Pinochet's Chile

Karen L. Remmer

In recent years no country in Latin America has played a more important role in raising questions about the goals and instruments of U.S. foreign policy than Chile. The revelations of U.S. involvement in the overthrow of the Allende government opened the door to far-reaching criticisms of the activities of U.S. intelligence agencies and helped generate the Carter administration's human rights policy. Today this policy is facing one of its sternest tests in Chile.

At best U.S. pressures on Chile's military regime have produced ambiguous results, reflecting not only inconsistencies in U.S. policy but, more fundamentally, the limited ability of external actors to alter the course of authoritarian development in Chile. It can even be argued that outside pressures have been counterproductive, since they have offered the military opportunities to rally public opinion around the defense of national sovereignty in the face of "international aggression." Certainly, the much-advertised "positive" steps by the junta toward the restoration of human rights and democracy offer little cause for optimism. Even the least cynical might question whether such steps amount to more than a propaganda effort.

For example, the August, 1977, dissolution of DINA, the unified military intelligence agency responsible for systematic violations of human rights after 1973, was immediately followed by the establishment of CNI, another central intelligence agency with similar repressive functions and powers. The lifting of the nightly curfew in March, 1978, after four-and-a-half years of military rule left restrictions on motorized transport during the hours of curfew intact "to save fuel." Similarly, in announcing the end of the state of siege in March, 1978, the junta extended virtually all existing restrictions on civil liberties and political activities under a "state of emergency."

The political amnesty announced in April, 1978, marked equally questionable progress toward the restoration of human rights, owing to its special restrictions as well as its obvious application to military agents involved in violations of legal rights after September, 1973. And, finally, the discussions of a return to civilian rule under a revised constitution scarcely imply the immediate restoration of democracy. According to President Pinochet, the transition to a new institutional order must move from the present "recuperative" stage through a "transitional" stage before elections can be contemplated—a process he has indicated will not be completed until after 1985. Moreover, the plans for the new constitutional system, as outlined by the president, involve continued restrictions on partisan activity and freedom of expression.

The ability of some outside observers to discern a "marked liberalization" of the regime in these recent changes is perhaps not surprising, but that the Carter administration should cite them as a rationale for the extension of new credits to Chile amounts to an open admission of the ineffectiveness of U.S. policy. This ineffectiveness can be understood only in terms of the policy objectives of the Chilean junta and their internal political and economic consequences.

The four-man junta that seized power in September, 1973, defined its chief tasks as the eradication of Marxist ideology, the creation of a new authoritarian political order, and the acceleration of economic growth on the basis of private investment and economic competition. As President Pinochet has frequently insisted, these goals involved, not only a reversal of the policies of the Allende government, but fundamental alterations in Chile's traditional political, social, and economic institutions.

In contrast to the vast majority of Latin American countries, the military historically played a very small role in Chilean politics. Prior to 1973 the country had achieved an exceptional record of political stability within the framework of a well-established tradition of constitutional democracy. As the French Marxist Regis Debray once noted, Chile made even many of Europe's liberal democracies look like banana republics. It took a severe threat to mobilize support, both within and out-

Karen L. Remmer is a member of the political science faculty at the University of New Mexico, Albuquerque.

The Carter human rights policy's "sternest test"
side the military, for a break with this tradition. That threat was provided by a rapid increase in lower-class political organization and participation—a trend initiated during the administration of Allende's Christian Democratic predecessor, Eduardo Frei, and dramatically accelerated after 1970. Between 1964 and 1973 the proportion of the working class enrolled in trade union organizations more than doubled. Participation in elections and less traditional lower-class organizations, such as neighborhood associations, also increased substantially, producing an exceptionally high level of popular organization and involvement in politics. Since this rapid political mobilization of lower-class groups took place within the context of a political system characterized by high levels of class consciousness and a long tradition of working-class militancy under Marxist leadership, it not only presented highly tangible challenges to middle and upper-class security, such as illegal land seizures, but raised the prospect of popular revolution.

The political program embraced by the Chilean junta was designed to preclude any repetition of this experience. It called for a complete break with what one junta spokesman called "traditional, liberal, naive, and defenseless democracy." In its place the military proposed to create a system of "authoritarian democracy" based on Christian, nationalist, and humanitarian principles. According to the official line, under this new system national unity and integration would replace partisan division and class conflicts; technical knowledge would prevail over demagoguery and self-interest; and a clear commitment to national security and Christian values would exclude the threats of "subversion" and "totalitarianism" associated with the ideological pluralism of the past.

Such plans obviously required broad restrictions on political activity, including the elimination of elections, party competition, and basic constitutional liberties. They implied as well high levels of political repression to control a highly politicized and organized working class. In particular, the effort to eliminate "totalitarian" ideology in a country whose working class has traditionally been organized under Marxist leadership called for a frontal attack on the major channels of popular political organization and activity.

The military's economic plans also required political repression. To accelerate economic growth on the basis of free enterprise principles meant neglecting demands for a more equitable distribution of wealth or increased consumption standards in favor of other priorities. These priorities included the denationalization of industries, many of which had been brought within the state sector long before the election of Allende; the reversal of the agrarian reform programs initiated during the 1960's under the Frei administration; the removal of free market restrictions, such as protective tariffs, price controls, and government subsidies; the encouragement of foreign investment; the expansion of industries able to compete in the international market; and the control of inflation through the application of restrictive monetary and fiscal policies.

According to the "Chicago boys," the neo-classical economists responsible for the formulation of government policy, the pursuit of these objectives would encourage a more rational allocation of economic resources and ensure future economic progress. Such views marked a fundamental rejection of the central assumptions on which Chile's protectionist, import-substitution economic growth had been based. Moreover, they excluded any possibility of political alliances or compromises with lower-class groups. At least in the short run, the junta's economic plans implied rising unemployment, cuts in internal consumption standards, the elimination of inefficient industries, and shifts in the distribution of wealth and income. The military could not overcome the resistance likely to be generated by these policy consequences and at the same time maintain an atmosphere of political predictability and social tranquility necessary to attract new investments without resorting to political repression.

The junta's economic and political goals were thus closely related. Both implied a drastic break with a political system responsive to popular demands and open to the free exchange of ideas. In short, political repression formed an integral rather than merely incidental or regrettable part of the military's initial program.

From the beginning the junta displayed no reluctance to meet opposition with high levels of coercion. Indeed, the military takeover involved a level of violence that is without precedent in recent Latin American history. Various estimates place the number of deaths associated with the coup at 10,000-30,000. Arrests in the first six months of military rule totaled an estimated 80,000. Thousands of others fled into exile. To put these figures in perspective it should be noted that a similar ratio of deaths and arrests to the total population in the United States would produce a death toll of 209,000-627,000 and 1,672,000 political prisoners.

The first few months of military rule also witnessed conspicuous violations of all legal rights, even those appropriate to a state of siege. The violations, which have been documented by a wide variety of international agencies and organizations, such as the United Nations, Amnesty International, the Organization of American States, and the International Commission of Jurists, included the widespread use of torture, summary executions, and imprisonment without trial. In addition, the military imposed severe restrictions on all public meetings, closed opposition newspapers, outlawed the Popular Unity parties supporting the Allende government, and placed all other parties in a state of recess.

The repression in the early phases of military rule was directed heavily against the working class. Factories, housing settlements, and other potential focal points of lower-class resistance bore the brunt of the violence involved in the military takeover, while the trade union movement was heavily scathed by alterations in prevailing legal rights. Even before outlawing the Communist party and Marxist propaganda, the junta banned the Central Unica de Trabajadores (CUT), the national trade union central organization. Subsequent measures limited unions' rights to hold meetings, bargain collectively, organize strikes, or fill leadership posts by elec-
...political repression formed an integral rather than merely incidental or regrettable part of the military's initial program.

The efforts to restructure the Chilean economy have affected the industrial sector most drastically. After the military seizure of power, industries long accustomed to a highly protected internal market began facing stiff foreign competition due to rapid reductions in tariff levels. According to government planners, in the long run these reductions will promote the modernization of Chilean industry and encourage a more efficient allocation of resources. But in the short run they have created enormous adjustment problems. Under military rule smaller and less efficient businesses have collapsed, unemployment has soared, and production has declined even relative to the pre-1970 period. These trends were particularly marked in 1975, which, according to various estimates, witnessed a 24-32 per cent fall in industrial output. But even after 1975 selected industries continued to experience severe difficulties. During the first six months of 1976, for example, the output of the electronic equipment industry fell almost 50 per cent, achieving a level of production 40 per cent below that of 1969. Production levels of the transport materials, textile, footwear, construction, consumer durables, and industrial chemicals industries also continued to suffer marked reverses after 1975. The so-called “shock treatment” government economists prescribed for the Chilean economy intensified the problems of the industrial sector. This treatment involved sharp cuts in government spending and increased tax revenues, which, added to relatively restrictive monetary policies and soaring interest rates, produced serious shortages of both demand and credit. The industrial sector has yet to recover. In 1978, for example, the level of activity in the construction industry still remained below the 1968-70 average.

Government policies have also created profound adjustment problems in the countryside. Emphasizing private ownership and the creation of efficient, commercial production units able to compete on the international market, the junta initiated a major rollback of existing agrarian reform policies. Between 1973 and 1977 it returned roughly a quarter of the land expropriated under Presidents Allende and Frei to former owners and redistributed to individual peasant families land that was held collectively in the reformed sector. These measures leave many former beneficiaries of land reform landless and unemployed. More recently, the junta has removed legal limits on the size of landholdings and eliminated the government's authority to expropriate private land, thereby formally terminating the agrarian reform policies of the past. Trends toward a renewed concentration of land have been intensified by shortages of credit and technical assistance for small farmers, rising prices for agricultural inputs such as fertilizer, the removal of many restrictions on the rental and transfer of land, and the lowering of tariffs protecting less efficient producers. As in the industrial sector, the drastic reorientation of government policy has proved disruptive. While non-traditional agricultural exports such as fruit have expanded in accordance with the government's plans for restructuring the economy, total agricultural production remained stagnant in both 1975 and 1976. The situation improved in 1977, but per capita production remained below the 1971 level. There is little indication that even this limited achievement was sustained in 1978.

The overall performance of the economy since 1973 reflects these setbacks. Five years of military rule have failed to produce any real economic growth. The GDP fell 13 per cent in 1975 and only narrowly regained precoup levels of activity in 1977. On a per capita basis the GDP remains below the levels achieved under Allende. Military policies have also produced the highest rates of unemployment since the 1930's. In Greater Santiago unemployment reached 19.8 per cent in March, 1976, and, despite emergency government employment plans, unemployment rates remained stuck at roughly a 13 per cent level throughout 1977 and 1978. Under military rule the real wages of Chilean workers have also dropped sharply, due to the selective application of free enterprise policies. While eliminating price controls and collective bargaining, the government has carefully controlled wage and salary increases. At best,
real wages and salaries in early 1977 approximated the 1969 level.

On the positive side, the junta's policies have reduced the rate of inflation, which fell from over 500 per cent in 1974 to 64 per cent in 1977. Chile's trade balance has also improved, partially because of the exceptional success of export diversification efforts and partially because of the depressed condition of the internal economy. These gains, however, have scarcely affected the standard of living of the average Chilean, who is probably worse off economically after five years of military rule than before.

The lower class has been most obviously disadvantaged by government policies. Constraints on union activities, high levels of unemployment, inflation, wage controls, and austerity policies have all eroded the gains achieved during the Frei and Allende administrations. But it should be emphasized that other social groups have also suffered. The middle class too has been negatively affected by inflation, wage and salary controls, limits on union organization, and fiscal austerity. The latter has led to mass dismissals of public employees, rising taxes, and elimination of many traditional middle-class privileges such as free university education.

The mass emigration of professionals provides a concrete indication of middle-class discontent. According to church sources, 25 per cent of Chile's doctors and 30-40 per cent of its engineers left the country between 1973 and 1977. And, finally, as indicated previously, many relatively privileged groups, particularly industrial and agricultural interests producing for the domestic market, have failed to prosper under military rule because of the shortage of credit, low consumer demand, foreign competition, high import costs, and cutbacks in government subsidies and support.

As the high costs of government efforts to restructure the Chilean economy and political system became apparent after 1974, the junta came under increasing attack from a steadily widening array of groups, including many of its original supporters. Even before the full impact of economic policy shifts was felt by the industrial sector, SOFOFA, the national manufacturers' association, sharply criticized government policy. More specialized manufacturing groups, such as ASIMET, the metallurgical association, and agricultural producer organizations also complained. But perhaps the most serious sign of the erosion of the junta's base of political support was the progressive deterioration in relations between the government and the Christian Democratic party.

Christian Democrats played a major role in organizing opposition to the Allende government, and many of the party's leaders welcomed the military takeover. Within two years that support had evaporated due to the military's economic policies and the perpetuation of the political repression that made those policies possible. By 1975 even the conservative wing of the party, led by former President Frei, had moved into open opposition. In response the junta imposed an increasing variety of restrictions on party activities, ranging from the closing of the party's remaining news media to the deportation of party leaders. These repressive measures culminated in the March, 1977, decree placing the Christian Democrats and other recessed parties on the same footing as the previously outlawed Popular Unity parties.

Relationships between the junta and the anti-Allende Christian Democratic trade unions have followed a similar pattern. In persecuting individual trade union leaders and organizations, the junta originally distinguished between Marxists and non-Marxists, but its broader economic and political policies have presented a basic threat to both groups. The restrictions on trade union activities imposed in the wake of the coup applied to Marxists and non-Marxists alike and have placed them at a similar disadvantage in attempting to defend workers' rights and standards of living. Similarly, the elaboration of the junta's long-term political plans, which calls for permanent curbs on the right to strike and the creation of a "depoliticized" union movement, controlled from above, have jeopardized the autonomy and political efficacy of the trade union movement as a whole. As a result, the junta's base of trade union support has gradually disintegrated.

Beginning in 1976 the "Group of Ten," a combination of ten Christian Democratic union federations and confederations, presented a series of petitions to the junta protesting the loss of union freedoms and the erosion of living standards. In response the government resorted to a tactic called "paralelismo sindical": the creation of divisions within existing trade unions through the promotion and legal recognition of pro-government factions. This tactic was employed increasingly in 1976 and 1977 to displace formerly cooperative Christian Democratic union leaders. By 1977 the junta's policies had thus alienated its most important base of labor support and created conditions favorable to growing cooperation between formerly antagonistic labor groups. Recently, even nominally government-controlled unions and hand-picked labor leaders have begun participating in protests against government policies, provoking the junta to impose additional restrictions on union activities.

The high costs of the junta's political and economic programs have also alienated the Catholic church in Chile. The church originally adopted a relatively non-committal position toward military rule but rapidly came into conflict with the junta over the issue of human rights violations. Over time this conflict has widened, making the church the major focus of opposition to the Pinochet regime. Clerical authorities have not only maintained pressure on the government for the normalization of the human rights situation within Chile, they have broadly attacked the junta's policies and basis of political legitimacy. For example, the Chilean bishops denounced the government's plans for a return to civilian rule under a revised constitution, arguing that constitutional changes cannot be legitimately imposed from above but require the formation of a popularly elected constitutional assembly. In response to these criticisms, the government has attacked the church for participating in political and even Marxist activities and subjected it to a variety of forms of harassment. In December, 1975, for example, government pressures led to the dissolution of the Comité de Cooperación para la Paz, the
ecumenical agency formed after the coup to extend humanitarian assistance to political prisoners and their families.

External support has also waned in response to the military's policies. Internationally, Chile has found itself in an increasingly isolated position, threatened with the loss of important sources of financial support. In 1975, for instance, the issue of human rights violations led to the collapse of the Paris Club talks on debt renegotiation, forcing Chile to confront massive service payments on its foreign debt. Restrictions on U.S. aid followed in 1976, although it should be noted that substantial amounts of “pipeline” military aid and private bank loans have continued to flow into the country from the U.S.

Since the coup, private foreign investors have also been reluctant to extend their operations in Chile, despite the new incentives and guarantees being offered by the junta. This reluctance reflects the continued weakness of the domestic economy and the related failure of government policies to create an environment favorable to a strong revival of the private investment necessary for the long-term success of government plans. International isolation has been further magnified by the loss of domestic support and the repression of groups enjoying sympathetic audiences in major capitalist countries, such as the Christian Democrats and the church. The AFL-CIO's recent efforts to rally international reaction against the Chilean Government is a case in point.

These trends toward the alienation of both domestic and foreign groups, many of which had enthusiastically greeted the 1973 military takeover, have left the junta with a very narrow base of support for the realization of its long-term objectives. The opposition of the church has undermined efforts to establish legitimacy on the basis of conservative, Catholic rhetoric. The attempt to create a docile and depoliticized labor movement has faltered in response to the junta's economic policies, which have ruled out the possibility of buying off labor opposition. The absence of external support has deprived the junta of resources vital to the realization of its long-term economic goals. And, finally, opportunities for creating a civilian support movement to back a new institutional order have dwindled as economic realities and continued repression have aroused the opposition of business, professional, and middle-class elements. After five years in power the junta still retains some outspoken partisans, particularly right-wing Catholics and selected propertied interests who have benefited from the reorientation of economic policy. But the central thrust of developments in the 1973-78 period has been to isolate the military from any civilian base of support.

While the increasing isolation of the military has created a growing gap between the regime's long-term goals and the means available to realize them, it has not produced any basic policy shifts. The regime remains singularly unresponsive to either internal or external political pressures. Criticism has actually appeared to stiffen the junta's resolve to remain on its existing course. The president of the Central Bank's defense of the junta's economic policies, as quoted in the New York Times, is a classic example of this response: "The fact that more than 90 percent of the people are against our policies is proof that the model is working, that it has affected everybody and that it has privileged nobody."

In a similar way pressures for the termination of human rights violations have provided new justifications for the perpetuation of political repression. The regime has used such pressures to cast aspersions on the political loyalty of an ever-widening circle of groups and to demonstrate the depth of the conspiracy directed against Chile. Over time government definitions of the threat requiring exceptional security measures have referred not only to Marxists, but to those who "paved the way for Marxism" or who unwittingly aided and abetted the international Marxist conspiracy. These enemies include clerical officials, Christian Democrats, U.S. congressmen, the World Council of Churches, the United Nations, and even White House spokesmen.

Even dissension within the military, which presents a far more serious threat to the realization of the regime's long-term goals than criticism from foreign or domestic sources, has failed to deflect the regime from its established path. In particular, the open split between Air Force General Gustavo Leigh, one of the four original junta members, and President Pinochet led to the July, 1978, ouster of Leigh and the resignation of almost all active-duty air force generals, rather than to the accelerated return to civilian rule Leigh had been demanding. In announcing Leigh's replacement, Pinochet criticized Leigh for departing from the junta's original goals, stressing once again that the government seeks a "profound renovation" of Chilean society rather than a mere reform of old structures.

The unwillingness of the junta to moderate its course in response to growing criticism and the related loss of resources necessary for the realization of its long-term goals have intensified the dynamic set in motion by the 1973 coup. In short, the junta's policies and its reactions to the criticisms that those policies have generated have gradually eliminated alternatives to military rule.

It remains to be seen how successful General Pinochet will be in riding out current difficulties, particularly the embarrassing revelations surrounding the investigation of the assassination of Orlando Letelier—often described as "Pinochet's Watergate"—but there is little reason to expect any rapid return to constitutional government. Coercion is too essential to the regime, despite the ongoing tension between its domestic policy objectives and its search for foreign support. That does not mean, of course, that the U.S. should applaud cosmetic changes in the political status quo in an effort to improve relations with the current regime. The relative ineffectiveness of external pressures on the Chilean junta in itself provides no justification for abandoning Carter's human rights policy. But it does underline a lesson often forgotten in the formation of U.S. policy in the postwar era: Liberal democracies, unlike authoritarian governments, are highly vulnerable to external pressures and manipulation, but they cannot be created by economic or military aid, subversive activity, or wishful thinking.