

# The Pinochet Regime and Chilean Politics

Written by Matthew Gilmour

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General Augusto Pinochet took control of Chile in September 1973 following a military coup which had ousted the previous incumbent Salvador Allende. When in power, Pinochet instituted vast reforms to try to cure the Chilean nation which had been left in a deep economic, social, political and constitutional crisis. This essay will evaluate whether the Pinochet regime brought political stability and economic improvement to Chile during its time in power between 1973 and 1990. It will start by assessing the Allende government, the problems it faced and events preceding the military coup which led to Allende's suicide, before going on to discuss the political, economic and constitutional reforms instituted by Pinochet. It will discuss the positive aspects of Pinochet's reforms, such as the achievement of political stability and fall in level of inflation, before going on to discuss problems such as the stability achieved being based on a system of repression, and although the economic reforms benefitted some, they impoverished others and led to an economic crisis in the early 1980s. It will ultimately argue that although the country was in political and economic chaos when the Pinochet regime took charge in September 1973, and although the Pinochet regime was responsible for bringing both political stability and to some extent economic improvement, the brutal way the Pinochet regime operated and achieved these goals seriously questions the extent of their importance over basic humanity and ethics.

Pinochet took control of Chile following a successful military coup on September 11<sup>th</sup> 1973 which ended the reign of the democratically elected president Salvador Allende. Before going on to examine the Pinochet regime, it is important to understand how Allende came to power and the upheaval in Chile due to the reforms enacted during his time in office. Allende was elected into the presidency on his fourth attempt in 1970 with 36.3% of the vote. Allende's failure to obtain a majority of the popular vote could be argued to make his mandate to govern questionable, however this is not uncommon as few Chilean presidents in the period 1932-1973 received an absolute majority (Oppenheim, 1999, p.40), due to the combination of staggered elections and proportional representation which made it difficult to get a stable majority for any program, especially if it involved fundamental reforms (Sigmund, 2011, p.175).

Allende was head of the Popular Unity coalition and a revolutionary socialist who, following his inauguration, quickly set about reforming Chile in the hope of eventually creating a socialist society with genuine popular control over economic and political life (Valenzuela, 1978, p.50). Although socialist revolutions were happening elsewhere in Latin America at the time, perhaps most notably in Cuba and Bolivia, Allende's triumph raised international attention as it represented the first free election of a Marxist head of government committed to a fundamental change of his countries socioeconomic order, and the promise to bring about revolutionary change whilst acting within the existing constitutional and legal framework (Valenzuela, 1978, p.43).

Despite only winning the highest *minority* of the vote in the election and requiring a congressional vote of approval to take up the presidency, Allende still sought to implement revolutionary reforms believing that he would soon overcome his minority election as people would become convinced that his government was a true popular government (Valenzuela, 1978, p.50). Allende aimed to change the social and economic order which saw the bottom 28% of the population receive less than 5% of the national income, and the top 2% take almost 46% (Burbach, 2003, p.9). To do this Allende instituted structural reforms, including land reform and the nationalization of industries, which were designed to ease the transition from capitalism to socialism by shifting the balance of power away from the

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bourgeois, the economic elite, to the masses (Oppenheim, 1999, p.27).

However, when in office a number of issues obstructed Allende and his project of reforms. The 1925 constitution, which included staggered elections meaning that the president and Congress were elected at different times, was one such problem. Although elected into the presidency Allende only controlled one of the three decision-making branches of government in Chile, with Popular Unity controlling barely 40% of the seats in Congress, and faced with a judiciary hostile to Popular Unity and its political project (Oppenheim, 1999, p.88 and p.97). Both of these institutions made it difficult for Allende to enact reforms; however he did manage to implement his desired changes, but controversially via decrees, where he used his power to insist that all ministers sign their support for his reforms (Oppenheim, 1999, p.96). The use of decrees however opened Allende and his administration up to criticism that they were 'circumventing the spirit of the law', whilst also proving fateful to their relationship with the Christian Democrats (Oppenheim, 1999, p.96). Support from the Christian Democrats in Congress in 1970 had allowed Allende to become president, however following Allende's use of decrees, and a series of other disagreements, the Christian Democrats joined alliance with the rightist National Party (Oppenheim, 1999, p.95), leaving Popular Unity faced with opposition from two-thirds of Congress.

Once in power Allende also faced huge resistance to his socialist reforms from a number of groups. His election and proposed reforms polarised society, but whereas usually it is the working classes and trade unions that revolt against the government, between 1970 and 1973, Chile was a country where the historical roles of the different social classes were reversed (Burbach, 2003, p.14). Large-scale landowners and business men believed that Popular Unity's revolutionary reform package constituted an attack on their fundamental economic and political interests and they acted from the start to defend them (Oppenheim, 1999, p.94). The rich and powerful went on strike, large commercial houses and shopkeepers closed their doors, large landowners refused to plant their fields and owners of the means of transportation stopped their vehicles whilst some industries curtailed or halted production (Burbach, 2003, p.14). The actions of these more wealthy groups in society caused huge problems for Allende and the Chilean state in general. A prime example demonstrating the sort of action taken was shown by the second of two trucker's strikes which lasted from July 1973 up until the September coup, where participants had refused to end the strike until Allende had resigned (Oppenheim, 1999, pp.77-78).

The United States government, unhappy with the existence of a Marxist government in what it considered its backyard, was also responsible for disrupting Allende's administration. In 1964, the United States reportedly spent over \$20million in covert funding backing Eduardo Frei to prevent Allende winning the election, then in the run-up to the election in 1970, US intelligence engaged in 'spoiling operations' which spread propaganda and false information about Allende and his Popular Front coalition (Burbach, 2003, pp.10-13). When this failed and Allende assumed office, the United States embarked on a strategy of destabilising the new government, which included cutting off virtually all bilateral funding, pressurising international agencies like the World Bank to stop making loans to Chile, and in general working with US corporations to strangle the Chilean economy (Burbach, 2003, p.13). Statistics show that US economic aid to Chile fell from \$80.8million in 1969 to just \$3.8million in 1973, having already fallen from \$260.4million in 1967, whereas aid from international organizations also fell dramatically from \$91.8million in 1969 to just \$9.4million in 1973 (Valenzuela, 1978, p.57).

As well as this resistance and Allende's difficulty in implementing his reforms, Allende's own economic reforms caused significant problems in Chile. When elected Allende raised workers salaries whilst keeping the prices of basic consumer goods low, which although stimulating the economy in the short-term, in the longer-term led to high inflation, a scarcity of goods and a thriving black market (Oppenheim, 1999, p.92). As a result of Allende's economic reforms, the scarcity of available goods due to the actions of Allende's opposition, and the cut-off of American and international aid, inflation in Chile skyrocketed increasing from 45.9% to 163.4% between July and December 1972 (Valenzuela, 1978, p.55).

Violence also escalated under the Allende government. Extremists on both sides of the political divide, some of whom on the right had been funded by the United States, carried out assassinations, blackouts and bombings resulting in criticism of the Allende government for the lack of law and order and its failure to act decisively (Sigmund, 2011, p.177).

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Then, perhaps the last piece of the jigsaw leading up to the military coup occurred in August 1973. The commander in chief of the military, General Prats, resigned believing he had lost the confidence of most of the generals in the army, leading to the appointment of General Pinochet in his position (Burbach, 2003, p39). Although, the Chilean military had a good record of non-involvement in civilian politics, as opposed to forces in other Latin American countries (Sigmund, 2011, p.168), under the Allende administration the army took an increasing interest in Chilean politics and following Pinochet's appointment decided it needed to act. On September 11<sup>th</sup> 1973, just three years into Allende's six-year presidential term, a military coup was launched overthrowing Allende, his Popular Unity coalition and their plans for a democratic transition to socialism (Barros, p.6).

Following the coup, a military government was setup which, under the leadership of Pinochet, sought to bring political stability and economic improvement to Chile. One of the key areas highlighted for reform by the military government was the economy. Pinochet reformed the Chilean economy under the guidance of economics graduates trained at the University of Chicago by Milton Friedman, who outlined a neo-liberal economic plan for national development to modernise Chile (Oppenheim, 1999, pp.27-28). The neo-liberal model involved the freeing up of market forces, the privatisation of vast segments of the economy, and removing the state from its previous role of overseeing economic and social change (Oppenheim, 1999, pp.27-28).

The employment of neo-liberal economics in Chile is sometimes referred to as creating a 'Chilean economic miracle' (Sigmund, 2011, p.180). Neo-liberal economics allowed the Chilean economy to become firmly enmeshed within the world economy, lowered tariff barriers allowing Chileans to buy all kinds of imported goods, firmly established multinational corporations in the country and modernized Chilean agriculture (Oppenheim, 1999, pp.155-156). Chile's GDP also benefitted hugely as a result of these economic reforms, growing by 8% in both 1977 and 1979, and by 10% in 1989, the highest growth in the region (Valdes, 1995, p.266), whereas inflation fell from 375% in 1975 to 9.9% in 1982 (Oppenheim, 1999, p.121 and p.130).

The Pinochet regime also enacted huge constitutional changes to improve the stability of the Chilean political system. In 1980 a new constitution was put in place which attempted to revise some of the problems present in the 1925 constitution. The new constitution allowed for the simultaneous election of the president and Congress which removed the adverse effects of staggered elections, an issue which had caused considerable problems for the Allende administration, whilst also establishing a two-round runoff system for the popular election of the president, meaning a second round of elections would be called if no candidate got a majority of the vote, a reform which is likely to have prevented the election of Allende in 1970 if it had been in place at the time (Sigmund, 2011, p.181). The new constitution also signalled a return to democracy. Although the approval of the constitution signalled the beginning of an 8-year presidential term for Pinochet, it also included a plebiscite, which if lost, as it was, would mean competitive elections for both the presidency and for Congress would be held in 1989, with a new government taking office in March 1990 (Sigmund, 2011, p.181).

The duration the Pinochet regime remained in power could be argued to demonstrate the political stability it created. Whereas previously Chilean governments had rarely lasted longer than a decade, the Pinochet regime lasted from 1973 until 1990 showing considerable stability (Oppenheim, 1999). The constitution enacted in 1980 could further be argued to demonstrate the strength and benefits of the regime, which although faced significant amendments in the early 1990s, remained to some extent unreformed until 2005 (Nolte, 2008, p.16).

However, despite the positive effects the Pinochet regime had on Chile, bringing both a considerable degree of a political stability and economic improvement, there were huge problems in the way the regime brought about these reforms.

An underlying problem evident during the Pinochet regime time in power was that it was built on repression. Following the military coup and Allende's death, a brutal military regime was established which sought to eliminate the civilian political behaviour and party politics that had previously existed (Oppenheim, 1999, p.87 and p.111). Unlike his predecessor who stood carefully to act within the limits of the law, Pinochet used Decree Law 527 to consolidate absolute power in his own hands (Barros, p.7), whilst also banning political parties, shutting down Congress and censoring the news (Burbach, 2003, pp.45-6).

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The Pinochet regime employed a number of repressive tactics to bring political stability to Chile. When the military regime took control of Chile thousands of suspected leftists were rounded up, tortured, and in many cases killed (Sigmund, 2011, p.179). Some of the first acts of terror were undertaken by what was known as the 'Caravan of Death', a military operation which systematically eradicated political opposition in the north of the country during the early months of the dictatorship (Barton, 2002, p.365), and was reportedly responsible for the execution of seventy-five people by October 1973 (Burbach, 2003, p.48). The Pinochet regime also set up a special intelligence unit, the National Directorate of Intelligence (DINA), which computerized files and was responsible for conducting a national system of terror (Sigmund, 2011, p.180). The result of these and other similar operations is shown in the findings of investigations which have indentified over 3,000 Chileans who had been killed or had disappeared between 1973 and 1990, most of whom were believed to have been victims of "agents of the state or persons in its service" (Sigmund, 2011, p.179). It should also be highlighted that the relationship between Chile and United States, whose role in the military coup which gave Pinochet control is contentious, seriously deteriorated as a result of the repressive tactics and human rights abuses undertaken by the military regime, leading to a ban on Chilean arms aid and purchases from the United States, whilst the United Nations Human Rights Commission also kept a close eye on events in Chile (Sigmund, 2011, p.180).

As well as political stability being built on repression, there were also problems with the economic reforms instituted by the Pinochet regime. The neo-liberal economic system has been argued to have only benefitted a minority of the Chilean population, with average wages lower in 1989 than they were in 1970 (Valdes, 1995, p.267). The reforms were also held responsible for creating a more polarised society with greater income and wealth disparities, including a considerable growth in the number of poor (Oppenheim, 1999, pp.156-157).

The idea that the Pinochet regime brought economic improvement is further questioned when accounting for the sudden collapse of the Chilean economy in 1982. As a result of Pinochet reforms, the Chilean economy was open and heavily intertwined with the international economy meaning it suffered extensively when economic crises hit in the early 1980s. In 1982 and 1983 Chile's GDP fell by 16%, the worst fall of any Latin American nation, the financial sector collapsed costing Chileans between 30 and 40 percent of GDP and unemployment increased to almost 30 percent of the population (Shanghai Poverty Conference, p.1). Although Chile's economic situation did improve as the decade went on, the economic crisis in 1982-1983 is reported to have resulted in around 50% of the Chilean population falling below the poverty line, with extreme poverty affecting 30% of the population (Shanghai Poverty Conference, p.1).

The economic crisis in the early 1980s also brought about events which further question the stability of Chile under the Pinochet regime. A series of protests starting with the Copper Miners Union on May 11<sup>th</sup> 1983, led to a spread of similar strikes and protests across the country amidst the economic crisis (Oppenheim, 1999, p.164). In response to the strikes, the regime employed repressive measures to keep order sending in 17,000 members of the regular army in August 1983 (Sigmund, 2011, p.183) and with protests in September 1983 resulting in 15 deaths, 400 injured and 600 detained (Oppenheim, 1999, p.164). The presence of these strikes and the way they were dealt with could be argued to seriously question whether the Pinochet regime brought political stability to Chile, or whether it was in fact as unstable as under Allende.

The constitutional reforms, which although widely regarded to have improved political stability in Chile and which led to a return to democracy in 1990, have also faced criticism. The 67% of the vote which voted the constitution into existence on September 11<sup>th</sup> 1980 was charged with being artificially inflated with more votes being counted in remote areas than there were voters (Sigmund, 2011, p.181). The fact that voting rolls were destroyed and no independent poll watchers checked on the voting (Sigmund, 2011, p.181) certainly could be argued to question the legality of the proceedings under which the constitution became law. The 1988 plebiscite vote although generally seen as being free and fair, was also surrounded by controversy due to its accompaniment with a massive government propaganda campaign arguing that voting "no" to Pinochet's continuation in power would mean a return to the chaos and communism of the Allende period (Sigmund, 2011, p.184).

In conclusion, it is clear to see why people may differ in their view on whether the Pinochet regime brought political stability and economic improvement to Chile. The Allende administration, while trying to enact revolutionary socialist

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reforms in a democratic way, caused the Chilean state many problems, although it did go about making these changes in a way respectful to and willing to work within the existing system. Following its capture of power, the Pinochet regime began its own program of reforms, which sought to undo the changes Allende implemented, and prevent them from happening again, whilst also managing to bring political stability and economic improvement, to at least some Chileans lives. However, the way the regime sought to change society through the employment of repressive and brutal means questions the importance of political stability over human life, while the way it sought economic improvement questions the benefit of falling inflation and an increase in GDP over the suffering of others in poverty. Overall, political and economic improvements were made by the Pinochet regime, but their social costs question whether they can really be described as improvements.

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