

Local Democracy and Participation in Post-Authoritarian Chile¹

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During the past decade an intensive debate has emerged in Latin America about new forms of citizen's participation in local political affairs. It has generally been argued that the neo-liberal reforms implemented in the 1980s and 1990s have led to the atomization of the citizenry, and hence disarticulated most forms of existing collective action. Many scholars involved in this debate have adopted a strong pro-participation attitude demanding the transformation of 'delegative democracies' into 'deliberative democracies' with an increased civic participation (O'Donnell 1994, Avritzer 2002).

Since the early 1990s the idea of increasing citizens' direct participation in the decision-making process has also emerged as a guiding principle of what was formerly the radical Left and of social movements in Latin America. They consider it a reaction to top-down neo-liberal regimes that would have the momentum to deepen democracy and empower poor and excluded groups to overcome their lack of political clout (Castañeda 2006, Roberts 1998). In the same vein, the participatory budgeting scheme in the Brazilian city of Porto Alegre is referred to as an outstanding mechanism of grassroots participation, which enables deprived social groups to demand better public services (Abers 2000, Fung and Wright 2003). In recent years, hundreds of municipalities all over Latin America have adopted the basic principle of participatory budgeting – often with altered features and with different results – in order to permit citizens to have a say about public investments (Cabannes 2004).

During the last decade, multi-lateral financial institutions such as the World Bank and the Inter-American Development Bank have supported participatory budgeting schemes which have been identified as an important mechanism to increase the legitimacy of multilateral adjustment and pro-poor programmes in particular (World Bank 1996 and 2005, IADB 1997). The enhancement of citizens' political participation is commonly considered one of the possible mechanisms by which to correct some major flaws in current Latin American democracies characterized by a low level of citizens' participation and a high level of corruption. Left-wing organizations and social movements in Latin America consider popular participation a cornerstone of the guiding idea of deepening democracy (Roberts 1998, Avritzer 2002, Fung and Wright 2003). They assume *a priori* that any other mechanism to organize state-society relations is linked to neo-liberalism and technocratic decision-making, which is considered an obstacle for the battle against poverty and frustrates the efforts to increase transparency and accountability. In some countries that may indeed be the case, but in other countries, adopting a strictly representative democratic system might fit better into a country's political culture than full-blown citizens' participation.

Chile has adopted an alternative formula to structure its state-society relationship that has combined economic successes based on neo-liberal principles with a dramatic improvement in its social indicators. Central in this analysis is the question whether Chile really requires active political participation of its citizens in order to deepen democracy that implies less poverty, more transparent institutions, and better social services.

Citizens' participation in Chile's technocratic political system

The Chilean polity has been democratized since democratic restoration in March 1990, and basic civil rights and democratic structures in harness with political stability are now solidly established. In the last 16 years the country is considered the success story of Latin America with a modernized economy and dramatically improved social indicators. This has occurred within a general neo-liberal framework based on technocratic policy making, but with a clear social face expressed in a dramatic increase in the provision of pension schemes, health services, unemployment and anti-poverty programmes. This has led to the most significant reduction of poverty in the whole of Latin America. Poverty levels dropped from 45 per cent in 1990 to 18.8 per cent in 2004 (CEPAL 2005). This achievement of effectuating the economic inclusion of the poor is largely the consequence of well-targeted poverty reduction schemes financed by the central government and the overall dynamism of Chile's economy.

Chile has recognized the need to develop transparent policy measures in order to reinforce the effectiveness of its policies. The consecutive governments of the *Concertación* coalition have pledged to assign civil society a more important role through an increased participation in the public domain. So far, the promise has been made but the concretization of this principle is limited to a broad guarantee to increase accountability and to consult citizens about public spending. Political participation as such is reduced to a right of individual citizens to be heard and exert a marginal control on how taxpayers' money is spent. Recent participatory measures have been prompted by concerns about improving efficiency and maintaining the political *status quo* and are not designed to stimulate a sovereign and active citizenship.

Radical scholars criticize such a narrow definition of political participation and condemn it as an improper insulation mechanism against societal demands for popular and direct participation in politics. In their view, it represents a way to strengthen neo-liberal policies and elite control without opening up the decision-making process to those who have been excluded (the poor, social minorities and marginalized groups). They refer, in this respect, to the growing gap between rich and poor in Chile (e.g. PNUD 2004a). Tironi (2005) considers it rather short-sighted to ignore the grass-roots demand for increased local participation by seeking justification in the present socio-economic boom. He states that the recent *destape* (liberalization) of the conservative social and economic life in Chile will inevitably require a '*destape* of the political nucleus', which will need increased transparency and citizens' participation in politics in the long run. Patricio Navia, in contrast, does not share this criticism and fears that small pressure groups and powerful lobbies might capture and distort newly created participatory channels.

He calls for strengthening and improving the representative democratic system and considers idealizing street protests and making nostalgic references to popular power as the single largest error of the Left in Chile.²

The central government and instrumental participation

Since the democratic restoration in 1990, the Chilean state has been concerned with its connectedness to civil society and in recent years has established procedures to consult citizens. Nowadays, participation is a political buzzword that is omnipresent in politicians' debates across political parties; including the words of incumbent President Bachelet, who has pledged to make progress in increasing citizen's political participation. Its widespread use indicates a shift from such other catch phrases associated with national projects as 'liberty', 'stability', and 'dignity' – used in the early 1990s – and the 'modernization of Chile' – used in the second half of the 1990s (Tironi 1999). The discourse of the governing coalition states that it is now time to create a second wave of new institutional channels which will enable individual citizens to manifest themselves as bearers of rights and as consumers.

Political perceptions have also evolved inside the centre-left governmental coalition since 1990. In the early stage of the transition process, the architects of the democratic restoration associated popular participation with the Allende era (and the so-called *poder popular*) and considered it extremely damaging to the stability of the young, fragile democracy. Since March 2006, the Bachelet government has declared 'increased participation' to be a goal to be pursued by her administration in order to close the gap between politics and ordinary citizens. It fits into a broader strategy of the government to alter its image from that of an elitist democracy and to move away from the often-criticized *política de acuerdos* – agreements between the *Concertación* government, the right-wing opposition and the business elite (Jocelyn-Holt 1998). Although *Concertación* politicians fully recognize the need for participation, they have transformed it from its original militant and left-wing significance into an instrument for effective governance and efficient bureaucratic policy making. It stems from a tendency in a technocratic government to maintain its autonomy and insulate the bureaucratic apparatus from the interests and demands of sectors (Silva 2000). This technocratic insulation mitigated by instrumental participation envisions a functioning of the state combining internal coherence with external connectedness with the broader civil society. It is currently used as a tool to solve problems of complex planning in relation to infrastructure works (see also Domínguez 1997).

This instrumental participation approach may be appropriate, but does contain certain intrinsic hazards. The most prominent is that this model runs the risk of giving way to elite clientelism in which economic lobby-groups dominate the ties that are meant to enhance state-society connectedness. In the globalized market economy of Chile, lobbying by powerful economic groups can influence political agendas and manipulate the media. According to radical scholars such as Moulián (1997) and Fazio (2005), the present power triangle in Chile entangles leaders of all political parties, the business elite who control the vital sectors of the economy, and the owners of the mass media. Others, such as Valdívieso (2001) and Tironi

(2005), are less pessimistic and point to the myriad new media channels and consider this an emanation of a pluralist, modern society.

The second hazard which rears its head is that there is also a danger of a 'perverse confluence' between state strategies aiming to accomplish economic adjustment and reduce its social responsibilities, while civic organizations are expected to uphold increasing responsibilities as part of the participatory project. In that sense, strengthening civil society could become a pretext of the state to delegate such public matters of poverty alleviation and social inclusion to Non-Governmental Organizations. Indubitably this is a sceptical way to look at the problem that has proved to be correct in certain matters, but examples of legislative measures in the following sections and the Government's commitment to fight poverty may give weight to another reading.

Legislative measures to stimulate participation

During the Lagos administration (2000-2006), the issue of democratic participation attracted more attention in Chilean policy making. Several legal initiatives have been enacted and policy makers may officially declare that citizens' participation is an integral part of the modernization efforts in the public services (DOS 2001). At the national level, a comprehensive law on citizens' participation is being prepared. Since 2000, state representatives of the governing *Concertación* coalition have negotiated with civic organizations on the formulation of a new law of citizens' participation and associations.³ Basically, the legal draft recognizes participation as a basic right and determines the different modalities to exert that right and allocate financial support for civic initiatives. Congress has already had the legal proposal under deliberation since 2004 and will make amendments. It would be a major achievement if the law were to be enacted, but it is highly unlikely that the central government would be willing to cede a significant amount of power to its citizens.

A more concrete measure was issued by President Lagos, who enacted an executive resolution (*Instructivo Presidencial* N° 30) in 2000 recommending all ministries to incorporate mechanisms to increase transparency and urging them to respond to complaints and petitions efficiently. This *Instructivo* is not binding, but it operates as a strong recommendation to all ministries. The Division of Civil Organizations (DOS), an agency of the Ministry of the Secretary General of the Government, coordinates participatory initiatives. Focal points are improved communication and access combined with information reach-out through the Internet (Hess-Kalcher 2005). Chile is today one of the most advanced countries in Latin America in its potential to offer information and e-access to public services and government departments (the so-called e-governance). The rub is that this focus on electronic information bypasses those without computer access and creates a category of 'virtual citizens' who are relatively well informed, but without the leverage to influence the decision-making process.

There are a number of important government policies directed toward social investment for poor and marginalized groups through funding, affirmative action, increased civil rights, and capacity building; the focus is on transferring abstract rights to individual citizens without pursuing further dialogue or participation in the articulation of these rights. Large amounts of government funding flow through

a series of social programmes; one of the largest funds is the Social Investment Fund (FOSIS), entirely controlled by the Ministry of Planning and Cooperation (MIDEPLAN), which allocates it in a typical top-down manner without any room for participation. Lower-level entities such as municipalities and NGOs can only participate by tendering to an extensive grant programme (*fondos concursables*) to obtain funding for small projects.

State-society relationships and political culture

Chile's particular situation in which the central state only facilitates very limited instrumental participation can, in my view, be explained by Chile's recent institutional development and current political culture. Both the state and civil society have evolved since the restoration of the democracy and the socio-political reality in Chile is gradually changing. It is altering the overall political culture and, in the first instance, has made ordinary Chileans more apolitical, while maintaining a high degree of reluctance under politicians and bureaucrats for participation.

Civil society: low appetite for participation

The economic growth and free-market thinking of the 1990s have encouraged individualism and career-oriented thinking among Chileans (Halpern 2002). Generally speaking, political participation has drastically diminished since 1990, when the democratic transition eliminated the *raison-de-être* for mass mobilization and political activism. However, today 58 percent of the population participates in one civil organization or another, mostly associated with sport, religion, or the neighbourhood. Those with a political message are reduced to seeking affiliation with associations linked to the extra parliamentary left (UNDP 2004, 219). Their alternative society model (*'un otro Chile'*) is juxtaposed with the neo-liberal state and is founded on social inclusion, equity, and solidarity.⁴ Although these political movements are part of civil society, they cannot be taken as a *pars pro toto* of civil society in Chile as a whole. On the contrary, today they represent a minority in a society which consists of a growing middle-class who have little affinity with the ideology of these progressive left-wing associations. Consequently, they play a marginal role in elections and they lack the means to exert influence on the governing centrist-left coalition.⁵

Conversely, at the other end of the political spectrum, the conservative right has the support of a significant part of the middle-class, representing almost 40 per cent of the electorate in Chile. Most of these voters belong to the upper and middle classes and are suspicious of increased popular participation, still tending to associate it with typically communist agitation. This concern has been fuelled by massive and violent student protests in Chile in May 2006 at the start of President Bachelet's term. These were the first massive street protests since the democratic transition and demanded reforms in the education system and free transport.

Several factors may explain the high level of political apathy among Chileans which has characterized the largest part of the recent democratic period. Most prominently, the majority of the people are satisfied with the present system and the leaders in charge. The approval rate of the previous President, Ricardo Lagos

oscillated around 60 per cent and the new president, Michelle Bachelet obtained almost half the votes in the first round. Pertinently, the economy shows clear indications of structural growth and has enabled almost everybody to improve their living standards. This trend has been bolstered by increased public investments in infrastructure, education, and health care, a guarantee of a durable investment in the welfare of the country. This has created a society in which people are basically not interested in politics and are more concerned about their own well-being and job security (Silva 2004). Moreover, the increased wealth and welfare means that Chileans today have more than ever to lose from mass protests and strikes, which in the collective memory of many Chileans are associated with the highly politicized society of the early 1970s.

A second explanation for the political apathy is that ordinary citizens are no longer attracted by the political slogans of the left-wing movements. Progressive left-wing organizations have not yet succeeded in creating a modernized version of popular participation and solidarity in a market-oriented society. Their discourse continues to refer to a nostalgic notion of an equal, communal society characterized by collective action. This is combined with a tendency among the leftist intelligentsia to homogenize the concept of civil society and idealize it as a harmonious front for civic organizations collaborating towards the shared goal of social equality and inclusion. This vision is outworn and adrift from an increasingly atomized and segmented Chilean civil society, consisting of heterogeneous groups which are focusing on a domestic and familial life sphere. This life sphere is connected only through the neighbourhood and has limited the notion of the community to a territorial level (Tironi 2005, Valenzuela, Tironi and Scully 2006).

The third cause of the general political apathy is that the participatory channels which the government has created in recent years do not appeal to ordinary Chileans. Opportunities for citizens to take part in the decision-making process are not effective and devoid of the chance to exert leverage. This situation does not encourage people to spend time on committees and discussion rounds that are merely consultative. In this respect, Moulián (1997) speaks of a feeling of 'political malaise' (*malestar con la política*), prompting citizens to turn their backs on politics. The only political mobilization today is temporary and concentrated on issues related to peoples' neighbourhoods, and discussion on the balance of power between state and civil society attract little attention. The demands voiced for more participation in the decision-making process including recent outburst of organized protests of students, and previous protests of Mapuches have been about policy decisions that have affected people's homes, their living environment, and personal security.

A fourth and more sociological explanation is that the average Chilean today is more concerned about spending money and leisure time than participating in politics. Young people especially who did not experience the Pinochet era consciously are displaying an attitude of political apathy. This has been linked to a gradual falling participation of young people in elections, although overall electoral participation has fluctuated in recent years (Navia 2004).⁶ Not unsurprisingly, the political apathy of young people in Chile is beginning to resemble that in modern Western societies, where voting for politicians appears not to be an issue among or concern for young people. Tironi (2005) argues that there is a shift from a passive participa-

tion toward a non-politicized *voluntariado* in Chilean society. This volunteership is growing and can be linked to a new sense of *comunautarism* and civil solidarity which is explicitly apolitical and widespread among the younger generation with no personal memory of military rule.

Politicians' reluctance for (re)activating participation

The restricted level of citizen participation in Chile can be linked to the recent democratic transition. During the late 1980s, the main protagonists in the transition feared political and economic instability would erupt at the moment at which citizens obtained a public platform through participation. In the years after the restoration of the democracy, the political class considered the risk too high of introducing new participatory mechanisms that could seriously damage the country's political stability (De la Maza 2004, Silva 2004). Many politicians from the left and the right still feel reluctant to allow citizens' participation, although this is never openly uttered because political correctness requires a pro-participation discourse. This reluctance stems from a feeling of apprehension to open up the gates of citizens' participation and cede power to the masses for fear of political escalation, mass mobilization, and polarization similar to the scenario that preceded the collapse of the democracy in September 1973. A large part of the political establishment in Chile does indeed have a traumatic memory of excessive participation which might lead to political chaos and social instability (Garretón and Espinosa 2000, Silva 2004, Tironi 1999).

Consequently, political culture in Chile is still permeated by a feeling of unease about allowing citizens to participate directly in politics. This general idea was definitely stronger during the early years of the democratic transition in the 1990s and has recently been fading. The government of Lagos (2000-2006) already displayed a commitment to participation, although not concretized, and President Bachelet has labelled her government as a 'citizens' government' in which policy priorities have been determined through 'citizens' dialogues' in the whole country (Bachelet 2006).

Politicians' reluctance to endorse participation should also be linked to the emphasis of the *Concertación* government to depoliticize social issues and insulate the technocratic decision-making process. The ruling coalition is proud of its political achievements in modernizing and democratizing Chile, accomplished by forging consensus on major issues without confrontation. An important moment in this respect was the constitutional change in September 2005 which eliminated the last authoritarian enclaves from the legislation and the Constitution. This was achieved entirely through the regular political channels of the parliamentary process, without the need for mass mobilization, street protests, or strikes. Nor did this last piece of the democratic transition result in a confrontation with the armed forces or hard-liners from the conservative right.

The centre-left coalition consists of different factions and one of these, referred to as the *auto-complacientes* (the self-satisfied), stands by this technocratic model and seeks to maintain consensus inside the coalition without popular involvement. Surprisingly, even the Socialist party (PS) and the Christian Democratic Party (PDC), two coalition parties, which traditionally are strongly associated with the

popular sectors, also emphasize political consensus at the highest level, detached from social movements and pressure groups. One of the main reasons for their rupture with the viewpoint of the parties and associations of the extra parliamentary left is that the PS and PDC have undergone a crisis of thought after Allende's socialist project and have taken distance from their previous ideas on mass mobilization (Garretón 1995, Posner 2004).

Nevertheless, a minority of politicians and people in society takes a more critical stand against the government's technocratic line and demands more citizens' participation and a stronger civil society.⁷ A current within the ruling coalition, (the so-called *auto-flagelantes*), argues that the low level of citizens' participation could be justified in the first years of the democratic transition, but that Chile's political culture has changed dramatically since 1990. They contend that the new political reality characterized by reduced political antagonism and a growing political centre demands and merits more direct participation.

Civil movements and authors from the progressive left such as Moulián (1997) and Garretón (2004) classify democracy in Chile as incomplete, dominated by political actors who cling to technocratic and elitist governance. They criticize the consecutive *Concertación* governments for not having offered concrete channels for participation despite their participatory rhetoric. This is exacerbated by a binominal electoral system that locks the political landscape into two political families, comfortably controlling more than 90 per cent of the votes (Taylor 1998, Posner 2004).⁸ It is true that the government initiatives to step up participation are indeed mere window-dressing, offering no structural reform of the public institutions, and leaving the power of appointed officials at regional and national level unscathed. However, this call for more political participation of citizens sounds weak in the light of the above-mentioned facts of political apathy, reluctance for participation, and Chile's macro-economic success story.

Bureaucrats and participation

The overall attitude of politicians and citizens against participation is even more present at the administrative level. The Chilean civil service remains a centralist bureaucratic apparatus with a predominantly top-down structure that is now slowly being modernized and professionalized. Some progress has been made in broadening the interaction between the technocrats in Santiago and the lower administrative levels, and likewise with NGOs, which are considered representatives of civil society. Several new departments in the central bureaucracy now state citizens' participation to be an explicit goal in their mandate.⁹ Important departments are the SUBDERE, which finances the PROFIM¹⁰ programme for municipal institution building and the environmental department, CONAMA.¹¹ The latter has been exemplary in adopting participatory mechanisms in the planning process and establishing communication channels with citizens whose living environment has been affected by policy measures (Noé 1998).

Despite these new initiatives, the large majority of central departments still use a technocratic decision-making style considering citizens to be ignorant and NGOs to be unrepresentative. This attitude marches hand-in-glove with a neo-liberal and technocratic administrative model, marked by a typical disdain for participation,

distrust of the local level, and a conviction that Chile is on the right track to achieve higher levels of economic progress (Angell *et al.* 2001). In technical departments particularly, participation is fairly symbolic, because specialist officials (*técnicos*) prefer to keep hold of their monopoly of expertise. Citizens' involvement and consultation in local communities is now a formal requirement in policy procedures, but rather to increase efficiency and long-term effectiveness than to let people really decide. It is a reality in Chile that a majority of policy-makers still consider participation inefficient and a waste of time, and most decisions have already been taken when they are presented for popular consultation.¹² Participation in this way is the purely instrumental variant necessary to adjust and fine-tune aspects which technocratic planning cannot oversee. In a similar vein to the considerations adduced by politicians, bureaucrats justify this approach with the self-confidence of an administration that considers itself on the right track to prolong the country's economic and political success.

Citizens' participation at the municipal level

The overall governmental top-down structure and the low levels of participation at the national level have been reproduced at the municipal level. This is most clearly apparent in the virtual omnipotence of the mayor in the municipality. All budgetary and administrative power is concentrated in his or her person. The councillors on the town council have limited power to influence policy making, being deprived, for instance, of possessing any legal means to reject the municipal budget, for which the final decision is made by the mayor. Consequently, strengthening local governments does not automatically result in more participatory local governance or more active civic organizations. On the contrary, decentralization without redefining the municipal leadership will only strengthen the mayor's position. It would, therefore, be necessary to build in legal guarantees of the presence of grassroots organizations in the local decision-making process.

Since the Pinochet era, institutions at the local level have been weakened by the persisting centralistic approach. The local institutions open to citizens' participation are fairly devoid of power.¹³ The first reason for this is that the commission for economic planning (CESCO),¹⁴ which joins community representatives with the mayor, is designed to be the main space for local participation, but it still has no leverage. The overall influence of the CESCOs in municipal policies is negligible because their members have a strictly advisory role; all real power remains in the hands of the mayor (Pressacco and Huerta 2000, De la Maza 2005). The second obstacle to real participation is that many neighbourhood committees (*juntas de vecinos*), representing the formal community structure at the neighbourhood level, often have incomplete boards of directors, few members, and leaders (*dirigentes vecinales*) enjoy tepid support. These juntas may tap into resources from the neighbourhood development fund FONDEVE, but this fund is hampered by a lack of resources and bureaucratic regulations (Caro 2004). Matters have been evolving since the latest municipal elections of 2004. Mayors were elected directly for the first time in 2004 and the profile of what makes a successful mayor is also changing.

In contrast to these moribund institutions at the local level, in recent years the

central authorities have increased the number of grants for which municipalities and NGOs can tender to obtain funding for community projects. This policy has created new partnerships between municipal authorities, NGOs, and civil associations and is today the hallmark of grassroots participation at the municipal level. In the eyes of critics, this is a typical example of the government's strategy to fragment participation and the upshot is short-term projects controlled by the State (De la Maza 2004, Greaves 2004). Meanwhile, wealthier municipalities have started to contract private consultancy firms to write project proposals and lobby at the ministerial level. This situation has exacerbated the existing divide between rich municipalities in the Barrio Alto¹⁵ and the municipalities that encompass the poorer districts of Santiago de Chile even more. Pertinently, the new system has also increased the financial dependence of all municipalities and community organizations on temporary funding, which jeopardizes their autonomy in relationship to the central State to an even greater extent. However, there are also advantages related to this new tendering system with its clear-cut bureaucratic rules and opportunity for competition. The open and equal bidding process has largely increased the transparency of government subsidies, rationalized community projects in general, and brought about financial responsibility. It has considerably reduced the possibility for 'pork barrel' politics, corruption, and clientelism, which were major ills of community projects in the past.

Public services at the local level

At the local level, citizen participation is regulated by the 1999 Organic Law of the Municipalities. The law stipulates that each municipality should enact a directive on citizens' participation (*ordenanza de participación ciudadana*), which regulates plebiscites, public hearings, and neighbourhood development (Martelli 2001). In most cases, municipalities have simply reproduced a general format and the directives have not significantly raised the level of participation through institutional channels.

The coming of age of Chilean municipalities as an institutional platform is a recent and slow process. It was in 1991 that municipalities gained an autonomous legal status, independent of the Interior Ministry, but they have not yet become mature institutions through which to manage local politics. Municipalities are hampered by a persistent high level of centralism which still bears the marks of the former Pinochet era; the provision of public services was intended to operate according to market principles with a strong central control. This was accompanied by a process of privatization and decentralization. It was never the intention to carry out a genuine political decentralization in which responsibilities and resources would be devolved to elected local governments. Its aim was rather to produce a species of administrative decentralization (what is known as 'deconcentration'), transferring power to lower administrative units.¹⁶

Today municipalities in Chile are still conceived of as institutions that can only manage public services if these are detached from politics. This situation is referred to as *cosismo* (doing things in an apolitical way) and marked by *ad hoc* solutions at the local level that implement decisions taken at the central level. This centralized control over local spending forces municipalities into the role of adminis-

trators and executors without decision-making power (Posner 2004). Basically, two fundamental instruments to guarantee a full-fledged municipal authority are lacking. Firstly, municipalities lack independent decision-making power and, secondly, they have too little financial autonomy at their disposal to ensure an acceptable service delivery.

Municipal competences are limited to ‘public housekeeping’, executing projects, which are subject to an appraisal by regional (*intendentes*) or national bureaucrats. The power to levy taxes and generate income has not grown apace with the number of responsibilities, which implies that municipalities depend heavily on earmarked contributions from the central state. These transfers, however, are not sufficient to guarantee basic public services and municipalities must make up the difference themselves, resulting in a chronic budget crisis in most of them – with the exception of a few rich communities where the well-to-do live.

New legislation that allows municipalities to impose higher territorial taxes (*Ley de rentas municipales II*) was finally put into place in 2005 after years of delay. The new law siphons more tax income to the municipal solidarity fund FCM and the different municipalities, and mitigates the problems. Nevertheless, the law still keeps the principle of governmental centralism intact.

Incipient participation at the local level

The following two distinctive political approaches towards incipient participation symbolize Chile’s half-hearted attempt to implement participatory principles at the municipal level. These initiatives are implemented by mayors from the conservative right-wing UDI and mayors from the progressive left, and both are characterized by Chile’s typical centralist organization of the municipal structure and mayors’ limited power to allocate public resources.

UDI: a business-model for participation

The conservative right-wing party Unión Demócrata Independiente (UDI) calls for better municipal services based on a New Public Management model without ceding any real power to citizens.¹⁷ The UDI sees the local administration as a public enterprise, led by a mayor and supported by technicians, which renders services to citizen clients. The most prominent mayor of the last decade has been Joaquín Lavín of the UDI. As mayor of the municipalities Las Condes and Santiago, both in the Metropolitan area, he epitomized the modern mayor acting as a businessman using modern information technology and the media. Some of Lavín’s measures bore the hallmark of a neo-populist approach and many of his highly mediatized initiatives were criticized as populist, but he stood close to the people and was concerned about their daily needs (Silva 2001). Most of the UDI mayors still follow Lavín’s policy model of lobbying, public relations, and contacts with private companies in order to establish partnerships and financing for municipal projects.

A large number of municipalities in UDI hands have been effective in understanding ordinary peoples’ needs and translating these into concrete measures. Their credo is ‘problem fixing’ (*hacer cosas*) in the neighbourhood through improved service delivery and security. UDI mayors often consult residents by means

of plebiscites and door-to-door interviews, but the final decision is indisputably taken by the mayor (Soto 2001). The UDI approach remains top-down without referring to 'active' citizenship or participatory democracy. It is an elaboration of the basic doctrine of the party reflecting the neo-liberal thinking of the minimal state. This approach seems far away from a genuine opening-up of the decision-making process, but this hands-on approach has been effective in winning voters' confidence and indeed improving municipal services.

Left-wing municipalities experimenting with participatory budgeting

Left-wing civil organizations that are uneasy about the instrumental participation of the central government and are calling for a more genuine and radical political participation have opted for the PT model of participatory budgeting in Brazil. Around fifty municipalities in Chile, mostly run by left-wing mayors, have been experimenting with participatory budgeting, giving citizens the chance to vote for investment projects in their neighbourhood.¹⁸ Nevertheless, the budget amounts involved are almost negligible and so is the number of participants.¹⁹

The lack of citizens' enthusiasm for municipal politics reflects the overall political apathy and indicates that people are aware that municipalities have too little decision-making power and financial means. Moreover, the budget scheme offers citizens a mere illusion of participation, which is not about to improve because of the lack of resources at municipal level. Therefore, this participatory budget scheme will be fairly irrelevant to Chile as long as municipalities do not have the power to decide about a substantial budget for public investments.

Participation in Chile: concluding remarks

Chilean politics are marked by a low level of citizens' participation, and the recently created participatory initiatives are only instrumental without a genuine commitment of the government to open up the decision-making process to its citizens. Some scholars and civil society organizations lament this situation and call for a radical leftist model of citizens' participation. However, there are no clear signs in Chile for an urgent need for a radical participatory approach at the national level. On the contrary, there are pertinent historical, political and sociological arguments to state that this would not be appropriate in the current Chilean context.

Several arguments point in favour of the government's policy line leading towards a strict representative democratic model. Indisputably, the country has made a remarkably smooth and peaceful democratic transition and, for the time being, a solid representative democracy appears to be the best institutional format for a country with a centralist tradition and weak representative institutions at the local level. Allied with this, the high economic growth and political stability of Chile in the last fifteen years have been based on a technocratic model that has been implemented and administered in relative insulation from pressure from civil society. State institutions are solid and show the lowest levels of corruption in Latin America, and the country has the best macro-economic figures of the region.²⁰ Then there is the fact that the typical criticism asserting neo-liberal economic success stories come at the expense of the poor does not count in Chile. On the contrary,

economic growth and the concomitant growing inequality have been compensated by a dramatic reduction of poverty.

Moreover, it is too simple to blame only the central state for not bridging the gap with society. State-society interface is a reciprocal relationship and the citizens' apolitical attitude is part of the explanation. Chilean society is becoming more apolitical and individualistic, composed of a majority of citizens who are satisfied with the way the democratic system functions and are no longer interested in broad political issues. A majority of Chileans have a preference for order and opt for a strong central state above powerful multiple political platforms (PNUD 2002). The popular protests and social chaos in the neighbouring countries of Argentina and Bolivia in recent years have buttressed Chileans' conviction that keeping a solid and well-functioning central state is the best guarantee of stability and prosperity. It is an inescapable fact that the *Concertación* coalition has never been punished by voters for neglecting the issue of political participation, whereas progressive left-wing civil movements have lost support from mainstream society.

At the municipal level the poor capacity of local institutions and the lack of resources are major obstacles for establishing participatory channels. Municipalities are marked by a persistently high level of centralism and very few resources trickle down to the level of the municipalities and neighbourhoods. Consequently, ordinary citizens are confronted with a municipal administration that lacks power, competence, and the financial means to adjust public services, especially in poor municipalities. Nevertheless, the local level shows itself as the most appropriate level to opening up channels for participation in the future. In combination with a genuine decentralization it could lead to increased bureaucratic efficiency blended with increased citizens' participation.

In summary, the Chilean state can hardly offer new participatory channels outside the representative democratic model, because today there are no social movements in Chile that can claim to be representative, and there is too little capacity at the municipal level. Notwithstanding, in the longer term changes are necessary such as changing the bi-nominal voting system and ceding more power to the municipalities that stand closer to peoples' daily concerns. This will gradually open up the Chilean political system – indeed through the system of representative democracy, and therefore not through a participatory model of popular democracy.

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Notes

1. This article is based on fieldwork conducted in several stages between 2004 and 2006 in Santiago de Chile with the support of the Netherlands Research Fund (NWO). A workshop on citizens' participation and public policies was organised by Leiden University and FLACSO in Santiago de Chile in May 2006. I am grateful for the useful comments to a previous version of this essay by the anonymous referees.
2. Patricio Navia in *La Tercera* of 6 May 2006 and 1 July 2006.
3. 'Proyecto de ley sobre Asociaciones y Participación Ciudadana en la Gestión Pública'.
4. Chile's Social Forum, a meeting of progressive left-wing civil movements, was organized in November 2004 in Santiago and adopted as a slogan: '*Un otro mundo es posible, un otro Chile también*' [Another world is possible, and also another Chile], in analogy with the slogan of the worldwide Social Forum of Porto Alegre.
5. In the municipal election of 2004, the progressive left-wing coalition '*Juntos Podemos*' gained 9.4 per cent of the votes for councillors and 5.9 per cent of the votes for mayors. In the presidential elections of 2005, Tomás Hirsch of the progressive left coalition '*Juntos Podemos Más*' obtained 5.4 per cent of the votes.
6. Pedro Mujica: Abstención en la primera vuelta presidencial 2005, la importancia del voto invisible, <http://www.participa.cl/documentos>.
7. A manifesto in 1998, titled '*La Gente tiene Razón*' (the people are right), was signed by 145 politicians who were critical about the political line of *Concertación* and included politicians from the coalition parties PDC, PS and PPD, denominated as the *auto-flagelantes*.
8. The centred-leftists *Concertación* and the rightist *Alianza de Chile*.
9. The Secretariat of the Presidency (*Secretaría de la Presidencia*) is responsible for institutional modernization and the General Secretariat of the Government (*Secretaría General de Gobierno*) is in charge of citizens' participation.
10. PROFIM: Programa de Fortalecimiento Institucional Municipal.
11. CONAMA: Comisión Nacional del Medio Ambiente.
12. Francisco Estévez, Director of DOS, during the workshop on citizens' participation and public policies organised by Leiden University and FLACSO in Santiago de Chile on 11 May 2006.
13. See Posner (2004) and Foweraker (2004).
14. Consejo Económico y Social Comunal
15. The *Barrio Alto* is the residential area higher up in the Cordillera de los Andes around the capital of Santiago where the richest municipalities in Chile such as Providencia, Las Condes, Vitacura, and Lo Barnechea are concentrated.
16. See Siavelis *et al.* 2004, Stewart and Ranis 1994, Robinson 2003.
17. The New Public Management approach has brought into the public realm private business concepts such as tendering, outsourcing, deregulation, and customer's approach as principles for a more efficient, entrepreneurial government (Nagel 1997).
18. Foro Chileno de Presupuesto Participativo (www.presupuestoparticipativo.cl).
19. For instance, in the municipality of La Pintana, governed by a PPD mayor, the participatory budget for 2004 was 120 million pesos (€160,000) representing 1.5 per cent of the municipal budget. The participatory meetings, organized by the municipality, attracted on average a few hundred participants out of a population of 230,000 inhabitants.
20. The 2004 Corruption Perception Index (CPI) of Transparency International, a watchdog NGO, ranks Chile twentieth on the list of the least corrupt countries, far and away the best ranking of all Latin American countries (www.transparency.org).

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