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**"JOURNEYS TO DEMOCRATIZATION: APPROACHES TO THE  
ANALYSIS OF LATIN AMERICA'S DEMOCRATIC TRANSITIONS IN THE  
TWENTIETH CENTURY"**

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*"Journeys to Democratization: Approaches to the Analysis of Latin America's  
Democratic Transitions in the Twentieth Century"*

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*INTRODUCTION*

I would like to begin by saying that this thesis originated almost instinctively from a deep interest in the evolution of political regimes in Latin America and the factors that shaped their transitions. It was not until I had already delved into the vast literature which burdens itself with this most daring resolution, that I started seeing the potential of this compilatory work.

Knowing what major ideological battles have infuriated trying to define political regimes, one might only imagine the amount of approaches that have been employed by scholars, in the struggle to explain the processes of regime transition and consolidation. Therefore, this paper intends to delimit a framework of definitions, along the lines of which, different approaches to the analysis of democratic transitions in Latin America will collide and complement one another. Furthermore, the final chapters will be dedicated to a specific analysis of the Chilean democratization.

Scholars writing on political regimes have indeed tried to outline not only their theoretical framework, but also their overall analytical strategy, balancing their work between three main methodological

approaches. They decided whether to “*develop a theory with an integrated set of hypotheses that is deduced from explicitly articulated initial assumptions; a theoretical framework that provides general orientation toward studying political regimes; or a set of narrower empirical hypotheses*<sup>1</sup>”.

I chose this tripartite methodological paradigm, proposed by Mainwaring and Pérez-Liñán (2014), since it follows quite suitably the logical process behind this dissertation. First, a theoretical overview that encompasses the fundamental concepts linked to the one of political regimes, has indeed to be drawn in order to comprehend the relative efficacy of different strategies applied in the development of a theory. Once a theory, or a set of theories, has proven to be coherent with the initial assumptions formulated within the theoretical boundaries, one can conduct a quantitative analysis to test its consistency across a wide range of cases (*extensive testing*); or opt for a qualitative analysis of more structured case studies that must fit the theory (*intensive testing*). The last chapter of this paper will be dedicated to an effort to examine a structured case study of the Chilean regime transition.

This being said, I feel compelled to follow my supervisor’s advice, and try to put into one sentence the actual inquiry around which this research revolves. In the words of Adam Przeworski, “*The final question in studies of transitions to democracy concerns the modalities of the system that emerges as the end state. Studies of transitions attempt to explain the features of the “Nova República”, the new republic*”<sup>2</sup>

Within this question, I will focus on the identification of the social, political and economic factors that defined the dynamics of transition from dictatorship to democracy in Latin America during the twentieth century.

## *THEORETICAL OVERVIEW*

A sensible starting point for this overview would thus be to try and explore some of the theoretic classifications of political regimes, transition and consolidation processes.

Rodrik and Mukand (2015) propose a taxonomy based entirely on the sets of rights that each regime guarantees (table 1). They distinguish between *property rights, political rights and civil rights*; and they associate each set of rights with a different group (or class) in society. The result is a conceptualization that considers three different groups; the propertied elite,” *whose primary objective is to keep and*

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<sup>1</sup> Mainwaring, Pérez-Liñán, *Democracies and Dictatorships in Latin America: Emergence, Survival, and Fall*, 2014, p. 34.

<sup>2</sup> Przeworski, *Democracy and Market: Political and Economic Reforms in Eastern Europe and Latin America*, 1991, p. 95.

*accumulate their assets (property rights); the majority, who want electoral power so they can choose policies that improve their economic conditions (political rights); and the minority, who desire equality under the law and the right not to be discriminated against (civil rights).”*<sup>3</sup>

The presence of these separations between groups in society is explained by what the authors call “cleavages”. A class, income-based cleavage can always be individuated between the propertied elite and the majority. An identity cleavage that relates to ethnicity, religion, language or ideology marks instead the division between majority and minority. The maintainability of a political regime is, in Rodrik and Mukand, directly correlated to the depth of these cleavages and the relative numbers of each group.

This being said, seven main political structures are individuated: first, a regime in which none of the aforementioned rights is protected is categorized as a “*personal dictatorship or an anarchy where the state has no authority*”<sup>4</sup>. Property rights, notably of the propertied elite, whose aim is to “*protect asset holders and investors against expropriation by the state or other groups*”<sup>5</sup>, are the only ones ensured in oligarchies of the elites, described as right-wing autocracies.

Classical liberal autocracies provide both property and civil rights. The major difference with right-wing autocracies lies evidently in the presence of *liberalism*. The authors adopt a comprehensive definition of liberalism, thought broadly as a non-discrimination constraint imposed upon the government.

Liberalism, namely the presence of civil rights, is also what differentiates liberal democracies from illiberal, or electoral democracies. This whole distinction depends on “*the presumption that free and fair elections – the hallmark of electoral democracy – can be separated from equal treatment and non-discrimination – the hallmarks of liberalism.*”<sup>6</sup> This assumption clashes with the political-economic approach that bundles civil and political rights together, seeing the genesis of democracy as the result of a conflict between the elite and the organized masses, “*that shifts future political power away from the elite to the citizens, thereby creating a credible commitment to future pro-majority policies.*”<sup>7</sup>

Lastly, Rodrik and Mukand categorize two types of regimes where property rights are not guaranteed: dictatorship of the proletariat and democratic communism. Political rights are ensured in both regimes, while civil rights only in the second one.

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<sup>3</sup> Rodrik, Mukand, *The Political Economy of Liberal Democracy*, 2015, p. 8.

<sup>4</sup> Rodrik, Mukand, *The Political Economy of Liberal Democracy*, 2015, p. 2.

<sup>5</sup> *Ibid.*, p. 3.

<sup>6</sup> Acemoglu, Robinson, *A Framework for Studying Institutional Persistence and Change*, 2006, p. 9.

<sup>7</sup> Acemoglu, Robinson, *A Framework for Studying Institutional Persistence and Change*, 2006, p. 9.

The greatest advantage of this taxonomy is however its most evident limitation. The intrinsic simplicity offered by this theorization relies on the explanation of regime persistence and change as a direct consequence of class utility estimates, and in the univocal meaning given to intricate notions such as liberalism and democracy.

While Rodrik and Mukand focus primarily on class and rights cleavages, other scholars offer a broader framework that incorporates behavioral, attitudinal, and institutional dimensions. A different scope in the identification of democratization and liberalism is, for example, the one employed by Linz and Stepan in their *Problems of Democratic Transition and Consolidation* (1996). The authors' definition of democracy "helps guard against the "electoralist fallacy," that is, that a necessary condition of democracy, free elections, is seen as a sufficient condition of democracy<sup>8</sup>." The existence of political rights is here not a synonym of democracy. In a political landscape like the one of Guatemala in the 1980s, to give an instance, the formal submission of a ruling military class to an elected government does not translate into a democracy *de facto*. Stepan and Linz bestow great importance on the existence of a sovereign state as a prerequisite to democracy and on the value that individuals confer on rational democratic procedures (Weber). This theoretical attitude requires a definition of democracy that encompasses every aspect of its solidification. Linz and Stepan identify three dimensions (*Behavioral, Constitutional and Attitudinal*) through which democratic transitions consolidate, and five self-reinforcing arenas of society (a lively civil society, a relatively autonomous political society, a rule of law, a usable state, and an economic society) necessary for the complete achievement of these processes.

The theoretical structure utilized by Linz and Stepan is thus largely based on the authors' outline of the sufficient conditions for a democratic transition to be considered accomplished. They adopt a definition that considers a democracy *consolidated* when "sufficient agreement has been reached about political procedures to produce an elected government, when a government comes to power that is the direct result of a free and popular vote, when this government *de facto* has the authority to generate new policies, and when the executive, legislative and judicial power generated by the new democracy does not have to share power with other bodies *de jure*"<sup>9</sup>.

As shown in Rodrik and Mukand's taxonomy, however, the presence of a democratic government does not necessarily imply an institutional asset that guarantees all three main sets of rights. Processes of democratic transition have, more often than not, brought countries to implement some kind of *illiberal*

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<sup>8</sup> Linz, Stepan, *Problems of Democratic Transition and Consolidation*, 1996, p. 4.

<sup>9</sup> *Ibid.*, p. 3.

or electoral democracy. The evolution and origins of political and civil rights; of liberalization and democratization, are indeed something that still causes great unrest in the minds of historians, economists and political scientists.

The orthodox approach of analytical political economy tends to view democracy as the result of a conflict between a propertied elite and the organized masses. A transition to democracy “*shifts future political power away from the elite to the citizens, thereby creating a credible commitment to future pro-majority policies*”<sup>10</sup>. This strategy fits rather appropriately the genesis of political rights in Western Europe, where “*the transition to democracy occurred as a consequence of industrialization at a time when the major division in society was the one between capitalists and workers.*”<sup>11</sup> Nevertheless, it fails to explain the evolutionary process of civil rights, describing a model of *electoral democracy* that has little to do with most developing nations, where “*mass politics was the product of decolonization and wars of national liberation, with identity cleavages (and not income and class ones) as the main fault line.*”<sup>12</sup>

The birth of liberalism, on the other hand, dates back to 16<sup>th</sup> century Britain, where the wealthy wanted to prevent the sovereign from exercising its power arbitrarily. Their desire was nonetheless, far from sharing the power with the masses. This is why, even though some scholars (Marshall, 1949; Fawcett, 2014) tend to see a “*conflation of property and civil rights*”<sup>13</sup> in the attributes of early liberalism, it has become common to treat “*liberal democracy*” as a single political package, but its two ingredients as elements with different origins, social bases, and political implications (Plattner 2010, Fukuyama 2014).

The character of the political regime prior to the transition to democracy has therefore a determining influence in shaping the patterns of consolidation. Stepan and Linz find four other major regime ideal types in *Authoritarianism, Totalitarianism, Post-Totalitarianism and Sultanism*. They are classified in function of their characteristics regarding *Ideology, Mobilization, Pluralism and Leadership* (table 2). The major differences individuated between *Totalitarianism* (post-totalitarianism also maintains some of the same traits), *Sultanism* and *Authoritarianism* concern the presence and the character of a distinct ideology; and the level of political mobilization. In totalitarian regimes, “*an elaborate and guiding ideology articulates a reachable utopia*”<sup>14</sup> that inspires leaders, individuals and groups in their action, and constitutes the moral foundation of a regime-created, extensive mobilization. *Sultanism* is

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<sup>10</sup> Acemoglu, Robinson, *A Framework for Studying Institutional Persistence and Change*, 2006, p. 9.

<sup>11</sup> Rodrik, Mukand, *The Political Economy of Liberal Democracy*, 2015, p. 23.

<sup>12</sup> Ibid., p. 15.

<sup>13</sup> Powell, *The Relationship between Property Rights and Civil Rights*, 1963.

<sup>14</sup> Linz, Stepan, *Problems of Democratic Transition and Consolidation*, 1996, p. 36.

characterized instead by an ideology deeply interlocked with despotic personalism; with a system of symbols entirely built and manipulated by the ruler. *Authoritarianism* is a regime with distinctive mentalities, but without a guiding ideology. Mobilization in authoritarian regimes is mostly inexistent.

### *REGIME TRANSITIONS IN LATIN AMERICA*

Latin America, despite “*its venerable fame as a home for despotism, also boasts one of the planet’s longest, deepest and richest histories of experiments with democracies*”<sup>15</sup>. Although “*in no other part of the world have more persistent efforts been made to preserve freedom under such unfavorable circumstances*”<sup>16</sup>, these struggles for economic and institutional development, human rights and social justice have never ceased being continuously riddled by the erratic and violent presence of tyranny. Besides, the widespread nondemocratic experiences in Latin America have little to do with *totalitarianism* and *sultanism*, with the exceptions of the Trujillo regime in Dominican Republic and the Duvaliers rule in Haiti. Undertaking Weber’s definition of this political asset, “*patrimonialism and, in the extreme case, sultanism tend to arise whenever traditional domination develops an administration and a military force which are purely personal instruments of the master... Where domination...operates primarily on the basis of discretion, it will be called sultanism...The non-traditional element is not, however, rationalized in impersonal terms, but consists only in the extreme development of the ruler’s discretion. It is this which distinguishes it from every form of rational authority*”<sup>17</sup>.

It has been far more common instead for Latin American countries, namely for the so called *Southern Cone* (Argentina, Brazil, Chile, Paraguay and Uruguay) to undergo transitions from hierarchical and nonhierarchical military regimes during the twentieth century. These particular dynamics make it considerably harder to collocate the *restricted democracies*, persistent during the late nineteenth and early twentieth century after several states took the route of *extrication coups* by the military. Moreover, the fact that democracy somewhat expanded across the majority of Latin American countries during the 1950s, and then grew dramatically during the 1980s after the democratic nadir hit in 1976-77, suggests how crucial “*transnational forces and influences are to understand regional waves of democratization*”<sup>18</sup>. Although several different within-country factors might account for the significant

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<sup>15</sup> Drake, *Between Tyranny and Anarchy: A History of Democracy in Latin America, 1800-2006*, 2009, p.23-24.

<sup>16</sup> Lambert, *Latin America: Social Structures and Political Institutions*, 1967, p. 15.

<sup>17</sup> Weber, *Economy and Society: An Outline of Interpretive Sociology*, 1978, p. 231-232.

<sup>18</sup> Mainwaring, Pérez-Liñán, *Democracies and Dictatorships in Latin America: Emergence, Survival, and Fall*, 2014, p. 4.



withdrawal of authoritarian regimes that took place towards the end of last century; it is possible to recognize some transversal analogies in democratization trajectories, empirically showing the existence of path dependency dynamics from prior regimes, which prove to be pivotal in the delineation of transition and consolidation routes. Considering authoritarianism as the only nondemocratic regime that can be controlled by a hierarchical military organization, Linz and Stepan contemplate six possible paths from an authoritarian regime to a democratic one in their study (Table 3). In the transition from authoritarianism to democracy, they hypothesize that a specific authoritarian regime in its later periods might have a strong civil society, a serviceable state bureaucracy that acts in the bounds of established rules, a legal culture supportive of constitutionalism and rule of law, and a rather well-institutionalized economic society. For such a polity, the only necessary item on the initial democratization schedule would concern political society—namely the creation of the autonomy, authority, power, and legitimacy of democratic institutions.

Furthermore, the authors distinguish characteristics of transitions from hierarchically and nonhierarchically led militaries to democratic regimes. First, *“all hierarchical military regimes share one characteristic that is potentially favorable to democratic transition. The officer corps, taken as a whole, sees itself as a permanent part of the state apparatus, with enduring interests and permanent functions that transcend the interests of the government of the day<sup>19</sup>”*. This refers to the institutional nature of a government led by the military: a contingent ruling elite that derives its power from the state apparatus itself, is bound to consider the upholding of a stable state as its major concern. A similar regime change scenario implies that *“if a democratic regime is an available ruling formula in the polity, the military may decide to solve their internal organizational problems and their need for a government by devolving the exercise of government to civilians<sup>20</sup>”*. This process of extrication, operated by a threatened military, paradoxically encompasses democratic elections in its strategy. However, the necessity of extrication is inversely proportional to the strength of the hierarchical structure, and the weaker the coalition that is forcing the military from office, the more the negotiations for its withdrawal are bound to be terms where they retain nondemocratic prerogatives or impose very confining conditions on the political procedures that lead to democratic consolidation. Countries like Chile and Argentina had to face

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<sup>19</sup> Linz, Stepan, *Problems of Democratic Transition and Consolidation*, 1996, p. 67.

<sup>20</sup> *Ibid.*, p. 70.

the problem of militaries going unpunished for their extensive human rights violations, in reason of their *loyalty* to the state, and to new democratic governments, during periods of transition.

A nonhierarchical, military-led nondemocratic regime, instead, has several traits that make it less of a potential obstacle to democratic transition and democratic consolidation. Regarding the transition process, if a nonhierarchically led military government encounters some difficulties and internal divisions, the motivation for the military-as-institution to re-establish hierarchy by reinforcing an *extrication coup* is even higher than it would be if the military-as-government were hierarchically led. The central political and theoretical difference, nonetheless, relates to democratic consolidation. The odds that the military-as-institution will accept punishment and trials of members of the departing nondemocratic government are considerably higher if the group being punished is not seen to be the military institution itself, but a sub-group within the military that has disrupted hierarchical norms. Equally, if the colonels have established para-state intelligence operations that are perceived as threats to the organizational military, the hierarchical military is much more likely to comply with the eradication of their reserve domains of power.

Now, having drawn the theoretical boundaries for the aforementioned trajectories of transition, it becomes indispensable to adopt a more actor-based approach and formulate the questions of “who starts and controls transition initiations? And how does this shape the underlying forces of a newly founded democratic state?”

A first categorization can be made by driving a wedge between transitions originating in hierarchical military regimes and nonhierarchical ones: “*Transitions initiated by an uprising of civil society, by the sudden collapse of the nondemocratic regime, by an armed revolution, or by a nonhierarchically led military coup all tend toward situations in which the instruments of rule will be assumed by an interim or provisional government. Transitions initiated by hierarchical state-led or regime-led forces do not.*”<sup>21</sup>

A political and institutional system that contemplates the presence of an interim government is an extremely unstable and unpredictable situation: the outcomes can depend both on the traits of the most powerful groups and on the priority of the new government: whether comprehensive decree reforms or elections are assumed as first priority, the entire transition process is modeled in profoundly different ways.

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<sup>21</sup> Yossi Shain, Juan J. Linz, *Between States: Interim Governments and Democratic Transitions*, 1995

If the interim government rapidly defines a schedule for elections and appoints as a rather neutral guarantor, the route toward a democratic consolidation is seldom far from efficient. Nevertheless, if it sees in its engagement in overthrowing the government, a legitimate mandate to make structural alterations passed as “*indispensable preconditions to democratic elections, the interim government can set into motion a dangerous dynamic in which the democratic transition is put at peril, even including the postponement of elections sine die.*”<sup>22</sup>

The intrinsic uncertainty proper of an interim government configuration is not observed when the transition is initiated and controlled by the prior nondemocratic regime. Strong hierarchical military regimes tend to affect deeply the decisions of who should govern throughout the aftermath of authoritarianism. Regime-controlled transfers can nonetheless be placed along a gamut extending from democratically disloyal to loyal. Stepan and Linz describe a disloyal transfer as “*one in which, for whatever reasons, the outgoing regime attempts to put strong constraints on the incoming, democratically elected government by placing supporters of the nondemocratic regime in key state positions and by successfully insisting on the retention of many nondemocratic features in the new political system.*” Disloyal transitions are symptom of a reluctance by the military to hand over relinquish power, and often of a hierarchically led military with well-rooted connections in civil and political society. The case of Chile, where general Augusto Pinochet, after stepping down in 1990, continued to serve as Commander-in-Chief of the Chilean Army until 10 March 1998, when he retired and became a senator-for-life in accordance with his 1980 Constitution; is a remarkably apt example of these circumstances.

### *METHODOLOGICAL STRATEGIES: APPROACHES TO THE STUDY OF LATIN AMERICAN DEMOCRATIZATION*

The academic debate that students of transition and consolidation mechanisms have been discussing throughout the last three decades, revolves around the defining reasons and causes for the patterns of political evolution characteristic of Latin America. During the 1970s, the debate contemplated democracy as a set of formal political procedures. The first wave of the dispute, finding the answers

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<sup>22</sup> Linz, Stepan, *Problems of Democratic Transition and Consolidation*, 1996, p.72.

given by an early interpretation of Modernization Theory<sup>23</sup> rather unsatisfying when applied to Latin America, “*analyzed the manner in which political transitions from authoritarian regimes were likely to occur, emphasizing factors such as political agency, shifting coalitions, pact-building and elite leadership strategies (see O'Donnell, Schmitter and Whitehead, 1986).*”<sup>24</sup>

The second academic trend, developed during the 1980s, diverged from the prior actor-based methodological philosophy, and began to implement structural and institutional elements in its analysis, focusing on “*the relationship between democracy and structural economic reforms, and with civil society's role in the democratization process (see Przeworski, 1991; or Haggard and Kaufman, 1992).*”<sup>25</sup>

Progressively, a third wave of debate developed around the issues regarding quality of democracy itself, and consequently began to “*examine the institutions of the state - the relation between the executive, the legislative and the judiciary; the role of the security forces; electoral systems; public administration reforms; and the socio-economic outcomes of democratic governance.*”<sup>26</sup> Scholars reevaluated what was truly meant by democracy.

These academic tendencies became visibly more and more intertwined with the overall expansion of the literature present in the field. Many tried to reconcile different approaches under comprehensive theories and models. The objective of this dissertation, remains nonetheless closer to a structured comparison between some of the most notable theoretical milestones reached throughout the speculative journey of Latin American transition studies.

Acemoglu and Robinson, in their *Framework for studying Institutional Persistence and Change (2006)*, postulate six pivotal assertions that summarize rather clearly an outlook, shared by many other scholars, on the interrelations between economic institutions, economic growth and regime configurations. Commencing from the wide-ranging questions of “*Why is it that some societies are democratic while others are non-democratic? Why is it that some societies are prosperous while others are poor? How do these phenomena relate to each other?*”; they uphold that, primarily, “*economic institutions matter for economic growth because they shape the incentives of key actors in society, and differences in economic institutions are the major source of cross-country differences in economic growth.*”<sup>27</sup> Moreover, these

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<sup>23</sup> Modernization theory postulated a positive correlation between capitalist development and democratization, and thus failed to anticipate the “new authoritarianism” that swept through the relatively industrialized Latin American countries (Haggard and Kaufman, *The Political Economy of Democratic Transitions*, 1995).

<sup>24</sup> Todesco, *Democracy in Latin America: Issues of Governance in the Southern Cone*, 2004, p. 31.

<sup>25</sup> Ibid., p. 32.

<sup>26</sup> Ibid., p. 37.

<sup>27</sup> Acemoglu, Robinson, *A Framework for Studying Institutional Persistence and Change*, 2006, p. 2.

institutions define the future distribution of resources across various groups, inevitably creating a conflict of interest between actors and coalitions. The delineation of these institutions is however endogenous, depending on the collective preferences of society, namely on the political power retained by different groups. The distribution of political power is therefore the key determinant in shaping economic institutions. Hence, the research question shifts to the individuation of the roots and components of political power. First, political power must be distinguished into two subclasses: *de jure political power* and *de facto political power*. The former refers to the power that, deriving from institutions themselves, “determines the constraints on and the incentives of the key actors (...) Examples of political institutions include the form of government, for example, democracy vs. dictatorship or autocracy, and the extent of constraints on politicians and political elites.”<sup>28</sup> Conversely, the concept of *de facto political power* designates the sphere of actors that, although not within the institutional boundaries, play a role in molding the political and economic evolution of a state (for example the military, guerilla organizations, social movements, nongovernmental organization, unions and business association can play major roles despite not necessarily being included in the institutional framework). Events like the *extrication coups* that happened in Chile after 1990, and in Argentina throughout the mid-1980s give us an idea of the trace that extra-governmental, or *de facto* political power can leave, especially during periods of instability like the ones of transition and consolidation.

This brings us to the subsequent step, namely asking *how these two different types of political power act in the characterization of the institutional structure of a country?* To understand in which areas each branch of political power finds its source, it is necessary to provide a fundamental distinction in the timeframes that contain them. De jure political power is slowly changing and subject to a deep path dependency. “Like economic institutions, political institutions are collective choices, and the distribution of political power in society is the key determinant of their evolution. This creates a tendency for persistence: political institutions allocate de jure political power, and those who hold political power influence the evolution of political institutions, and they will generally opt to maintain the political institutions that give them political power.”<sup>29</sup> However, *de facto political power* occasionally creates changes in political institutions: this power is transient, shifting from one group to another, always in search of a legitimation that can only be emanated by institutional support. This being said, Acemoglu and Robinson provide us with a theoretical structure that allows us to individuate the two main state-

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<sup>28</sup> Acemoglu, Robinson, *A Framework for Studying Institutional Persistence and Change*, 2006, p. 5.

<sup>29</sup> *Ibid.*, p. 13.

variables: while *de jure political power* can only be substantiated by political institutions (1), in a reciprocal relation of persistence, *de facto political power* is tightly linked with the distribution of resources (2) at a given time *t*, and often subject to rapid and sudden changes.

Now, implementing this framework, the prerogative of this section is to adapt these assumptions to the Latin American geographical, economic, political and historical context; and make an effort to understand the reasons for the widespread authoritarian withdrawal, and the subsequent wave of democratization, that swept Latin America during the twentieth century.

Following the broad theoretical hypotheses of Acemoglu and Robinson, it becomes possible to capture the guiding principles of this analytical approach, which tries to bridge the choice-based system pioneered by Guillermo O'Donnell and Philippe Schmitter<sup>30</sup>, who built on the previous work of Dankwart Rustow and Juan Linz<sup>31</sup>; and the structural biases, dominant in earlier analyses of regime change. Henceforth, although with a rejection of a completely actor-based approach that claims that prospects of democracy are entirely derivable from the nature of social interests and relations, this thesis employs the assumption that "*the economic-cum-social structure constitutes an essential point of departure for understanding politics, including the politics of regime change. The analysis of socioeconomic structure is crucial for identifying politically relevant groups and their policy preferences, and for understanding political alignments and conflicts.*"<sup>32</sup>

Moreover, dynamics and opportunities for mobilization and coalition are heavily dependent on the distributive consequences of economic policies (as we have seen in Acemoglu and Robinson, the distribution of resources is one of the two *main state-variables*). The relationship between economic policy and the stability of authoritarian and democratic political regimes, finds its justification in the unceasingly mutable bargain between political leaders, namely the actors that hold *de facto political power*, and key support groups. With favorable economic conditions, this consensus has proven to be less inclined to collapse. Conversely, during economic crises, supporting groups are much more incentivized to disrupt the "authoritarian bargain", increasing the chances of political protest and the range of action of the opposition, but also the hurdles for the ruling elites in their struggles to adjust redistributive mechanisms. Even though a deterministic correlation between economic crises and regime

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<sup>30</sup> See O'Donnell, Schmitter, *Tentative Conclusions about Uncertain Democracies*, 1986, and pt. 4 of O'Donnell, Schmitter, and Whitehead, *Transitions from Authoritarian Rule*, 1986.

<sup>31</sup> See Rustow, *Transitions toward Democracy: Toward a Dynamic Model*, 1970. and Linz, *Crisis, Breakdown and Reequilibration*, 1978.

<sup>32</sup> Haggard, Kaufman, *The Political Economy of Democratic Transitions*, 1995, p. 6.

change has been rejected by empirical findings concerning the weak causal significance of purely economic factors in political transitions<sup>33</sup>, an underlying connection exists amid “*the inability to avoid or adjust successfully to economic crisis and both the probability that authoritarian regimes will be transformed and the capacity of authoritarian leaders to control the process of political change, including the terms on which they exit. Similarly, it is expected that the prospects for the consolidation of democracy will be better when the government is able to successfully administer its economic inheritance.*”<sup>34</sup>

In Chile, Pinochet’s institutional grip through the institutional role he maintained until 1998 shows how *de jure political power* persisted in the post-transition society. Although growing public unrest against neoliberal reforms weakened this hold, its reciprocal and self-sustaining relationship with forces acting within the institutional framework allowed the dictator’s control’s survival and persistence. Conversely, Argentina’s transition in 1983 followed a more sudden change in *de facto political power*. The economic crisis, notably hyperinflation and a failed, costly military campaign in the Falklands War in 1982, undermined the military government’s legitimacy and ability to govern. A widespread disapproval and social discontent towards the *de facto powers* held by the Argentinian military, along with pressure from civil society groups like the *Mothers of the Plaza de Mayo*<sup>35</sup>, pushed for a return to civilian rule. By 1983, the economic downfall had worn down the military's ability to control the political sphere, leading to the election of Raúl Alfonsín and marking a decisive break from authoritarian rule. Unlike Chile, where the left-wing coalition of *Concertación*’s choice to “*reform rather than replace the dictator’s custom-made 1980 constitution, facilitated the consolidation of Pinochet as the father of modern, liberal Chile*”<sup>36</sup>, even after the authoritarian rule had formally ended. Argentina's transition saw a more complete transfer of political power to civilian institutions, although challenges like impunity for human rights abuses remained.

To define and recognize these economic crises, it becomes necessary to select some crucial indicators that have proven to be, especially in Latin America during the twentieth century, unmistakable

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<sup>33</sup>See O'Donnell and Schmitter, *Tentative Conclusions*, 1986, p. 4.

<sup>34</sup> Haggard, Kaufman, *The Political Economy of Democratic Transitions*, 1995, p. 22.

<sup>35</sup> “The ‘Mothers of the Plaza de Mayo’, a movement born on the 30<sup>th</sup> of April 1977, led a peaceful resistance against the military dictatorship and repression in Argentina in response to the forced disappearance and torture of political opponents. The movement was born out of attempts by several Argentinian mothers to find their 'disappeared' children during Argentina's Dirty War (1976-1983). During this time, the military regime abducted, tortured and killed thousands of political opponents, stealing children born to prisoners and obliterating any trace of its victims.” From the *European Parliament award ceremony, Sakharov Prize*, 1992.

<sup>36</sup> Navia, *Pinochet: The Father of Contemporary Chile*, 2008, p. 250-258

premonitions of an abrupt relapse of economic performance and structural integrity. A great contribution to this end, comes from the relatively recent study by Mark Gasiorowski<sup>37</sup>, which utilizes a pooled time-series technique to investigate the relationship between economic conditions, measured in terms of growth and inflation, and transitions to and from democracy. Gasiorowski finds a rather ambiguous effect of growth on democratization, but debates that during the 1980s, elevated levels of inflation had a statistically significant influence on the likelihood that authoritarian regimes would transition to democracy (table 4 and 4.1).

A substantial majority of the cases, nevertheless, experienced declining growth, increasing inflation, or both, in the years preceding the transition. Twenty-one of the twenty-seven countries experienced declining growth prior to the transition; among the remaining cases, long-term growth rates were very low in El Salvador, and had declined by historic standards in Brazil. Two-thirds of the transitions were also preceded by increasing inflation. In Argentina and Uruguay, inflation was very high, although it had declined somewhat relative to the earlier period.

In Latin America, structural changes related to long-run economic must still be somewhat confined to their role as one of the major influences that contributed to the process of transition, but not the only or necessarily most relevant one. For instance, The United States' encouragement of constitutional government, which reflected the attempt to counter leftist threats through political reform (a strategy that dates back to the creation of the Alliance for Progress in 1961), constitutes another noteworthy stimulus to democratization. Also, the so-called *contagion effect*, discussed by Laurence Whitehead in his work<sup>38</sup>, which accounts for how democratic developments in Southern Europe, especially in Spain, resonated throughout Latin America and fostered the self-awareness of the *poblaciones*, decisive in challenging authoritarian regimes.

As mentioned in chapter 2, following the taxonomy of transitions proposed by Linz and Stepan, Latin American countries have mostly experienced authoritarian rule in the form of hierarchically-led, military regimes. Contrarily to dominant-party regimes, military-backed governments are characterized by the absence of both a long-term underlying ideological principle for remaining in power, and the structural means for building reliable bases of support. Military governments, although often researching sources of legitimation through expedient political elections, end up crafting parties and coalitions that, being creatures of the military itself, have difficulty in maintaining loyalty and support over time. Lacking a

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<sup>37</sup> See Gasiorowski, *Economic Crisis and Political Regime Change: An Event History Analysis*, 1993.

<sup>38</sup> See Whitehead, *The International Dimension of Democratization: A Survey of the Alternatives*, 1991.



dominant party, the military establishment alone represents the only recognized institutional framework for the conscription of political leaders and the deliberation of policy issues. This increases the probability that the officer corps will be divided by factionalism and by cross-cutting alliances with rival civilian interests. Among military-backed governments, the capacity to respond to economic crisis varies with the cohesion of the military establishment (Linz and Stepan explain how the differences between hierarchically led militaries and non-hierarchically led militaries revolve around the level of cohesion of these establishments).

### *THE POLITICAL ECONOMY OF AUTHORITARIAN WITHDRAWALS IN LATIN AMERICA*

Stephan Haggard and Robert Kaufman, drawing evidence from a wide range of experiences of regime shift, find empirical evidence that their cross-national comparison of authoritarian withdrawals in Latin America<sup>39</sup>, comprehensive of data gathered from seven Latin American countries that underwent democratic transitions during the twentieth century (Argentina, Bolivia, Brazil, Chile, Peru, Mexico, and Uruguay), deals predominantly with middle-income capitalist states. The hypothesis they formulate to connect these results with economic conditions in both the long and short run is that “*authoritarian regimes are more vulnerable to economic downturns in middle-income capitalist countries. In such societies, wealth holders are more sharply differentiated from the political elite. Social groups hold substantial and independent organizational and material resources that are crucial to regime stability. The middle and working classes are politically relevant and there are lower barriers to collective action on the part of urbanized low-income groups.*”<sup>40</sup> Countries falling into this category are also much more likely to have stronger histories of party politics, labor mobilization, and civic association. In both southern Europe and Latin America, these political traditions provided the basis for political mobilization during periods of crisis.

Among the aforementioned countries, only Chile and Mexico experienced transition scenarios that were not shaped in contexts of harsh economic crisis. Although refraining from affirming the existence of a direct causal and univocal link between economic crises and democratization, scholars have individuated multiple widespread symptoms of economic struggles in different countries, and tried to follow the channels through which these issues had strengthened opposition in the private sector and stimulated

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<sup>39</sup> From Haggard, Kaufman, *The Political Economy of Democratic Transitions*, 1995, p. 26.

<sup>40</sup> *Ibid.*, p. 46.

social movements. Again, the distribution of *de jure* and *de facto political power*, and therefore the ability to model, respectively, political and economic institutions during crises, was critical for the formation of strong mechanisms of opposition and protest. In all of the transitions happened during economic crises, authoritarian rulers sought to impose limits on political reform through repression and manipulation of political institutions, or by attempting to maintain an explicit veto over the groups allowed to participate in politics. Still, the social unrest seething during pre-transition periods, and later unleashed by the outburst of economic crises, substantially eroded their capacity to achieve these objectives. With the partial exclusion of Brazil, no withdrawing military government was able to apply a significant influence over the configuration of its democratic successor. In the most extreme cases of Argentina and Bolivia, departing rulers were incapable of protecting themselves fully from retaliations for crimes committed during their government.

Now, tracing backwards from the descriptions of the transitional mechanisms prompted by economic crisis, namely from pervasive inflation and falling growth, a specification of the sources and policy responses to economic crises becomes rather necessary. Although the nature of the crises was profoundly differentiated in every one of the country they were occurring in, the onset of most of them was suggested by a rapid worsening of the balance of payments, a scarcity in monetary reserves and heavy pressures on the exchange rates. The deterioration of the balances of payments for Latin American countries was largely due to foreign capital withdrawals related to the debt crises: throughout the second half of the 20<sup>th</sup> century, the continent had become more and more reliant on external investments: alliances and trade deals to foster economic cooperation had expanded rather rapidly since the milestone that was the Alliance for Progress, established under president John F. Kennedy in 1961.

During the 1960s and 1970s, Latin American countries took on substantial debt to fund industrialization and infrastructure projects. At first, loans were coming from public institutions like the World Bank. However, after 1973, private banks, invigorated by oil profits, saw state bonds as a secure investment. From 1975 to 1982, Latin American debt to commercial banks increased dramatically, quadrupling from \$75 billion to over \$315 billion, while debt service payments skyrocketed due to rising global interest rates. Combined with inadequate political and economic institutions, often constrained by the military, this precarious economic balance, ridden with persisting sovereign debt, disintegrated with the global recession that exploded during the 1970s: petroleum-exporting nations, benefiting from high oil revenues, deposited their profits in international banks, which in turn loaned large amounts to Latin American governments.

Furthermore, a weakening balance-of-payments position was accompanied by widening fiscal deficits, accelerating inflation, and the distributional conflicts that result from such macroeconomic instability<sup>41</sup>. Government responses revolved around devaluation and protectionism, with trade and exchange restrictions becoming source of rampant unemployment rates and plummeting real wages.

Among the countries under discussion, *Peru, and then Bolivia* (see table 5), “*were the first to fall into major debt crises. In the wake of the first oil shock, the Velasco and then the Bermudez governments in Peru did undertake a series of stabilization initiatives, but these met serious resistance both from within the military and from highly mobilized popular-sector groups; as a result, they were never fully implemented*”<sup>42</sup>. *In Bolivia, a cycle of coups and countercoups within the military after 1978 prevented coherent policies of any sort. In both countries, profound political uncertainties were clearly a contributing factor in prolonging and deepening the economic crisis.*”<sup>43</sup>

Other countries, like Brazil under Planning Minister Antonio Delfim Neto, formulated their economic policies in a countercyclical fashion, broadening fiscal debt by investing in the agricultural and energy sectors. *By the end of 1980, nevertheless, the unsustainable corrosion of monetary reserves forced the Brazilian government to turn toward very austere monetary and credit policy*<sup>44</sup>.

Mexico, which during the 1960s and 1970s had gone as far as borrowing against future oil revenues with the debt valued in US dollars, turned out to be even more subject to external shocks, namely the global recession that came with the end of the decade. “*When the Mexican crisis broke in August 1982 the government moved reluctantly, and in the face of substantial public protest, toward acceptance of an IMF program.*”<sup>45</sup>

Argentina and Uruguay, although facing similar economic challenges, chose to adopt a different policy to stop inflation from running amok: they employed a *preannounced rate of nominal devaluation, the tablita, as an "anchor" for inflation expectations. Inflation did decline somewhat after the adoption of the tablita in both cases, but continued to outpace exchange-rate depreciation*<sup>46</sup>. The outcome was characterized by elevated domestic interest rates and large capital inflows, soon shadowed by waning

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<sup>41</sup> From J. Nelson, *Economic Crisis and Policy Choice: The Politics of Adjustment in the Third World*, 1990.

<sup>42</sup> For further study, consult Barbara Stallings, *Politics and Economic Crisis: A Comparative Study of Chile, Peru, and Colombia*, 1990.

<sup>43</sup> Also here, for a more detailed account, see Morales, Sachs, *Bolivia's Economic Crisis*, 1989.

<sup>44</sup> See Fishlow, *A Tale of Two Presidents: The Political Economy of Crisis Management*, 1987.

<sup>45</sup> Haggard and Kaufman, *The Political Economy of Democratic Transitions*, 1995, p. 50.

<sup>46</sup> Ramos, *Neoconservative Economics in the Southern Cone of Latin America, 1973-1983*, 1986

trust in the government's capacity to prolong an increasingly overvalued exchange rate, capital flight, and forced devaluation.

The obstinacy of the Argentinian government proved to be extremely detrimental for the economic well-being of the country: Argentina's problems became evident with the failure of several financial-industrial corporations in late 1980. Issues spread swiftly to other sectors. In February 1981, with Roberto Viola being appointed to become new president during the same year, major capital outflows forced the outgoing team to devalue. The neoliberal model of trade and capital account quickly fell apart. Viola promptly embodied sections of the military that had opposed this policy experiment from the beginning. He moved to *reverse some of the orthodox measures of his predecessors, raising tariff barriers and easing the flow of credit and subsidies to the private sector*. In December 1982, a coup marked the restoration of a neoliberal government, yet budget deficits remained very large, *with estimates ranging from an annual average of 12.7 to 16.4 percent of GDP for the 1980-84 period. Argentina fell into a cycle of devaluation, widening fiscal deficits, and an inflation that had accelerated to an annual rate of more than 340 percent by the time Alfonsín took office*<sup>47</sup>.

Uruguay had likewise adopted the *tablita* in 1978, with its currency remaining nonetheless cheap in terms of Argentinian pesos. The result of this imbalance manifested through huge flows of capital moving from Argentina to Uruguay's banking and construction sectors. When Roberto Viola opted for an ulterior devaluation in 1981, however, capitals moved back to Argentina in a dramatically rapid way, *"contributing to an almost immediate collapse of the construction sector and a steep decline in manufacturing activity."*<sup>48</sup> The military, already under pressure because of the internal debates sparked by the 1980 constitutional referendum, proved to be incapable to deal with such catastrophic economic conditions. The armed forces ended up announcing a plan for the return to civilian rule, which occurred in 1984 with the election of Colorado Party leader Julio María Sanguinetti.

In Uruguay, by 1980 all major political parties had united against the military and their proposed constitution. The middle class, finding the military deficient of both institutional legitimacy and means to carry out a credible recovery program, abstained from supporting its maintenance. In Argentina, the military withdrew in disgrace after the Dirty War (1974-1983) left them divided and politically isolated. In Brazil, by the early 1980s, social unrest, together with the opposition from labor movements and the

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<sup>47</sup> Dornbusch, De Pablo, *Debt and Macroeconomic Instability in Argentina*, 1989

<sup>48</sup> Economic Commission for Latin America, *The Evolution of the Economy and Economic Policy in Uruguay between 1981 and 1984*, 1984, p. 643-47.

waning support of the economic elites, brought the regime to accept the inevitability of a transition to democratic rule. Nonetheless, even after the election of President Tancredo Neves in 1985, the Brazilian military managed to secure significant institutional privileges as they withdrew, maintaining a degree of influence in the new democratic regime.

In stark contrast, during the 1980s, the Chilean bourgeoisie willingly stepped back from daily political leadership in exchange for the military's protection against left-wing radicals, and their role in driving an economic foundational project. By 1988, after 15 years in power, the military was still unified, with a solid base of support in civil society. Pinochet planned to extend his rule for another decade through constitutional means, leveraging the strong institutional framework the regime had established.

Chile represents thus, among these countries, a rather unique case of transition: economically strong if compared to the rest of the area, it suffered from one of the most heinous, effective and long-lasting dictatorships of the 20<sup>th</sup> century. Pinochet, even after the end of his regime, kept putting severe authoritarian constraints on the newly formed democracy. Nevertheless, Chile's socialist experience under President Salvador Allende played a crucial role in maintaining a sense of self awareness of the masses, even under the crushing repression characteristic of Pinochet's dictatorship.

### *CHILE: THE PROLONGED STABILITY OF AN INCOMPLETE TRANSITION*

The evidence gathered from Latin America regarding regime changes seems thus to support the hypothesis that economic shocks can accelerate the demise of authoritarian regimes. Chilean economic and political history undeniably represents an anomaly within this claim, making the dynamics and the consequences of its democratic transition a uniquely fascinating case.

The Pinochet regime experienced, during the late 1970s and early 1980s, a severe economic crisis with the same physiognomy as the ones that preluded the collapses of bureaucratic-authoritarian regimes in Argentina, Brazil and Uruguay. Nonetheless, Pinochet managed to remain in power until the end of the decade, engraving neoliberal, market-oriented features in the establishment of modern Chile. The country's first approach towards the economic struggles begun during the 1970s was not different from the rest of the Southern Cone: fixed exchange rates, preannounced devaluations and a fiscal regime even tighter than the ones of neighboring countries. The climax of the crisis in Chile was signaled in late 1981 by a dramatic deterioration in the balance of payments, a weakened flow of external credit, and a number of domestic bank failures (table 6). *"These policies succeeded in lowering inflation to less than 10*

*percent per year by 1981, while achieving a rate of growth in GDP of 7 percent per year over the 1976-81 period. But in 1982, and 1983, the country plunged into a major recession; GDP fell 14 percent in 1982, and unemployment increased from a low of 11 percent in 1981 to more than 25 percent in 1982.*”<sup>49</sup>

Pinochet’s response involved a reversal of the liberal philosophy professed up until then: the nationalization of a major part of the financial-commercial conglomerate put a large portion of the Chilean economy directly under the dictator’s control.

The adverse economic conditions, namely the rampant unemployment (that, as indicated by the Phillips curve, is inversely proportional to the difference between the natural and the actual rates of inflation), started to trigger a political and social response. The copper workers’ union, which in 1973 had undertaken the role of *proletarian bourgeoisie*, opposing Allende’s socialist and nationalist government; began to feel on its own skin the repercussions of Pinochet’s protectionist policies. It blazed the trail for the first mass demonstrations since 1973, joined later by a substantial part of the middle-class: the same actors that passively observed Pinochet’s *coup d’état* unfold, too frightened by the Marxist phantom, now were the ones “*criticizing the government's market-oriented economic policies and demanding a greater voice in the decision-making process.*”<sup>50</sup>

It is evident how this change of stance by the middle class has little to do with an ideological preference for democracy. As Rodrik and Mukand stress in their *Political Economy of Liberal Democracy* (2015), an individual (or a class) who does not bestow an intrinsic value to democracy as a form of government, is bound to calculate the utility of a given institutional system exclusively in relation to its policies. The Chilean middle-class is a perfect example: Pinochet’s new round of privatization and trade reforms in 1985 was indeed a turning point in the management of opposition and dissent for the military-led junta.

Chilean political history of the late 20<sup>th</sup> century is one of incomplete consolidation towards democratic institution, that saw Pinochet’s ability to mold the perception of the leftist threat as a deterrent for further protests by the business elites and most of the middle-class.

If the longevity of the Chilean authoritarian regime can be partly explained by the extreme class antagonism and ideological polarization that had grown during Allende’s government; the reasons why Pinochet’s rule did not crumble under the pressures of economic crisis must be sought within the structure of the Chilean military.

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<sup>49</sup> A. Velasco, *Liberalization, Crisis, Intervention: The Chilean Financial System, 1975–85*, 1991

<sup>50</sup> E. Silva, *Capitalist Coalitions, the State, and Neoliberal Economic Restructuring: Chile, 1973-1988*, 1993, p. 550.

First of all, the high level of cohesion present in the extremely hierarchically-led Chilean military was essential to prevent internal conflicts from weakening the authoritarian system. *“The capacity of the regime to withstand such pressures depended in fact heavily on the centralization and discipline of its military base.”*<sup>51</sup> The extreme concentration of power in Pinochet’s hands was reinforced by *“the corporate insulation of the military from the political establishment”*<sup>52</sup>, and it shielded the Chilean armed forces from the destabilizing internal conflicts that were disintegrating the militaries in Uruguay, Argentina and Brazil.

Secondly, during the years prior to the crisis, Pinochet had done everything in his power to promote reforms that weakened the social bases of potential labor and business oppositions. Namely, the 1979 labor laws crumbled unions and attached workers’ interests to firm-level demands. Moreover, despite the fact that industrial and financial conglomerates secured a certain influence during the 1970s, when the crisis reached its climax, the power of these corporations vanished, paving the way for a round of nationalization of their assets and a series of arrests of important executives, related to presumed financial irregularities.

Throughout the early 1980s, Pinochet managed to take advantage of the state of political and economic fragmentation Chile was in. Starting a dialogue with the Christian Democrats and the right, and later nominating Sergio Onofre Jarpa as interior minister, he solidified a united front against the left, and prepared to commit his resources to its complete repression. In November 1984, following escalating unrest, the government declared a state of siege and began a major crackdown. Security forces conducted sweeping raids through shantytowns, systematically searching homes and detaining nearly all males over fifteen, with particular focus on those involved in activism. *“Arrests, which had averaged about 1,500 during 1976-82, increased by more than 300 percent in the next several years. By the end of 1984, the wave of mass protests that had shaken the regime had run its course.”*<sup>53</sup>

The remarkable economic recovery that followed the crisis (between 1984 and 1990, the average annual rate of expansion was over 5 percent), together with the recently strengthened political control that the military had regained by means of repression and violence, allowed Pinochet to launch a new drive to privatize state-owned enterprises, reinforcing the links with business elites.

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<sup>51</sup> Remmer, *Military Rule in Latin America*, 1991, p. 113-45

<sup>52</sup> Haggard and Kaufman, *The Political Economy of Democratic Transitions*, 1995, p. 79.

<sup>53</sup> Arriagada, *Pinochet*, 1988, p. 63

As demands for democratic reform gained momentum in the late 1980s, Chile's business community's close ties with the regime significantly influenced the nature of the transition. Rather than opposing democratization, many business leaders saw it as an opportunity to curtail the risks of concentrated executive power. Unlike business elites in Argentina, Brazil, and Uruguay, however, Chilean elites emphasized maintaining policy stability and advocated for a gradual, measured approach to institutional change to ensure economic continuity throughout the shift.

After 15 years in power, the military was still united, and the authoritarian regime could rely on a solid foundation of support within the higher classes of civil society. The only fissure in Pinochet's, bureaucratic armor was found, ironically enough, in the general's own custom-made constitution.

According to the 1980 constitution, a 1988 plebiscite would indeed allow the junta's selected nominee to rule for another eight years if he won a majority vote. When Pinochet, the junta's choice, received only 44 percent, he fell short of the required threshold, setting the framework for the 1989 presidential election and a formal transfer of power in March 1990. However, Pinochet maintained a strong bargaining power during the process, to the point where he managed to obtain the conditions most favorable to the authoritarian regime: *"the newly elected government in Chile agreed to begin their rule with the 1980 constitution (partially amended in 1989) and to try to eliminate its authoritarian features by the difficult constitutional amendment procedures stipulated in the constitution itself."*<sup>54</sup>

The presidency was won by the center-left Concertación coalition, led by the Christian Democrats (PDC) and supported by much of Chile's Socialist movement. This victory was possible only because coalition leaders ratified an economic approach acceptable to conservative forces, maintaining elements of Pinochet's economic legacy. While all harmed by past reforms, the groups within the coalition struggled to create a cohesive alliance that could overcome long-standing rivalries between Christian Democrats and Socialists. The coalition's formation involved negotiating among more than seventeen fragmented parties, most of which were uncertain of their electoral standing.

This transition from authoritarian rule was made even more problematic by all the key *de jure* limitations on democratic sovereignty inherited through the adoption of Pinochet's constitution. A great constraint on the new government's capacity to formulate new policies was represented by the self-conferred constitutional right of the outgoing nondemocratic government to assign nine of the Senate's forty-seven seats. Also, another *de jure* limit on the authority of the Concertación government concerned the

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<sup>54</sup> Linz, Stepan, *Problems of Democratic Transition and Consolidation*, 1996, p.206.



continuity of military leadership. “*The constitution gave General Pinochet the prerogative of unremovability (inamovilidad) as chief of the army until March 1998 and the same prerogative to the other three junta members from the navy, air force, and police. All four also had the right to voice and vote in the eight-person National Security Council.*”<sup>55</sup>

The transition remained thus heavily restricted, marking one of the least democratic transfers of authority among comparable cases in Southern Europe and the Southern Cone, with significant boundaries placed on the autonomy of new democratic institutions.

Patricio Navia defines Pinochet as “*the most transformative president in modern Chile*”<sup>56</sup>. He argues that the choice of the left-wing coalition of Concertación, to maintain the fundamentals of the neoliberal economic model, yet introduce socio-economic policies to reduce poverty and inequalities, helped to validate Pinochet's economic model. Likewise, the choice to reform rather than replace the dictator's custom-made 1980 constitution, facilitated the consolidation of Pinochet as the father of modern Chile.

Recognizing that “*Chile's democracy had important authoritarian enclaves*”<sup>57</sup> is however an essential premise to understand why the transition advanced slowly but decisively toward democratic consolidation, and how the first three governments of the Concertación dismantled much of the institutional authoritarianism left behind by general Pinochet and kept aiming towards the consolidation of a new political order.

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<sup>55</sup> *Constitución Política, Disposiciones Transitorias*, Octava

<sup>56</sup> P. Navia, *Pinochet: The Father of Contemporary Chile*, 2008, p. 253

<sup>57</sup> M. Garretón, *Balance y perspectivas de la democratización política chilena*, 1999

TABLES AND FIGURES

		Property Rights			
		yes		no	
		Political Rights		Political Rights	
		yes	no	yes	no
Civil Rights	yes	Liberal Democracy	Liberal Autocracy	Democratic Communism	n.a.
	no	Electoral/Illiberal Democracy	Right-Wing Autocracy	Dictatorship of the Proletariat	Personal Dictatorship or Anarchy

Table 1: Taxonomy of Political Regimes (Rodrik, Mukand, *The Political Economy of Liberal Democracy*, 2015).

Characteristic	Democracy	Authoritarianism	Totalitarianism	Post-totalitarianism	Sultanism
Pluralism	Responsible political pluralism reinforced by extensive areas of pluralist autonomy in economy, society, and internal life of organizations. Legally protected pluralism consistent with "societal corporatism" but not "state corporatism."	Political system with limited, not responsible political pluralism. Often quite extensive social and economic pluralism. In authoritarian regimes most of pluralism had roots in society before the establishment of the regime. Often some space for semiopposition.	No significant economic, social, or political pluralism. Official party has <i>de jure</i> and <i>de facto</i> monopoly of power. Party has eliminated almost all pretotalitarian pluralism. No space for second economy or parallel society.	Limited, but not responsible social, economic, and institutional pluralism. Almost no political pluralism because party still formally has monopoly of power. May have "second economy," but state still the overwhelming presence. Most manifestations of pluralism in "flattened polity" grew out of tolerated state structures or dissident groups consciously formed in opposition to totalitarian regime. In mature post-totalitarianism opposition often creates "second culture" or "parallel society."	Economic and social pluralism does not disappear but is subject to unpredictable and despotic intervention. No group or individual in civil society, political society, or the state is free from sultan's exercise of despotic power. No rule of law. Low institutionalization. High fusion of private and public.
Ideology	Extensive intellectual commitment to citizenship and procedural rules of contestation. Not teleological. Respect for rights of minorities, state of law, and value of individualism.	Political system without elaborate and guiding ideology but with distinctive mentalities.	Elaborate and guiding ideology that articulates a reachable utopia. Leaders, individuals, and groups derive most of their sense of mission, legitimation, and often specific policies from their commitment to some holistic conception of humanity and society.	Guiding ideology still officially exists and is part of the social reality. But weakened commitment to or faith in utopia. Shift of emphasis from ideology to programmatic consensus that presumably is based on rational decision-making and limited debate without too much reference to ideology.	Highly arbitrary manipulation of symbols. Extreme glorification of ruler. No elaborate or guiding ideology or even distinctive mentalities outside of despotic personalism. No attempt to justify major initiatives on the basis of ideology. Pseudo-ideology not believed by staff, subjects, or outside world.

Characteristic	Democracy	Authoritarianism	Totalitarianism	Post-totalitarianism	Sultanism
Mobilization	Participation via autonomously generated organization of civil society and competing parties of political society guaranteed by a system of law. Value is on low regime mobilization but high citizen participation. Diffuse effort by regime to induce good citizenship and patriotism. Toleration of peaceful and orderly opposition.	Political system without extensive or intensive political mobilization except at some points in their development.	Extensive mobilization into a vast array of regime-created obligatory organizations. Emphasis on activism of cadres and militants. Effort at mobilization of enthusiasm. Private life is decried.	Progressive loss of interest by leaders and nonleaders involved in organizing mobilization. Routine mobilization of population within state-sponsored organizations to achieve a minimum degree of conformity and compliance. Many "cadres" and "militants" are mere careerists and opportunists. Boredom, withdrawal, and ultimately privatization of population's values become an accepted fact.	Low but occasional manipulative mobilization of a ceremonial type by coercive or clientelistic methods without permanent organization. Periodic mobilization of parastate groups who use violence against groups targeted by sultan.
Leadership	Top leadership produced by free elections and must be exercised within constitutional limits and state of law. Leadership must be periodically subjected to and produced by free elections.	Political system in which a leader or occasionally a small group exercises power within formally ill-defined but actually quite predictable norms. Effort at cooptation of old elite groups. Some autonomy in state careers and in military.	Totalitarian leadership rules with undefined limits and great unpredictability for members and nonmembers. Often charismatic. Recruitment to top leadership highly dependent on success and commitment in party organization.	Growing emphasis by post-totalitarian political elite on personal security. Checks on top leadership via party structures, procedures, and "internal democracy." Top leaders are seldom charismatic. Recruitment to top leadership restricted to official party but less dependent upon building a career within party's organization. Top leaders can come from party technocrats in state apparatus.	Highly personalistic and arbitrary. No rational-legal constraints. Strong dynastic tendency. No autonomy in state careers. Leader unencumbered by ideology. Compliance to leaders based on intense fear and personal rewards. Staff of leader drawn from members of his family, friends, business associates, or men directly involved in use of violence to sustain the regime. Staff's position derives from their purely personal submission to the ruler.

Table 2: Characteristics of nondemocratic regimes (Stepan, Linz, *Problems of Democratic Transition and Consolidation*, 1996).

Necessary Conditions	Authoritarianism
1. Rule of law and civil society freedom	In some authoritarian regimes there is a tradition of rule of law and civil society that might be quite lively, but civil liberties will need to be extended and protected. Laws giving autonomy to trade unions, media, etc., may need to be enacted and implemented.
2. Political society autonomy and trust and legal condition for it	All the normal conditions ensuring the free electoral competition between parties need to be created. In some cases, party competition has only been suspended and can easily be revitalized. In other cases, the formation of parties needs to be legalized and restrictions on specific parties lifted. In some cases the political rights of key political actors need to be re-established. In exceptional cases an authoritarian state party may have to be dismantled.
3. Constitutional rules to allocate power democratically	In some cases, there can be an immediate declaration that a previous democratic constitution has been reinstated; in other cases amendments to a nondemocratic constitution may be viable; in still others a full democratic constituent assembly and constitution-making process are needed.
4. State bureaucracy acceptable and serviceable to democratic government	To the extent that the bureaucracy has not been politicized and has maintained professional standards, there may be no immediate need for bureaucratic reform. In some cases, a more or less limited purge of bureaucrats, including the judiciary and the military, might be desirable. But if a hierarchical military played a major role in the previous nondemocratic regime, such purges may be quite difficult.
5. Sufficient autonomy for economy and economic actors to assure pluralism of civil society, political society, and economic society	If the economy has been a functioning mixed economy, there may be no immediate changes necessary to facilitate the transition and consolidation of democracy. Whatever further reforms are desired or needed will be part of normal political processes that could include more socialization or more privatization of property and more or less social and/or economic regulation of the market.

Table 3: Transitions from Authoritarianism to Democracy (Stepan, Linz, *Problems of Democratic Transition and Consolidation*, 1996).

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Economic Performance prior to Democratic Transitions

	<i>GDP Growth</i>		<i>A - B</i>
	<i>Avg. Performance, Transition Year and Two Previous Years (A)</i>	<i>Avg. Performance, Five Previous Years (B)</i>	
	Honduras, 1982	-0.5	
Romania, 1990	-4.3	2.9	-7.2
Philippines, 1986	-3.2	3.9	-7.1
Ecuador	6.3	13.2	-7.0
Bolivia, 1982	-1.5	4.4	-6.6
Portugal, 1976	1.3	7.4	-6.1
Argentina, 1983	-3.2	2.4	-5.6
Uruguay, 1985	-2.4	2.0	-4.4
Hungary, 1990	-2.3	1.8	-4.1
Spain, 1977	2.5	6.2	-3.7
Nicaragua, 1990	-4.6	-0.9	-3.5
Greece, 1974	4.3	7.7	-3.4
Thailand, 1973	6.3	9.2	-2.9
Nigeria, 1979	2.6	5.3	-2.7
Senegal, 1978	0.1	2.5	-2.4
Thailand, 1983	5.8	7.8	-2.0
Argentina, 1973	3.2	4.4	-1.2
Poland, 1989	2.2	3.1	-0.9
Guatemala, 1986	0.0	0.6	-0.6
Peru, 1980	3.5	4.1	-0.6
Czechoslovakia, 1989	1.7	2.2	-0.5
Turkey, 1974	6.5	6.9	-0.4
Brazil, 1985	3.3	3.1	0.2
El Salvador	-0.9	-1.2	0.3
Turkey, 1983	4.3	3.0	1.3
Korea, 1988	11.7	8.5	3.2
Chile, 1990	6.3	3.9	2.4
Ghana, 1979	3.3	-1.9	5.2
Paraguay, 1989	5.7	0.1	5.6

Table 4: Mark Gasiorowski, study on the correlation between slowed GDP growth and Democratic Transitions.

	<i>Inflation</i>		<i>A - B</i>
	<i>Avg. Performance, Transition Year and Two Previous Years</i>	<i>Avg. Performance, Five Previous Years</i>	
	<i>(A)</i>	<i>(B)</i>	
<i>Brazil, 1985</i>	188.7	75.5	113.2
<i>Poland, 1989</i>	112.2	34.1	78.1
<i>Bolivia, 1982</i>	69.7	10.1	59.6
<i>Ghana, 1979</i>	81.3	26.4	54.9
<i>Peru, 1980</i>	61.2	24.3	36.9
<i>Argentina, 1973</i>	51.4	19.7	31.7
<i>Portugal, 1976</i>	22.2	7.7	14.5
<i>Greece, 1974</i>	15.6	2.1	13.5
<i>Hungary, 1990</i>	20.5	7.1	13.4
<i>Uruguay, 1985</i>	58.9	45.6	13.3
<i>Guatemala, 1986</i>	19.7	7.7	12.0
<i>Philippines, 1986</i>	24.7	13.8	10.9
<i>Spain, 1977</i>	18.8	9.9	8.9
<i>Turkey, 1974</i>	14.3	7.5	6.8
<i>Thailand, 1973</i>	6.9	2.5	4.4
<i>Honduras, 1982</i>	12.2	7.9	4.3
<i>Paraguay, 1989</i>	23.6	19.5	4.1
<i>Romania, 1990</i>	2.7	1.7	1.0
<i>Nigeria, 1979</i>	15.7	16.0	-0.3
<i>Czechoslovakia, 1989</i>	0.5	1.9	-1.4
<i>El Salvador, 1984</i>	12.2	14.4	-2.2
<i>Ecuador, 1979</i>	11.7	14.1	-2.4
<i>Thailand, 1983</i>	7.2	9.8	-2.6
<i>Korea, 1988</i>	4.3	7.3	-3.0
<i>Chile, 1990</i>	19.2	23.5	-4.3
<i>Argentina, 1983</i>	204.4	211.2	-6.8
<i>Senegal, 1978</i>	5.3	13.9	-8.6
<i>Turkey, 1983</i>	32.9	51.7	-18.8

Source: International Monetary Fund, *International Financial Statistics*, various issues. Comparable data for inflation in Nicaragua is not available.

Note: Country names in italics are those of cases discussed in this volume.

Table 4.1: Mark Gasiorowski, study on the correlation between slowed inflation levels and Democratic Transitions.

	<i>Bolivia</i>							
	<i>1975</i>	<i>1976</i>	<i>1977</i>	<i>1978</i>	<i>1979</i>	<i>1980</i>	<i>1981</i>	<i>1982</i>
GDP Growth	6.6	6.1	4.2	3.4	0.2	-1.4	1.0	-4.4
Inflation	8.0	4.5	8.1	10.4	19.7	47.2	32.1	123.5
Fiscal Deficit/GDP	na	na	na	na	na	-5.5	-4.6	-25.0
Current Account/GDP	-5.3	-1.9	-3.6	-8.8	-9.0	-0.1	-7.6	-2.8
Investment/GDP	24.4	21.2	20.8	24.7	20.8	15.4	13.3	12.5
Real Wage	na	na	na	0.4	-1.4	-5.5	-8.7	-27.7

Table 5: Bolivian Economic Trends and Authoritarian Withdrawals: The Crisis Case

Source: All data except real wage growth, *International Monetary Fund, International Financial Statistics Yearbook, various issues*; real wage data for Latin America, *Economic Commission for Latin America, Economic Survey of Latin America and the Caribbean*.

Economic Crisis and Adjustment in Chile, 1979-1985							
	1979	1980	1981	1982	1983	1984	1985
GDP Growth	8.3	7.8	5.6	-14.2	-0.7	6.3	2.4
Inflation	33.4	35.1	19.7	9.9	27.3	19.9	30.7
Fiscal Deficit/GDP	4.8	5.4	2.6	-1.0	-2.6	-3.0	-2.4
Current Account/GDP	-5.7	-7.1	-14.5	-9.5	-5.7	-11.0	-8.8
Investment/GDP	17.8	21.0	22.7	11.3	9.8	13.6	13.7
Real Wage	8.3	9.0	9.1	-0.2	-10.7	0.1	-3.8

Table 6: Economic Crisis and Adjustment in Chile, 1979-1985

Source: *The World Bank, World Tables 1993; International Monetary Fund; International Financial Statistics Yearbook; Economic Commission on Latin America, Economic Survey of Latin America and the Caribbean.*

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