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Why have the democratic governments that have risen to power in Latin America since the late 1980s faced such tremendous challenges in consolidating democratic governance in the diverse countries of the region?

In my opinion, the explanations for problems of quality and depth of democracies in Latin America lie in the configuration of a governance paradigm that conditioned political models (which resulted from myriad and diverse ideas and values), institutional formulas (which took the form of operational decision-making mechanisms), and a set of strategic public policies that political leaders adopted in seeking to resolve (and also accept) problems facing their governments. Given this paradigm, however, these leaders have not been capable of meeting the social and political demands of society.

The evidence indicates that due to the fragility of democratic institutions, many governments have been required to find control mechanisms to confront the emergence of new crises in the political system. This has led to the growth of a new regional discourse (sustained by the political and social establishment as well as by multilateral institutions that have promoted democratization) that highlights the vital importance of achieving governance through development and democratic stability in the region.

Since the 1990s, the search for democratic, economic and social governance in Latin America has revolved around three central elements: (i) the configuration of a determined political culture in terms of ideas, values and interests that are effectively articulated, (ii) the establishment of a set of institutional formulas, such as rules and organizations to shape the political game, and (iii) the formulation of a set of specific and concrete policies and action agendas capable of sustaining the changes in institutions, principles and values called for by the governance model. In my opinion, these are the central elements of governance as they have been adopted by diverse Latin American governments. These points help us understand how in recent years a true paradigm for governance has come to be articulated in the region—a paradigm that has shaped political
practices and the conduct of diverse political and institutional actors. From this perspective, governance is understood as the capacity to generate and sustain a viable equilibrium between social demands and institutional strength.

The case of Chile is of particular interest. Despite the problems it currently faces, it is considered to be the most successful case in Latin America in terms of governance. This paper examines the application of the paradigm in the Chilean case, and its role in seeking to resolve three problems: (i) to assure the stability of the civilian democratic regime given the potential to return to authoritarianism, (ii) to confront the centrifugal tendencies of political actors, and (iii) to contain the overflowing of societal demands. These three challenges should be pursued without affecting the dynamics of the economy. When governance is defined according to primarily economic goals, the resulting concept is one that is based both on “practical considerations” and “fear”.

Such an image of governance as a matter of containing the centrifugal forces that threaten democracy brought about in the case of Chile an image of democracy as a zero-sum game. This logic played an influential role in constructing the current political and institutional system in Chile.

This study argues that in Chile, the “rules of the game” of the democratic transition have continued to govern and impose the rules of democratization and governance.

In this case, the democratic governments of the coalition that have remained in power since 1990 (Patricio Aylwin, 1990-1994; Eduardo Frei, 1994-2000; and Ricardo Lagos, 2000-2006) have sought to increase and improve their capacity to govern through the institutional framework. They have sought a double objective: to govern both the transition to democracy as well as to govern democracy itself. This has prevented a return to authoritarianism and has helped to advance and consolidate democracy and improve the country’s economic, social and political performance. Nonetheless, this approach has led to a lack of true democratic deepening and has constructed an impossible ideal- a state without citizens- that has re-emerged in the current administration of Michelle Bachelet, the fourth president of the left-leaning Concertación coalition. The analysis of the concept and implementation of “governance” in the context of the transition process illustrates the depth of this challenge.

This study begins with a theoretical and conceptual analysis of the debate surrounding democratic governance in Latin America. It pays particular attention to the way in which the governance paradigm has been articulated and according to which the democratic governments in the region have been modelled. This conceptual framework for governance can be applied to the case of Chile to determine the impact that this model has had relative to the sustainability of democracy and institutions. This study is not an empirical or quantitative
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analysis of governance in Latin America. Rather, its objective is to provide a qualitative analysis in order to contribute a conceptualization and characterization of the emerging governance paradigm in Latin America in general and in Chile in particular.

The first section focuses on the academic debate surrounding the concept of governance. It argues that the diversity of interpretations and definitions that exist have failed to provide an overall conceptual framework according to which one would be able to evaluate and monitor its results.

As expanded upon in the study, the term “governance” originally had a strongly conservative connotation that dominated the discourse in the developed world for many years. Interest in and concern for governance is not novel in the area of the exercise of power. The term, which translates to Spanish as gobernabilidad, was first used by Samuel Huntington in the 1970s to refer to a narrow conceptualization of democracy that focused on ways to avoid excess citizen demands.

From this perspective, the concept was almost exclusively limited to the capacity of governments and political systems to respond to and control growing societal demands, both political and social, that resulted from an «excess» of democracy in many industrialized countries.

This situation provoked an overloading of demands that were impossible to satisfy, and which began to seriously threaten the functioning and even the existence of democracy. When one applies these studies to Latin America, it is clear that the problem of governance is not a matter of a crisis or excess of democracy. Rather, the challenges of installing democratic governance lie in a number of problems that emerge in the process of democratization. For this reason, in Latin America the issue of governance is related to the development of mechanisms to generate political stability and to facilitate the consolidation of nascent democracies.

The term governance has subsequently been enriched and expanded by various scholars and new approaches that have transformed the concept into an analytical perspective that has gained widespread influence over public policies in recent years. The public debate over the new challenges to governance became the foundation for a reconceptualization in the 1990s, when it moved away from the conservative connotation. This new approach in Latin America shifted the conceptual emphasis towards a search for a balance between societal needs and the capacity of governments to effectively respond to those demands.

However, this achievement did not receive much support in the early 1990s. The approach represented a concern for stability and democratic consolidation, an objective that came to dominate the analysis of governance. It focused on developing action agendas on how to make democracies governable after political
transitions, both to avoid a way back to authoritarian rule as well as to impose a model for economic development that would guarantee stability.

The second part of this study examines the way in which the governance paradigm has emerged and been sustained in the region. While some authors emphasize certain aspects of the concept over others, in general in its original form the paradigm included three central conceptual components: effectiveness, legitimacy and stability. By applying this theoretical framework, originally developed in the context of the problems faced by Western developed democracies in the late 1960s, to the situation in Latin America, several qualitative and quantitative differences emerge. In Latin America, the difference is largely due to the fact that in the political sphere, the problem is not one of an «excess» of democracy (as described by the Trilateral Commission), but rather a matter of “construction of democracies”. In other words, the challenge in Latin America is not one of societal «overdemands», but rather one of «underdemands», which leads to an evermore complex scenario that manifests itself through a set of additional problems that serve to further complicate governance.

Due to pressures by multilateral organizations as well as the self-defined goals of governments that carry out the democratic transition process, a model has begun to take root in Latin America that, while nuanced, tends to institutionalize and build itself as the only possible path for countries to consolidate newly democratic systems.

Governance is generally associated with stabilization and seeks primarily to make political transitions governable in order to install democracy. The concept serves as a basis for (i) preventing a regression, (ii) stopping centrifugal tendencies of political actors, and (iii) avoiding the overflowing of societal demands. In this way, the paradigm of governance that has emerged seeks, through a set of formal rules, to guarantee stability.

This is reinforced through disciplined actions by political actors to uphold governance, even at the cost of economic development. It was thought, and continues to be thought, that democracy even at that cost, was and is preferable to the lack of democratic governance.

The third part of this study analyses the construction of the governance paradigm in the case of Chile, beginning with the role played by the process of democratic transition in the 1980s. It argues that the defining elements of the transition played a central role in featuring the process that created the incentives and restrictions on the governance model. In Chile, the transition did not follow one precise path. Rather, the transition has constantly morphed to accommodate the evolving political context. The result has been a”transition via transaction” that has established the rules of the political and economic game. The outcome of the transition is explained in large part by the limitations of the current version
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of democracy installed in Chile. These limitations, however, represent a relatively low cost, given that the original objective of the transition was to simply recover democracy. Thus, in my opinion, the primary result of the transition (in terms of the reinstallation and development of democracy) has generated various adverse conditions that the government has had to deal with in the later phases of democratization.

Interest in the relationship between transition and governance is explained by the way in which negative political legacies have persisted due to the incompleteness of the transition, and have generated obstacles for governance in the region. Chile has not escaped these obstacles. Nonetheless, it has become a paradigmatic example for its emphasis on the stabilizing elements of political transition.

The fourth part of this study focuses on the paradigmatic conditions for governance in Chile. It analyzes four independent variables that have contributed to the governance paradigm: (i) transition as the driving force for governance, (ii) the existence in Chile of a unique vision of governance that dovetails with the emerging regional conceptualization and that is facilitated by a political-intellectual discourse, (iii) a political strategy characterized by elements of time and the confidence in future success inherent in decision-making processes, and (iv) the importance of technical knowledge in the formation of the governance paradigm.

The fifth section of the study examines the institutions and the rules of the game that govern the behaviour and relationship between political actors in Chile from the perspective of democratic governance. In other words, it examines the question of how institutions and the rules of the game—both formal and informal—have contributed both positively and negatively to democratic governance in Chile. The analysis focuses primarily on the role of formal political institutions as defined by the Constitution and laws on the political-electoral structure, with secondary attention paid to informal institutions. The examination of formal institutions places particular emphasis on those institutions directly responsible for defining the form of government, checks and balances, the electoral system, and the political party system. The starting point for this analysis is the idea that one key criterion for determining the institutionalization or consolidation of democracy in a country is the result of a reasonably close union between formal rules and behaviour.

This analytical perspective shows how the political and institutional rules of the game have conditioned the governance model both in its early stages and when it is more fully installed. The set of formal and informal rules of the game serve as the framework for the content and dynamics of the governance model in Chile. One can argue that the governance model in Chile that emerged in the
Early 1990s—and which was the direct result of the democratic transition that began in the late 1980s—is characterized by the role of institutions, with both their strengths and weaknesses, in articulating and directing the transition. Thus the character and structure of these institutions is crucial in understanding the process of creating the governance model.

Democratic institutions in Chile have faced various challenges and obstacles in recent years, including the lack of representativeness of the political system (which has led to criticisms of Congress for not accurately representing the interest of society), political exclusion (since the political system fails to involve certain sectors of society), and a lack of mechanisms to oversee the actions of the government. These challenges and criticisms stem in large part from the forms and practices developed by institutions since the beginning of the transition. Both during and after the initial phases of the transition, government institutions assumed a primarily legal and political role, paying much less attention to the social and cultural aspects of the transition. In focusing almost exclusively on efforts towards stability and consensus by generating a legal institutional framework, political actors remained silent on those social and cultural concerns. That omission, in my opinion, has served as an obstacle to further improvements in the functioning of democratic institutions. It has also undermined the credibility and effectiveness of these institutions in terms of their capacity to gain the respect of society and thereby political legitimacy. The relationship between the institutional framework and the political system is of vital importance to the governance model adopted in Chile, because that relationship determines the way political actors organized themselves and structured decision-making processes.

The last part of this study focuses on the tensions and challenges that have emerged related to the adoption of the governance paradigm in Latin America in general and Chile in particular. The model has had a variety of results in the region. Most agree that since the late 1980s, many countries have made significant progress towards deepening and consolidating democracy. This achievement, however, has not succeeded in overcoming the deficits of quality of democracy and problems of governance, both challenges that are widespread throughout democracies in Latin America. These threats have manifested themselves most visibly in the cases of Venezuela, Argentina, Peru, and, more recently, Ecuador and Bolivia. In many cases, those threats have been largely a result of the above serious failings.

These shortcomings are due in large part to the many tensions and challenges that the governance model has failed to resolve, including the disruptive effect of structural economic changes, the persistence of non-democratic elements in the political establishment, the weakness of civic culture, and the contradictory effects
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of globalization. In addition to these challenges, Chile in particular has faced those related to its highly inequitable distribution of wealth. In fact, the wealthiest ten percent of society receives approximately 40 percent of GDP, which provides this stratum with income levels comparable to those in the developed world. The poorest ten percent, on the other hand, receive around two to three percent of GDP, with income levels comparable perhaps to countries such as Haiti and several African countries. Chile also has problems in terms of political institutions. Democracy in Chile is imperfect for well-known reasons: the persistence of a binomial electoral system that excludes from Congress parties that are small or represent particular regions, undemocratic structures within political parties, few spaces for public debate, and an inadequate process of decentralization.

These various limitations, particularly those related to socioeconomic inequality, create problems of quality and depth that democratic institutions must overcome.

Another challenge to democratic deepening has been the persistence of so-called “powers that be”. The armed forces, which had been controlled by Pinochet and his supporters, are no longer a permanent threat to the institutional structure. Nonetheless, the right wing still controls much of the business sector as well as the written press. In addition, some are concerned that fundamentalist groups have become bona fide empires, controlling universities, schools, newspapers, television networks and exerting formidable economic power. Among its members are extremists who represent threats to democracy. Lastly, while it is true that advances have been made in the cultural arena in recent years, including new laws regarding the family and divorce, and there has been an trend toward accepting and discussing issues that were previously taboo, there still persist various types of social discrimination.

For Chile and the region in general, these shortcomings explain a great deal of the problems of quality that democracies are facing. Indeed, they are largely responsible for and results of the fact that democratic institutions have gained increasing support since the governance model first emerged in the early 1990s.

To overcome these shortcomings, I argue that it is possible to understand the model from various perspectives. First, it is important to consider the conditions that are favourable for democracy and governance and that allow policymakers to push forward the agenda to consolidate and deepen democracy. Second, it is also crucial to consider the issues that policymakers have failed to address in defining that agenda. From both perspectives one can then consider the strengths and weaknesses of ongoing processes of democratization. It is also crucial to evaluate ways in which to convert weaknesses and obstacles into opportunities.

Challenges and threats are part of a broader conceptualization of the obstacles to democratic deepening, which include the political, social, economic and cul-
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tural processes and structures. In this analysis of the governance model, several of the challenges and threats to democracy represent the consequences of these processes, or are due to concerns related to them. The effort to identify these challenges helps to explain the arrangements that contribute to democratic consolidation and the effort to overcome democratic deficits in the region. These efforts have led the debate on governance to have concrete and measurable impacts on political structures. Nonetheless, much remains to be done to translate the discourse into reality and to find ways to improve democratic consolidation, including through legal reforms that guarantee respect for human rights and fundamental liberties, including social and cultural rights. By identifying the tensions and challenges inherent to the governance model, this analysis contributes one perspective that recognizes that much of the responsibility for political stability and democracy lies in efforts to confront issues such as poverty, social exclusion and other forms of inequality. Indeed, effective democratic deepening requires that policymakers directly link efforts at democratization with efforts toward combating inequalities.

The specific challenges at the regional and national level examined by this study include: (i) the tension regarding the neo-liberal development model, (ii) the issue of poverty and social exclusion, and (iii) the problems of democratic consolidation. These, in my opinion, represent the main factors as understood by the public, and by political and institutional actors throughout the region. The intention of this study is to help stimulate discussion and analysis of these challenges to democratic deepening as well as the governance model itself. It also seeks to stimulate debate on issues that have typically been left out of the debate, and the silence on which has threatened processes of democratization. Such topics are often hidden, but can become spectres that undermine democracies and that threaten democratic governance in the region in deeper and deeper ways. For example, such hidden issues include the lack of popular support for democracy and democratic institutions. In nearly all countries of Latin America, large sectors of the population express high levels of dissatisfaction and disaffection regarding governmental institutions, policies and political actors. In fact, it would not be an exaggeration to argue that the majority of citizens in Latin America are dissatisfied with democracy. Various studies have sought to explain this phenomenon, but the symptoms, rather than subsiding, seem to be becoming more and more exacerbated.

In the case of Chile, as this research study demonstrates, the first elections of the transition (the 1988 plebiscite and the 1989 presidential elections) marked the high points of electoral participation; in subsequent municipal and parliamentary, elections voter turn-out dropped off steeply, a clear demonstration of dissatisfaction among citizens toward democratic institutions, and of a lack of interests in politics,
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particularly among young voters. This trend only reversed in the last two presidential elections (1999-2000 and 2005-2006), in which campaigns were competitive and candidates provided voters with options that represented both change and continuity. In practice, the leaders of the Concertación have become spectators in the process of democratic deepening. They often find themselves in positions in which they must simply concur with certain developments and simply agree with the true protagonists of the political process.

As argued at various points in this study, these processes originate from the fact that the political system (resulting from the process of “transition via transaction”, and defined by the 1980 Constitution) has reduced the spaces for people and organizations to participate in the policymaking process. This has limited their capacity for representation and has prevented their demands from becoming viable alternatives to the dominant model.

This study concludes by evaluating the consequences of the image and practice of the governance paradigm. It argues that the model has generated a high degree of stability among democratic institutions. It has created a favourable context for economic development. And finally it has allowed a remarkable degree of modernization of institutions, social practices, and infrastructure.

However, these positive results are accompanied by trends that are less favourable. First, governance has structurally depended on the existence of a relatively favourable trend of economic development. This has prevented the emergence of many criticisms of the economic model, and has thus neutralized the interests of certain powerful groups and has also prevented much disaffection among the poor. In other words, governance assumes, paradoxically, that there are not significant economic instabilities to control through public policies. Second, governance has resulted in an increasing disconnect between policymaking and the dynamics of society.

Thus I argue that the rules of the game of the transition have continued to govern and impose the framework of democratization and governance. Beginning in the early 1990s, the political elite installed a model of governance that sought the creation and sustainability of democracy. In the case of Chile, this approach originated in the traumatic learning process experienced by the political class in Chile. This group sought a pacted and highly controlled transition that expressed itself through the “sui generis” transition process.

This process generated a political and institutional framework that has conditioned the process of democratic consolidation and has set the framework for democratization.

This framework, in part, has generated adverse conditions for the subsequent phases of democratization. This then developed into a model that was constructed as a «dam» meant to contain the process of democratization.
These shortcomings have been clearly present in the Chilean case as well as many other countries undergoing processes of democratization throughout the world. They are the results, in many cases, of tensions and challenges that the governance paradigm has not succeeded in adequately resolving. In addition, the challenges to the governance paradigm of democracy in Chile are closely linked to the question of how to improve democratic institutions. By focusing on institution building, policymakers are able to overcome various problems and limitations inherent to the institutional aspect of democratization while improving mechanisms of representation and incorporation of special interests. This complex relationship has created many of the obstacles that have prevented the process from improving in quality and legitimacy and thus from advancing more quickly toward democratic deepening. The last part of this book examines the opportunities and limitations that emerge from the need to address societal needs. One of these is institutional. But the challenges are not solely institutional. The transformation of politics and the improvement of civic life are also crucial to democratic deepening. While conflicts of interests and opinions (as was observed in May 2006 with the large-scale demonstrations by high school students calling for improvements to the public education system) are often seen solely as threats to public order, many of the national problems have not been seriously addressed in the public debate. It is thus important to redefine the current governance model to be more inclusive.

As this book argues, the democratic process does not end with the installation of rules of the game for political institutions, or in the definition of a model for structuring government. Formal democracy requires a concerted union with social democracy. The achievement of a suitable system of governance clearly requires a general agreement among elites and policymakers, strategic social actors and other politically active sectors of the population, if the system is to be capable of resolving societal problems. For the governance model to truly move away from the narrow model that has dominated the discourse in recent years in Chile and the rest of Latin America, and instead become a broad and inclusive model, there must be basic agreements among elites on how to confront the problems discussed above. Only by reshaping the discourse and the model will policymakers and society achieve consensus and develop a sustainable structure of government that fundamentally and effectively takes into account the needs of society.