-standing educational bureaucracy of the central state.

From 1996 to 1999, the educational team was able to almost self-finance the educational corporation: “we have currently a monthly deficit of 8 or 9 million over an annual budget of 2,200 million,” explains Castillo. The team has raised funds that do not only complement, but also usually surpass municipal funds. The team’s training has allowed them to draft even FNDR projects, technically complex, cutting any dependence from the Planning Secretariat, Secplac, and insuring that educational goals are met. The fund raising capacity had been key in increasing resources. The team has taken advantage of the special tax breaks to bring about 90 millions in donations in 1998, and has perfected its capabilities of applying to competitive funds to channel additional resources:

In 1998, we won two FNDR projects of 600 million pesos each. This is a poor commune: the municipality gives us about 150 million pesos a year; in these 2 projects we got 1,200. That means we will have funds to build extra facilities to implement a full time educational schedule in almost all our schools. So which would be the possibility of implementing these improvements without projects? Null.

Andrés Castillo, interview 1999.

The same managerial techniques had been extended to the schools. First, the team decentralized management to the school level: “We do not hire teachers on our own; the schools make the hiring decisions and communicate it to us, and we assign the moneys. Schools have a management team,” explains Castillo.

Second, the Corporation has implemented intensive training to teachers and school administrators, knowing that the educational reform relies strongly on the educators’ initiative to formulate and to implement projects to ‘flexibilize’ the curriculum and to adapt it to the local reality. “More than 60% of our teachers are over 45 years old, so we know that we have

to make a great investment to maintain them current and to prepare the younger ones when the core retires", explains Castillo. "At first, we almost had to 'force' training on the teachers, but today we spend all our tax break of 1% (which is not small) in training." The corporation has also financed graduate studies for 30 teachers; in 1998 32 teachers went to study abroad.<sup>381</sup>

Training the educational staff has paid off: all schools have successfully presented PME's<sup>382</sup> and other projects to competitive state funds bringing fresh moneys and improving the equality of education; all schools have elaborated their own Educational Project, where the school defines its mission and educational specificity. About half of the schools have elaborated their own curriculum and programs of study, a complex process of curriculum development and implementation guidelines that requires Mineduc's approval.

The schools' educational projects has feed the communal educational projects Padem 1997 and 1999 (Proyecto de Educación Municipal) while, at the same time, the Padem has helped educational actors to acquire a wider view of local education. Peñalolén's Pladeco 1998-2002 restated the goals of improving coverage and quality of municipal education, the focus on infrastructure and solid financing, and added a new priority for vocational education and inter-communal school coordination (IMP 1999; Cormup, 1999).

Another goal of the corporation is to activate the participation of parents in the schools; they had already launched a campaign to get all Parent Centers to update their legal status. One of the initiatives of the team regarding the community has been to open the schools after hours for sports clubs and the community in general, to use the sports facilities Mr. Castillo informs that the educational department has financed the construction of separate dressing rooms for the after-hour use, and adds with enthusiasm "we have almost no robberies in our schools. Why? Because our schools are open to the community, so people take care of them."

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<sup>381</sup> Fernández and Serrano (1999).

<sup>382</sup> Projects for Educational Improvement, a competitive fund of Mineduc that allows teachers and principals to present projects for any educational improvement, from management to curriculum development to an ecological project..

Aside from improving some performance indicators, such as increased enrollment, reduction of budget deficit and improvement in standardized tests, the corporation has been able to start in the schools a process of innovation and self-management, a key factor to insure the sustainability of the system.<sup>383</sup>

Finally, the corporation has opened a school called *La Puerta* for kids with behavioral problems who had been expelled from other schools. The experiment is modeled after a similar one that Joaquín Lavín launched in Las Condes. The corporation has invested a great deal in the project: “we lose 3 million a month in La Puerta, but we are proud of it. It is more expensive to have a criminal later,” justified the technical director.

In this case, the managerial paradigm was able to remove the obstacles to let the educational policy operate. Indeed, constant innovation and self-propelled educational units are a key part of the educational reform as designed in the central level. Peñalolén, rather than attempting to fight the official policy embraced it and sought to provide educational actors with the resources that allow them to comply with the set goals.

### 7.2.2. Health

While in education managerial prowess removed the organizational obstacles that impaired the optimum use of existing resources, the experience of the corporation in health has encounter stronger resistance to change. In 1996, 75% of the population of Peñalolén were patients of one of the three *consultorios* of the commune and they sought over 400 thousands medical appointments, an annual average of 2.2 per capita.<sup>384</sup>

According to Pilar Alfaro, Director Health Services of Peñalolén, being a corporation has allowed the health division, just like education, to be freer to manage its resources and to have a flexibility that would not be possible in a bureaucratic environment of the municipality. She asserts that the department has developed and easy expertise in writing projects and

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<sup>383</sup> See educational indicators in Annex.

<sup>384</sup> A 4th local health facility was opened in 2000.

attracting resources from competitive funds from Minsal or other private and public funds, although attracting donations from the private sector is more difficult than in education because of the lack of specific legislation for donations to health services. The Health division maintains a collaborative relation with all other levels of the public health system, which she characterizes as "technical cooperation with a very fluid coordination." Dr. Alfaro clarifies that "there are no problems in terms of management; it is the local system the one that more complicated." (Interview 1999).

At the local level, "there has never been any management drama: we may not pay the best wages, but they are paid on time, there is flexibility for training, we maintain adequate supply of medicines", asserts Dr. Alfaro, adding, "bad management really deteriorates the people and destroys teams."

The commune works with a mixed model, that offers more health services than a classical local *consultorio* and develops some health prevention and promotion activities, but it is not a family health model: "we cannot adopt a family health model because we do not have enough human resources... Peñalolén is a very demanding and big population: 140 thousand people are patients of the *consultorios*", explains Pilar Alfaro.

The high demand for curative interventions overwhelm the teams of the *consultorios* and leave them little time to do health prevention and promotion which, in turn, could reduce that high demand. She illustrates:

We have many patients with chronic illnesses. The health teams tend to be very maternal with the chronic patients and never "set them free" so there are a lot of resources devoted to periodic controls. We are trying to convince the health personnel to do self help clubs. Other problem is that we have very low coverage of preventive exams such as the pap smear, 42 % in 1998; 47 % in 1999m, still far below the minimum of 60%. We are trying with our community strategy, but it is very difficult to convince women.

Pilar Alfaro, Director Health Services Peñalolén, interview 1999.

Dr. Alfaro is aware that reaching out to the community is a valuable way to improve prevention, especially when the first cause of death (almost 30%) in Peñalolén are

cardiovascular diseases:<sup>385</sup> “we are trying a strategy of training health *monitores* in the consultorio Carol Urzua, because peers are very effective in convincing people,” she states. They do not work with health groups, but they train volunteer *monitoras* from the community. She tries to maintain an inter sectoral view of health and community involvement:

We work with the municipality, we work in lots of committees, we try to use the community nets. Peñalolén is characterized for having an organized community; for example if we have to do a campaign, we coordinate with the JJVV. We frequently collaborate with the police and we have a health-education committee.

However, Dr. Alfaro believes that the main obstacle to improving local health conditions is the scarcity of resources that, for instance, has delayed the adoption of computerized technologies to support and expedite health practice. She also believes that Ministerial policies for assigning medical personnel could be adjusted so that local health would avoid the constant shortage and attrition of medical personnel.

The experience of the corporation in charge of health and education clearly shows the key role assigned to management in social policy. The corporation itself is an instrument to help liberate policymakers from being enmeshed in state bureaucracies, allowing them the flexibility to reform their organizations to efficiently provide services to the communal population. Organized participation is considered an input to improve services, not a normative imperative itself. Decision-making remains strictly centralized and concentrated in the managerial team, a premise that, in and by itself, precludes participation in social policies other than consultations to determine preferences among alternative policies.

### 7.2.3. The social net and social policies with community participation

Except for the brief hiatus of Mayor Echeverría the municipal team of the Directorate of community development, Dideco<sup>386</sup>, have held remarkably stable positions. René Zepeda,

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<sup>385</sup> IMP, Pladeco 1998-2001.

<sup>386</sup> For the Spanish acronym *Dirección de Desarrollo Comunitario*.

who heads the department of Community Organizations of the DIDECO since 1996, occupied the same position between 1985 and 1990 under former Mayors Cristi and Alarcón. He was in charge of dividing the new commune in neighborhoods units, and to deal with the 12 JJ.VV that were left from original commune of Ñuñoa. María Elena Vidal, chief social worker, also worked in the Dideco and SECPLAC in that period.

René Zepeda (interview 1999) believes the relation between the municipality and the community has not changed fundamentally since the foundation of the commune: "Community organizations expose their concerns to the mayor in interviews, field visits or audiences. Or people come to the municipality, JJVV are the ones that come the most; we listen and according to our capacity we try to solve the problems." "Perhaps the only difference", he continues, "is that participation has diminished because problems have been solved."

According to the municipal registry, in 1998 there were 758 community organizations in Peñalolén with about 62 thousand members. However, warns Zepeda, not all are active – the municipality can only erase from the records organizations that ask to be removed. Community organizations, informs René Zepeda, participate in social policy also by voicing their opinions to the authorities in meetings –*cabildos*– that are called sporadically to discuss certain topics (for instance, sports) or by presenting their projects to a competitive fund administered by the municipality (interview 1999).

María Elena Vidal, who is in charge of the Fund for Community Initiatives, explains that this is a relatively new experience for Peñalolén; they launched the first competition in 1997, focusing each year on one policy area:

The mayor loved it. He decided that this was a very good way of answering the needs of the organizations because it allows them to say what is that they really want, and not what the technocrats say. These are small projects, but they (the organizations) can program, they fill the form, they ask in the municipality, and compete with other organizations. The mayor instructed that the year 2000 we do more competitive funds, so that the organizations define their own needs.

María Elena Vidal, chief social worker, interview 1999.

Competitive funding has also opened a new avenue for the Dideco to implement new programs and/or to complement new ones. Vidal places high value in this modality, which she sees as enhancing the coverage of the social programs;

Competitive funds are excellent. For instance, we are working with the disabled thank to a project Fonadis<sup>367</sup>; we are doing the same with the senior citizens in coordination with Fosis. We have a contract with Sernam for housing the program Women Head of Household. Last year we trained 800 women; this year with 400. These possibilities did not exist before. I believe it is fantastic.

She is not concerned with lack of program continuity due to the need to reapply constantly for funds:

We have seen the funds grow with Sernam, with Fosis. In the Senior Citizen's program we started with a 3 million-project financed by Fosis; the next year we were assigned 9 million, and the following year, 17 million pesos. Why? Because we work well. We have capacity to execute. When we present projects to the regional fund, they know that Peñalolén will respond. They know the money will be spent, and well spent. We are efficient. So we get funds: we have no problems with continuity.

The Dideco units see themselves as excellent executors of social policies. They usually refer to themselves as "*técnicos*", which conveys a meaning of "techno-professional." They do not intend to adapt or modify central state policies, as María Elena Vidal explains:

We can define only small policy; we cannot change the social policy that is defined at the national level. As Dideco, as social workers, we are even more vulnerable, because we have to be constantly shaping according to the current policies, whether you like it not. If a new housing or family subsidy is launched, we (Dideco) have to quickly learn the nuts and bolts to serve our clients."

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<sup>367</sup> Fondos Nacional de la Discapacidad, National Fund for the Disabled.

Ms Vidal adds that the "projects that we handle in Dideco are menial regarding those that is possible to execute in Secplac. I believe, though, that these micro projects are important because the big projects are decided without any participation of the community." The way in which social policy is structured in the municipality squarely supports Ms. Vidal's perception. Dideco handles only the subsidies and small community projects; the main decisions in social policy are left to the Secretaría de Planificación, SECPLAC.

The Planning Secretariat, in all municipalities, bears responsibility for large investment projects, and social projects are no exception when they fall in the category of social infrastructure (for example, health and education buildings). In Peñalolén, however, the SECPLAC is also in charge of defining policy priorities regarding poverty—targeting, selecting small investment projects—as well as other traditional programs for community infrastructure, such as the PMU and PMB, medium-size funds for urban and neighborhood improvements, which are usually coordinated with the Dideco.<sup>388</sup> Secplac's primacy was evident when Dideco's unit for Community Participation was unaware of the contents of the Participation Ordinance for Peñalolén, which was being drafted by the SECPLAC and the mayor at the time the field research was conducted.

The power invested in the Secplac is due simply to a view of social policy as yet any other investment area: major decisions are taken by the high executives, while the Dideco manages small investment and implements policies. From this arrangement, the managerial/elitist model becomes clearly defined: first, the municipal team is organized in a highly hierarchical and self-sufficient units and second, only areas considered "non crucial" investments are open to community participation (small funds).

Elite managers can be extremely efficient in providing the best possible use of resources. This model can serve well the citizens of Peñalolén as clients, but cannot open participatory and deliberative spaces in the social policy areas. Managerial decision-making

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<sup>388</sup> At the time the field research was in course, many municipalities were discussing the Participation Ordinance. In Peñalolén the Ordinance was being discussed in the SECPLAC, while the Unit in charge of Participation waited for its turn.

requires freedom and insulation from pressures to reach best technical decision when key investments are involved.

The rest of the municipal team perform their duties with excellence: their technical abilities are put to use also in bringing additional resources for expanding existing programs; however they lack the freedom to design or modify policies, unless they are of small significance, so policy adaptation to local realities become an unlikely proposition.

However, antipoverty policies implemented by the Concertación around vulnerable groups and the mechanism of competitive projects, have added a new dimension to the old Dideco. The participation of the social team in the Childhood network, for instance, have opened a possible avenue of collaboration between the municipality and NGOs that run day care centers for poor children. Aware of the deficit in the municipal provision of childcare services for poor families, María Eliana Vidal supports the provision by NGOs so strongly that she has lobbied a central government agency to assign regular funds to these NGOs: "We are trying to get support for these NGO, who work without charge, because they perform a very useful service to the municipality, and the community urgently needs it," she explains.

The social policy context does not encourage a wider view of the needs of the community, as it happens in El Bosque, nor is open to organized participation in policy design and decision-making. Therefore, the contacts that the municipal team establishes with grassroots organizations tend to be very strategic in terms of resources, mainly because the policy attracts these types of demands and organizations. Ms. Vidal acknowledges that "the groups that are in contact with us are the JJVV, senior citizens, Cemas, Sports Clubs and Housing committees, but other such as youth groups, development committees, women's groups and some ethnic groups keep their distance with the municipality." (Interview 9/17/99).

### **7.3. The Municipal Council: Managerial Passivity, Community Activism**

Municipal councils in Chile share a well-founded sense of frustration for the limited role in municipal politics assigned to their institution. Peñalolén is not the exception. Mayor

Alarcón has control over management, and the municipal directors and staff follows his directions. The council is restricted to review, approve or reject mayoral proposals, a difficult task to perform in a critical and thoroughly informed manner given the fact that the councilors cannot rely on sources of information other than the municipal staff.

But if their contributions are limited, the power of disruption of municipal councilors can be considerable. Mayor Alarcón prevented this possibility early in his first elected tenure, defining clearly the functions and *modus operandi* of the council and reserving for himself a privileged relation with the municipal bureaucracy. However, each councilor has certain preferred policy areas on which they may specialize.

Clientelism is mentioned as a main link between the councilors and the local community: "almost every councilor starts to "atender" people. One turns into yet another social worker, solving individual problems within one's scope. People come here with the utilities bills, or looking for a job", says the late Raúl Zuleta, councilor for RN (interview 1999). Claudio Orrego, councilor for the DC, adds, "People want solutions. We are social workers and priests. Shoes, work, housing, health benefits, bus for the community trip, coffin for the dead..." (Interview 1999).

However, the councilors of Peñalolén were engaged in more than petty clientelism. When this field research was conducted, the councilors from UDI, PPD and the DC councilors were seasoned politicians, working both at the base and at the apex of their parties; while the representatives for RN and the other DC councilor were both former community leaders of JJ.VV. All of them kept extensive linkages with social organizations and devoted a great deal of their time to organizing and mobilizing the community.

Leonardo Guerra was elected to the council in 1992, as representative of the Partido Humanista Verde, a new leftist ecological movement that had strong linkages to Peñalolén, the district that its leader, former deputy Laura Rodríguez, represented in Congress<sup>309</sup>. Today he

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<sup>309</sup> Deputy Rodríguez was a charismatic figure that founded single handedly the OHV party. She died of cancer at the age of 31.

represents the PPD. Guerra had worked long years in the commune, and at the time of the first election, he was the designated mayor of Peñalolén according to the protocolo, but the Christian Democratic councilors did not comply, selecting their political peer Carlos Echeverría for the mayoralty. Guerra's main interest has been housing; he has helped to organize more than 35 Housing committees (25 of which have successfully applied to subsidized housing):

Peñalolén has a great history of popular organization. The sons and daughters of the pobladores of Lo Hermita are now in Esperanza Andina. This is a very "politicized" commune. But the leaders have been wrong. The leaders of the *toma* of Nazur were mistaken in selecting the land, because it is not possible to build a lot in there. With high-rise buildings, only 800 of the 2,000 families that are in the toma can get a house. And that only if there is an agreement of the owner to sell the land for a tenth of its market value, which is the price Serviu is offering. The government also learned with Esperanza Andina that the *toma* is not a good way of getting housing. It was one of the highest prices paid for housing ever in Chile. If we say that we are silenced. So I believe that the new toma is a problem for the municipality, for the people and for the government. The only person that benefits is the owner. He trades with poverty. I mediated between the pobladores and the government, but the government is not open to a solution—and there is no end in sight.

Along with Sara Aedo, his aide in community organizing, Guerra promoted the creation of an organization for helping disabled children -- Unión Comunal de Niños Discapacitados, UPANIL; of 12 *Cooperativas de servicios comprando juntos*, that were the old community kitchens, and unionization among taxicab drivers and street vendors in the commune.

Councilor Nibaldo Mora, who represents UDI and has been elected 3 times, is also a long-time organizer for his party in the commune. In 1988, he founded the *Centro de Libertad y Participación* to support grassroots efforts to create new JJ.VV. and community organizations. When a change in the law made possible for more than one JJ.VV. to exist per neighborhood unit, Mr. Mora was called to different poor neighborhoods—Peñalolén, San Joaquín—where he promoted the multiplication of JJ.VV. In San Joaquín he worked with now Senator Jaime

Orpis organizing people. They succeeded in spurring the emergence of a new Communal Union in Peñalolén; today the majority of JJVV leaders support the parties of the Right in the commune. In spite of these organizing campaigns that allowed UDI to ground the party in poor communes, Mr. Mora doubts that these social organizations play a useful –or positive– role today:

Social leaders do not represent the needs of the people. Presenting the people with different investment alternatives so they could decide by voting solves this problem. In Peñalolén there were some pilot experiences where we consulted people to decide among different projects (for example, sport fields vs. park). The way to make “healthier” decision-making processes is to involve the people directly. The “schooling” of social leaders is bad.

Nibaldo Mora, interview 1999.

One-time councilor and defeated mayoral candidate Claudio Orrego (DC) is yet another seasoned politician and scholar who established strong roots in the community.<sup>390</sup> In 1997, Mr. Orrego founded the *Corporación Encuentro*. With a community radio and an open Internet center, the Corporación had launched several projects of community improvement and has become a magnet for young social leaders and professionals. Councilor Orrego shuns the notion that initiatives such as the Corporación are related to clientelistic goals:

The logics of a candidate that believes that has to control the social leadership is radically opposed to the logic of the one that believes that in order to be a candidate, he has to count on the support of the community. One invites autarchy, ostracism, cheap clientelism; the other entails social involvement, linkages with the community, best synchrony with their interests... there may be clientelism, but the main logic is a different one.

Claudio Orrego, councilor, interview 1999

While acknowledging that clientelism is a staple of local politics, councilor Orrego forcefully rejects the notion that is the only choice:

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<sup>390</sup> Mr. Orrego, who holds a master's from the Harvard School of Government, is a young politician of national stature. The son of another prominent political figure of the Christian Democracy, he headed the Commission for State Modernization while he was councilor in Peñalolén. In 2000, he was appointed Minister of Housing for the Lagos administration, position that he occupied until 2001.

In local politics appears that clientelism is the only choice, both for the politician and for the people, and that if the politician concedes favors, he'll be reelected. These three assertions are false. First, it is not true that councilors can do almost nothing. Institutions are limitations, not insurmountable obstacles. Second, that people want favors in exchange for votes is a self-fulfilled prophecy. People ask what they think they can get. Third, the assumption that favors are going to get votes is totally wrong. People do not vote for t-shirts. Leaders may treat the politicians as cheap labor or as politicians –it depends on the politician.

Social leaders also occupied a prominent space in the city council. Sergio Guerra (RN) is a seasoned community leader since the early days of Lo Hermida, where he was president of the JJ.VV. 46A in Lo Hermida from 1971 to 1985. Mr. Guerra is exemplary of the dramatic political shifts that part of the social leadership experienced in Peñalolén. In his early days in Lo Hermida, Mr. Guerra was a Christian Democrat, but he was nominated social leader by the military government, a period that he characterizes as “easy, we advanced, people believed and trusted the JJ.VV” (interview 1999). He describes his political trajectory:

During the protests of 1983 I started to organize the DC in Lo Hermida. In 1988, I was offered a post in a national organization of my party, Christian Democracy. But Claudio Huepe told me I had to play down any accomplishment of the Pinochet government. I could not do that because then I could not advance my community and obtain things for my people. So I resigned to the DC, along with 40 other DC leaders. In 1988 the “*Mod Squad*” of Andrés Allamand and Espina appeared, and I thought they were like the DC used to be. So in 1989 I signed for Renovación Nacional. We worked for him, and this is the only commune where Allamand won. Our own leaders worked for UDI, for Lavín.

Sergio Guerra, councilor, interview 1999.

Mr. Guerra has remained actively involved in political activity, both at the local government and at grassroots level. He contends “social leaders need the parties for a chance to be elected.” He believes RN has not selected him as a candidate to the mayoral post because “the entrepreneurs invest their money in the campaigns, and they are not going to invest in a

guy that comes from the people. But I have the satisfaction of doing good work: today more than 50 percent of the leaders en the JJ.VV belong to our party," he concludes.

This activist council has had a profound effect on community organizations. The councilors invest considerable energy organizing or interacting with the already organized community. In this close polity, social conflicts do not find spaces to openly discuss and to resolve contradictory interests –such as housing or the socioeconomic polarization of the community. On the contrary, political agents tend to transfer conflicts to the social realm and use organizations as partisan scenarios. Extreme shifts in the political allegiances of social leaders attest to the vulnerability of the social sphere regarding the political one<sup>391</sup>.

#### 7.4. Municipality out of reach, Politics too close for comfort

Peñalolén is a highly organized community, as its history of successive land invasions, persistent poverty and long term deficit of community infrastructure leads to expect. Indeed, Lo Hermida, a 1970s Peñalolén land invasion, made it to the scholarly literature as an example of pobladores' combativeness and as a mode of alternative popular justice (Spence, 1978).

**Table 27 Peñalolén: Community Organizations 1999**

Type of Organization	Number	Members
Juntas de Vecinos	96	8,077
Mother's Center (Cema)	36	849
Cultural Youth Center	7	153
Cultural Center	21	473
Sports Club (SC)	245	14,099
Labor Workshops	31	614
Senior Citizen Committee	49	1,409
Development Center	44	965
Association of Property owners	30	1,430
Housing Committee HC	150	8,586
Communal Union	5	N/a
Other Organizations	45	1,543
<b>Organizations Expired Legal license</b>	<b>152</b>	<b>-</b>

Source: Dirección de Organizaciones Comunitarias, Dideco, Peñalolén.

<sup>391</sup> Peñalolén seem to be a particularly politicized community, perhaps owing to its origins and the combative history around housing that has persisted throughout the 1990s.

The Juntas de Vecinos is the grassroots organization that has maintained a closer relation with both the municipality and local politicians. The current President of the Communal Union of JJ.VV, Guillermo Navarro, claims he maintains a close and easy relation with municipality.

Here the mayor, the councilors and the people in the municipality work with us to get the things that we need. We present projects; they (municipality) lend us technical assistance to write them.

Guillermo Navarro, President, UC JJVV, interview 1999

Mr. Navarro has been leader of sports clubs for 45 years, and leader of Juntas de Vecinos for the last 28. "I brought RN and UDI to Lo Hermida", he declares. In spite of his political affiliation, he believes that politics has little to do with the advances of his party in Peñalolén: "the military and the people from the right have brought social services and improvements to the poorest in the poblaciones; many formerly leftists leaders joined us because they saw how well we worked," asserts (interview 1999).

He does not see any problem with the capacity of representation of the Juntas de Vecinos: "any crisis of the JJVV is the result of bad leaders. In this commune the leaders are very active in fighting for community improvements. So there is no crisis: we have a large constituency." (Interview 1999)

In a classic strategic search for resources, he favors the political agent that best caters to the perceived needs of the community: "We have to take advantage of what the state offers, and for that, it is key to have a good mayor. With the mayor of the Concertación we lost 5 years because he didn't do anything", instead "mayors Luis Alarcón and María Angélica Cristi lent us a hand to lobby the authorities to obtain things as the *consultorios*." Autonomy and power make of mayors good brokers; the councilors, instead, "are ordered around by their parties" (Guillermo Navarro, interview 1999).

As community leader and councilor Sergio Guerra explained, the Juntas de Vecinos in Peñalolén were subject of a bitter political battle that left them divided in two communal unions. Eagerness for creating organizations faithful to diverging political orientations resulted

in up to 8 JJ.VV in a single neighborhood unit<sup>392</sup>. However, Guillermo Navarro denies that conflicts in the Juntas have caused any damage in the organizational fabric of Peñalolén. He also sees the relations with other community organizations, even at the time the military government, as harmonious: "Everyone worked in their turf. The community kitchens were related to the Church; they worked there, we worked in our turf. There was never a conflict. I never criticize anyone, because each person knows what his or her needs are" (Interview 1999).

Mr. Navarro is member of the Cesco, and he contends that even if there is among the members a will of contributing, the Cesco "does not have the power it deserves."

The incorporation of the traditional leaders of the Juntas Vecinos had been relatively easy on the basis of the administrative and partisan local network that dates from decades ago. This network grants the leaders access to resources they can distribute through their organizations. The personal linkages of the leaders, the municipality and political agents have been enhanced with the local availability of competitive funds that these organizations can tap into with the technical aid of municipal personnel.

The way in which these resources are distributed in the community is more uneven and prone to abuse than the president of the Communal Union would lead to believe. The experience of the Sports Club "Juventud Milán," of the impoverished sector of Las Torres, is exemplary of the stressed linkages between the Juntas and the community.<sup>393</sup>

The Sports club started in 1995, with young pobladores who had gathered to play soccer since childhood. Most of them were part of 450 families 'eradicated' from a campamento in Las Rejas Sur and brought to Peñalolén in 1983. Wives and children began attending and added new activities to the club –social work to help neighbors cope with tragedies. In about two years the former sports club had evolved into a complex self-help organization with 70 adult members, plus an unknown number of children. Juventud Milán

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<sup>392</sup> René Zepeda interview 1999.

<sup>393</sup> Interview with Carlos E. González; Patricia Díaz, Tatiana González; María Lupe Maldonado and María Teresa Díaz, 30/9/99.

sponsored community recreation, anti-drug activities, and provided monetary support and care for neighbors affected by catastrophic illness, fire or loss of a provider. These activities were self-financed by the proceeds of hand-made snacks that the club sold in the numerous weekend sports matches in the surrounding poblaciones.

By their third year, the organization wanted a community house to sponsor recreational activities and drug prevention open to the neighborhood. They raised funds and bought a *mediagua* (prefab house) and were assigned a space, but the JJVV opposed the construction. "The JJVV works with a political orientation. They are RN-UDI, and they only favor those who share their political identification."<sup>394</sup> The Club requested the intervention of councilor Leo Guerra<sup>395</sup> who obtained a temporary permit to build the community house, now a neat little structure with a ping-pong table, chessboards and cheerful posters. Juventud Milán recently won its first Fosis project o work on drug prevention.

The incorporation of organizations of pobladores into areas of public policies has been done through central government programs aimed at financing small community initiatives, as Juventud Milán illustrates, or to activate priority groups, such as senior citizens. The municipality has played a passive intermediary role, without attempting to adapt the projects to the local reality or to integrate them into larger programs of community development. Even innovative central programs, such as Sernam's Program for Women head of households, have failed to produce the articulating effect it had in El Bosque, for example.

Humilde González works at the Women's Office in el Bosque that is implementing the Program for Women head of households for the second year. Ms. González is a social leader, who organized health groups during the dictatorship. She got involved in community organizing after 1973 ("because the circumstances required it") and participated in health groups and unemployed committees; she was elected president of her JJ.VV. when democracy was restored.

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<sup>394</sup> The Junta administers a multi-sports field built by the municipality and charges for admission.

<sup>395</sup> "He is clean; we accept help, but without any strings attached", Juventud Milan members made clear.

Throughout the decade, Humilde González' organization has won several competitive funds from Fosis and Corece (drug prevention) to carry on projects for community improvement. In a path typical of the service provider organizations, the Junta has developed NGO style abilities in policy design and implementation. Ms González is aware of this:

ONG? What happened? Probably we are responsible of that. When we gather our strength and started working in the JJVV, with our organizations, with our projects... the NGOs were cornered to specific areas of work, or disappeared. Some were taking advantage of the poor, living off projects that where no longer needed (such as the community kitchens or the unemployed committees). When I was president of my JJVV I called upon the NGOs to participate, but they appeared to have get used to act alone, or they were used to receive all the time. I believe that they should have been able to retool themselves to the new situation. The churches keep on working, they do social work, they keep current.

Satisfied with her work as social leader, Ms. González is less content of the work at the WO:

Sernam opened an Oficina de la Mujer, but I believe that the municipality should provide more support to the OM. The resources are not enough resources to cover all the programs, to insure that they continue and cover the demand. Today there is training for health care aid, chef, pastries, and woodworking. Some projects are lost one year, and they are discontinued.

She works in a training program for health care aids, which is executed by the NGO *Trabajo para un Hermano, Peñasol Center*. She was hired because of her knowledge as social leader for reaching out to women who can be trained. Training health aides was a Peñasol project, so it has not guaranteed funding.

The WO operates in Peñalolén as a multi service agency for a targeted vulnerable group, women raising their families on their own. Reliance on NGOs as executors, the non-inclusion of community organizations specialized in health matters—except as aides for targeting—the disconnection with other areas of social policy and the apparent lack of active municipal involvement in the program, illustrates the managerial emphasis in searching for the

most efficient –and resource saving- way of providing services. It illustrates also the difficulties that this mode of policy implementation has to absorb and incorporate the learning of pobladores' organizations into social programs.

Autonomous organizations that have specific projects often resort to “flexibilize” the central state offer on their own; rather than to link with the programs offered through the municipality. It is the case of Revnu Mapu, whose president Miguel Huenul opted for pull together resources from different competitive funds instead to rely on the municipal offer, even though Dideco has a specific program for Native Peoples.<sup>396</sup>

Miguel is a “mapuche urbano”, an “urban mapuche.” He was member of a leftist political party until 1989; since the 1990s he has devoted himself to promoting the mapuche culture in Peñalolén Alto. In 1992, 17,698 mapuches were living in Peñalolén, or almost 14% of the communal population; current estimates put this number at 24 thousand mapuches.

In spite of these numbers, organizing the mapuche is difficult because people hide their mapuche origin to avoid likely discrimination. So Mr. Huenul decided to run an educational program of cultural awareness in the schools of the commune, a difficult task considering the relative closure of the policy area. Revnu Mapu has been able to carry on the project in several schools of the commune thanks to door-to door advocacy to principals and teachers, and they run stable extracurricular activities in one school. This was possible to “projects from Fosis, from Conadi, local projects, foundations, but mostly *fondos concursables*. We write projects. I made a 4-month class on project writing. We devote all the moneys to project activities,” explains Mr. Huenul.

The same strategy of self-reliance based on constant application to central state funding was adopted by the *Centro Cultural REM (Renovación en Masa)*.<sup>397</sup> The organization gathers 30 young pobladores, most of them students or young professionals of the early childhood

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<sup>396</sup> Interview Miguel Huenul, Cultural Center Revnu Mapu, 9/23/99.

<sup>397</sup> Interview Centro Cultural REM: Loreto Cisternas, Miguel, Daniela, Maggi, Víctor Olmedo (President) 9/22/99

education and family health fields. In their 4 years together, they have developed projects of day care for children, summer camps, family health, teen drug prevention, and multiple open-air celebrations and cultural activities. "We work with kids because it is a way of changing things, of training the new generations in demanding their rights", explains REM's President, Victor Olmedo. Their funding sources are as varied as their activities: Fondart, Dibam, Conace, Mindecuc, Tilna, Fosis, to name a few acronyms of state agencies. Their relation with the municipality has not been fruitful, in part because what Loreto calls their "attachment to bureaucratic procedures," in part because of deep differences in the conception of policies:

If we go outside the commune, people listens to you. We are disillusioned of the municipality. They do not listen to the people. For instance, we made a poll and most people wanted more education. But that does not mean to open yet another school, but to make us, youth, the protagonists of our education. We are able to carry on this project; we are the ones that have to be the protagonists of changing our community.

Victor Olmedo, Centro Cultural REM, interview 1999

REM is highly critical of the means of participation offered by the local government: "The problem is that the mayor says that there is consultation to the community, but does not ask us—he sets a list and the people sets priorities. They also do not want the people to organize; they want only individuals", says Daniela. "The mayor wants more sports fields. These are not the spaces that represent the whole community. People want more parks and playgrounds; more places where they can hold cultural activities, youth centers, for everybody," she concludes.

Loreto Cisternas expresses clearly the sense of exclusion:

We feel this system ignores us when it gives us “solutions” (...and numbered!)<sup>396</sup> We want to be an alternative to this system, not necessarily to criticize, but to express our own thinking and vision as young people. We want to work with culture and education. We want to make a space for public discussion, we would like to discuss, for example, about the kids, about education, and involve the parents, etc. Our ideology goes to the community, and stops there.

Loreto Cisternas, Centro Cultural REM, interview 1999.

The lack of a public space for deliberation and expression has effectively alienated this type of youth organization from the local government. These are not marginal youngsters, but active contributors to a project that is not officially acknowledged.

Some NGOs instead, had been able to struck a collaborative link with the municipality. The Corporación Peñasol, the local chapter of the larger Catholic NGO *Trabajo para un Hermano*, TPH, had a solid relation with the municipal employment office around micro enterprise development. In addition, Peñasol was working with the municipality in several new projects<sup>399</sup> with the Women’s Office to generate employment, with the Cultural Corporation to promote painters from Peñalolén, and was helping the municipality to create a local Disability Office.

The closer relation with the municipality is due in part of the changes introduced in Fosis’ method of fund allocation, which gave priority to the local level<sup>400</sup>, in part to TPH’s new institutional emphasis on local development. Eduardo Jerez (interview 1999) describes the challenges to reorient TPH’s comprehensive outlook with the project-oriented municipal work: “it is very difficult to think about local development because the majority of the projects are yearlong projects, and to mount an effective program, it has to last at least three years.”

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<sup>396</sup> This refers to one of the mayor’s way of publicizing actions for community improvement. The municipality places billboards with the “solution number” to a problem that has been previously identified. This publicity was used fist by Joaquín Lavín in Las Condes.

<sup>399</sup> Trabajo Para un Hermano, Corporación Peñasol; Eduardo Jerez, Director Ejecutivo and Juan Antonio Bórquez, Gerente (interview 1999).

<sup>400</sup> IRAL modality (see chapter 6)

Eduardo Jerez adds, "I do not believe the municipality has a vision of local development. It implements projects in a relatively uncoordinated fashion; which sometimes doubled efforts. But the municipality has very capable people and we believe we can do a good partnership." (Interview 1999)

Partnerships NGOs-municipality around service delivery can be almost impossible with complex NGOs that have a history of committed and long-term grassroots work. *Cristo Joven*<sup>401</sup> (CJ) was born along with Lo Hermida, 30 years ago. Supported by the Fundación Missio, Cristo Joven experienced an extraordinary organizational development;<sup>402</sup> around education and family well-being, CJ established a complex support system for social organizations. "This NGO has a history of commitment to make the community the main actor", explains Justo Valdés, Director of CJ (interview 1999) since 1991. In 1992 CJ attended more than 200 kids, and continued the same style of working (participatory) on three historical areas: kids, families and community. Today they have a day care, chilcare and a *centro abierto*, a special program for kids at risk.

Working in a network is for CJ a choice as well as a necessity. Valdés explains that, even if the municipality had offered them a small subsidy, it is far from understanding the need for interconnectedness in social policy:

The municipality of Peñalolén, in spite of being a poor commune, has neglected their work in the poorest sectors, mostly because it does not have clear policy guidelines for issues like education. Belén —which is a center like ours—and us have proposed to create a *Red de Infancia*. The Comision Mixta worked more as information center than instrument for community work. We proposed a model based on our experience with workshops to prevent and to treat family violence and child abuse; but the schools are not interested and involved in working with the community. The municipality has programs, but not a policy and a network to face a work with the poor community.

Justo Valdés, Director Cristo Joven, interview 1999

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<sup>401</sup> Based on interview with Justo Valdés, Director Cristo Joven, Peñalolén, 1999.

Cristo Joven strives to offer a space open to all community organizations: “Cristo Joven offers a space to social organizations, and we incorporate them in our activities. Young people come to us; they bring ecology and art. REM came to work with us. Women’s organizations had made workshops on sexuality to the kids, and they work with women in the health center” explains Valdés.

For organizations such as Cristo Joven, access to the local policy offer may not only be worthless, but the local mode of policy implementation would likely clash with the participatory practices that identify the organization. In the same way, the project of “radical discussion” advocated by REM hardly finds an outlet in the policy universe—lest in the political space—offered by the municipality of Peñalolén

#### 7.4.1. Policy shortcomings and political dead ends

The very limited incorporation that the managerial model of governance offers to the pobladores organizations in the public policy arena is mirrored in the incorporation of social organizations into the local government. There is consensus among political and social actors that the Cesco in Peñalolén is not a useful instrument to influence the local government decision-making process<sup>403</sup>. Although Humilde González valued the Cesco as a “forum for social organizations to exchange and to discuss”, this appreciation could be also read as evidence of how lacking these spaces are in the local government.

Perhaps where the lack of public spaces to effect political discussion about allocation of resources is sorely evident is in Peñalolén’s nemesis: housing. The “housing problem” has been reduced to a policy problem, both at the central and the local level. In Peñalolén it is particularly acute because of the socioeconomic transformations that the commune has undergone in the past 25 years.

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<sup>403</sup> The organization had up to 6 centers in the poblaciones of Santiago and at its peak, it employed more people than de Hogar de Cristo, the largest Catholic charity (Valdes, 1999)

<sup>404</sup> Interviews Humilde González and Guillermo Navarro, Cesco members; councilors Zuleta, L. Guerra and S. Guerra.

By the end of the 1990s, the problem of housing in Peñalolén had become increasingly visible. Seven *campamentos*, which had resulted from illegal land occupations, dotted the landscape. In the municipal gardens hundreds of pobladores of the Campamento Esperanza Andina (1992) had been temporarily placed while their houses were built, after neighbors from Valle Oriented opposed the presence of the pobladores next to their villa.<sup>404</sup> In 1999, over 2 thousand families invaded another privately owned lot and yet another movement occupied piedmont lands that were a protected reserve in 2000.<sup>405</sup>

The movements reflected a decade of persistent *allegamiento*, without any subsidized public housing built from 1992 to 1998 in Peñalolén. By 1999, an estimated 12 thousand families lived in *campamentos*, other 12 thousand were living *allegados* with another families. Mayor Alarcón expressed his concerns:<sup>406</sup>

The toma Nazur triggered the organization of the *Comités de Allegados* into a communal Union. They proposed to raise funds to buy land in Peñalolén. We agree with that. Given land scarcity, we have resorted to the land owned by the municipality. In the last two years, we have been able to built 280 housing units in buildings. It is not much, considering that there are 12 thousand families *allegadas*. We have little land to solve the problem of social housing in the same commune. I believe that the comités de *allegados*, the municipality, the government and international help, can buy land in the commune, even if it is expensive.

However, caught between the land market that had shoot the prices up to 7UF /m<sup>2</sup> and national housing policies that did not allow payments over 1 UF /m<sup>2</sup>, mayor Alarcón have opted to follow a strategy of pressuring the central state for a solution, while the market quietly put communal land increasingly out of the pobladores reach.<sup>407</sup> The municipality has welcomed new higher-end construction projects, which would reinforce this upward trend of

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<sup>404</sup> Gurtiérrez, op.cit

<sup>405</sup> Tomas Nazur and protected lands next to the Comunidad Ecológica.

<sup>406</sup> Interview 1999.

<sup>407</sup> UF= Unidad de Fomento, daily indexing of the peso.

land prices. The Pladeco 1998-2001 states as one of its objectives to “encourage the construction industry to develop new housing projects for the middle and upper middle class sectors, which also bring financial benefits for the municipality.” As a politician, mayor Alarcón cannot ignore the needs of the pobladores, neither of his better-off constituencies; as a good manager, he cannot pass on an opportunity to bring resources to the local government.

Reducing housing to a policy problem leads inevitably to a dead end for the pobladores: efficiency in the use of public resource dictates that no public housing should be built in the now valuable communal land. At most, a compromise for increasing density with high-rise building may grant a small number of pobladores the prize of remaining Peñalolén. Moreover, this framing of the housing problem eludes what is already a *fait accompli* by the *tomas*: that there are two different views about social justice—one that sees access to housing as a right that has to be asserted; the other that does not.

The lack of public/political discussion about housing, the value issues and the social cleavages behind it, has brought the problem back to the community, with destructive effects. For the pobladores that have organized Housing committees and have saved for years to obtain their houses—elsewhere—the movement is “completely illegal. If they wanted to have a house, why can they make a sacrifice like everybody else? During these 4 years we have seen many lots, but we never thought of invading them”<sup>408</sup> a pobladora protested.

#### 7.5. Peñalolén: some observations and conclusions

Peñalolén’s model of governance neatly conforms to the managerial paradigm, hardly a discovery when the commune was one of the firsts to experiment with the model back in the 1980s.

In the managerial model, public policy design and decision making are concentrated in the mayor and his professional team, therefore the policy outlets open to organized

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<sup>408</sup> Catalina Castillo, President of the Comité de Allegados Unyale 1999.

participation are restricted to the lower end of the policy process: execution, or co producing services that have already been designed. This feature per se excludes the majority of the pobladores organizations in using the local policy offer. Social service/identity organizations that had acquired a certain expertise in program design and policy implementation prefer to resort to funds available from several central state programs.

NGOs, instead, have found a niche in implementing specific programs or projects for the local government. Their expertise in community work and networking may be reflected in the implementation of policies in the future.

Policy implementation in Peñalolén makes little use of policy networks, contributing to fragment programs into discrete projects, which can be executed in a decentralized fashion. The municipal staff does not carry the weight of policy initiatives, and their work conforms to more traditional standards for municipal administration. Implementation of centrally designed programs, rather than adaptation to the local reality prevails. Managerial innovation had brought about good results for education and health.

Community organizations are very active in Peñalolén, thanks to the micro corporatist linkages they establish with central state agencies, or to their ability to combine several sources of funding. The absence of a policy space that incorporates pobladores organizations that discuss policy alternatives with the community, does not preclude organizational activity, but impairs linkages among these organizations. It was surprising to learn that most organizations in Peñalolén were unaware of the existence of the others; and that they rarely work together unless they participate from networks created within the community, such as the one around Cristo Joven.

The net effect of this pattern of community/ public policy incorporation is a sustained organizational activity, but absence of synergy between this activity and the local government. These activist organizations tend to become self-contained and isolated from others.

The space reserved for organized participation in the local government, the Cesco, is irrelevant in terms its influence on the spheres of power. Paired with the absence of a

participatory space in the policy arena, this leaves the pobladores' organizations without any relevant political space where to express collectively, not as individual voters or clients.

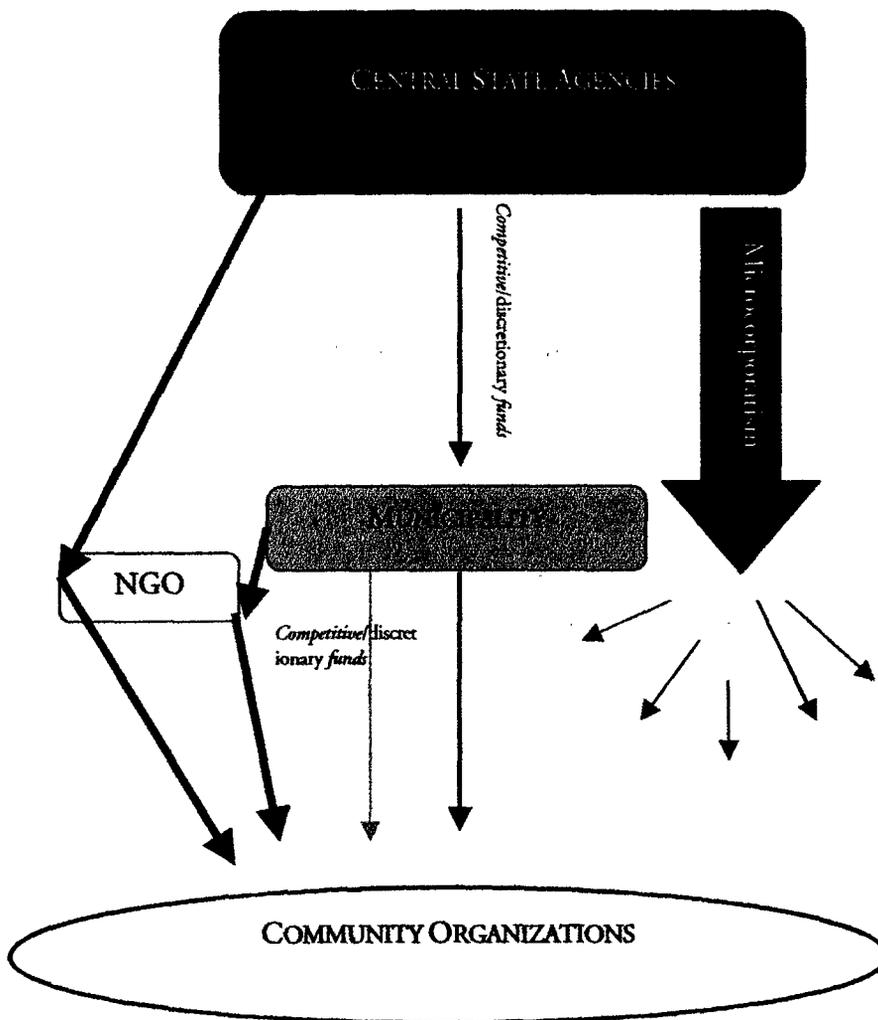
The mayor-centric blueprint for local polity that prompts the councilors to resort to clienteles to insure their political future, is enhanced in Peñalolén by an activist council, set to organize/and or "colonize" grassroots organizations. This organizational activity, however, cannot be channeled and processed into the restricted local polity, so it reverts back to the community, causing rifts and distrust. Extreme political shifts among community leaders attest to the power of partisan competition and its transference to the social sphere.

The councilors seem to maintain strong ties with particular community groups. The ones that were former community leaders—NC, magisterio—continued to exert influence over these groups and vice versa (the councilor's attempted to bring their interests to the municipal table). The seasoned politicians, in turn, either have their own foundations or staff through which they maintained strong links with community groups. They tend to be involved in organizing the community much more often than in El Bosque.

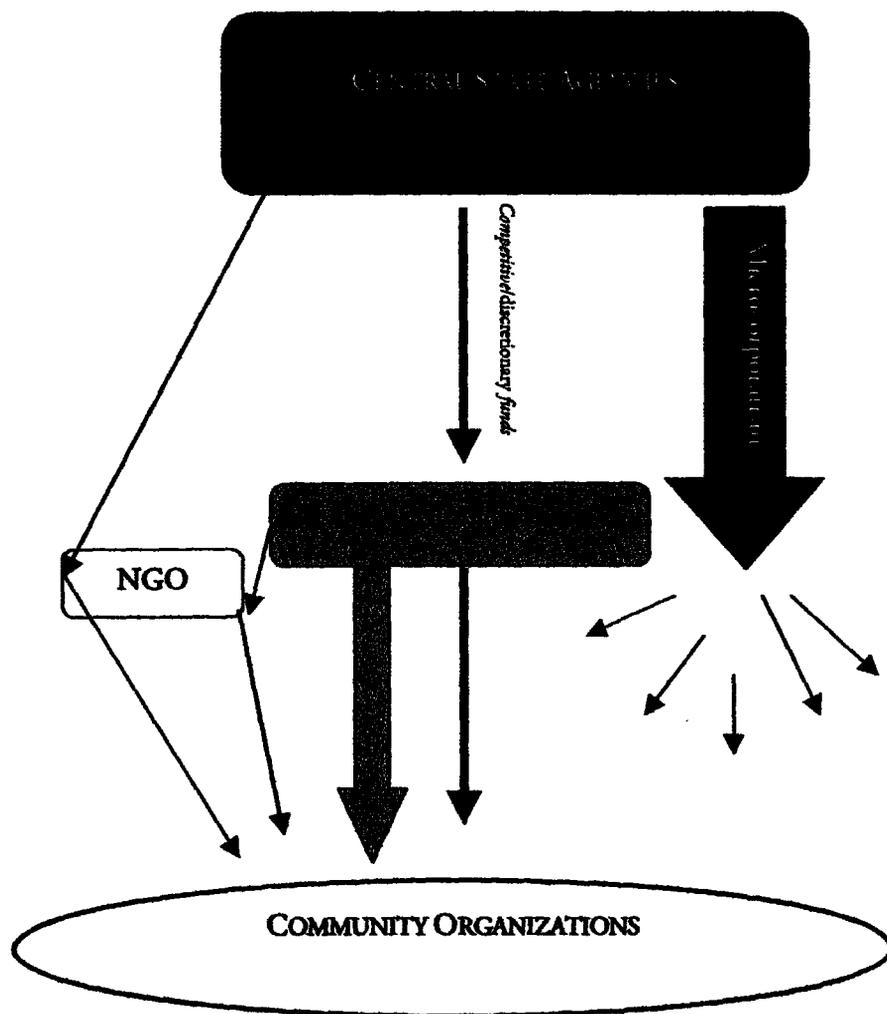
The managerial model of governance can be very successful in pooling resources to improve the quality of the policies offered to the pobladores. The success in turning non-functional schools into a set of active educational units aimed at self-management had a positive impact on the equality and coverage of education. However, the managerial emphasis on the autonomy of the executive precludes organized participation in the policy process, providing an unfavorable context of opportunities for the organized pobladores.

**Diagram 3**

PEÑALOLÉN:  
RELATIONS CENTRAL STATE-MUNICIPALITY-COMMUNITY  
ORGANIZATIONS



CHILE:  
RELATIONS CENTRAL STATE-MUNICIPALITY-COMMUNITY ORGANIZATIONS



1. The first part of the document  
 discusses the general principles  
 of the proposed system.

2. The second part  
 describes the technical details  
 of the implementation.

3. The third part  
 provides a summary of the  
 findings.

4. The fourth part  
 contains the conclusions  
 and recommendations.

5. The fifth part  
 lists the references.

6. The sixth part  
 contains the appendix.

7. The seventh part  
 contains the index.

*Chapter 8*

## CONCLUSIONS

This research started with a concern. The concern was about the terms in which the post authoritarian Chilean polity was incorporating the popular sectors. The transition constraints and the strategy of sequential gradualism adopted by the political elites, had long ago placed a cap on popular demands and written off from the public agenda demands for redistribution and social justice. As a student of the pobladores movement, it was puzzling to observe the mechanisms that the revamped subsidiary state put in place to dismantle what had taken its predecessor, the developmentalist and corporatist state, decades to construct: social actors. With technocratic precision, subsidiary polices engaged in a systematic task of targeting, fragmenting, activating and deactivating again.

At the time of the return to electoral democracy, collective action had subsided in the poblaciones. After years of protests, violently repressed by the military government, the pobladores emerged in the democratic stage without their main strategy—land seizures—but with rich organizational assets amassed in during the last 30 years. This set of organizations did not seem to better the terms of their incorporation in the national polity, but the newly democratized municipalities promised a different venue. Territorial actors by nature, the pobladores appeared uniquely suited to act in the local polity, and their organizational experience in social services provision at small scale made them ideal candidates for the decentralized policies that yearned for community participation. Considering the bleak context of opportunities that the national polity offered popular social actors, would the local

polity mirror the pattern at a lesser scale? Or, was there a reason to expect a divergence between national and local politics? If that were the case, would this pattern break away from the careful deactivation of the popular sectors and would grant them wider access to structures of local decision-making?

Yes and no. The budding local polity was differentiating fast both from the "historical municipality", and the national polity. At heart of this divergent evolution was the institutional legacy of the municipality devised during the authoritarian rule by an audacious renewed right, which sought the unthinkable: to dispute the popular sectors political allegiance to the left and the DC. The model was a mixture of political deactivation via public choice formula, a strong executive (the mayor) and a managerial logic of governance. The Concertación added to the formula a political council, perhaps attempting to reproduce the role that historical brokers, the *regidores* played", to no avail. The mayors acquired a growing influence that at times dimmed even their parties. This trend becomes visible in electoral results and in the growing breed of local politicians catapulted to national politics.

But local institutions displayed a handful of worrisome features. The unfettered power of the local executive, the mayor,<sup>409</sup> skewed party activity towards concentrating votes in the mayoralty, a move that in turn enhanced political personalism and eroded the programmatic profile of the parties at the local level. Mayoral preeminence has also created a "dysfunctional local government", insofar the uneven concentration of power leaves the rest of

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<sup>409</sup> The strong executive owes in part to the presidential tradition of Chilean political institutions probably boosted by almost two decades of authoritarian military government; in part to the managerial model of public administration that favors a strong executive to ease decision-making and to secure accountability. However true at the national level, the pre-authoritarian local polity as described by Valenzuela (1977) was not strongly personalist and the executive position did not have the same power differential with that of the Municipal Councilors (*regidores*) than the contemporary municipality. The brokerage role of the local politicians, although with clientelism hues, combined particularism with categorical goals.

the local politicians without means to ensure their political survival other than resorting to “predatory” practices, such as attacking the mayor and/or establishing clientelistic links with community organizations.

The second main ingredient of the Chilean local polity, the managerial/elitist model of public administration, has contributed to strengthen both the mayoral preeminence and depoliticization of the local space. The managerial paradigm has favored a strong executive to ease decision-making and to secure accountability, and has steered allocation decisions to technical rather than political grounds, emphasizing local politicians’ “non-ideological” problem-solving abilities in lieu of partisan identifications<sup>40</sup>.

State agencies have established “micro corporatist” linkages with community organizations. Microcorporatism incorporates social actors while at the same time exerting control on organizations by circumscribing them within discrete realms and fostering limited competition. In this way, microcorporatism is able to use the energy of social organizations and avoid fostering encompassing organizations that require a permanent readjustment of the mechanisms of incorporation and control, a delicate balance that plagued older forms of state corporatism. Microcorporatism resembles pluralism, but instead of the “free competition” of organized interests’ influence on the political market that characterizes a pluralistic polity, the state keeps control over licensing community groups and granting them specific and exclusive representation rights of a particular sector.

This model of local politics and administration, mayoral-centric and “technified”, does not encourage social participation in local governance. The predatory nature of the local polity

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<sup>40</sup> Whether motivated by an effort to improve the efficiency and accountability of public institutions (new managerialism) or to assert the preeminence of the market over politics in allocating resources (public choice), it is useful to remember that the present institutional blueprint for local politics, although modified, bears the cultural birthmark of the *criollo* mixture of public choice and Catholic corporatism that makes up the model of local governance advanced by UDI during authoritarianism

encourages lesser political actors to resort to strategies of control through clientelistic nexus with social organizations, which erodes social leadership and open rifts along the organizational fabric of the poblaciones.

This polity is also unwelcoming of successful social leaders, who became potential competitors to local politicians. Managerial emphasis in local governance tend to place decision making on technical rather than on political rationale, subtracting these areas from citizen's participation and discouraging pressure strategies of collective action. Microcorporatism, in turn, fosters organizational activity but discourages aggregation, controlling by generating myriad vertical circuits connecting single-issue organizations with specific state agencies, with no horizontal linkages among them.

Although the institutional blueprint leaves little space for organized citizen's participation and can be singled out as one of the main factors causing the decay of the pobladores as a social movement, it is the contention of this thesis that the institutional blueprint, although similar on all Chilean municipalities, leaves space for agency, both from political and social actors. In a surprising twist, it is exactly the unfettered power of the mayor what allows for variability in terms of the relation the local state establishes with social organizations: the mayor is almost single-handedly the structure of opportunities in each municipally.

The comparison between Bosque and Peñalolén allowed to observe two opposing models of local governance in action: the traditional managerial/elitist model, applied by mayor Alarcón in Peñalolén, and a participatory deliberative model, implemented by mayor Melo in El Bosque.

The participatory model's opened public spaces for decision making and public discussion: the organized community participated in discussing, setting priorities and drafting the 3-year development plan. The model's main innovation, however, relied on the nature of

the intermediation. The true innovation relied on the capacity and concerted efforts of the municipal team, community organizations and other local actors (including some councilors who strove to piece together public policies and programs into a local offer, thus fending off the isolating, fragmentary forces of microcorporatism with a project of rational discussion, a deliberative alternative around public policies. At the time, participation, debate, deliberation became powerful forces against the second nemesis of the local polity: clientelism.

In El Bosque the participation of the community through public policies constitutes a powerful pre-political, deliberative space, which articulates substantive benefits with a notion of citizenship. And here I go back to the departing point of this thesis: the concern with the incorporation the pobladores. Oxhorn (1998) has argued that rights are acquired in reverse order in Latin America as compared with older Western democracies: first, social rights, later, political and civil rights. The change of the State centered-matrix to the subsidiary state radically questioned the *pobladores*: from bearers of rights, to recipients of subsidized privileges; from having a reserved space to relate to the state —as did the Juntas de Vecinos— to being a collection of individuals in front of a ballot box. The participatory “activist”, “maker” model of El Bosque captures the need for recovering a place where to discuss, and also a space where to act; a place where rights and not only principles, but also tangible distribution of benefits; a place where to recover a sense of continuity, of community and of worth in a polity which radically devalued popular sectors by attrition.

The managerial /elitist model, in turn, delivered policy benefits to its citizens, but asserting the model of citizen-client; the non-political consumer of policies.

The effect of both models on the organizations of the pobladores is stunning. In El Bosque there is participation, but a very real sense of autonomy in most organizations. Networks allow organizations to connect with each other, so collective action and coordinated initiatives are facilitated. The municipality is a clear point of reference for the community.

There is conflict, especially because of the project of "radical inclusion" that the team carried out constantly challenges established leaderships and customs (which are at times discriminatory). However, this conflict has not destroyed the deliberative space: the *Juntas de Vecinos*, for example, had been vocal opponents of the participatory plans, but they had never stopped of being "engaged." Organizations maintain horizontal linkages. The team constantly transfers knowledge to the organizations, and they produce horizontal connections as well.

In Peñalolén there is not such a reinforcing effect of the managerial practices on the social fabric. On the contrary, the de-politicizing effect of managerialism and the concentration of power resources on the mayor-manager, open the door to clientelism. The rampant intervention of the politicians in the *pobladores* organizations have transferred conflicts to the community, without appropriate forums for resolution. The organizations of the *pobladores*, lacking an articulated local offer, resort to a myriad of projects from other state agencies, which maintain activity but do not amount to community development or enhanced public space. Perhaps the most telling sign of the lack of deliberative spaces where to nurture a sense of citizenship as well as an efficacious polity, is the persistent and undressed problem of housing and socioeconomic disparities in Peñalolén, which is source of constant conflicts.

The case of El Bosque, as an alternative to the dominant mode of local governance that has done little but fostering deactivation and clientelism among the organizations of the urban poor, suggests that social policy networks do have the potential to incorporate popular organizations and nurture a public view which act as powerful counterforce of clientelism and the social fragmentation which carry subsidiary and targeted social policies.

Moreover, this research suggests that this avenue for incorporation generates pre-political spaces that pave the way for the *pobladores* organizations to scale-up to decisionmaking of political scope in the local government or along policy networks at a higher (regional/national) scale. This is consistent with the unmet need to effect a substantive incorporation of the urban poor that rebuilds a sense of citizenship, torn after the economic

rights acquired in the state-center matrix were radically denied by the subsidiary, neoliberal state.

### Post Scriptum

Field research was conducted between 1994 and 2000, the year when Ricardo Lagos was elected president of Chile. The third Concertación President had to face a close election with the candidate of the Alianza por Chile, UDI militant and former mayor of Las Condes and Santiago, Joaquín Lavín. In the local elections of August 2000, the candidates of the Alianza obtained resounding victories, capturing the mayoralty in 30 of the 42 metropolitan municipalities, even though the coalition only gathered the majority of the communal votes in 15 of those 42 municipalities. Mayors Melo and Alarcón were reelected.

The government of President Lagos has launched a series of public policies, such as Chile Solidario with strong emphasis on participation and inter-sectoral coordination; and a declared commitment to participation. Some of the ardent advocates of popular participation had been appointed to executive posts in President Lagos' administration, among them Angélica Verdugo, appointed to direct the Family Unit in the Ministry of Health; Antonio Infante is now the Undersecretary of Health and former deputy Andrés Palma is currently Minister of Mideplan. A new reform of the municipal law, instituting separate elections of mayors and councilors will be enacted for the first time in the upcoming elections of August, 2004. It would be worth researching the effect of these reforms on the ongoing incorporation of the pobladores.

A glimpse at the *webpage* of El Bosque<sup>411</sup> appear to indicate a peaceful and more consolidated relation between the local government and popular organizations. Cesco's members are listed along the communal authorities, and public demonstrations of protest and subsequent accords signal a healthy polity not devoid of conflict.

Some important accomplishments had been consolidated in the period. A center for the development of micro-entrepreneurs in La Perla, an inter-comunal enterprise promoted by El Bosque, was inaugurated, providing financial and technical support to the main productive activity of El Bosque. In 2000, El Bosque made the national news when the commune showed the highest drop in the percentage of poverty (-9.3%) in the metropolitan region. The municipal team attributed this achievement to the municipal policy of supporting microenterprises, which had acted as a "safety net" in periods of economic crisis, and to the participation of the people, which had "fine-tuned" local social policies.

In 2003, El Bosque was able to successfully battle the installation of a garbage dump in the commune; Mayor Melo, as President of the Education Commission of the Chilean Municipal Association signed an accord with Ministry of Education regarding the evaluation of teachers, and continued consultations on the financing scheme. Mayor Melo also signed an accord with the Pedagogy School to bring educational resources to El Bosque. A peer mediation program and an environmental program, would complement the long-due educational push. In July 2004, the first ceremonial park for Mapuche culture was opened in El Bosque.

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<sup>411</sup> <http://www.imelbosque.cl/>

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### **Municipal Documents**

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## INTERVIEWS 1994-2000

Cat	Date	Name	Position (at interview date)
2	8/25/99 6/10/94	Gonzalo de la Maza	National Foundation for Overcoming Poverty FNSP; Former President of the Chilean Association of NGOs
1	8/28/99	Carlos Montes	President of the House of Representatives (Socialist party, PS)
3	9/2/99 11/30/94	Sadi Melo	Mayor of El Bosque (EB)
4	9/2/99	Jorge Gajardo	Expert with EB's Planning Office; Director of the Plan for Community Development.
4	9/2/99	Ricardo Vega	Planning Office, EB. Ex head of the office of community organizations EB
4	9/2/99	Eduardo Muñoz	Territorial officer, EB
5	9/1/99	Leonardo Guerra	City Councilor, PPD, Peñalolén (PL)
4	8/31/99	Antonio Infante, MD	Director of Health Office, Municipalidad de Santiago
2	8/31/99	Eduardo Baeza	Corporación Encuentro, PL
4	9/1/99	Sara Aedo	Community relations for the PPD, PL
6	9/7/99	Esteban Maturana, MD	President of the National Confederation of Municipal Health Workers, CONFUSAM.
1	9/7/99	Carlos Durán	Program coordinator for Gladys Marín, PC
6	9/8/99	Simón Guerra	President of the Union of municipal workers, PL
7	9/9/99	Jenny Ortiz, Lucía Palma	Health Committee, EB
5	9/9/99	José Muñoz	City Councilor PPD, EB
4	9/9/99	Carolina Martínez	Head of the Women's Office, EB
4	9/9/99	Paola Cisternas	Director of Community Development, EB
5	9/10/99	Raúl Zuleta	City Councilor RN, PL; grassroots leader
4	9/13/99	Juan Morales	Planning Secretary, EB
5	9/13/99	Patricio Arriagada	City Councilor UDI, EB
4	9/13/99	Angélica Verdugo	Director of Health, EB
5	9/13/99	Pedro Vega	City Councilor DC, EB
6	9/13/99	Jaime Gajardo	Director of the Metropolitan Office of the Teacher's Union.
3	9/10/99	Carlos Alarcón	Mayor of the Municipalidad de Peñalolén
4	9/10/99	René Zepeda	Head of the Community Organizations' Office, PL
4	9/10 & 17/99	María Elena Vidal	Head of the Social Workers, PL
5	9/14/99	Nibaldo Mora	City Councilor UDI, PL
5	9/14/99	Claudio Orrego	City Councilor DC, PL; national political leader.
7	9/14/99	José Miguel Vergara	Community Council (Cesco) EB.
7	9/15/99	Sergio Castillo	Leader of small entrepreneurs' association, EB

4	9/16/99	Sandra Apiolaza	Director of the Youth Office, EB
4	9/16/99	Gloria Carrasco	Director of the Senior Citizen's Office, EB
7	9/16/99	M. Inés Godoy, Ana Sepúlveda y M. Angélica Pozo	County Confederation of Mothers' Centres, EB
1	9/17/99	Germán Correa, Ph.D.	UNDP expert, former Minister of Transportation and Secretary of State; former President of the Socialist party.
5	9/20/99	Sergio Guerra	City Councilor RN PL, grassroots leader
7	9/20/99	Guillermo Navarro	President of the County's Union of Neighborhood Councils, PL; RN
4	9/21/99	Enrique Avila	Director Educational Technical Unit, EB
7	9/21/99	Alejandro Jiménez	Los Callejeros youth organization, EB
7	9/22/99	Humilde González	Grassroots leader, PL
7	9/22/99	Loreto Cisternas, Víctor Olmedo, colectivo REM	Youth Center REM (Reactivación en Masa), Lo Hermida, PL
7	9/22/99 9/24/99	Oswaldo Molina	Member of the directory of the Metropolitan Federation of County Unions of Neighborhood Councils, FEMUC
7	9/23/99	Daniel Palacios	President of the County's Union of Neighborhood Councils, EB; PS
7	9/23/99	Miguel Huenul	Revnel Mapu Cultural Centre, PL
1	9/24/99	Fernando Echeverría	Head of the local-regional office of the PPD, City Councilor of Recoleta.
1	9/24/99	Lily Pérez	Representative RN, former city councilor La Florida
4	9/27/99	Pilar Alfaro, MD	Director Health Corporation, PL
4	9/27/99	Andrés Castillo	Director Educational Technical Unit, Educational Corporation, PL
6	9/27/99	Juan Cuevas	Member of the national directory of the teacher's Union.
7	9/28/99	Víctor Sepúlveda	President of the County's Union of Senior Citizen Clubs, EB; grassroots leader.
7	9/27/99	Catalina Castillo	President of the Homeless Committee Unyale, PL
7	9/28/99	Trinidad Briones	Workshop Pinturitas, EB
2	9/29/99	Eduardo Jerez & Juan Antonio Bórquez	Executive Director of the Catholic Foundation Trabajo para un Hermano, Peñasol, PL
2	9/29/99	Justo Valdés	Director Casa Cristo Joven, PL
1	9/30/99	Jaime Orpis	Representative UDI, ex-mayor San Miguel
7	9/30/99	Colectivo	Cultural Centre Juventud Milán, PL
1	10/1/99	Andrés Palma	Representative DC
7	10/1/99	Juanita Lizama	Work group for Teenage Mothers, EB
8	10/4/99	Daniel Farcas	Director of the Division of Social Organizations, DOS, MSGG.

8	4/14&18/94 8/4/98	Julio Ruiz	Head of the Municipal Division, SUBDERE
6	5/5&12/94	Giorgio Martelli	Executive Director of the Chilean Municipal Association, Achimu
7	4/8/94	Felix Avilés	NGO IDEAS
8	4/9/94	Vladimiro Sáez	DOS, MSGG
3	8/25/98	Cristina Girardi	Mayor of Cerro Navia
2/1	11/23/97	Pla Guzmán	Representative RN, ex president Paz Ciudadana
1	6/17/94	Domingo Namuncura	National Secretary of labor and community Affairs, PPD.
8	5/7/96	Ricardo Brodsky	Director of Division of Social Organizations, DOS, MSGG.
7	11/21/94	Luzmenia Toro	Grassroots leader (ARCIS)
7	11/21/94	Manuel Córdova	President of the County's Union of Neighborhood Councils, Pudahuel. (ARCIS)
1	5/26/94	Eugenio González	Leader of the UDI, ex city councilor La Florida, member of the directory of Achimu.
2	7/21/94	Alberto Etchegaray	Former president National Council for Overcoming Poverty, CNSP, ex Secretary of Housing.
8	8/4/94	Claudia Serrano	Program director of the Fund of Solidarity and Social Investment, FOSIS, Ministry of Planing -- (MIDEPLAN)
8	10/31/97	Jaime Gatica	Regional Unit MIDEPLAN. Expert in fiscal decentralization, University of Chile.
8	11/30/98	José Weistein	Director Montegrande project, Ministry of Education (MINEDUC)
7	12/2/94	José Hidalgo & Luzmenia Toro	President and member of the directory of the Director of the Metropolitan Federation of County Unions of Neighborhood Councils, FEMUC.
6	7/28/98	Mario Rosales	Executive Director of the Chilean Municipal Association, Achimu
5	5/31/94	Mario Farías	City councilor PR, Municipalidad de Santiago
8	8/5/94 9/5/94	Jaime González & Luis Rojas Virginia Rodríguez	FOSIS-microenterprises. FOSIS-Entre Todos
8	9/3/94 9/5/94	Javier San Miguel & Blanca Hermosilla	MECE Elementary Program, MECE Preschool program, MINEDUC
8	10/6/94	Collective-- Intendentes y Gobernadores	Conference of regional officers and governors for launching the national Plan for Overcoming Poverty (PNSP).
7	10/94	Collective & Amelia Moreno.	3members of the directory and the president of the women's organization Fuerza de Mujer, Huechuraba., ARCIS.
4	12/6/95	Jorge Gajardo	Community Development Director, El Bosque

	12/20/95 1/19/96 1/24/96	Angélica Verdugo Martín Fritz y Jorge Díaz, Alejandro Díaz María Antonieta Fisher Victor Downey, Marco Pérez*	Director of health EB Economic Development EB Secretary of Planning EB Youth Office EB Neighborhood Office EB; Municipal Web ILPES, La Pintana y El Bosque
	12/6/95	Jaime Pavez	Mayor of La Pintana (LP)
4	12/20/95 1/19/96 1/24/96	Gastón Muñoz Jorge Riquelme/Gastón Gatica Iván Contreras **	Secretary of Planning LP Community Organizations LP Community Development Director LP Municipal Web ILPES, La Pintana y El Bosque
8	10/28/99	Mario Marcel, Ph.D.	Executive Director for Chile and Ecuador, IADB; former Budget Director, Government of Chile.
8	5/12/00	Germán Quintana	Executive Director for Chile and Ecuador, IADB; former Minister of Mideplan, Government of Chile

**CATEGORIES**

1. Representatives of national political parties
2. Non-governmental organizations, NGOs
3. Mayors (local politicians)
4. Municipal Officers
5. City councilors (local politicians)
6. Professional associations or unions
7. Grassroots organizations
8. Central government



## ANNEXES

## I. Latin America: social and political indicators

Table A 1 Level and Evolution of Urban Household Income Distribution, Latin America  
17 Countries

	Year	Average household income/a	Gini /b	Income share poorest 40%	Income share richest 10%	Richest 10% /poorest 40%	Hsholds below Avg. income
<i>Argentina</i> (Buenos Aires)	1980	4.56	0.375	18.0	29.8	6.7	66
	1990	3.59	0.423	14.9	34.8	9.23	72
	1997	4.55	0.439	14.9	35.8	9.6	73
<i>Bolivia/c</i>	1989	1.77	0.484	12.1	38.2	12.6	71
	1997	1.95	0.455	13.6	37.0	10.8	73
<i>Brazil</i>	1979	3.21	0.493	11.7	39.1	13.3	74
	1990	3.30	0.528	10.3	41.8	16.3	76
	1996	4.52	0.538	10.5	44.3	16.8	77
<i>Chile</i>	1987	2.56	0.485	12.6	39.6	12.6	74
	1990	2.66	0.471	13.4	39.2	11.7	74
	1996	4.0	0.473	13.4	39.4	11.8	74
<i>Colombia/d</i>	1980	2.05	0.518	11.0	41.3	15.0	75
	1990	2.59	0.450	13.6	34.9	10.2	73
	1997	2.43	0.477	12.9	39.5	12.2	74
<i>Costa Rica</i>	1981	2.95	0.328	18.9	23.2	4.9	65
	1990	2.56	0.345	17.8	24.6	5.5	65
	1997	3.02	0.357	17.3	26.8	6.2	66
<i>Ecuador</i>	1990	1.35	0.381	17.1	30.5	7.1	70
	1997	1.55	0.388	17.0	31.9	7.4	70
<i>El Salvador</i>	1995	1.83	0.382	17.3	31.7	7.3	70
	1997	1.91	0.384	17.2	31.1	7.2	70
<i>Guatemala</i>	1986	1.55	0.464	12.5	36.4	11.6	72
	1989	1.89	0.479	12.1	37.9	12.5	73
<i>Honduras</i>	1990	1.27	0.487	12.2	38.9	12.8	75
	1997	1.19	0.448	14.3	36.8	10.3	72
<i>Mexico</i>	1984	2.33	0.331	20.1	25.8	5.1	71
	1989	2.54	0.434	16.0	36.9	9.1	70
	1994	2.76	0.405	16.8	34.3	8.2	71
	1996	2.21	0.392	17.6	33.7	7.7	69
<i>Nicaragua</i>	1997	1.23	0.443	14.4	35.4	9.8	74
<i>Panamá</i>	1979	2.65	0.399	15.5	29.1	7.5	70
	1991	2.72	0.448	13.3	34.2	10.3	75
	1997	3.67	0.462	13.3	37.3	11.2	73
<i>Paraguay</i> (Asunción)	1986	1.81	0.404	16.3	31.8	7.8	71
	1990	1.92	0.357	18.6	28.9	6.2	68
	1996	2.22	0.389	17.4	33.1	7.6	70
<i>R. Dominicana</i>	1997	2.57	0.432	14.8	35.5	9.6	74
<i>Uruguay</i>	1981	3.91	0.379	17.7	31.2	7.1	69

	1990	3.29	0.353	20.1	31.2	6.2	70
	1997	4.72	0.300	22.0	25.8	4.7	68
<i>Venezuela</i>	1981	2.90	0.306	20.2	21.8	4.3	66
	1990	2.18	0.378	16.8	28.4	6.8	69
	1997	1.97	0.425	14.7	32.8	8.9	72

Adapted from: ECLAC, *Panorama Social 1998*. Anexo Estadístico, cuadro 23. Santiago, Abril de 1999. Source: ECLAC, on the basis of special tabulations of data from ongoing household surveys. a/ Monthly per capita average household income, divided by the poverty line per capita value. b/ Estimated over the income distribution share of urban households classified by per capita income (decils). c/ Data for the 1989 and 1992 surveys include eight departmental capitals and El Alto. The 1989 survey also includes eight cities, which represent 8.2 percent of the total. d/ Since 1993 the survey covers almost all the urban population of the country. Until 1992, the survey covered only about half of that population. e/ The data quoted as "urban" is in fact the national total.

**Table A 2 Latin America: Changes in Income Distribution in Urban Areas, 1990-1997-1999**

Per capita GDP growth in 1990s a/	D <sup>4</sup> / D <sup>10</sup> ratio b/			Gini Index		
	1990-97	1997-99	1990-99	1990-97	1997-99	1990-99
<b>High (+ than 4%)</b>						
Chile	Increased	Increased	Increased	No change	Increased	Increased
Dom. Republic	-	-	-	-	-	-
<b>Intermed. (2-4%)</b>						
Argentina	Increased	Increased	Increased	Increased	Increased	Increased
Panama	Increased	Decreased	Decreased	Increased	Decreased	Decreased
El Salvador	-	No change	-	-	Decreased	-
Peru	-	-	-	-	-	-
Uruguay	Decreased	Increased	Decreased	Decreased	Increased	Decreased
Costa Rica	Increased	Increased	Increased	Increased	Increased	Increased
<b>Low (1% tp 2%)</b>						
México	-	-	Decreased	-	-	Decreased
Bolivia	-	Decreased	-	-	Decreased	-
Guatemala	-	-	Decreased	-	-	Decreased
Brazil	Increased	Decreased	Increased	Increased	Increased	Increased
<b>Zero or negative (-1% to 1%)</b>						
Colombia d/	Decreased	Increased	Decreased	No change	Decreased	Decreased
Nicaragua	-	Increased	-	-	No change	-
Honduras	Decreased	Decreased	Decreased	Decreased	Decreased	Decreased
Venezuela e/	Increased	No change	Increased	Increased	Decreased	Increased
Ecuador	No change	Increased	Increased	Increased	Increased	Increased
Paraguay	-	Increased	-	-	Increased	-

Source: ECLAC, based on special tabulations from household surveys in the countries concerned.

a/ Average annual variation in per capita GDP, based on 1995 prices. b/ D(1 to 4) represents the bottom 40% of households in terms of income, while D10 represents the upper 10% of households in terms of income. c/ Greater Buenos Aires. d/ The start year is 1994. e/ Refers to national total.

Reproduced from ECLAC, 2002: 80.

**Table A 3 Law and Order: Citizen's confidence in the judiciary and the police**

	<i>Judiciary</i>			<i>Police</i>		
	None	A little	Some	None	A little	Some
<i>Argentina</i>	37	36	19	38	35	20
<i>Bolivia</i>	33	40	27	46	35	14
<i>Brazil</i>	24	31	28	39	35	21
<i>Colombia</i>	26	41	27	39	36	19
<i>Chile</i>	22	40	30	18	34	44
<i>Ecuador</i>	28	39	16	30	34	16
<i>Mexico</i>	42	36	17	53	33	10
<i>Peru</i>	35	36	20	22	34	33
<i>Venezuela</i>	37	33	18	51	31	13
<i>Spain</i>	15	33	35	8	22	47
<b>TOTAL</b>	29	36	24	33	32	24

Source: Latin American Barometer 1996. Quoted in Linz, Lipset and Pool, 1999

**Table A 4 Democratic Commitment and Levels of Democracy in Latin America, 1996**

<i>Country</i>	<i>Support Democracy</i>	<i>Satisfaction Democracy</i>	<i>Defend Democracy</i>	<i>Average Democratic Commitment</i>	<i>Perceive Full Democracy</i>	<i>Freedom Score</i>
<i>Costa Rica</i>	80	51	85	72.0	23	1.5
<i>Uruguay</i>	80	52	78	70.0	34	1.5
<i>Argentina</i>	71	34	73	59.3	12	2.5
<i>Panama</i>	75	28	75	59.3	13	2.5
<i>Venezuela</i>	62	30	74	55.3	16	2.5
<i>Ecuador</i>	52	34	80	55.3	20	3.0
<i>Peru</i>	63	28	75	55.3	14	3.5
<i>Nicaragua</i>	59	23	72	51.3	7	3.0
<i>Colombia</i>	60	16	74	50.0	7	4.0
<i>El Salvador</i>	55	26	60	47.3	10	3.0
<i>Honduras</i>	42	20	80	47.3	13	3.0
<i>Paraguay</i>	59	22	59	46.7	9	3.5
<i>Brazil</i>	51	28	63	46.3	4	3.5
<i>Chile</i>	28	27	30	28.3	10	2.0
<i>México</i>	53	11	66	43.3	10	3.5
<i>Guatemala</i>	51	16	56	41.0	6	3.5

Source: Marta Lagos, "Latin America's Smiling Mask," *Journal of Democracy* 8, no. 3, 1997, Table 3, p. 133, and Freedom House, *Freedom in the World: The Annual Survey of Political Rights and Civil Liberties, 1996-1997* (New York: Freedom House, 1997). Reproduced from: Larry Diamond, 1998.

Note: Support is the percentage agreeing that "democracy is preferable to any other kind of government." Satisfaction is "with the way democracy works in [nation]." Defend democracy is willingness "to defend democracy if it was under threat." Commitment averages these three percentages. Perceive democracy is the percentage who "think that democracy is fully established in [nation]" rather than "it is not fully established and there are still things to be done for there to be a full democracy." Freedom Score is the average combined Freedom House rating on political rights and civil liberties for 1996.

## II. DECENTRALIZATION: FUNDS AND FINANCIAL INSTRUMENTS

**Chart A 1 Decentralization: Funds and Financial Instruments**

<b>FONDO NACIONAL DE DESARROLLO REGIONAL, FNDR</b>	
<i>Description</i>	Territorial compensation fund which finances regional initiatives for social and economic infrastructure in order to promote a harmonic and equitable development, while protecting and enhancing the environment ( <i>Ley sobre Gobierno y Administración Regional</i> ).
<i>Date</i>	1975. Until 1992 was the only regional investment instrument.
<i>Resource Allocation</i>	<p>SUBDERE allocates 90% of resources to the regions according to territorial equity and efficiency criteria. The process involves:</p> <ul style="list-style-type: none"> <li>➤ The Ministry of the Interior asks the Finance Ministry for next-year FNDR resources.</li> <li>➤ The Finance Ministry determines a budgetary framework for each region, according to criteria to compensate territorial and socioeconomic dissimilarities. The lower the level of development, the greater the rate of resources assigned to the region; the greater the distance to the capital, Santiago, the greater the resources.</li> <li>➤ The <i>Intendente</i>, with the technical support of the SERPLAC, makes a regional investment budget and presents it to the GORE.</li> <li>➤ The GORE approves the budget.</li> </ul> <p>Half of the remaining 10% is allocated for emergencies, and 5% to reward efficiency. This last criterion considers the following indicators: (a) the regional project portfolio and (b) the level of spending of the region. The Intendente asks Subdere for emergency funds.</p>
<i>Projects Financed</i>	Forestry, agriculture, fishing, mining, industry, commerce, finances and tourism, energy, transport, communications, drinkable water, sewage, housing, health, education and culture, sports and leisure; justice, defense, security and inter sectoral projects. The projects in each of these categories can be financed via allocations, IADB credit or with resources of the "traditional" FNDR.
<i>Funding Sources</i>	Traditional FNDR, and allocations FNDR with national resources. FNDR-IADB: international loans and national public funds.
<i>% of IDR</i>	40.4% (1999)

## Funds and Instruments... contd'...

INVERSIÓN SECTORIAL DE ASIGNACIÓN REGIONAL, ISAR	
<i>Description</i>	Investment, programs or projects of Ministries or its related offices, which have to be carried out in a specific region that would be the main recipient of its economic impact.
<i>Date</i>	1992
<i>Resource Allocation</i>	Ministries assign resources to regions. The CORE allocates these resources to the regional projects presented by the Intendente. The projects have to comply with guidelines set by funding central ministry or service, which define eligibility, technical criteria and norms for project evaluation.
<i>Projects / Programs Financed</i>	The programs that have been "Isarized" are: <ul style="list-style-type: none"> <li>➤ Programa de Mejoramiento de Barrios –Subdere</li> <li>➤ Infraestructura Deportiva y Recreativa –DIGEDER</li> <li>➤ Programa de Caminos Secundarios –MOP</li> <li>➤ Programa de Agua Potable Rural –MOP</li> <li>➤ Programa de pavimentación Urbana –MiNVU</li> </ul>
<i>Funding Sources</i>	National Budget
<i>% of IDR</i>	21.9% (1999)

- Programa de Mejoramiento de Barrios, PMB –Subdere. Program for Neighborhood Improvement. Finances community infrastructure for poor families that lack basic sanitation services in rural and urban areas. The PMB funds sanitation works and pre-investment studies, buying lots, technical inspections, legalization of property rights, among other.
- Infraestructura Deportiva y Recreativa –DIGEDER. Sports and Leisure Infrastructure. For building and repair sports infrastructure. It funds communal projects according to the priorities established by the Communal Plan for Sports and Leisure, which is coordinated with needs and projects in the areas of education, health, housing and community organizations.
- Programa de Caminos Secundarios –MOP. Program for Secondary Roads. Funds minor road 's maintenance and repair.
- Programa de Agua Potable Rural –MOP. Program for Drinking Water in Rural Areas. Funds pre-investment projects such as location of hydrological sources, well digging, design and provision of water services and new construction of water systems.
- Programa de pavimentación Urbana –Minvu. Program for Urban Paving. Paving and repairing streets, alleys and sidewalks. Includes road maintenance, participatory paving, improvement of major and intermediate streets.

## Funds and Instruments... contd'...

<b>CONVENIOS DE PROGRAMACIÓN</b>	
<i>Description</i>	Investment agreements among one or more regional governments and one or more ministries or services. These agreements pull together regional and sectoral funds for mutual-interest projects. They allow carrying on mega projects lasting between 1 and 5 years.
<i>Date</i>	1994-1995.
<i>Resource Allocation</i>	<p style="text-align: center;">Involve the following stages:</p> <ul style="list-style-type: none"> <li>➤ Identification of projects according to the strategy for regional development.</li> <li>➤ The ministries and Gore sign an accord protocol and begin negotiations.</li> <li>➤ Project design, pre-investment studies, securing the commitment of the technical units involved in executing the project and its evaluation.</li> <li>➤ Drafting of the Convenio de Programación, stating the duties and tasks of the parties.</li> <li>➤ Presentation to the CORE, approval and final signing</li> </ul>
<i>Projects Financed</i>	No restrictions, but usually mega projects in infrastructure and housing.
<i>Funding Sources</i>	Sectoral funds, which amount in average to 70% of the total project, and regional resources provided by the FNDR.
<i>% of IDR</i>	22.8% (1997); 33 convenios until 1998.

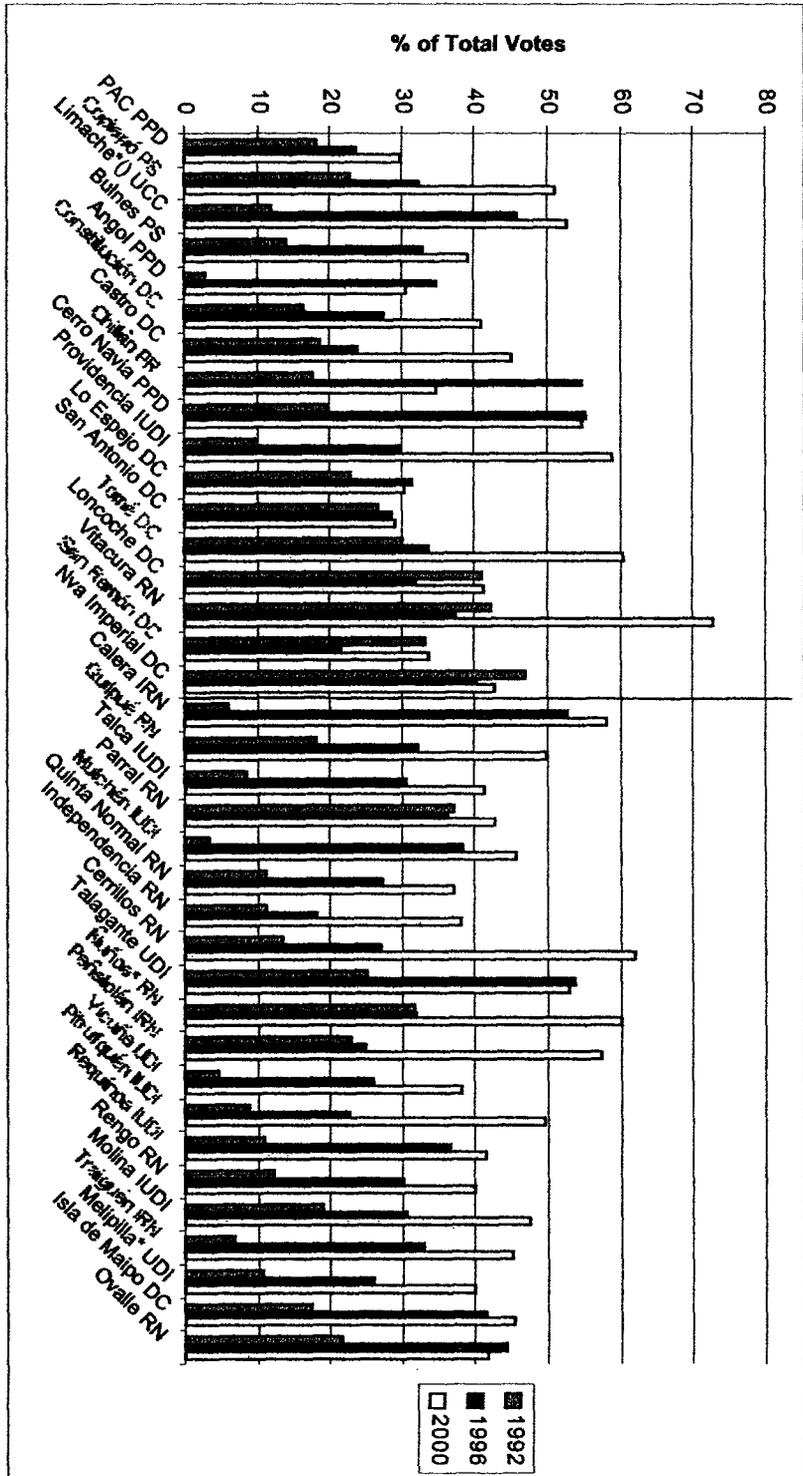
## Funds and Instruments... contd'...

INVERSIÓN REGIONAL DE ASIGNACIÓN LOCAL (IRAL)	
<i>Description</i>	Local investment projects.
<i>Date</i>	1996.
<i>Resource Allocation</i>	FOSIS and SUBDERE define the amount of funding to be allocated in each region. Gores distribute these resources in municipalities that have been prioritized according to criteria defined by Fosis and Subdere. In those prioritized communes, a Mesa de Trabajo Comunal (Communal Working Group) is set with Fosis and the municipality. The Mesa drafts an investment Plan for the assigned resources determining specific neighborhoods for the programs and the municipal contribution. The Plan is approved in the Municipal Council
<i>Projects Financed</i>	The programs that have been "iralized" are: <ul style="list-style-type: none"> <li>➤ Programa de Mejoramiento Urbano, PMU -Subdere.</li> <li>➤ Programa de desarrollo Local -Fosis</li> <li>➤ Programa de Desarrollo Juvenil -Fosis</li> <li>➤ Programa de Apoyo Productivo Rural -Fosis</li> <li>➤ Servicio de Apoyo a la Gestión Territorial -Fosis.</li> <li>➤ Acción Local en Infancia -Fosis</li> <li>➤ Encuentro Joven -Fosis</li> <li>➤ Adulto Mayor Fondo Concursable -Fosis</li> <li>➤ Barrio Para Todos -Chile Barrio</li> </ul>
<i>Funding Sources</i>	National Budget
<i>% of IDR</i>	5.95% (1997)

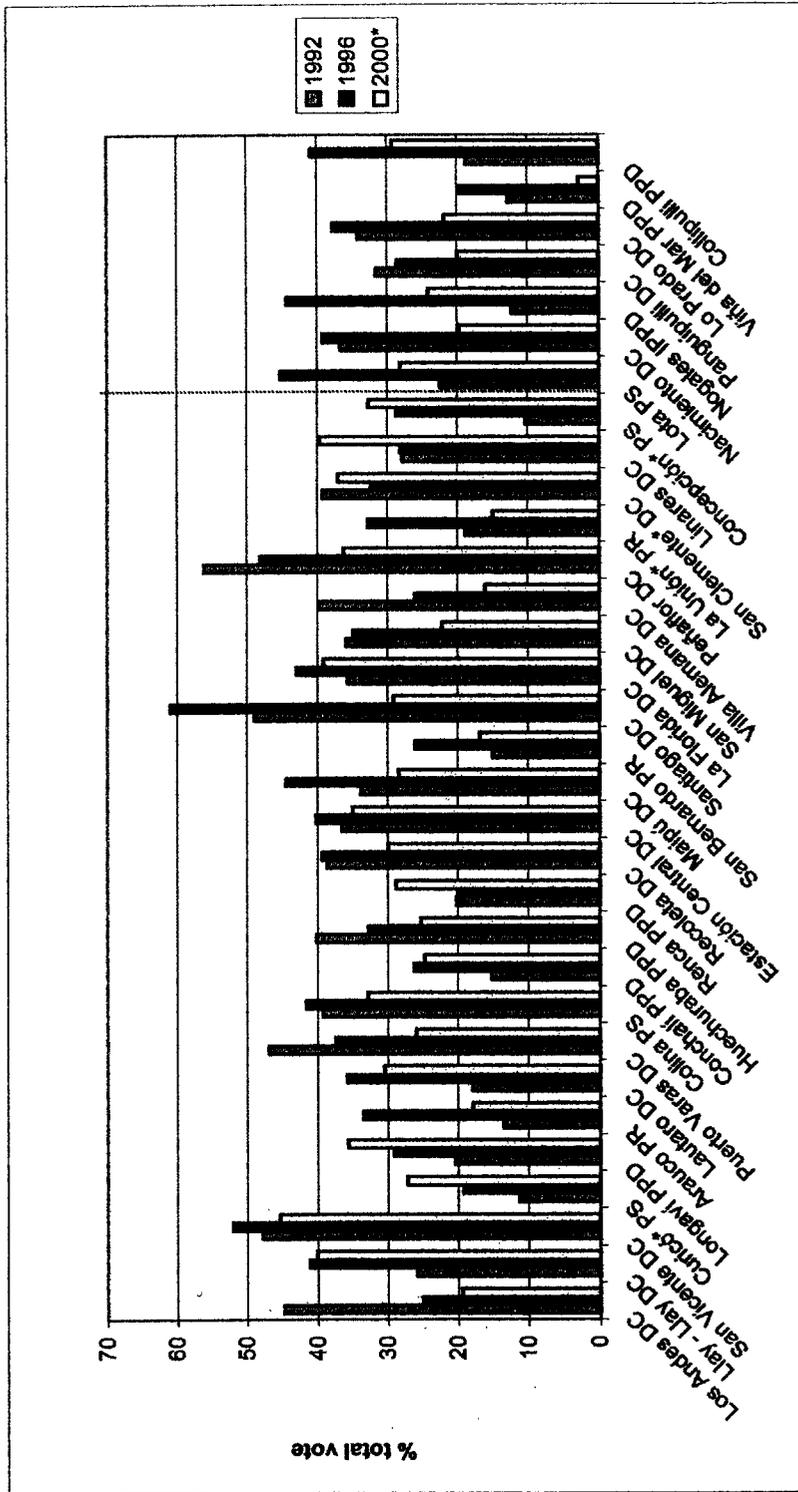
- Programa de Mejoramiento Urbano, PMU -Subdere. Program for Urban Improvement. Funds investment projects that generate employment and elevate the quality of life of the poor, such as building and improving water and sewage systems, paving roads and sidewalks, lighting, maintenance of water courses and bridges, community infrastructure.
- Programa de Desarrollo Local, PDL -Fosis Program for Local Development. Supports projects that improve material and non-material living conditions in poor territories, working with local groups and organizations in different areas for social/economic development.
- Programa de Desarrollo Juvenil PDJ-Fosis Program for Youth Development. Works to improve the life of youth in poor communities.
- Programa de Apoyo Productivo Rural, APR -Fosis. Program to Support Rural Production. Help to strengthen organizational, technical and managerial capabilities of producers in poor territories. Supports groups and organizations of producers to draft and carry on innovative projects to start or to enhance the production of goods and services. It favors projects that pull resources of their own and/or from other institutions.
- Servicio de Apoyo a la Gestión Territorial -Fosis. Support Service for Territorial Management. Funds groups and organizations that lend technical support for executing the PDL, APR and PMU projects selected by the Municipal Council in the communes that had been prioritized.



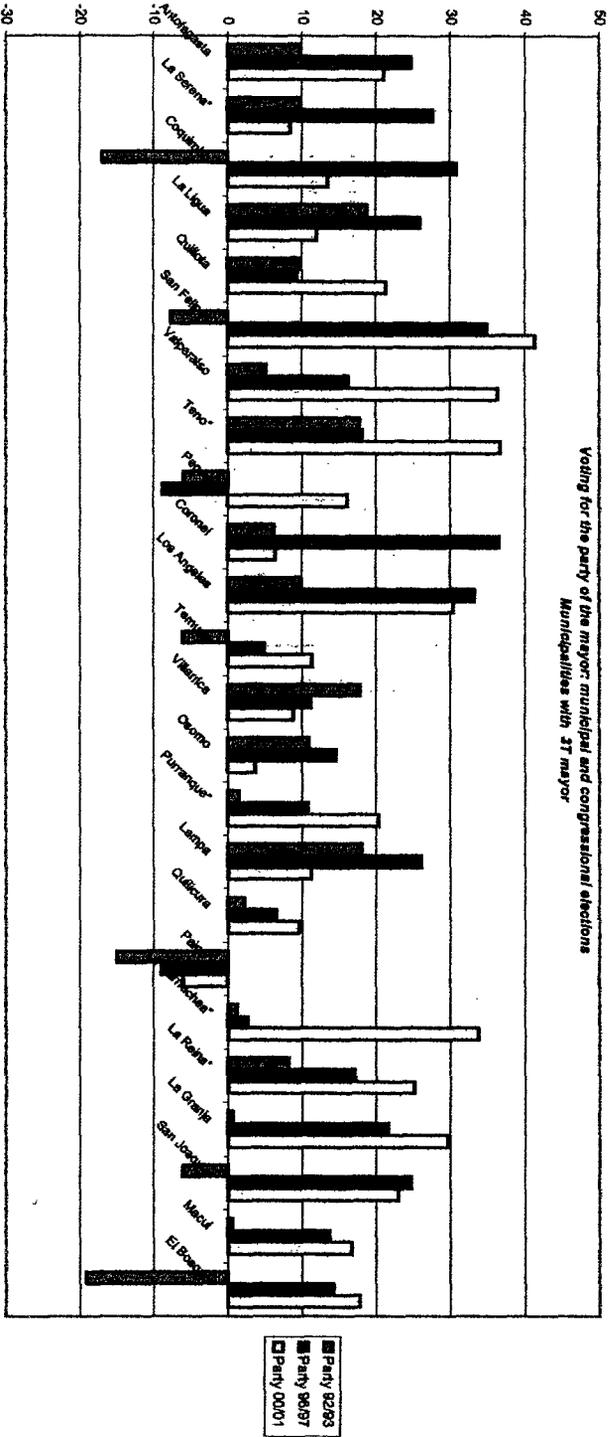
Graph A 2 Tracking the Winning party: municipalities w/ 2T mayors 96&00



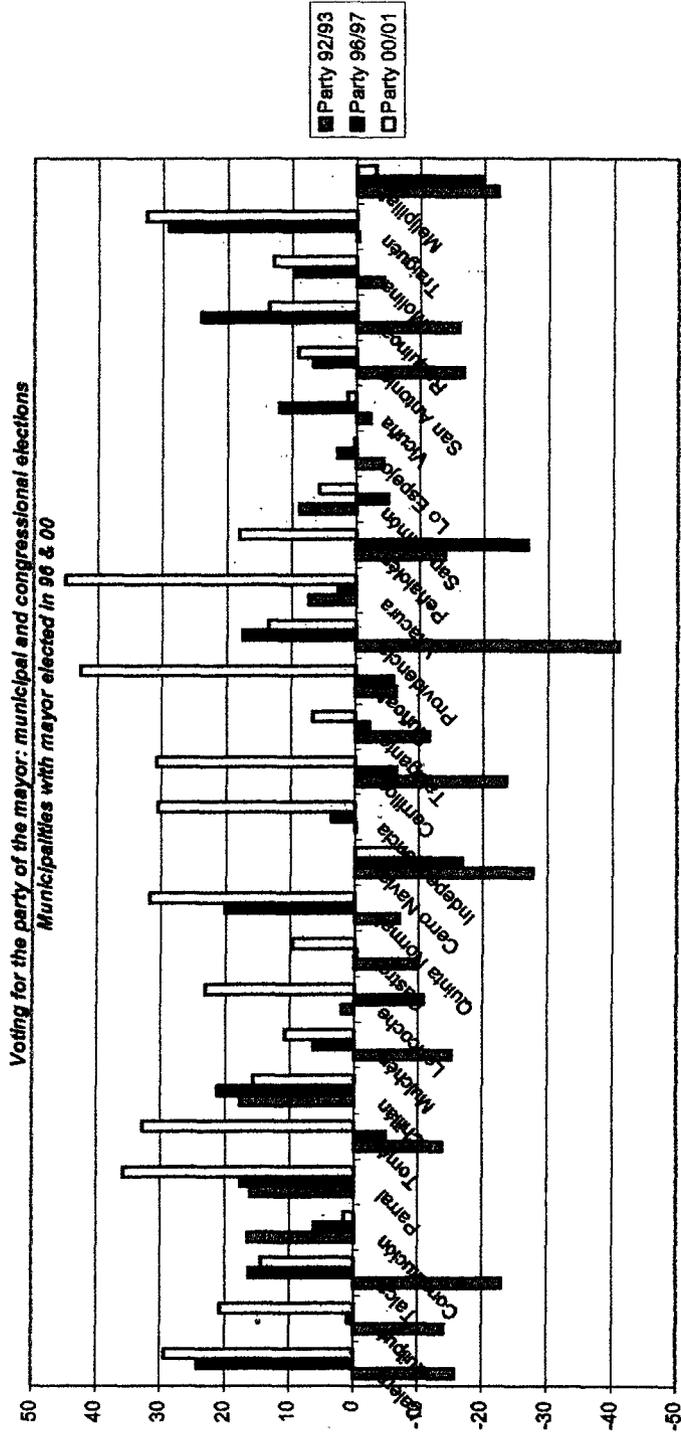
Graph A 3 Tracking the Losing Party: Municipalities W/2F Mayors 92 & 96



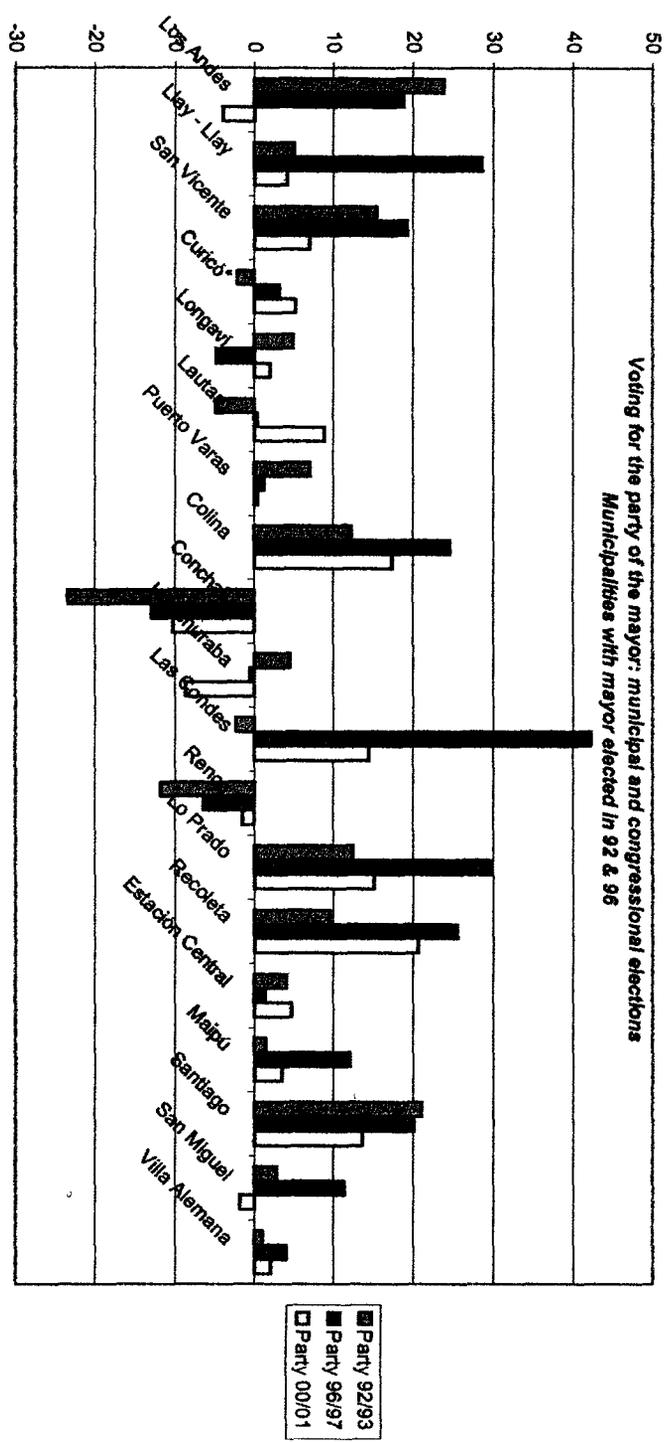
**Graph A 4 Voting for the party of the mayor municipal and congressional elections. Municipalities with 31 mayors**



**Graph A 5 Voting for the party of the mayor: Municipal & congressional elections. Municipalities with mayor elected in 96&00**



**Graph A 6 Voting for the party of the mayor: municipal & congressional elections.  
Municipalities with mayor elected in 92 7 96**

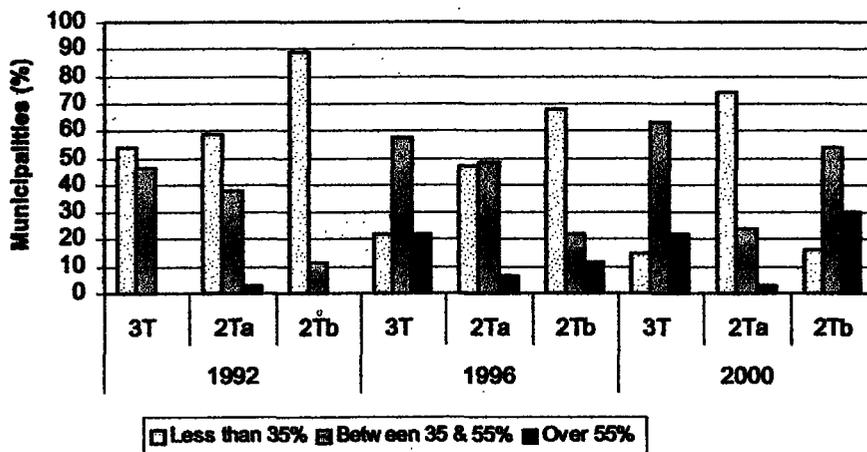


**Table A 5 Contribution of the Mayor's Vote to Coalition Votes**

RANGE	1992		1996		2000	
	#	%	#	%	#	%
0	0	0.0	0	0.0	0	0.0
10	1	0.7	0	0.0	0	0.0
20	7	5.1	0	0.0	0	0.0
25	17	12.4	0	0.0	0	0.0
30	17	12.4	3	2.1	0	0.0
35	19	13.9	11	7.7	2	1.4
40	17	12.4	8	5.6	5	3.5
45	14	10.2	16	11.3	5	3.5
50	12	8.8	16	11.3	9	6.3
55	6	4.4	16	11.3	8	5.6
60	6	4.4	13	9.2	10	7.0
65	10	7.3	16	11.3	8	5.6
70	5	3.6	2	1.4	9	6.3
75	0	0.0	15	10.6	13	9.2
80	0	0.0	10	7.0	16	11.3
85	3	2.2	9	6.3	17	12.0
90	3	2.2	2	1.4	14	9.9
95	0	0.0	4	2.8	15	10.6
100	0	0.0	1	0.7	11	7.7

**Graph A 7 Voting for the part of the mayor in 1992, 1996 and 2000**

Voting for the party of the mayor in 1992, 1996 and 2000



**Table A 6 Voting for the party of the mayor in 1992, 1996 and 2000**

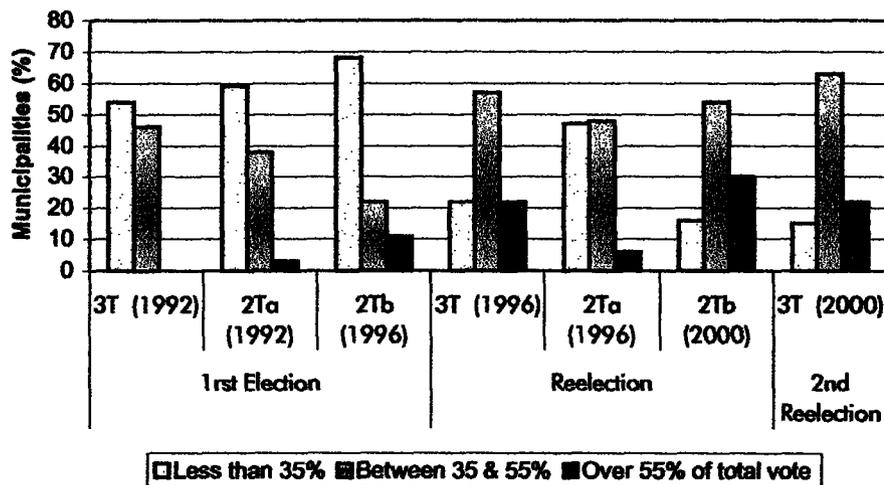
PARTY'S PERCENTAGE OF THE TOTAL VOTE	ELECTORAL YEAR								
	1992			1996			2000		
	PERIODS AS MAYOR			PERIODS AS MAYOR			PERIODS AS MAYOR		
	3T	2Ta	2Tb*	3T	2Ta	2Tb	3T	2Ta*	2Tb
Less than 35%	54	59	37	22	47	68	15	34	16
Between 35 & 55%	46	38	37	57	48	22	63	34	54
Over 55%	0	3	37	22	6	11	22	34	30
<i>Total</i>	100	100	100	100	100	100	100	100	100
# of municipalities	46	34	37	46	34	37	46	34	37

3T= municipalities where the mayor has held the post three times, since 1992.

2Ta= municipalities where the mayor has held the post two times, in 1992 and 1996.

2Tb= municipalities where the mayor has held the post two times, in 1996 and 2000.

\* For the 1992 election, the data reflects the voting of the party of the mayor-to-be in 1996 and reelected in 2000; for the 2000 election, the data records the votes of the party of the salient mayor, who held the post from 1992-2000.

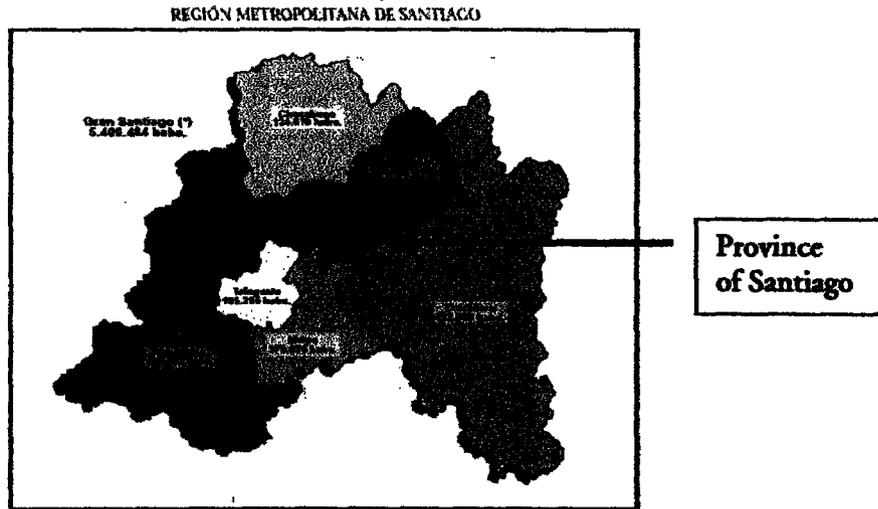
**Graph A 8 Voting for the party of the mayor: Election and reelection****Voting for the party of the mayor: election and reelection**

**Table A 7 Voting for the party of the mayor in 1992, 1996 and 2000 : Mayors  
reelected once/twice**

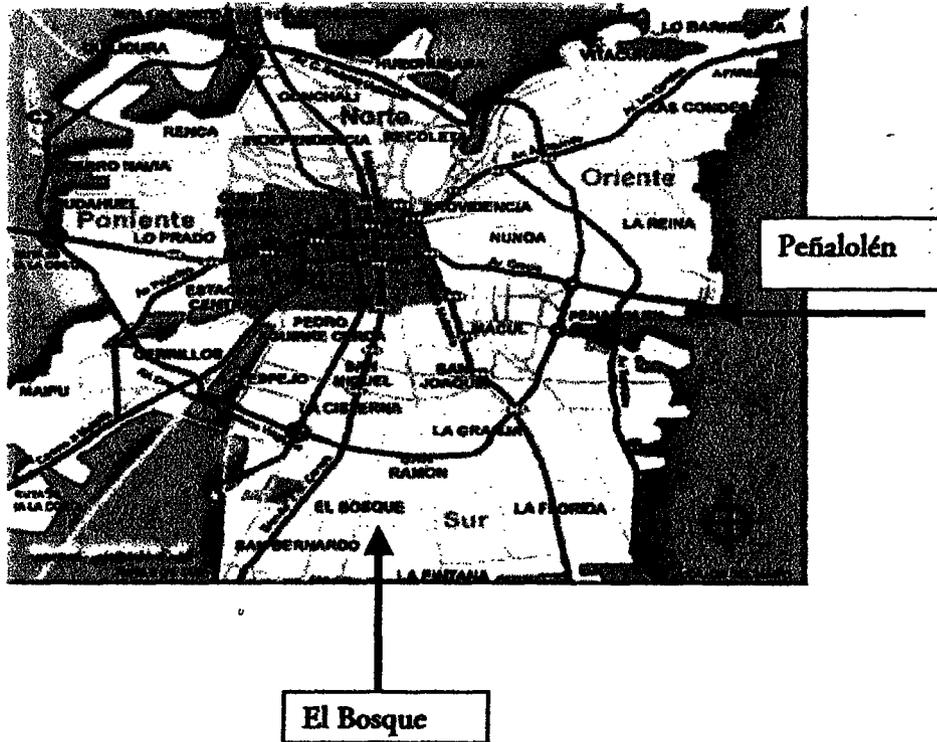
MUNICIPALITIES BY PERIODS OF MAYORALTY #	PERCENTAGE OF THE TOTAL VOTE									
	Less than 35%			Between 35 and 55%			Over 55%			
	1992	1996	2000	1992	1996	2000	1992	1996	2000	
3T Mayors	46	54	22	15	46	57	63	0	22	22
2T Mayors 92-96*	34	59	47	74	38	48	24	3	6	3
2T Mayors 96-00*	37	89	68	16	11	22	54	0	11	30

In the case of mayors who have held the post for 2 periods (2T mayors), the data for the period in which they were not mayors (either 1992 or 2000) corresponds to their parties.

IV. Municipal data: El Bosque and Peñalolén



Fuente: INE  
 Total Región: 6.011.185 hab., población estimada al 30 de junio de 2002  
 (\*) Excl. de Santiago más Puente Alto y San Bernardo.



**Table A 8 Community organizations. El Bosque and Peñalolén, 1996 & 1999.**

	Type of Organization	El Bosque				Peñalolén			
		1996		1999		1996		1999	
		#	Members	#	Members	#	Members	#	Members
Territorial	Juntas de Vecinos	86	3830/7	103	0	156	13,722/35	98	39316
	CU JVV	2/0	0	4	0	1	0	2	0
	Mother's Center (MC)	48	0	56	0	26	347/15	36	849
	CU MC	1	32/1	1	0	0	0	0	0
	Water Committee (*)	0	0	0	0	0	0	0	0
	Pavement Committee	0	0	0	0	0	0	0	0
	Secondary Students	0	0	0	0	0	0	0	0
	Guild Association	0	0	0	0	0	0	0	0
	Property Owners Assn.	0	0	0	0	0	0	30	1430
Functional	Cultural Center (CC)	N.D.	N.D.	64	0	9	200/4	28	586
	Communal Union CC	N.D.	N.D.	0	0	0	0	0	0
	Cultural Youth Center	N.D.	N.D.	0	0	0	0	0	0
	Parents' Center (PC)	N.D.	N.D.	22	0	1	160/1	5	399
	Communal Union PC	N.D.	N.D.	2	0	0	0	0	0
	Youth Center	N.D.	N.D.	8	0	5	46/3	7	153
	Sports Club (SC)	N.D.	N.D.	214	0	122	4731/60	245	13790
	Communal Union SC	N.D.	N.D.	2	0	0	0	2	0
	Homeless Committee HC	N.D.	N.D.	184	0	0	0	146	8481
	Communal Union HC	N.D.	N.D.	0	0	0	0	0	0
	Housing Committee	N.D.	N.D.	0	0	0	0	0	0
Ethnic-Cultural	N.D.	N.D.	0	0	0	0	5	117	
Women's Group	N.D.	N.D.	2	0	0	0	5	199	
Sectoral	Senior Citizen Committee	0	0	35	0	0	0	48	1354
	Communal Union SCC	0	0	1	0	0	0	1	40
	Education	0	0	0	0	0	0	0	0
	Environment	0	0	2	0	0	0	3	79
	Health	0	0	11	0	0	0	15	640
	C U Alcohol Rehab.	0	0	0	0	0	0	0	0
	Total Sectoral	0	0	0	0	0	0	0	0
	Other	0	0	6	0	0	0	82	1880

Data Source: DOS, MSCG.



**Table A 9 Human Development Index (Hdi) EB&PL, 1996**

<i>Dimension</i>	<i>EL BOSQUE</i>	<i>PEÑALOLÉN</i>
Population	172,854	179,781
Average Schooling (years)	7.76	7.44
Literacy (%)	96.76	95.72
Infant Mortality (‰)	13.6	15.1
Average Household Income (US\$ PPA)	4,641	5,221
Poverty (%)	27,0	26.1
HDI	0.776	0.797
Ranking Metropolitan /chile	31/56	24/36

Source: PNUD, 1996: 177

**Table A 10 Ranking in Human Development Index (HDI) EB & PL, 1998***El Bosque and Peñalolén, 2000 (casen 1998)*

<i>Dimension</i>	<i>EL BOSQUE</i>	<i>PEÑALOLÉN</i>
Health	0.715	0.719
Ranking on health	125	114
Education	0.813	0.821
Ranking on education	55	47
Household Income	0.629	0.699
Ranking on Income	120	44
HDI TOTAL	0.719	0.743
Ranking Metropolitan /chile	31/87	16/ 43

Source: PNUD, 2000a:91-2.

## EL BOSQUE: Socioeconomic Data

EL Bosque				
INDICATORS: ADMINISTRATION AND FINANCE	1999	2000	2001	2002
Sub-Area: Revenues				
Municipal budget executed (total municipal income received)	6,191,571	6,694,883	6,362,360	7,602,323
Percentage of local permanent revenue in total revenue (revenue generated by municipality)	19.72%	18.83%	18.72%	15.74%
Percentage of the common municipal fund in total revenue	63.52%	60.86%	72.34%	67.56%
Percentage of revenue by (central gov.) Transfers in total revenue	9.63%	13.63%	2.07%	3.40%
Percentage of other revenues in total revenue	7.13%	6.68%	6.87%	13.30%
Percentage of local permanent revenue over total revenue (discounting revenues from transfers)	21.82%	21.80%	19.12%	16.29%
Percentage of the common municipal fund in total revenue (discounting revenues from transfers)	70.29%	70.47%	73.87%	69.94%
Percentage of other revenues in total revenue (discounting revenues from transfers)	7.89%	7.73%	7.01%	13.77%
Percentage of transfers to education and health in total revenue (discounting revenues from transfers)	8.81%	13.30%	12.89%	14.85%
Disposable municipal budget per capita (thousands of pesos)	32.48	34.14	31.94	43.29
Sub-area: Expenditures				
Total municipal expenditure (received)	7,293,090	7,305,268		6,956,149
Percentage of current expenditures in total expenditures	62.77%	72.64%	87.32%	88.99%
Percentage of other expenditures in total expenditures	21.22%	5.92%	3.04%	3.42%
Percentage of investment in total expenditures	16.01%	21.44%	9.65%	7.59%
Percentage of investment with own resources over total investment	61.59%	44.66%	79.49%	80.29%
Percentage of investment with external resources over total investment	38.41%	55.34%	20.51%	19.71%
Percentage of expenditures in personnel in current expenditures	29.12%	27.15%	26.83%	26.65%
Percentage of expenditures in goods and services for internal (municipal) consumption over current expenditures	11.33%	11.54%	9.86%	9.31%

Percentage of expenditures in community services over current expenditures	33.29%	30.20%	31.76%	30.64%
Percentage of current transfers over current expenditures	26.26%	31.10%	31.55%	33.40%
Percentage of current expenditures over total revenue (discounting revenues from transfers)	81.81%	91.76%	93.11%	84.29%
Total municipal investment	1,167,621	1,566,119	641,088	527,847
Sub-Area: Human Resources				
Legal threshold of expenditures in personnel	2,001,166	1,965,184	2,342,090	2,545,127
Percentage of expenditures on training over total revenues (discounting revenues from transfers)	0.14%	0.13%	0.13%	0.07%
Level of professionalization of personnel (%)	nd	19.55%	15.31%	16.78%
Percentage of male municipal employees	nd	46.99%	49.84%	47.95%
Percentage of female municipal professionals and managers over total municipal employees	nd	8.65%	6.84%	6.51%
Percentage of expenditures in personnel relative to legal threshold	66.62%	73.32%	66.45%	64.82%
Percentage of expenditure on training over total expenditure on personnel	0.59%	0.52%	0.53%	0.33%
Percentage of female municipal employees	nd	53.01%	50.16%	52.05%
Percentage of male municipal professionals and managers	nd	10.90%	8.47%	10.27%
Percentage of female municipal professionals and managers over total of professionals and managers	nd	44.23%	44.68%	38.78%
Percentage of male municipal professionals and managers over total of professionals and managers	nd	55.77%	55.32%	61.22%
Sub-Area: Other Indicators				
Percentage of revenue from taxes relative to current expenditure	16.06%	14.00%	17.21%	11.83%
Delinquent Municipal Patents	nd	3.64%	26.19%	22.47%
Ratio between contributions and reception of resources from Common Municipal Fund	6.26%	7.52%	7.64%	6.95%

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

INDICATORS: HEALTH	1999	2000	2001	2002
Sub-Area: Coverage Indicators				
Total inscribed validated population	118,101	130,567	132,315	137,409
Coverage of municipal primary health	61.96%	66.59%	66.42%	78.25%
Rate of medical visits per 1000 inscribed inhabitants	1.80	No data	No data	No data
Rate of medical visits of morbidity in children (per 1000 inscribed)	No data	4323.25	4105.33	3302.11

Rate of medical visits of morbidity in children (per 1000 inscribed)	No data	4323.25	4105.33	3302.11
Rate of Medical visits of morbidity in adults (per 1000 inscribed)	No data	848.28	1017.68	1363.59
<b>Sub-Area: Health Finance Resources</b>				
Total Budget in Health (Thousands of \$)	No data	No data	2,529,279	2,952,695
Municipal contribution over total health municipal budget	No data	No data	14.57%	15.25%
Contributions by MINSAL in Total Health Municipal Budget	No data	No data	70.12%	70.44%
<b>Sub-Area: Health Expenditures in Municipal Health</b>				
Total Expenditure on Health	No data	No data	2,722,235	3,066,082
Percentage of expenditure on personnel over total expenditure on health	No data	No data	72.13%	72.94%
Percentage of operational expenditures over total health sector expenditure	No data	No data	27.54%	27.04%
Percentage of expenditure on personnel belonging to municipal establishments over total municipal expenditures on health.	No data	No data	92.49%	92.25%
Percentage of expenditure on administrative personnel over total expenditure in health personnel	No data	No data	7.51%	7.75%
Annual expenditure on health per inhabitant inscribed (in Thousands of \$'s)	No data	No data	21	22
Percentage of expenditure on human resource training in health area	No data	No data	0.19%	0.19%
Percentage of Real Investment on Health	No data	No data	0.33%	0.01%

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

Indicators: Education	1999	2000	2001	2002
<b>Sub-Area: Coverage Indicators</b>				
Coverage of Municipal Education	No data	32.74%	31.47%	30.94%
Percentage of students with communal school assistance	No data	88.90%	88.71%	89.68%
Drop-out rate in municipal elementary schools	1.09%	0.27%	0.50%	2.04%
Drop-out rate in municipal middle schools	6.22%	3.46%	2.63%	0.84%
Total enrollment in municipal schools	No data	17,775	17,326	16,363
Total enrollment in elementary schools	No data	12,624	12,278	11,767
Total enrollment in municipal middle schools	0	2,472	2,220	2,226
Total enrollment in municipal private subsidized (particular	21,226	21,700	25,120	26,060

subvencionada)

Total enrollment in private schools (paid)	1,737	1,024	1,191	1,365
Sub-Area: Indicators of Performance				
Academic Approval Level: Municipal Elementary Schools	98.03%	95.95%	96.87%	96.65%
Academic Approval Level: Municipal Middle Schools	90.06%	84.17%	88.39%	89.40%
Percentage with scores in School Aptitude Test (Prueba de Aptitud Academica) equal or over 450 pts., municipal schools.	6.29%	33.85%	31.75%	30.87%
Percentage with scores in School Aptitude Test (Prueba de Aptitud Academica) equal or over 450 pts., private subsidized schools.	21.00%	47.74%	49.01%	51.81%
Sub-Area: Human Resources in Education				
Number of students per school teacher	No data	32.61	29.82	31.71
Teacher absenteeism for medical reasons	No data	4.63%	13.71%	3.90%
Percentage of teaching personnel relative to total employment on education	66.94%	No data	69.84%	68.45%
Sub-Area: Financial Resources in Education				
Total Budget in Education (in Thousands of Pesos)	No data	No data	5,453,393	5,596,205
Municipal contribution over total education budget	No data	No data	7.98%	8.68%
Contribution by MINEDUC in total education budget	No data	No data	83.93%	78.83%
National Fund of Regional Development contribution to education budget (in Thousands of Pesos)	28,185	5,363	17,821	990,038
Sub-Area: Municipal Expenditures on Education				
Total expenditures on education (in Thousands of Pesos)	No data	No data	5,678,985	5,605,760
Percentage of expenditures on personnel over total education sector expenditure	No data	No data	93.78%	95.16%
Percentage of operational costs over total education sector expenditure	No data	No data	5.97%	4.83%
Percentage of real investment over total education sector expenditure	No data	No data	0.25%	0.00%
Percentage of expenditure on personnel belonging to municipal educational establishments over total municipal expenditures on education.	No data	No data	94.05%	94.03%
Percentage of expenditure on administrative personnel in education over total expenditure in municipal education personnel.	100.00%	No data	5.95%	5.97%
Annual per pupil expenditure in municipal education	No data	No data	327.77	342.59

Sub-Area: Other Educational Indicators				
Number of Municipal Educational Units	No data	22	22	22

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

TERRITORIAL INDICATORS	1999	2000	2001	2002
Sub-Area: Territorial Characteristics				
Total Area (Km.2)	14.1	14.1	14.1	14.1
Percentage of urban and industrial areas	99.92%	99.92%	99.92%	99.92%
Percentage of agricultural areas	0.08%	0.08%	0.08%	0.08%
Sub-Area: Community Basic Services				
Potable water coverage	96.56%	96.56%	96.56%	99.59%
Sewage coverage	84.27%	84.27%	84.27%	99.15%
Sub-Area: Comunal Master Plan				
Local/community master plan in place	No data	No	Yes	Yes
Year of approval of master plan	No data	No data	1983	1983
INDICATORS: SOCIAL AND COMMUNAL	1999	2000	2001	2002
Sub-Area: Social Safety Net				
Percentage covered by CAS Intake Form (Ficha de Caracterizacion Socioeconomica)	24.22%	28.67%	29.06%	27.92%
Number of family subsidies given per 100 people in the municipality	nd	2.08	1.61	1.23
Number of subsidies for potable water given per 100 people in the municipality	nd	1.63	1.76	1.94
Sub-Area: Social Investment				
Percentage of expenditures in transfers to social and cultural programs over total municipal expenditures	1.15%	1.67%	5.99%	5.64%
Transfers to social and cultural programs ( in thousands of pesos)	nd	121,842	398,243	392,173
Sub-Area: Community Organizations				
Rate of formal community organizations (number of organizations per 1000 people 18+ in the municipality)	nd	nd	8.22	8.87
Sub-Area: Poverty Index				
Poverty Index: CASEN 2000-2001 (National Survey of Socioeconomic Characterization)	30.78%	21.46%	21.46%	21.46%
Poverty Index: Common Municipal Fund	0.26%	0.26%	0.25%	0.25%
Non-indigent poverty population (CASEN 2000-01) over total population of the municipality	No data	13.01%	13.01%	13.01%
Indigent poor population (CASEN 2000-01) over total population of the municipality	No data	8.45%	8.45%	8.45%

## INDICATORS:

Community Characteristics	1999	2000	2001	2002
Sub-Area: Geographic Administrative				
Administrative Quality	Municipality is part of the province in Capital Metro-Region	Municipality is part of the province in Capital Metro-Region	Municipality is part of the province in Capital Metro-Region	Municipality is part of the province in Capital Metro-Region
Region	13-Metro Region	13-Metro Region	13-Metro Region	13-Metro Region
Sub-Area: Socio-Demographic				
Total Population	190,607	196,088	199,214	175,594
Population Density (hbt/k2)	13,518.23	13,906.95	14,128.65	12,453.48
Percentage Urban	100%	100%	100%	100%
Birth Rate	18.01	18.01	18.01	15.20
Child Mortality Rate	4.66	4.66	4.66	4.30
Literacy Rate	89.30%	No data	89.51%	96.89%
Average Education	9.6	10	10	8.44
Human Development Index	87	87	87	nd
Percentage Male	48.93%	48.90%	48.87%	49.22%
Percentage Female	51.07%	51.10%	51.13%	50.78%

Source for all Tables: Sistema Nacional de Indicadores Municipales (SINIM). SUBDERE, Ministry of the Interior, Government of Chile. <http://www.sinim.cl/>

## DEMOGRAPHIC

Characteristic	Municipality	REGION
Area (km <sup>2</sup> )*	14,1	15.403,2
Total Population	172.854	5.257.937
Population Density (hab/km <sup>2</sup> )	12.259,1	341,4
Urban Population	172.854	5.074.681
Rural Population	0	183.256
Males	84.299	2.523.377
Females	88.555	2.734.560
Masculinity Index	95,19	92,28

Source: 1992 Census. ( Most recently available)

(\*) Official Surface as of June 1998 at the National Statistical Institute.

**POPULATION BY AGE**

Age cohorts	Municipality	REGION
0 to 5 years	24.580	667.735
6 to 14 years	29.387	832.049
15 to 24 years	31.393	943.858
25 to 44 years	53.525	1.651.877
45 to 54 years	15.517	483.136
55 to 64 years	10.193	339.685
65 +	8.259	339.597

Source: 1992 Census. (Most recently available)

**POPULATION FORECAST, 1999 - 2005**

AREA	1999	2000	2001	2002	2003	2004	2005
Municip.	193.362	196.088	199.214	202.279	205.299	208.288	211.246
Region	6.013.185	6.102.211	6.189.964	6.276.128	6.360.989	6.444.810	6.527.903

Source: Population Forecast until Year 2005. INE

**HEALTH****BIOMEDICAL INDICATORS**

INDICATOR (1997)	Municipality	REGION
Birth rate (per 1000)	18,95	18,10
Mortality rate (per 1000)	4,40	5,01
Neonatal mortality rate (per 1000 live births)	7,87	5,32
	11,52	9,28
Live births with low birthweight (%)*	15,73	15,86
Live births to mothers less than 20 years old (%)*	18,94	13,98

Source: Own elaboration from Demographic Statistics - INE

\* Elaborated by MIDEPLAN, División Social using the data base of the INE

**HEALTH INFRASTRUCTURE**

TYPE OF INFRAESTRUCTURE(1997)	Municipality	REGION
Hospitals	0	28
Primary Care Facility	4	114
Emergency Care Facility		49

Source: Serplac Región Metropolitana.

**EDUCATION****ENROLLMENT BY SCHOOL LEVEL AND TYPE OF SCHOOL(1998)**

MUNICIPALITY			
		N° Establishments	59
Total Population	190.607	N° Educational units	137
Population 0-24 years	89.217	N° Courses	1.132

ENROLLMENT					
Level	Total	Municipal	Private Subsidized	Private Paid	Corporation
Total	40.967	15.241	23.912		0
Preschool	3.887	1.380	2.278	229	0
Especial Ed.	420	215	205	0	0
	31.620	11.389	18.868	1.363	0
Middle (Humanist/Sci.)	3.132	1.734	1.176	222	0
Middle (Tech./Prof.)		523	1.385	0	0
REGION					
Total Population		Nº Establishments		2.415	
Population-24 years		Nº Courses		4.948	
				37.596	
ENROLLMENT					
Level	Total	Municipal	Private Subsidized	Private Paid	Corporation
Total	1.274.113	496.239	584.549	167.616	25.709
Preschool	108.855	40.711	45.249	22.895	0
Especial Ed.	20.620	5.679	14.843	98	0
Elementary	839.591	349.778	387.389	102.202	222
Middle (Humanist/Sci.)	146.900	57.593	46.922	42.385	0
Middle (Tech./Prof.)	158.147	42.478	90.146	36	25.487

Source: Summary Statistics . Ministry of Education. 1998

#### Drop out and Failing Rates (1997)

Rates	Municipality	REGION
Elementary		
Desertion rate (%)	1,61	1,70
Failing (%)	3,96	3,82

Source: Own elaboration from Summary Statistics. Ministry of Education. 1998.

#### SOCIAL SUBSIDIES

##### SUBSIDIES TO INDIVIDUALS (1999)

TYPE	Municipality	REGION
<b>BASIC FAMILY SUBSIDY (SUBSIDIO UNICO FAMILIAR -SUF)</b>		
Number of Beneficiaries (annual)	44.850	1.243.486
Paid Budget (M\$)	297.960	8.242.330
<b>Assistential Pensions (PENSIONES ASISTENCIALES -PISIS)</b>		
Number of Pensions (annual)	19.384	1.093.033
Paid Budget (M\$)	702.449	39.572.286

Source: MIDEPLAN, based on the CAS Intake Form.

##### HOUSING SUBSIDIES (2000)

POTABLE WATER SUBSIDY (SAP)	Municipality	REGION
<b>URBAN SECTOR</b>		
Maximum number of susidies	3.390	110.918

Assigned budget (\$)	79.195.363	2.538.728.242
<b>RURAL SECTOR</b>		
Maximum number of subsidies	0	2.985
Assigned budget (\$)	0	34.107.000

Source: MIDEPLAN, based on the CAS Intake Form

## SURVEY OF SOCIOECONOMIC CHARACTERIZATION

### HEADS OF HOUSEHOLDS BY SEX

SEX	Municipality	REGION
<b>MALE</b>		
Number	36.315	1.144.521
Percentage	80,3	75,1
<b>FEMALE</b>		
Number	8.916	379.230
Percentage	19,7	24,9
<b>TOTAL</b>		
Number	45.231	1.523.751
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey. 1998.

### AVERAGE AGE OF HEADS OF HOUSEHOLDS BY SEX

AREA	MALES	FEMALES	TOTAL
Municipality	44,9	55,9	47,1
Region	45,9	54,1	47,9

Source: MIDEPLAN, CASEN Survey. 1998

### AVERAGE SCHOOLING (years)

AREA	MALES	FEMALES	TOTAL	ILLITERACY (%)
Municipality	9,8	9,4		2,0
Region	10,7	10,2	10,4	2,5

Source: MIDEPLAN, CASEN Survey. 1998

### HEALTH CARE SYSTEM

TYPES	Municipality	REGION
<b>PUBLIC SYSTEM</b>		
Number	130.936	3.104.982
Percentage	68,6	52,7
<b>ISAPRE</b>		
Number	38.012	1.852.073
Percentage	19,9	31,5
<b>OTHER</b>		
Number	19.826	882.021
Percentage	10,4	15,0
<b>NO DATA</b>		
Number	2.152	49.566
Percentage	1,1	0,8
<b>TOTAL</b>		
Number	190.926	5.888.642
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey.1998

**LABOR FORCE PARTICIPATION (15 years old +)**

PARTICIPATION	Municipality	REGION
<b>LABOR FORCE</b>		
Number	80.502	2.569.609
Percentage	59,6	59,7
<b>INACTIVE</b>		
Number		1.735.805
Percentage	40,4	40,3
<b>TOTAL</b>		
Number	135.041	4.305.414
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey.1998

**EMPLOYED AND UNEMPLOYED (15 years old +)**

EMPLOYMENT	Municipality	REGION
<b>EMPLOYMENT</b>		
Number	69.799	2.321.863
Percentage	86,7	90,4
<b>UNEMPLOYED</b>		
Number	10.703	247.746
Percentage	13,3	9,6
<b>TOTAL</b>		
Number	80.502	2.569.609
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey.1998

**POPULATION BY THE POVERTY LINE**

CATEGORY	Municipality	REGION
<b>INDIGENT</b>		
Number	13.004	203.248
Percentage	6,8	3,5
<b>POOR NON-INDIGENT</b>		
Number	45.763	698.362
Percentage	24,0	11,9
<b>NON-POOR</b>		
Number	132.159	4.946.630
Percentage	69,2	84,6
<b>TOTAL</b>		
Number	190.926	5.848.240
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey.1998

**AVERAGE MONTHLY HOUSEHOLD INCOME BY THE POVERTY LINE**  
(in 1998 pesos)

Category	Number of Households	Pop.	% Persons/ Household	Autonomous Income for Households	Monetary Subsidies	Household Monetary Income
<b>Municipality</b>						
Indigent	3.127	13.004	4,2	25.282	7.244	32.526
Poor non-indigent	8.597	45.763	5,3	138.342	7.722	146.064
Non-poor	33.507	132.159	3,9	416.058	2.644	418.702
<b>TOTAL</b>	<b>45.231</b>	<b>190.926</b>	<b>4,2</b>	<b>336.257</b>	<b>3.927</b>	<b>340.184</b>
<b>REGION</b>						
Indigent	45.562	203.248	4,5	35.225	4.023	39.248
Poor non-indigent	143.967	698.362	4,9	119.485	6.352	125.838
Non-poor	1.334.222	4.946.630	3,7	669.590	2.541	672.131
<b>TOTAL</b>	<b>1.523.751</b>	<b>5.848.240</b>	<b>3,8</b>	<b>598.647</b>	<b>2.945</b>	<b>601.592</b>

Source: MIDEPLAN, CASEN Survey. 1998

**Non-Agricultural Real Estate (First semester, 1999, M\$ del 01/01/1999)**

Category	Municipality	REGION
Total Valuation	210.743.823	20.643.952.072
Exempted Valuation	186.975.963	9.676.334.920
Property Taxes	155.822	
Total Parcels (#)	38.757	1.617.486
Exempt parcels (#)	35.239	993.166

Source: Sub-division of Assessment. Internal Revenue Service.

**SUMMARY OF PUBLIC INVESTMENT BY SOURCE OF FUNDING**

**PERIOD 1994-1998 (M\$, 1998)**

FUNDING SOURCE	1994	1995	1996	1997	1998
National Fund for Regional Development (FNDR)		184.832	311.913	150.755	214.966
SECTORIAL	296.587	434.102	537.218	241.429	9.744
	s/i	s/i	s/i	s/i	
<b>TOTAL</b>	<b>296.587</b>	<b>618.935</b>	<b>849.131</b>	<b>392.184</b>	<b>224.710</b>

Source: MIDEPLAN. Integrated Project Development Data Bank.

## SOCIOECONOMIC DATA: PEÑALOLÉN

PENALOLEN				
INDICATORS: ADMINISTRATION AND FINANCE	1999	2000	2001	2002
Sub-Area: Revenues				
Municipal budget executed ( total municipal income received)	6,710,003	7,455,245	7,568,027	8,048,816
Percentage of local permanent revenue in total revenue (revenue generated by municipality)	40.80%	40.84%	43.73%	43.08%
Percentage of the common municipal fund in total revenue	48.39%	47.56%	49.93%	49.30%
Percentage of revenue by (central gov.) Transfers in total revenue	5.67%	3.68%	0.83%	1.33%
Percentage of other revenues in total revenue	5.13%	7.92%	5.51%	6.30%
Percentage of local permanent revenue over total revenue (discounting revenues from transfers)	43.26%	42.40%	44.10%	43.65%
Percentage of the common municipal fund in total revenue (discounting revenues from transfers)	51.30%	49.38%	50.34%	49.97%
Percentage of other revenues in total revenue (discounting revenues from transfers)	5.44%	8.22%	5.56%	6.38%
Percentage of transfers to education and health in total revenue (discounting revenues from transfers)	12.95%	11.96%	11.65%	11.90%
Disposable municipal budget per capita (thousands of pesos)	32.46	34.84	34.61	37.25
Sub-area: Expenditures				
Total municipal expenditure (received)	6,801,165	7,162,204	7,688,316	8,067,196
Percentage of current expenditures in total expenditures	86.60%	83.34%	91.34%	91.92%
Percentage of other expenditures in total expenditures	4.60%	6.37%	4.90%	3.13%
Percentage of investment in total expenditures	8.79%	10.30%	3.75%	4.95%
Percentage of investment with own resources over total investment	67.71%	62.77%	78.17%	73.30%
Percentage of investment with external resources over total investment	32.29%	37.23%	21.83%	26.70%
Percentage of expenditures in personnel in current expenditures	30.85%	31.09%	26.63%	26.99%

Percentage of expenditures in goods and services for internal (municipal) consumption over current expenditures	11.37%	11.62%	11.08%	10.28%
Percentage of expenditures in community services over current expenditures	26.83%	27.46%	28.46%	33.45%
Percentage of current transfers over current expenditures	30.96%	29.83%	33.83%	29.29%
Percentage of current expenditures over total revenue (discounting revenues from transfers)	93.06%	83.12%	93.57%	93.37%
Total municipal investment	598,110	737,418	288,502	399,404
Sub-Area: Human Resources				
Legal threshold of expenditures in personnel	2,447,264	2,660,759	3,141,507	3,295,135
Percentage of expenditures on training over total revenues (discounting revenues from transfers)	0.10%	0.10%	0.05%	0.05%
Level of professionalization of personnel (%)	9.52%	15.75%	17.86%	11.52%
Percentage of male municipal employees	57.14%	57.00%	56.38%	58.12%
Percentage of female municipal professionals and managers over total municipal employees	7.02%	9.25%	8.67%	8.90%
Percentage of expenditures in personnel relative to legal threshold	74.25%	69.75%	59.52%	60.74%
Percentage of expenditure on training over total expenditure on personnel	0.34%	0.39%	0.20%	0.19%
Percentage of female municipal employees	42.86%	43.00%	43.62%	41.88%
Percentage of male municipal professionals and managers	5.26%	7.25%	5.61%	6.81%
Percentage of female municipal professionals and managers over total of professionals and managers	57.14%	56.06%	60.71%	56.67%
Percentage of male municipal professionals and managers over total of professionals and managers	42.86%	43.94%	39.29%	43.33%
Sub-Area: Other Indicators				
Percentage of revenue from taxes relative to current expenditure	26.40%	29.24%	25.37%	26.08%
Delinquent Municipal Parents	No data	2.05%	6.22%	7.54%
Ratio between contributions and reception of resources from Common Municipal Fund	11.79%	7.87%	18.92%	18.37%

\* Amount in Thousands of Pesos (M\$) and calculated as current pesos for each year.

INDICATORS: HEALTH	1999	2000	2001	2002
Sub-Area: Coverage Indicators				
Total inscribed validated population	129,393	135,782	140,004	147,652
Coverage of municipal primary health	62.59%	63.45%	64.02%	68.34%
Rate of medical visits per 1000 inscribed inhabitants	2.3	No data	No data	No data
Rate of medical visits of morbidity in children (per 1000 inscribed)	3394.2	No data	5525.6	4174.9
Rate of Medical visits of morbidity in adults (per 1000 inscribed)	934.8	No data	2122.3	No data
Sub-Area: Health Finance Resources				
Total Budget in Health (Thousands of \$)	2,465,035	No data	3,073,154	3,520,247
Municipal contribution over total health municipal budget	19.75%	No data	17.77%	18.32%
Contributions by MINSAL in Total Health Municipal Budget	59.15%	No data	55.16%	53.42%
Sub-Area: Health Expenditures in Municipal Health				
Total Expenditure on Health	2,382,549	No data	3,186,168	3,530,646
Percentage of expenditure on personnel over total expenditure on health	55.74%	No data	59.98%	57.37%
Percentage of operational expenditures over total health sector expenditure	42.08%	No data	40.02%	38.34%
Percentage of expenditure on personnel belonging to municipal establishments over total municipal expenditures on health.	97.15%	No data	97.26%	97.46%
Percentage of expenditure on administrative personnel over total expenditure in health personnel	2.85%	No data	2.74%	2.54%
Annual expenditure on health per inhabitant inscribed (in Thousands of \$'s)	18	No data	23	24
Percentage of expenditure on human resource training in health area	1.25%	No data	0.19%	0.06%
Percentage of Real Investment on Health	2.19%	No data	0.00%	4.29%

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

Indicators: Education	1999	2000	2001	2002
Sub-Area: Coverage Indicators				
Coverage of Municipal Education	23.44%	22.92%	22.28%	22.21%
Percentage of students with communal school assistance	No data	91.35%	91.68%	92.81%

Drop-out rate in municipal elementary schools	No data	0.63%	0.66%	1.98%
Drop-out rate in municipal middle schools	No data	1.58%	1.44%	2.63%
Total enrollment in municipal schools	No data	14,142	14,243	14,046
Total enrollment in elementary schools	10,955	11,220	11,214	10,924
Total enrollment in municipal middle schools	1,458	1,431	1,404	1,369
Total enrollment in municipal private subsidized (particular subvencionada)	11,808	12,908	13,536	12,084
Total enrollment in private schools (paid)	2,109	4,155	4,623	5,407
<b>Sub-Area: Indicators of Performance</b>				
Academic Approval Level: Municipal Elementary Schools	97.48%	97.20%	97.68%	97.43%
Academic Approval Level: Municipal Middle Schools	94.41%	95.09%	96.11%	96.56%
Percentage with scores in School Aptitude Test (Prueba de Aptitud Academica) equal or over 450 pts., municipal schools.	75.14%	6.49%	14.01%	4.11%
Percentage with scores in School Aptitude Test (Prueba de Aptitud Academica) equal or over 450 pts., private subsidized schools.	7.00%	23.38%	21.70%	19.82%
<b>Sub-Area: Human Resources in Education</b>				
Number of students per school teacher	No data	30.03	26.28	27.81
Teacher absenteeism for medical reasons	No data	No data	64.37%	6.75%
Percentage of teaching personnel relative to total employment on education	No data	No data	80.76%	77.38%
<b>Sub-Area: Financial Resources in Education</b>				
Total Budget in Education (in Thousands of Pesos)	4,371,638	No data	4,496,962	6,125,323
Municipal contribution over total education budget	35.31%	No data	5.06%	4.80%
Contribution by MINEDUC in total education budget	63.25%	No data	84.15%	65.79%
National Fund of Regional Development contribution to education budget (in Thousands of Pesos)	883,074	0	121,033	1,689,893
<b>Sub-Area: Municipal Expenditures on Education</b>				
Total expenditures on education (in Thousands of Pesos)	3,478,094	No data	4,359,282	6,165,224
Percentage of expenditures on personnel over total education sector expenditure	79.58%	No data	76.05%	62.47%

Percentage of operational costs over total education sector expenditure	13.76%	No data	23.95%	14.76%
Percentage of real investment over total education sector expenditure	6.66%	No data	0.00%	22.77%
Percentage of expenditure on personnel belonging to municipal educational establishments over total municipal expenditures on education.	100.00%	No data	97.50%	94.19%
Percentage of expenditure on administrative personnel in education over total expenditure in municipal education personnel.	0.00%	No data	2.50%	5.81%
Annual per pupil expenditure in municipal education	No data	No data	306.06	438.93
Sub-Area: Other Educational Indicators				
Number of Municipal Educational Units	120	21	18	21

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

TERRITORIAL INDICATORS	1999	2000	2001	2002
Sub-Area: Territorial Characteristics				
Total Area (Km.2)	54.2	54.2	54.2	54.2
Percentage of urban and industrial areas	31.07%	31.07%	31.07%	31.07%
Percentage of agricultural areas	16.69%	16.69%	16.69%	16.69%
Sub-Area: Community Basic Services				
Potable water coverage	94.49%	94.49%	94.49%	99.00%
Sewage coverage	77.97%	77.97%	77.97%	98.30%
Sub-Area: Comunal Master Plan				
Local/community master plan in place	Yes	Yes	Yes	Yes
Year of approval of master plan	1989	1989	1989	1989

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

INDICATORS: SOCIAL AND COMMUNITARI	1999	2000	2001	2002
Sub-Area: Social Safety Net				
Percentage covered by CAS Intake Form (Ficha de	26.56%	26.22%	34.29%	22.79%
Number of family subsidies given per 100 people in the	No	1.49	1.32	1.97
Number of subsidies for potable water given per 100 people in	No	0.57	0.39	0.31
Sub-Area: Social Investment				

Sub-Area: Social Investment				
Percentage of expenditures in transfers to social and cultural programs over total municipal expenditures	3.03%	1.39%	5.41%	2.55%
Transfers to social and cultural programs ( in thousands of pesos)	No data	99,267	416,155	205,839
Sub-Area: Community Organizations				
Rate of formal community organizations (number of organizations per 1000 people 18+ in the municipality)	6.81	6.70	7.48	4.47
Sub-Area: Poverty Index				
Poverty Index: CASEN 2000-2001 (National Survey of Socioeconomic Characterization)	19.70%	15.69%	15.69%	15.69%
Poverty Index: Common Municipal Fund	0.24%	0.24%	0.31%	0.31%
Non-indigent poverty population (CASEN 2000-01) over total population of the municipality	No data	12.17%	12.17%	12.17%
Indigent poor population (CASEN 2000-01) over total population of the municipality	No data	3.52%	3.52%	3.52%

\* Amounts in Thousands of Pesos (M\$) and calculated as current pesos for each year.

INDICATORS:	1999	2000	2001	2002
Community				
Sub-Area: Geographic Administrative				
Administrative Quality	Municipality is part of the			
Region	13-Metro Region	13-Metro Region	13-Metro Region	13-Metro Region
Sub-Area: Socio-Demographic				
Total Population	206,732	214,002	218,690	216,060
Population Density (hbt/k2)	3,814.24	3,948.38	4,034.87	3,986.35
Percentage Urban	100.00%	100.00%	sin dato	100.00%
Birth Rate	20.54	20.54	20.54	18.20
Child Mortality Rate	4.94	4.94	4.94	3.80
Literacy Rate	85.76%	nd	84.14%	96.59%
Average Education	9.9	10.5	10.5	8.58
Human Development Index	43	43	43	sin dato

Human Development Index	43	43	43	sin dato
Percentage Male	48.70%	48.68%	48.65%	48.84%
Percentage Female	51.30%	51.32%	51.35%	51.16%

Source for all Tables: Sistema Nacional de Indicadores Municipales (SINIM). SUBDERE, Ministry of the Interior, Government of Chile. <http://www.sinim.cl/>  
 Mideplan (sf) Documento de Información Comunal: Peñalolén. 131617; División de Planificación Regional. Santiago: Mideplan

#### DEMOGRAPHIC

Area (km <sup>2</sup> )*	54,2	15.403,2
Total Population	179.781	5.257.937
Population Density (hab/km <sup>2</sup> )	3.317,0	341,4
Urban Population	179.781	5.074.681
Rural Population	0	183.256
Males	87.218	2.523.377
Females	92.563	2.734.560
Masculinity Index	94,23	92,28

Source: 1992 Census. (Most recently available)

(\* Official Surface as of June 1998 at the National Statistical Institute.

#### POPULATION BY AGE

0 to 5 years	25.928	667.735
6 to 14 years	29.570	832.049
15 to 24 years	36.604	943.858
25 to 44 years	55.194	1.651.877
45 to 54 years	16.514	483.136
55 to 64 years	8.994	339.685
65 +	6.977	339.597

Source: 1992 Census. (Most recently available)

#### POPULATION FORECAST, 1999 - 2005

Municip.	210.397	214.002	218.690	223.294	227.828	232.314	236.749
Region	6.013.185	6.102.211	6.189.964	6.276.128	6.360.989	6.444.810	6.527.903

Source: Population Forecast until Year 2005. INE

#### HEALTH

##### BIOMEDICAL INDICATORS

Birth rate (per 1000)	21,10	18,10
Mortality rate (per 1000)	3,88	5,01
Neonatal mortality rate (per 1000 live births)	5,14	5,32
Infant mortality	9,11	9,28
Live births with low birthweight (%)*	15,95	15,86
Live births to mothers less than 20 years old (%)*	15,64	13,98

Source: Own elaboration from Demographic Statistics - INE

\* Elaborated by MIDEPLAN, División Social using the data base of the INE

#### HEALTH INFRAESTRUCTURE

TYPE OF INFRASTRUCTURE (1997)	Municipal	Region
Hospitals	1	28
Primary Care Facility	3	114
Emergency Care Facility	0	49

Fuente: Serplac Región Metropolitana

#### EDUCATION

##### ENROLLMENT BY SCHOOL LEVEL AND TYPE OF SCHOOL(1998)

Level	Total	Municipal	Private Subsidized	Private Paid	Corporation
Total	26.945	13.036	12.682	1.227	0
Preschool	2.937	1.410	1.322	205	0
Especial Ed.	527	198	329	0	0
Elementary	19.743	10.139	8.821	783	0
Middle (Humanist/Sci.)	684	0	445	239	0
Middle (Tech./Prof.)	3.054	1.289	1.765	0	0
		N° Establishments		49	
		N° Educational units		107	
		N° Courses		768	
		N° Establishments		2.415	
		N° Educational units		4.948	
		N° Courses		37.596	
Level	Total	Municipal	Private Subsidized	Private Paid	Corporation
Total	1.274.113	496.239	584.549	167.616	25.709
Preschool	108.855	40.711	45.249	22.895	0
Especial Ed.	20.620	5.679	14.843	98	0
Elementary	839.591	349.778	387.389	102.202	222
Middle (Humanist/Sci.)	146.900	57.593	46.922	42.385	0
Middle (Tech./Prof.)	158.147	42.478	90.146	36	25.487

Source: Summary Statistics . Ministry of Education. 1998

##### Dropout and Failing Rates (1997)

Rate		
Elementary		
Desertion rate (%)	2,09	1,70
Failing (%)	3,86	3,82

Source: Own elaboration from Summary Statistics. Ministry of Education. 1998.

**SOCIAL SUBSIDIES  
SUBSIDIES TO INDIVIDUALS (1999)**

TYPES	Municipality	REGION
BASIC FAMILY SUBSIDY (SUBSIDIO UNICO FAMILIAR - SUBSIDIJO UNICO FAMILIAR (SEU))		
Number of Beneficiaries (annual)	55.789	1.243.486
Paid Budget (M\$)	354.571	8.242.330
Asistencial Pensions (PENSIONES ASISTENCIALES - PENS)		
Number of Pensions (annual)	27.159	1.093.033
Paid Budget (M\$)	981.577	39.572.286

Source: MIDEPLAN, based on the CAS Intake Form.

**HOUSING SUBSIDIES (2000)**

PORTABLE WATER SUBSIDY (SAP)	Municipality	REGION
<b>URBANO SECTOR</b>		
Maximum number of susidies	2.396	110.918
Assigned budget (\$)	49.264.000	2.538.728.242
<b>RURAL SECTOR</b>		
Maximum number of susidies	0	2.985
Assigned budget (\$)	0	34.107.000

Source: MIDEPLAN, based on the CAS Intake Form.

**SURVEY OF SOCIOECONOMIC CHARACTERIZATION**

**HEADS OF HOUSEHOLDS BY SEX**

SEX	COMUNA	REGION
<b>MALE</b>		
Number	38.331	1.144.521
Percentage	72,9	75,1
<b>FEMALE</b>		
Number	14.240	379.230
Percentage	27,1	24,9
<b>TOTAL</b>		
Number	52.571	1.523.751
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey. 1998.

**AVERAGE AGE OF HEADS OF HOUSEHOLDS BY SEX**

	MALES	FEMALES	TOTAL
Municipality	42,5	52,1	45,1
Region	45,9	54,1	47,9

Source: MIDEPLAN, CASEN Survey. 1998

**AVERAGE SCHOOLING (years)**

	MALES	FEMALES	TOTAL
Municipality	10,4	9,6	9,9
Region	10,7	10,2	10,4
			2,5

Source: MIDEPLAN, CASEN Survey. 1998

## HEALTH CARE SYSTEM

TYPES	Municipality	REGION
<b>PUBLIC SYSTEM</b>		
Number	113.949	3.104.982
Percentage	55,0	52,7
<b>ISAPRE</b>		
Number	51.928	1.852.073
Percentage	25,1	31,5
<b>OTHER</b>		
Number	40.116	882.021
Percentage	19,4	15,0
<b>NO DATA</b>		
Number	1.267	49.566
Percentage	0,6	0,8
<b>TOTAL</b>		
Number	207.260	5.888.642
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey. 1998

## LABOR FORCE PARTICIPATION (15 years old +)

PARTICIPATION	Municipality	REGION
<b>LABOR FORCE</b>		
Number	89.641	2.569.609
Percentage	60,9	59,7
<b>INDIGENT</b>		
Number	57.670	1.735.805
Percentage	39,1	40,3
<b>TOTAL</b>		
Number	147.311	4.305.414
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey. 1998

## EMPLOYED AND UNEMPLOYED (15 years old +)

EMPLOYMENT	Municipality	REGION
<b>EMPLOYED</b>		
Number	78.765	2.321.863
Percentage	87,9	90,4
<b>UNEMPLOYED</b>		
Number	10.876	247.746
Percentage	12,1	9,6
<b>TOTAL</b>		
Number	89.641	2.569.609
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey. 1998

## POPULATION BY THE POVERTY LINE

CATEGORY	Municipality	REGION
<b>INDIGENT</b>		
Number	8.839	203.248
Percentage	4,3	3,5

POOR/NON-INDIGENT		
Number	31.991	698.362
Percentage	15,4	11,9
NON-POOR		
Number	166.430	4.946.630
Percentage	80,3	84,6
TOTAL		
Number	207.260	5.848.240
Percentage	100,0	100,0

Source: MIDEPLAN, CASEN Survey.1998

## AVERAGE MONTHLY HOUSEHOLD INCOME BY THE POVERTY LINE (in 1998 pesos)

Category	Number of Households	Pop.	% Persons/ Household	Autonomous Income for Households	Monetary Subsidies	Household Monetary Income
Indigent	2.014	8.839	4,4	28.895	982	29.877
Poor non-indigent	7.249	31.991	4,4	106.492	4.925	111.417
Non-poor	43.308	166.430	3,8	526.547	2.397	528.944
<b>TOTAL</b>	<b>52.571</b>	<b>207.260</b>	<b>3,9</b>	<b>449.561</b>	<b>2.691</b>	<b>452.252</b>
Indigent	45.562	203.248	4,5	35.225	4.023	39.248
Poor non-indigent	143.967	698.362	4,9	119.485	6.352	125.838
Non-poor	1.334.222	4.946.630	3,7	669.590	2.541	672.131
<b>TOTAL</b>	<b>1.523.751</b>	<b>5.848.240</b>	<b>3,8</b>	<b>598.647</b>	<b>2.945</b>	<b>601.592</b>

Source: MIDEPLAN, CASEN Survey.1998

## NON-AGRICULTURAL REAL ESTATE (First semester, 1999, M\$ del 01/01/1999)

Total Valuation	280.707.463	20.643.952.072
Exempted Valuation	192.325.522	9.676.334.920
Property Taxes	586.060	72.881.615
Total Parcels (#)	43.620	1.617.486
Exempt parcels (#)	35.793	993.166

Source: Sub-division of Assesment. Internal Revenue Service.

## Evolution of Poverty rates Peñalolén 1994-1998

	HOUSEHOLDS								
	EXTREMELY POOR			Poor			Non Poor		
	NUMBER	%	Growth	NUMBER	%	Growth	NUMBER	%	Growth
1994	5,534	11,66	0	8,919	18,80	0	32,990	69,54	0
1995	5,534	11,28	0	8,988	18,33	0,8	34,519	70,39	4,6
1996	7,135	14,06	28,9	7,501	14,78	-16,5	36,104	71,16	4,6
1997	6,513	12,39	-8,7	9,937	18,91	32,5	36,099	68,70	-0,3
1998	6,584	12,09	1,1	10,682	19,61	7,5	37,211	68,30	3,1

Source: SECPLA (1999)