Entrepreneurial leaders in Chile came to play an authoritative political role during the country’s transition. This role appears to be a paradox at first glance, since business leaders were not active supporters of parliamentary democracy. However, the question as to which are the decisive social forces in pushing through a democratic regime is quite different from the problem of who become decisive in shaping it. In the first place, the specific modalities of the Chilean type of transition, its pacted nature and the opposition to democracy of key elites, makes it possible that weaker actors will refrain from pressing their interests for fear of reversing the process. On the other hand, stronger actors may try to use pact-making to institutionalize the exclusion of large spheres of economic governance from the public domain. These positions describe the situations of union and entrepreneurial leaders in Chile.

But in order to understand the eclectic attitude of entrepreneurial leaders in Chile to political democracy, two further factors need to be noted. First, the importance of the unifying ethos of non-intervention which, as a development ideology, had strong international support. And, second, the long experience that entrepreneurial leaders had with political democracy, including the way this had shaped their internal organization and attitudes to labour relations. We disagree that a ‘distancing of economic life in general from the political world’ had taken place by the start of the country’s transition to democracy. This view can be seen as representing a tendency in recent scholarship about entrepreneurs in Chile to take the economic-scientific reasoning behind the liberal reforms at face value. It is implied that an extended pragmatism exists in the relationship between entrepreneurs and the state, and between entrepreneurs and other forms of public institution that the state protects, including trade
unions. Such pragmatism has been ascribed to countries such as Japan or Germany where, according to some authors, the state’s involvement with the private sector was as such not a major historical issue. But this does not fit the Chilean case. In particular, we wish to highlight the long-standing dissociation of entrepreneurial associations in Chile from social questions. The neo-liberal programme only exacerbated this tendency. Distinguishing between what was tactical politics and what was political ideology within the entrepreneurial sector in Chile may help us to establish this point.

Below, we shall first discuss general factors that help in understanding the role of leading employers in the transition. The strength of the authoritarian coalition provided entrepreneurs with a solid platform. However we also need to set out the historical reasons why employers could unite around this coalition, and indeed represent one of its most lucid ideological sponsors. Lastly we look at the practical role of the CPC in the early phase of transition, and at how internal divisions on labour relations in some ways served to aid the Confederation’s cause.

Background

The longevity of the authoritarian coalition

The continuance of strong anti-democratic views on economic governance in Chile, even after 1990, is explained partly in the solidity of the authoritarian coalition. This encompassed the military, the parties of the right, entrepreneurial leaders in the CPC, and the Pinochetista press. The two new parties of the right, the Unión Democrática Independiente (UDI) and Renovación Nacional (RN), owed their senate majority to the binominal system designed by Pinochet, and the senators designated by him, some of whom were to play a key role in the negotiation of the labour reform. The entrepreneurial community’s early support of Pinochet meant that its leaders were in a strong position to influence the political right later. The strength of the entrepreneurial community at the time of transition can be ascertained from what the authoritarian coalition was not willing to include as an aspect of pact-making. For instance, the formal pacts between opposition and authoritarian government prior to 1990 did not encompass significant concessions on socio-economic affairs. The same was reportedly true for informal talks at this time. This contrasts with other pacted transitions (such as those in Spain after 1975, and Venezuela after 1958), where business was weak relative to the political class. Chilean entrepreneurs were not only well organized, but also politically motivated to an unusual degree.